

Tokyo's Despatch No. 126,
March 1, 1949.

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-2-

Mr. Kuroki, this group has the strongest backing by the rank and file of the party. A third faction is built around the party's bureaucrat members, headed by Mr. SATO Eisaku and Mr. SUDO Hideo, while a fourth major faction is composed of former Democratic Party members who entered the Democratic Liberal Party in 1947 with Mr. SHIDEHARA Kijuro.

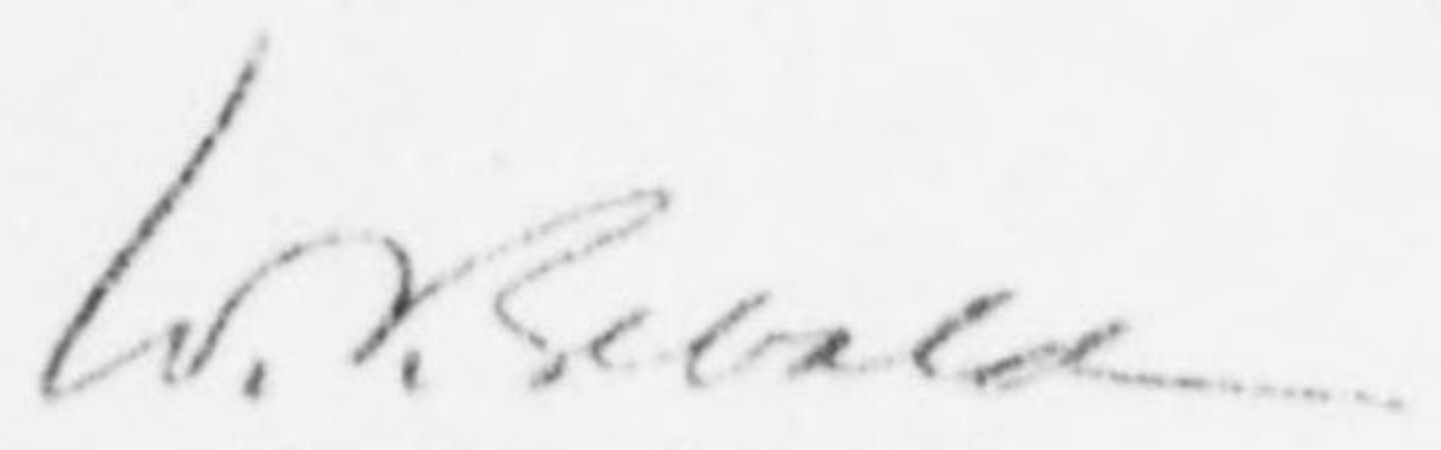
In the formation of his third cabinet as a result of the January 23 election, Prime Minister YOSHIDA Shigeru has, in this account, turned mainly to the Postwar Leader faction for advice and support. The Old Guard and the Bureaucrat factions are said to have strongly opposed this liberalizing trend and to have plainly indicated their dissatisfaction. The dominant position the party has secured under Mr. Yoshida's leadership has of course enabled the Prime Minister to effect such internal realignments of power despite Old Guard and Bureaucrat objections. Nevertheless, in Mr. Kuroki's view, which is shared by many other political commentators, this action has seriously accentuated intra-party rifts, and reveals only too clearly that the preponderant Democratic Liberal Party is far from being a monolithic structure.

In organizing his third cabinet, Mr. Yoshida is also bringing within the fold of his party the Inukai faction of the Democratic Party, two members of which entered his cabinet. In Mr. Kuroki's view, the Inukai faction will in turn become another grouping within the Democratic Liberal Party, distinct, however, from the ex-Democratic Shidehara faction.

That these complicated factional alignments present a problem from the standpoint of the smooth operation of a Democratic Liberal cabinet is tersely discussed in the Nippon Times editorial. The third Yoshida Cabinet is held to be another coalition government, representing a merger of the Democratic Liberals and the Inukai faction of the Democrats. In a sense, however, the new government is also a coalition of various intra-party elements each of which is struggling for power and for the adoption of its views and policies.

Finally, as noted in this Mission's despatch no. 94 of February 14, the Nippon Times editorial notes that, even if there were no factional dissension within the Democratic Liberal Party, its greatly expanded size would alone require far more attention and skill on the part of the leaders than was necessary when party membership was much smaller.

Respectfully yours,


W. J. Sebald

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Tokyo's Despatch No. 126,
March 1, 1949.

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Enclosures:

1. Article from Nippon Times,
February 20, entitled
"The Yoshida Cabinet"
(five copies)
2. Article from Nippon Times,
February 20, entitled
"Cleavages Among the Democratic-
Liberals" (five copies)

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Enclosure No. 1 to Despatch No. 126 dated March 1, 1949 from the United States Political Adviser for Japan, Tokyo, on the subject "Factions Within Democratic Liberal Party".

NIPPON TIMES: February 20, 1949

The Yoshida Cabinet

Dissatisfaction Within Democratic-Liberal Party May Upset Stability of Gov't

By HISATOKI KUROKI

Supported by more than 300 members in the House of Representatives, the Yoshida Cabinet is outwardly in a position to remain in office for the coming four years.

But there are signs now, only a few days after its formation, that all is not well with the new Cabinet. These indications stem from the apparent dissatisfaction and widening gap within the Democratic-Liberal Party, the Yoshida Cabinet's principal supporter.

Two factors contributing to this discontent are that of personnel and that of the coalition with the Democratic Party.

There are three distinct groups within the Democratic-Liberal Party: one the "Old Guard" led by Banboku Ono, Etsujiro Uehara, and Jiro Hoshijima; another the "postwar leaders" headed by Kozen Hirokawa and Saeki Ozawa; and the third the "Bureaucrats" under Eisaku Sato and Hideo Sudo. The former Democrats under Kijuro Shidehara who bolted to join the Democratic-Liberals might be considered yet a fourth group.

The post-election activities of deciding the Diet leadership and organizing a Cabinet were carried on by Prime Minister Shigeru Yoshida with the advice of the postwar leaders, who incidentally are backed by the bulk of the Democratic-Liberal Party.

The outward calm of the victorious Democratic-Liberal front was first ruffled by the question of selecting a Lower House Speaker and Vice-Speaker.

"Old Guard" Jiro Hoshijima was believed in line for the House Speaker, but when reports went around that ex-Democrat Shidehara would get the post, most Representatives scoffed. Mr. Shidehara him-

self showed reluctance in accepting the post since he believed it might be a move to make him a figurehead. The Prime Minister had to give him adequate reassurance.

For the post of Vice-Speaker, the party selected Kikuchi Yamaguchi, now State Minister, but Mr. Yoshida vetoed the idea because Mr. Yamaguchi was considered a malcontent who led a movement for the reform of the party against the "Old Guard." Mr. Shidehara also did not approve of Mr. Yamaguchi.

"Postwar Leader" Hirokawa then stepped in to suggest a suitable post for Mr. Yamaguchi in order to keep Mr. Shidehara in the Speaker's post where he could not influence party policies.

"Old Guard" Ono repeatedly warned Mr. Yoshida against the counsels of the "Postwar Leaders," and balked at the prospects of being given posts as chairmen of Diet standing committees. The "Old Guard" felt slighted despite Mr. Yoshida's reassurances that the committee chairmanships are vital posts, perhaps more important than Cabinet portfolios.

The "Bureaucrat" group was not included in the Cabinet and is expressing dissatisfaction with Mr. Yoshida's leadership.

On the coalition issue, the majority of the Democratic-Liberals favored a single-party cabinet. Their reaction to the probable inclusion of Democratic leader Ken Inukai and his group into the Democratic-Liberal Party cannot be cordial.

It may mean the formation of another group besides the four or five already in existence within the Democratic-Liberal Party.

The seeds of discontent have been sown. What fruits they will bring forth remains to be seen.

Enclosure No. 2 to Despatch No. 126 dated March 1, 1949 from the United States Political Adviser for Japan, Tokyo, on the subject, "Factions Within Democratic Liberal Party".

NIPPON TIMES: February 20, 1949

Cleavages Among the Democratic-Liberals

Despite its outward appearance of overwhelming strength, the Democratic-Liberal Party is not without some serious internal fissures. Because of Prime Minister Yoshida's dominant influence in the party, it is often called a "one-man party," but it will tax even his admittedly great powers to keep his followers from splitting up into quarreling factions.

The immediate cause for the most obvious dissatisfaction within the party arises from the coalition character of the new Cabinet. Having secured a clear majority in the Diet by a more than comfortable margin, the Democratic-Liberals almost to a man assumed that the new Government would be a one-party Government.

Prime Minister Yoshida's insistence on forming what appears to be a needless coalition with the Democrats, in disregard of the opposition of the rank and file of both parties, has perplexed and irritated most of the party leaders. If they do not dare reproach Mr. Yoshida directly, they are at least pulling no punches in attacking Kozen Hirokawa, the party's secretary-general, who is accused of having acted as Mr. Yoshida's stooge. The ill-feeling between Mr. Hirokawa's immediate circle and their critics forms one cleavage within the party.

The situation will be further complicated when Ken Inukai, president of the Democratic Party, comes into the Democratic-Liberal Party, as he is expected to do eventually. Meeting with far more violent opposition from his

own party over the formation of the coalition Government than even Mr. Yoshida, Mr. Inukai is finding his party splitting completely in two. The rump that remains with him will have no alternative but to become absorbed into the Democratic-Liberal Party.

But this element will not be welcomed by the Shidehara group which seceded from the Democratic Party earlier to join with the Democratic-Liberals. These two unfriendly groups of former Democrats within the Democratic-Liberal Party will constitute a source of dissension.

Altogether aside from the carrying over into the Democratic-Liberal Party of the feuds which used to exist in the Democratic Party, the old-time Democratic-Liberals are also likely to resent being forced to share political patronage with newcomers. Mr. Inukai is therefore likely to meet with a cool reception from others in the Democratic-Liberal Party, besides the Shidehara group.

There is considerable dissatisfaction, also, among the older leaders of the Democratic-Liberal Party over Prime Minister Yoshida's selection of his Cabinet ministers. Although the new Cabinet represents some improvement in quality over the previous stop-gap Cabinet, the change is not too apparent. The veteran party leaders have been conspicuously passed over in the distribution of Cabinet posts.

There is undoubtedly a good political reason for passing over the familiar old figures whose reputations may be linked with some unsavory chapters in the party's history and for pushing forward new men who have no connections with the past. But the veteran party leaders feel

that they were not even consulted sufficiently and that Mr. Yoshida has hand-picked compliant personal followers who will unquestioningly carry out his bidding.

Mr. Yoshida is undoubtedly hoping that this dissatisfaction will be allayed by the appointment of the veteran party leaders to the chairmanships of important standing committees of the Diet. He is pushing this idea by saying that, in the new parliamentary regime of Diet supremacy in the Government, chairmanships of key Diet committees are more important than Cabinet posts. If this should become true in practice, it would be a real gain for parliamentary government in Japan, but Japanese political tradition does not particularly help Mr. Yoshida put this idea across. It still remains to be seen if the party elders will be mollified by this move.

Even if there were no dissensions within the Democratic-Liberal Party, the task of keeping its greatly expanded membership running smoothly in harness would require far more managing and shepherding than in the days when the party membership was much smaller. But with all the strains and cleavages which have now become apparent, Mr. Yoshida, even with his great power and prestige, is going to have his hands full in riding herd over his charges.

The nation can only hope that the situation within the Democratic-Liberal Party will not jeopardize the stability of the Government.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Bishop
FROM : NA - Mr. Green
SUBJECT: Tokyo's 94 of February 14, 1949

DATE: March 10, 1949

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This rather lengthy despatch from USPOLAD on the January elections gives a good deal of detail, but bears out generally conclusions reached by this Division on the election. Some of its main points are as follows:

(1) Post-Election Grouping of Political Parties. Public sentiment, strongly opposed to the establishment of another coalition government, strongly prefers that Yoshida's Party run the Government single-handed. While the Socialist Party has refused to cooperate with the Communists, it is already apparent that, in addition to the left-wing Socialists who voted Communist in the election, more Socialists, especially at the prefectural and local level, will probably join the JCP. On most issues the 7 Labor-Farmer members of the House will work on close terms with the Communists, although a merger is not anticipated.

(2) Reasons for Political Realignment and Success of Democratic Liberals. Yoshida's Party does not represent the ultra-reactionary ideology that is often attributed to it, but stands for conservatism which is suited to traditional Japanese thinking. Mr. Yoshida garnered many votes on the basis of his independent, forceful attitude, his patriotism (referred to as nationalism by his opponents) and his determination to resist pressure from GHQ. The most important cause of the defeat of the Democratic and Social Democratic parties was their failure to stand in the eyes of the electorate for definite policies and their reputations of subservience to GHQ. It is unfortunately true that these two parties were in power during periods in which changing Headquarters' policies, particularly in the field of labor relations, tended to undermine platform positions previously taken by those parties.

(3) Japanese Communist Party Success. The entirely unexpected success of the JCP may be mainly explained by its compact, disciplined organization, the vigor in its candidates, the definitiveness of its platform and the tireless energy of its workers. Developments on the Asiatic mainland contributed in no small way to the success of that party.

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(4) Conduct of the Election. Based on the personal observations of USPOLAD officers, the conduct of the election was a credit to the capabilities of the Japanese for operating the mechanical processes of democratic government.

(5) Program Facing Democratic Liberals. USPOLAD believes that Yoshida's Party faces a difficult, stormy future. It must assume responsibility for the execution of the stabilization program, full enforcement of which will bring hardship to the Japanese and, in political terms, unpopularity for the sponsoring regime. The Democratic Liberal Party, now so large that it runs the danger of becoming unwieldy, is already showing signs of serious factionalism. Defections from the Party would be in the tradition of Japanese politics. "But meanwhile the existence of a single party majority and the consequent demand for the development of a large, integrated political alignment in opposition, should continue to create a beneficial influence on the future course of Japanese politics in the direction of the two party system."

Comment: Except for the foregoing quoted sentence which appears too optimistic, no exception is taken to Mr. Spinks' conclusions.

FE should see. *Trance to DC/L. ^{draft} Rating sheet is attached.*

FE:NA:MGreen:clh

THOMAS J. LANE
7TH DIST., MASSACHUSETTS

Congress of the United States
House of Representatives
Washington, D. C.

ACTION
is assigned to *[initials]*

~~MAR 15 1949~~

LR
G DIVISION OF

March 10, 1949 NORTHEAST ASIAN AFFAIRS

DEPARTMENT OF STATE

APR 18 1949

DIVISION OF SECURITY

MAR 15 1949

DEPARTMENT OF STATE

Honorable Dean Acheson
Secretary of State
Department of State
Washington 25, D. C.

for information

[Handwritten signatures and initials]

Dear Mr. Secretary:

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(1)

I am enclosing the letter that I have received from Mrs. Felix Carr, 110 Andover Street, Peabody, Massachusetts, relative to her desire to secure information concerning the situation in Japan in behalf of the Provincial of the Notre Dame Sisters at Waltham.

I am confident that you will find the attached letter to be self-explanatory, and I shall be grateful if you will kindly furnish me with an official pronouncement in response to this inquiry.

Sincerely yours,

Thomas J. Lane

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Enclosure

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AND INTELLIGENCE ADMINISTRATION

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HARDER HALL on Rex Beach Lake
Sebring, Florida

March 2, 1949

House of Representatives
Washington, D. C.

Dear Mr. Bates,

I would like to ask you if in your opinion, the political situation in Japan as regards the activities of the Communists operating there, will eventuate in civil war, overthrow of the present regime or any eventuality affecting Americans.

The Provincial of the Notre Dame Sisters at Waltham is deeply concerned about conditions in Japan at the moment. She has asked to make inquiries. I felt that you would be as well informed as anyone about this situation. Sr. Provincial would recall the Sisters from their school at Okayama which they founded twenty-five years ago. Incidentally they have begun the building of a new school in the city of Hiroshima within the past year.

The Provincial wants to be sure that the Sisters on the Japan Mission will not have to repeat their former experiences in internment camps in the event of another war; she told me.

Have you any information you can give us. We will be deeply grateful.

Yours sincerely,

s/ Lena Carr
(Mrs. Felix Carr
110 Andover St.
Peabody, Mass.

MAR 16 1949

In reply refer to
NA

Dear Mr. Lane:

The Secretary has directed me to reply to your letter of March 10 to him requesting that you be furnished with an official pronouncement in response to the inquiry, which is returned herewith, made on behalf of the Provincial of the Notre Dame Sisters.

Without minimizing the long-range Communist potential in Japan, there are no indications that the Communists will, certainly during the occupation of Japan by our forces, overthrow the Japanese Government or that a civil war will break out in Japan. On the basis of predictable developments in Japan, there would appear to be no necessity for the recall of the Sisters from their school at Okayama.

You will realize, of course, that no one can predict with certainty that violence will not break out in any part of the world today. However, I feel sure that for the moment at least we may be confident that the Sisters do not face any prospect of having to repeat their past experience of internment. I am also confident that should conditions seriously deteriorate, which we do not anticipate, there would be adequate warning given by our authorities in Japan.

Sincerely yours,

DOR - NE Unit	
Asst. Sec. <i>mg</i>	Ernest A. Gross Assistant Secretary
Sec. <i>mg</i>	
Chf. <i>mg</i>	

Enclosure:

✓ As stated.

The Honorable
Thomas J. Lane,
House of Representatives.

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MAR 17 1949

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STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

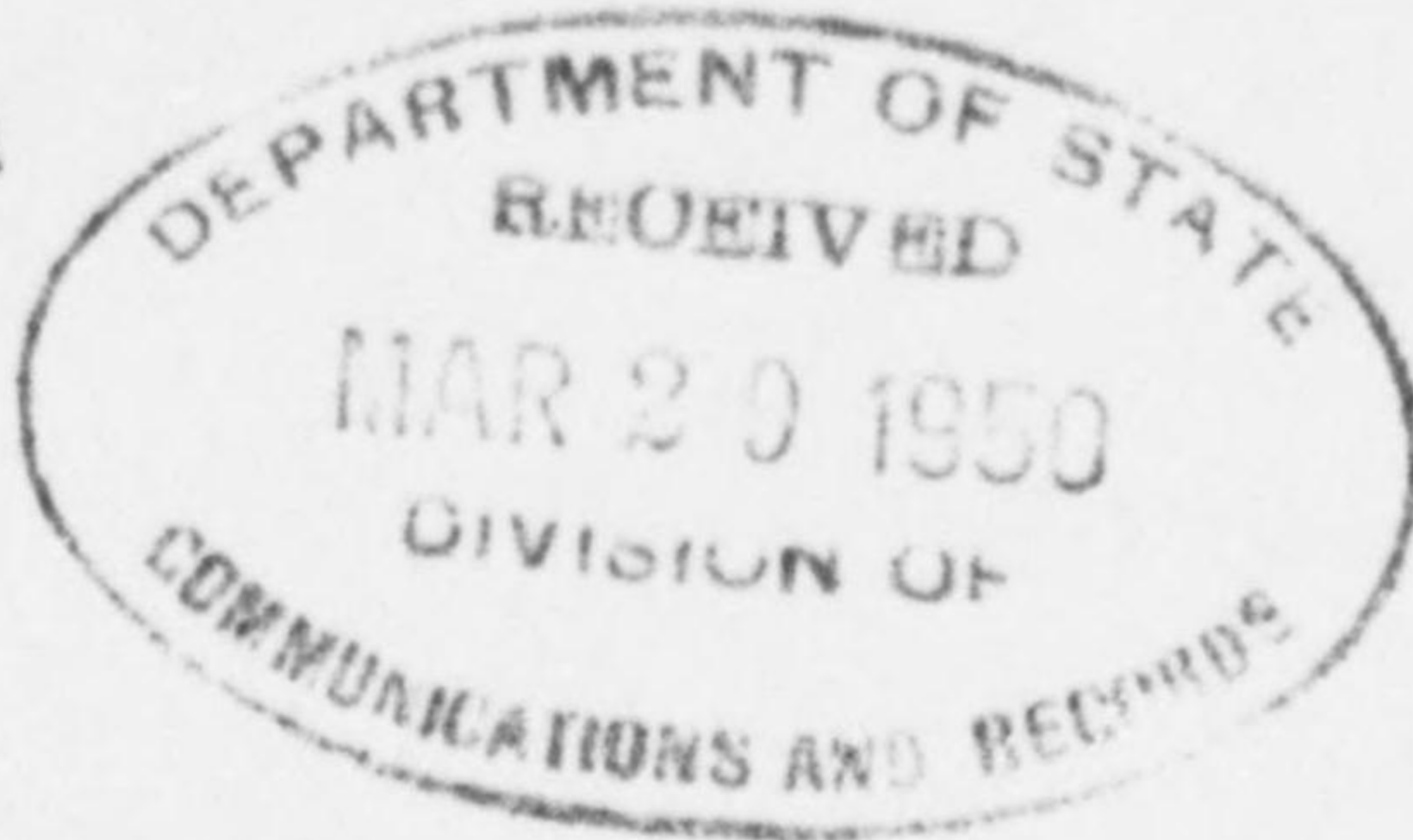
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TO : S - The Secretary
Thru : S/S *PAB*
FROM : FE - Mr. Butterworth

DATE: March 14, 1949

SUBJECT:

To



General Barr has just returned and I spent a most worthwhile and instructive hour and a half with him this afternoon. He plans to leave Washington in a week's time to take leave prior to returning to Japan where he is now posted.

You are having dinner with Butterworth and Barr Thursday 3/17. B.E.

In view of recent Congressional developments, I think you would find it particularly profitable to have a personal talk with him at the earliest moment. I am getting in touch with Gross to see whether he can finagle an appearance by Barr before the Senate Foreign Relations Committee or the House Foreign Affairs Committee or both.

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MAR 29 1950

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

[Handwritten signature]

United States Political Adviser
for Japan

No. 146

← DIVISION OF
Tokyo, March 12, 1949
NORTHEAST ASIAN AFFAIRS

CONFIDENTIAL
(For Department Use Only)

MAR 30 1949

DEPARTMENT OF STATE

no action required
MS.

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Subject: Reasons for Social Democratic Party's Defeat
in January Election.

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ACTION
FE

The Honorable
The Secretary of State,
Washington.

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Sir:

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With reference to this Mission's despatches nos. 94 of February 14 and 114 of February 21, 1949 concerning the Japanese general election of January 23, I have the honor to transmit to the Department a copy of a statement prepared by Mrs. KATO Shizue giving her views as to the reasons for the defeat suffered by the Social Democratic Party. Both Mrs. Kato and her husband, Mr. KATO Kanju, are well known members of the Social Democratic Party and served in the Diet until their defeat in the January election. The statement prepared by Mrs. Kato was intended for circulation among certain offices in General Headquarters. While many of the points discussed in her statement are correct, it nevertheless reflects considerable bias, if not bitterness, undoubtedly attributable to her party's and her own personal defeat in the election.

Mrs. Kato maintains that the Social Democratic Party failed to explain adequately its principles and program to the people. She attributes this in part to the lack of real political understanding among many party members and to the heterogeneous character of the party itself, which embraces a wide range of political sentiment among the various and at times conflicting elements composing the party. In contrast, she points to the boss-like control and tighter discipline of the conservative parties and to the totalitarian dictatorship enforced by the Japan Communist Party.

Another cause of the Social Democratic defeat, according to Mrs. Kato, was the impression the party gave that it had failed to make good its promises to the people. Mrs. Kato notes with some feeling that the

Social

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RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

Confidential File

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Social Democratic Party endeavored to carry out the policies and programs sponsored by General Headquarters, which on certain points were at variance with the party's own position. She feels, therefore, that the Japanese public expected too much from the Social Democratic Party while it was in power as a coalition government. Because of the coalition character of its tenure of office and the fact that it attempted to meet the requirements of General Headquarters, the party was compelled to retreat from many of its earlier announced policies. The Social Democratic Party, therefore, was caught between popular dissatisfaction and its responsibilities toward General Headquarters. There is the suggestion in Mrs. Kato's statement that General Headquarters sold out the Social Democratic Party, that while the Social Democrats endeavored to carry out the Supreme Commander's program, General Headquarters, in return, should have given the party some kind of support or encouragement. Headquarters demand for revision of the National Public Service Law is the cardinal example in Mrs. Kato's mind. She writes:

"The revision of the civil service law initiated by General Headquarters made the situation (for the Social Democratic Party) worse. If the Party had considered the selfish interest of the Party first, it should have left the Government immediately after the appearance of SCAP's letter on this subject. If it had acted so smartly, it could not have given excuse for Communists to attack the Socialists. But the staff of the Party maintained a loyal attitude to the Occupation Authority and remained in office"

In contrast to the Social Democratic Party's unrewarded loyalty to the Occupation, Mrs. Kato points to the politically more successful tactics of the Democratic Liberal Party. Prime Minister YOSHIDA Shigeru, she charges, "received nationwide applause because of his arrogant attitude towards the Occupation forces". She feels that a cooperative attitude toward the Occupation has become unpopular among the Japanese people, who are now inclined to support action or words "which pretend to ignore the fact of unconditional surrender".

Mrs. Kato obviously allows her bitterness to blind her judgment when she discusses the Democratic Liberal Party's victory. There is no valid evidence that Prime Minister Yoshida has an arrogant attitude toward the Occupation or that ~~he~~ ^{he} defies the authority of the Supreme Commander. Mr. Yoshida has, however, endeavored to pursue an independent course of action within the general framework of the Supreme Commander's directives. The Prime Minister has not defied or challenged the authority of the Occupation. He has accepted the basic directives and policies of General Headquarters, but

has

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has led to the view that matters of detailed implementation should be left to the Japanese Government. On a number of occasions Mr. Yoshida has indicated his dissatisfaction with detailed interference in the operation of government by officers in the various staff sections of Headquarters, some of whom have attempted to assert themselves in a manner hardly calculated to inspire cooperation. Nor is there any doubt that Mr. Yoshida has resented the brusque intrusions of subordinate Headquarters personnel in direct dealings with himself and men of Cabinet level. The Prime Minister's resistance to this type of relationship with General Headquarters has unquestionably been viewed with favor by many Japanese business leaders and others who have had similar experiences.

In explaining the communist success in the January election, Mrs. Kato gives a more accurate interpretation. Particularly significant is her discussion of communist tactics in making direct contact with the voters. According to Mrs. Kato, this was in sharp contrast with the campaign methods of her party.

In conclusion, Mrs. Kato raises the important question of the future of the middling group between the extreme left and the extreme right. It was, of course, largely due to the failure of this grouping that the communists made their remarkable gains. Mrs. Kato believes that the electorate must become more politically conscious if this middle grouping is to be rebuilt.

The socialist failure in the January election cannot be explained, however, by Mrs. Kato's view that so many people apparently voted without thinking. The large communist gain was not the result of any uncertainty or vagueness on the part of the voters. Unlike the socialists, the Japan Communist Party offered an aggressive, positive program which made a direct appeal to many Japanese who might otherwise have voted for socialist candidates. That there was a considerable response to this appeal is indicative of the degree to which the people are politically conscious and sought, through their ballots, to give positive expression to their thoughts.

While Mrs. Kato's explanation of the Social Democratic Party's defeat has obvious shortcomings, the statement she has prepared is the work of a prominent and able leader of a political party which, if revitalized, can play an important part in reducing the dangerous tension which is likely to develop if Japanese politics becomes further polarized into two extremes. Unfortunately, the Social Democratic Party is still stunned and demoralized from its severe defeat, and, as Mrs. Kato's statement so

plainly

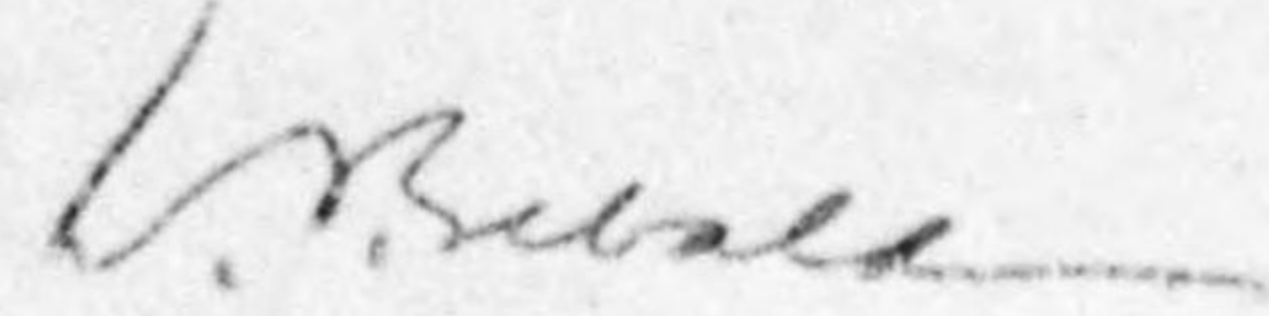
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plainly indicates, the thinking of the party's leadership has not yet recovered sufficient balance. There is still a certain naiveté in Mrs. Kato's arguments which is probably typical of the party's general approach to its problems. Her husband, Kato Kanju, expressed the same naiveté in conversation with an officer of this Mission in attempting to explain Prime Minister Yoshida's popularity among the people merely by the general belief that Mr. Yoshida dares to stand with his hands in his pockets when he has an interview with General MacArthur.

Respectfully yours,



W. J. Sebald

Enclosure: *att.*

✓ "The Defeat of the Social Democratic Party
and its Reestablishment" by Kato Shizue.

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Enclosure to Despatch No. 146
dated March 12, 1949 from the
United States Political Adviser
for Japan, Tokyo, on the subject,
"Reasons for Social Democratic Party's
Defeat in January Election".

(COPY)

THE DEFEAT OF THE SOCIAL DEMOCRATIC PARTY AND
ITS REESTABLISHMENT

by Shizue I. Kato

1. The first and most important reason for the defeat was the lack of explanation about the party principles and programme. "Social Democracy" is its principle, advocating socialistic economy. It has never been fully explained to the public and even many party members cannot explain the real meaning of it. The leaders of the party must be aware of great responsibility for the lack of educational effort which resulted in such a miserable defeat.

2. Besides the lack of clearness in mottoes, the party organization is quite loose, being a conglomeration of various kinds of people most of whom are only interested in election to various public offices for themselves. Many of them belonged to various mass parties which existed before the War. These different parties realized it unwise to be split. So when a chance came after the War, they decided to unite under the flag of the Japan Socialist Party. They are, however, divided into factions according to their previous affiliations. They have never been in good harmony, and finally rightist and leftist factions left the party, but factional struggles still exist.

This unfortunate situation became very tense from time to time as they had to decide to go right or left facing some concrete problems. According to the democratic debate, party members argue against each other without concealing the differences of opinions. But in conservative parties, party members make groups under small numbers of political bosses, while the Communist Party is under the absolute dictatorship of its leaders. Indeed the uncontrolled situation of the Socialist Party is having very poor effects. As to the counter-measures for this situation, the principle and problems must be made clear and the party must invite the intellectual public as well as organized laborers. By getting these fresh elements in great numbers the struggle among various factions will be reduced and the party will grow to a well organized and controlled political force.

3. Thirdly, the party gave the impression as if it betrayed the programme it promised to public. This is to be ascribed to the unclearness of the procedure of its programme.

It is

Enclosure to Tokyo's
Despatch No. 146,
March 12, 1949.

-2-

It is true that the party is advocating a socialistic economy, but its realization on a wide scale belongs to the future. The party's immediate economic programme for rehabilitation coincides with the planned economy indicated by General Headquarters. Moreover, the party has enthusiastically supported the emancipation of farmers by land reform plans and encouraged the development of democratic trade-unions which has been one of the main programmes of SCAP. Indeed, the Social Democratic Party has very much in common with the principles advocated by SCAP. It is different from Premier Yoshida who unwillingly passed the new Constitution and is now reluctantly going to adapt the Government to the Nine Point Economic Recovery Project. It was for this reason that the party dared to form a coalition cabinet though it held only one third and one fifth in the lower and upper houses respectively. Many critics attributed the defeat to these coalitions and criticized just as the public scolded it for the complete failure of its administration under these coalition cabinets.

I personally, however, cannot admit such comments. Two coalition cabinets made their best efforts in cooperating with occupation policy, because they thought it was the best thing for them to do for the nation at that period.

The facts and figures proved that during that period we saw an improvement of the food situation, a gradual increase of production and exports, and adequate guidance for the democratic trade-unions, all of which the former Yoshida Cabinet completely failed.

If the Socialist Party, like the Communist Party, could have mobilized all sorts of means of publishing activities, it would have made people understand the merit of the party. Unfortunately, the Socialists were incompetent for this purpose. Moreover, the leading Japanese newspapers have been bitter toward the party, some from the capital on which they stand, some from sentimental antagonism against coalitions and some trying to whip the party from good will. Under such circumstances the party's cooperation with occupation policies in the name of the Japanese Government totally lost the support of the Japanese masses.

4. There is one failure the party must admit was committed by the coalition governments. The party failed to control the bureaucrat forces which is to be considered a great menace for democratizing Japan. These rotten, irresponsible bureaucrats hampered the advancement of renovating policies. One of the reasons why the party gave the impression of betraying its promises must be attributed to the resistance made from inside the administration.

These

Enclosure to Tokyo's
Desapth 146,
March 12, 1949.

-3-

These are the main causes of the defeat. Generally speaking the Japanese public, who have not been very politically minded, expected too much from the Socialists, because they proclaimed that they were friends of the poor masses. However in reality the party gave them high prices of commodities, rigid and ever-lasting controlled economy and unreasonable rates of taxes to the great disappointment of the masses. Thus the party was in a dilemma between the people's complaints and the responsibility to practice occupation policies. The revision of the civil service law initiated by General Headquarters made the situation worse. If the party had considered the selfish interest of the party first, it should have left the government immediately after the appearance of SCAP's letter on this subject. If it had acted so smartly, it could not have given excuses for Communists to attack the Socialists. But the staff of the party maintained a loyal attitude to the Occupation Authority and remained in office.

The Victory of the Democratic Liberals

We attribute the biggest cause of the Democratic Liberals' over-whelming victory to Yoshida's personal character. He received nation-wide applause because of his arrogant attitude towards the Occupation Forces. A cooperative attitude towards the Occupation Forces is becoming quite unpopular among the Japanese people. They support the action of ~~people~~ which pretend to ignore the fact of unconditional surrender.

a) People hate controlled economy which has been carried out from before the War and has become more and more intolerable for them. // 0

b) People have forgotten the good will shown by the Occupation Forces in sending food and other necessary commodities, and attribute the difficulties of living to the Occupation policy.

c) Medium and small enterprisers are suffering from the lack of funds and the heavy burden of taxes. They welcome Yoshida's comeback because his party has the tradition of supporting a flourishing market policy. //

d) People are tired of the ration system and are dreaming of the free economy promised by the Democratic Liberals. //

Besides these unfounded expectations of this party, the extravagant funds used by the Democratic Liberal candidates must be counted as one of the main reasons for their victory.

On the

ENCLOSURE TO TOKYO'S
Despatch No. 146,
March 12, 1949.

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On the Gain of Communists

1. The gain of the Communists from 4 to 35 seats in the House of Representatives overshadows the future of democracy in this country. The majority being held by the conservatives will not bring security in protecting Japan from the totalitarian menace, unless some drastic measures are taken by the Allied Authority to combat this new phase in the Diet. It is almost useless to say that the Communists are seeking to find an opportunity of overthrowing the Government by violence. In such a case the conservatives will not hesitate to appeal to violence too. In order to check such extremists, the Social Democrats must stand in between. The Socialists are the only power which can fight against the communist ideology, not by violence but by thought. It is the only party which can struggle on the same platform with the Communists in trade-unions and farmers' unions. Naturally, the advancement of the Communists at the sacrifice of the Socialists means more than the victory of the Democratic Liberals. Indeed, it jeopardizes true democracy in Japan as advocated by the Occupation Forces.

2. a) Just like the Japanese supported Yoshida's stiffness to the Allied Forces, they applauded the Anti-American struggle of the Communists, which appealed to nationalistic sentiments. The main slogan of the Reds was "Slave of Foreign Capitalism or Independence of the Nation". It attributed the difficulties of living to SCAP's policy explaining the crowded traffic by the export of locomotives and trains and the shortage of textile commodities by that of every inch of textile.

b) It claimed that Japan is being compelled to import commodities at high prices from abroad and export commodities at low prices. It continued saying that it proved the slavish adherence of the Government of Japan to Foreign Powers, that the Japanese were forced to eat sugar only for the time being.

c) Against this irresponsible and false propaganda made by the Communists, the Socialists had to say that we are a defeated nation and must not forget the good will of the American people. The Socialists also must tell the people that it was against the true spirit of democracy to insist upon one-sided claims. However, such preachings were unpopular for collecting votes.

d) Literary activities are being carried out by the Communists on a large scale, while that of the Socialists is incredibly poor. The Communists have their own daily paper and a number of periodicals are being edited by Communists or their fellow travelers. Most of the union bulletins are under Communist influence.

Since

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Despatch No. 146,
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Since Communist influence is so great in the literary field that writers and critics are not only afraid to criticize Communists, but also do not forget to praise them. On the contrary, these writers make every possible effort to make the Socialist Party unpopular among the people. There is a strong Communist influence, though indirect, in the Paper Allocation Committee. The Socialists tried to obtain at least the same amount of paper for their own propaganda as that allotted to the Communist organs. But they were told that the door is entirely closed for a new application.

3. While Socialists were working hard in the Diet, Government, and other public assemblies, the Communists made a close relation with the people by taking up the peoples' complaints. Communists established consulting offices at least one in each ward or town where they took care of the people in reducing the amount of taxes fixed by tax offices, or took housewives en masse to the ward offices demanding special rations of rice. They sometimes threatened landlords in regard to house problems. They entertain children with paper puppets, teach social dances to the young folks, welcome repatriated soldiers at ports and stations. These daily activities attracted poor people, of low intelligence. It must be stressed that the future of Communism is being cultivated while the low intelligence of the masses furnishes hot beds for revolution in the future. Under such circumstances their strength will increase more and more.

4. Communists seem to have abundant funds to carry out such daily activities as well as political campaigns. For instance, they pay fabulous prices in order to establish these consulting offices. Communist organizers are usually being well paid. The Socialists must learn such elaborate and constant activities of the Communists, but they do not know how to raise the necessary funds.

5. The Communists have succeeded in inviting some intellectual people to their camp, asking them to cooperate with the party. The Socialists have also many prominent friends, but they are not well organized to secure their full cooperation for the party. This must be done immediately.

6. The Communists are giving strong influence to unions. While so far the Socialists respected the initiative of trade unions they did not make any close relation with them. But hereafter the party must make itself more closely affiliated with the unions.

7. The

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7. The victory of the Communists in China brought many benefits to the Communists here. Labor leaders and some intellectuals were threatened by the Communists here who said to them that those who opposed the Communists would be hanged sooner or later, because Japan would come under the influence of the Reds quite soon. Such threats often adopted by the Communists for various purposes must not be used by the Socialists.

CONCLUSION

The retreat of the middle-road policy was unfortunate for the purpose of peace and democracy. However, democracy cannot be cultivated artificially. The defeat of the Socialists will give them a chance to reflect. It is questionable just how many people voted with definite intention. The Mainichi published its own study made January 26-27, asking people whether they expect something out of this new political phase. Fifty percent answered no or that they have little expectation, twenty-one percent said cannot tell and only twenty-seven percent answered satisfying the result. Judging from this study so many people voted without much thinking. This fact is a great disappointment to those who tried to democratize the Japanese people. The Socialist Party must pay its best effort for its reconstruction as well as for the democratization of the Japanese people. Should it fail, the country will be over run either by reactionaries or totalitarianism.

GBR

14 March,
1949.

FILES
CENTRAL
This Document Must Be Returned to
DIV OF PUBLIC LIAISON
PVI

1949 MAR 17 PM 3 29
DEPARTMENT OF STATE

Hon. Dean Acheson,
Secretary of State,
Washington, D. C.

Dear Mr. Acheson:

Inclosed is a report submitted some time ago to the Civil Affairs and other interested authorities over in the War Department. Although it sketchy (and very poorly typed!) I believe it will indicate that there are essential difficulties with the Occupation of Japan with make it imperative that some action be taken to bring about a reorientation of policy.

While I do believe that the recent State and Army directive on an economic 'austerity' program within Japan will be of considerable aid, I am also convinced after three years amongst the Japanese as an official of the Occupation that we have almost completely failed in meeting and challenging the ideological warfare of the Communists. I ran the only vigorous anti-CP program in Japan, and as you will note from the inclosed, it was not too successful.

The Russian Mission had at least 20 persons engaged in liaison work with the unions. I worked with another man... that and no more. But believe me, Mr. Secretary of State, a job can be done and must be done in Japan ... and very soon. There can be no further loss of time.

Thank you for whatever consideration you give this report. And I again apologize for the typing. I am not noted for accuracy in typing.

Most sincerely,

R. Deverall

Richard L-G. Deverall,
40 Prospect Park West,
Brooklyn, New York.

894.00/3-1445

CS/HM

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DEPT
Recd
Rev
HM

Brooklyn, New York.
3 January 1949.

SUBJECT: Occupation of Japan

TO : War Department, State Department, Far Eastern Commission.

FROM : Richard L-G. Deverall, 40 Prospect Park West, Brooklyn, New York.

1. The writer of this report served in Japan first during late 1945 as Labour Officer for the 11th Airborne Division at Sendai, and then as Labour Officer of the 98th Division at Nara. From February through August 1946 he served as Chief, Field Liaison Branch, Labour Division of Mac Arthurs' headquarters, and as such visited every Military Government team in Japan, spent several days with each M. G. team as well as with officials of the Japanese government, labour leaders, and so forth. From August 1946 through October 1948, the writer was Chief of the Labour Education Branch, Labour Division, Mac Arthurs' headquarters. Before the war, the writer was for several years editor of a liberal lay Catholic monthly, a college instructor, and for 2½ years the Int. Education Director of the UAW-CIO at Detroit.

2. Conclusions:

The breakdown of price control and rationing in Japan from the very beginning have so acted that two million government workers have been driven into the arms of the Communist Party.

Marxism has had a long tradition in Japan. Under Generals Araki and Doihara, et al, the Young Officers and enlistedmen of the Japanese Army during the 1931-1943 period were carefully schooled in economic doctrines that combined Marxism with Togo's and Araki's expansionism. The Communist Party of post-war Japan has utilized this Marxist tradition in its march to power. GHQ has developed no effective counter-propaganda program.

The NCIU (National Congress of Industrial Unions) and some of its satellite organizations are not trade unions but revolutionary syndicates. Utilizing the Far Eastern Commission "Sixteen Principles for Japanese Trade Unions" as a facade, the NCIU unions have built a fine propaganda campaign throughout Japan that is anti-democratic and anti-Occupation. The NCIU unions, or certain parts such as the Youth Sections, should be dissolved by SCAP order as exhibiting fascist and totalitarian trends.

The Occupation has permitted widespread and wholesale violation of the Far Eastern Commission "Principles for Japanese Unions" with regard to the financing of unions by the employer. Until last July, the Japanese Government itself paid the wages of 8,500 trade union officials and clerks. Left wing government unions were thus freed of financial problems, invested their money in Communist propaganda or the Communist publishing house. The abuses of employer financing of unions in Japan is still rampant, with union meetings held on company time, union hall rent paid by the employer, and in many cases payment of time lost through strike action paid by the employer. SCAP toleration of these abuses has been no small factor

Report, "Japan, Occupation of" by R. Deverall, dated 3rd January 1949.

in the creation of an irresponsible labour movement in Japan.

Several GHQ Economic and Scientific Section (ESS) policies have been inflationary and have encouraged inflation inside Japan. Strangely, certain ESS economic policies have paralleled to the letter the declared policies of the Japan Communist Party and the revolutionary NCIU. To the knowledge of this writer, a minimum of two persons in the Labour Division, in Tokyo, are subversive and are "leaks". Both have to my knowledge failed to clear Tokyo loyalty checks; both were retained through the insistence of the Chief of the Labour Division.

The United States cannot and is not reaching the Japanese people with a comprehensive statement of its point of view on economic and social problems. Both Soviet sources and the Japan Communist Party are reaching the Japanese people. The popularity of the United States in Japan has considerably waned during the past three years: (1) natural resistance to ANY occupation; (2) the effect of Soviet and indigenous Communist propaganda; and (3) perversion of Japanese press, radio, and newsreel to their use as vehicles for pro-Soviet, anti-American, anti-democratic propaganda.

3. The Reasoning and Some of the Facts:

1. There was little inflation or wages and/or food prices in Japan during the Pacific War. Wages in 1945 averaged from Y 4 to Y 5 per day, government workers from Y 50 to Y 80 per month. Inflation was stimulated when the Japanese Government gave it a kick-off on 24 August 1945, lifted controls on metals and clothing manufacture. Inflation received additional impetus when Mitsui and Mitsubishi discharged hundreds of thousands of workers, paid out "generous discharge allowances". But inflation in Japan got its biggest acceleration when Mac Arthur's Economic and Scientific Section ordered price controls lifted on fruits and vegetables and fish on 20 November 1945. With controls off, inflation shot sky high. The wages of workers never again caught up with prices. SCAP did not begin a realistic crack-down until it received the FEC directive of 11 December, 1947. During 1948, the basic food situation was slowly corrected, but only insofar as 30 to 40% reductions in prices were made. The Black Market continued. With workers spending from 60 to 70% of their entire cash income on the black market, this factor in Japanese economic life cannot be overemphasized.

The fact that ESS permitted the black marketing of food to run away with inflationary Japanese economy is vital, but more important is an analysis of the affects of these economic conditions on the political situation. During the three-year inflation, the farmers have lived well. Many Japanese farmers frankly admit "We never had it so good." Japanese workers in private industry have, since 1946, forced the employer to buy black market food in order to supplement income. Coal mines and factories have paid out millions of yen for black market food since February 1946...with the cost going into either the price or the bill for a government subsidy.

But the government workers were the only large class that could

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not secure extra black market food from the employer. THEREFORE because of ESS toleration of a rotten blackmarketing system of food distribution and rationing, the government workers of Japan were driven to desperation. They followed red leadership in Japan for the ESS top economic experts, for their own reasons, did not interfere. The 22nd of July 1948 crack-down of the government workers was, in principle, necessary. But it did not hit at the economic roots of the growing Communist strength. Enforcement of price control and wider rationing since 1946 would have prevented much of what happened in Japan. This is not hindsight. Both the writer and other Military Government labour officers were so reporting to SCAP ever since late 1945.

2. Marxism entered Japan back in the middle 1880's . It flourished under police repression, and by the early 1920's had become a serious problem within Japan. Although the regime tried to repress Marxism in the 1930's, they never succeeded. Under the leadership of Generals Araki and Doihara, the Kwantung Army developed a system of economic thought for the Army, widely disseminated, which included a curious fusion of Marxism and Japanese imperialism. The Kwantung Army in Manchuria, which was anti-Zaibatsu, erected a planned economy and a controlled industrial set-up which Tojo threatened to bring to Honshu by 1941. The Planning Board of the Army, which was heavily staffed with ex-Communists and 'recanted' Socialists, was the Army spearhead for collectivism in Japan. When Tojo lost his fight with Japanese finance in 1943, the Planning Board was dissolved. The Japanese Zaibatsu and the banking groups feared the Kwantung Army group because of this radical marxism. The Younger officers and large sections of the Japanese Army were, as a result of ten years of this propaganda, anti-capitalist, anti-individualistic, anti-Anglo Saxon, and, curiously, also anti-Russian. The first persons who were in his positions in SCAP's CI&E (Civil Information and Education Sect) at the time of the surrender knew this very well, and gave the initial impetus to the growth of Communism in Japan. (I refer to the role of Capt. Arthur Behrstock, 1st Lt. Wyman Hicks, Sgt. Bernard Rubin, Conde, and Osrow.) From the very beginning, the Communists, operating through the NCIU and its forerunners, penetrated and secured a working control of the Japanese press, radio, and newsreel. Although somewhat beaten down through the past two years, Communist manipulation of the Japanese press, radio, and newsreel continues. Building on the old Tojo line, the Communist Party (excepting its anti-Emperor position) is following the anti-capitalist, anti-individualism, anti-Anglo Saxon line of the militarists Araki and Doihara. And it is no secret that both the Communist Party of Japan and the NCIU are run with the precision of a military machine; it should be, for ex-officers of the Japanese Army will be found both at the top and in the lower echelons of both the Japan Communist Party and the NCIU. To my knowledge, SCAP has never developed any propaganda program (a) recognizing the relations of Araki and the JCP; and (b) smashing the concepts of Red Militarism and Red Feudalism. The Communists in Japan have thus had a field day in Japan.

3. Sufficient intelligence has been developed by the Occupation to indicate the revolutionary, anti-democratic, anti-Occupation character of the NCIU. Based on its own public announcements, the NCIU should and could have been dissolved from the very beginning. On the contrary, the NCIU was encouraged by Mr. Theodore Cohen, a former CCNY young Socialist, and Captain Anthony Costantino, former CIO organized fired for involvement in Communist activities. Costantino also worked for District 50 of the United Mine Workers.

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Cohen was Chief of the Labour Division during 1946-1947, Costantino his second-in-command. Since the removal of Cohen and Costantino in mid 1947, men selected by them have continued the work of aiding the Communist and leftist elements in Japan. Notable examples are Mr. S. D. Collett and Mr. B. Mazo. As I wrote to General MacArthur on 7th December 1948, both are in my opinion not only disloyal but subversive. Army security reports in Tokyo, I am sure, will verify my own convictions on this matter. The continuance of these men in positions high in ESS has played no small part in the continuance of the influence of the Communist Party and the NCIU in Japan. Further, when the Japan Communist Party and the NCIU are given advance notice of SCAP policies by men inside ESS, one can hardly expect more.

4. The question of the government financing, or employer financing, of the trade unions has been mooted from the very beginning. Despite the Far Eastern Commission pronouncement of the 6th December 1946, ESS has not only tolerated but under Mr. James Killen, the trade union movement in Japan was "protected" from any real attempt to correct this abuse. Killen felt that he could in time 'persuade' the unions to drop the abuses. Printed comment of some unions, such as the Communications' Workers, following conferences with Killen, indicated that the Japanese recognized in top ESS officials men who didn't really know what went on. The abuses of employer financing not only includes the payment of a union official for from every 100 to 300 workers, but also includes the payment of wages when on strike, payment of wages during union meeting, payment of all the expenses of the union including cultural and labour education expenses, and payment by the employer for the office, equipment, and possibly transportation for the union office. Japanese unions, when approached by the writer during August of 1947, regarded this abuse, despite FEC principles, as unimportant, termed FEC principles "a scrap of paper." This same reflection of ESS and Labour Division indifference has been reflected in the case of production control, where in Japanese unions have taken over and confiscated the property of the employer under the guise of a "labour dispute". For example, the two-hundred page book REPORT OF THE NCIU was printed free of charge by the striking (production control) workers of the Aikodo Printing Company in Tokyo. Making Japanese unions pay their own way will force the leaders down from the clouds into the realities of life. It is indeed a pity that General Marquat and his advisers have had no appreciation of Far Eastern Commission principles for Japanese trade unions.

Finally, it should be noted that SCAP has done little to promote a real propaganda developing the basic Far Eastern Commission principles for Trade Unions other than the thirty (30) pamphlets written by the writer of this report. ESS officials limited production of our basic labour pamphlets to 150 to 200 English-language copies because of the 'paper shortage'. Had we been unable to persuade Japanese sources to reproduce them in quantity in Japanese, they would never have reached the Japanese. Meanwhile the pro-Soviet literature inside Japan, in Japanese, has poured from the presses. There seems to be something terribly wrong with a policy that permits the procurement of tremendous printing for non-essential Occupation needs (such as the printing of Bar Chits or fancy reports on 'Wild Life in Japan') yet which denied any printing to propagandize the Japanese.

Report, "Japan, the Occupation of" by R. Deverall, dated 3rd January 49.

Another example of this will be found in the production of a film strip on the Far Eastern Commission "Principles for Japanese trade unions" prepared by the writer in January 1948 with the purpose of distribution to all Military Government Teams for their use in educating local Japanese. By August of 1948 the film strip was still "pending" because of "no funds." Some had blocked any procurement on the item. When I left Tokyo, the young American in charge of the film strip program was thinking of financing this film strip on FEC policies out of his own pocket. One can be sure that the Russian Mission in Japan has no hesitation in financing projects which spread propaganda among the Japanese trade unions.

Finally, when I left Tokyo, the Labour Ministry, which is partly infiltrated by Communists, was working on a 35 mm. movie on the March of Labour which highlighted the May Day speech of the Japan Communist Party General Secretary, showed anti-Occupation slogans in the background. After three years of struggle, the writer completely abandoned hope of the production of one movie on basic democratic trade union principles. Again, "no funds".

5. Correspondence of ESS policies and the announced policies of both the Communist Party and the NCIU seem interesting. Thus, although ESS was committed to a rationalization of the wage system, ESS not only tolerated but permitted the padding of wages to such an extent that wage feudalism has developed. On the 24th of September, 1945, General Mac Arthur ordered the Japanese Government to do something about "wage and price control". Wage controls were relaxed by ESS, were finally junked. Essential and vital price controls were abolished on 20 November 1945. From the very beginning, the Japan Communist Party and the NCIU fought against the discharging of thousands of obviously surplus workers. The Labour Division of ESS, privately admitting the necessity for this, enforced a position within SCAP which bolstered up the Communist platform of "no mass discharge." The earned income tax on workers has been a real hardship for the workers in view of inflation without adjustment of tax levels. This has been a fertile breeding point for Communist propaganda. ESS has been strangely backward in any attempts to work out a rational tax system in Japan. The JCP and the NCIU have insisted that the employer must pay the bill for the 'democratic revolution' so called. ESS has refused to enforce its own directives in this direction. The writer fought employer financing for two years, but it was a waste of time for the Communists knew that the writer had no backing higher up.

The parallels are perhaps without design. Yet the fact remains that, in the many items cited above, as well as in a multitude of others, the policies of ESS (especially with regard to labour, price control, and taxation) have been both inflationary and an aid and comfort to the anti-Occupation, Communistic elements within Japan. This fact has always been one which astounded the writer. And many of the people in Tokyo have for years discussed the fact that so many of our economic policies were playing directly into the hands of the Communists.

6. The Soviet Radio in going across to Japan five times a day in Japanese... That it is reaching large masses of the Japanese can be seen from the fact that there is a stock phrase in Japan now: "I heard a rumour last night..." The rumours are usually concerned with the Marshall Plan, the collapse of American capitalism, Henry Wallace, or the "war mongering" of President Truman.

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The Japanese Communist Party is getting its points across. During the past year, especially, there is hardly a place one can go in Japan without seeing Communist leaflets, Communist wall newspapers, Communist posters on the telephone and telegraph poles. Further, through its fractions within Nippon Newsreel, a major distributor, the Japanese Communist party is able to do a job. The major daily newspaper, excepting Yomiuri Shimbun, remain under Communist influence, as do many of the radio stations. Thus, when General MacArthur issued his 22nd July 1948 letter, Mr. Dobashi the union-Communist leader could not get time for a radio broadcast in Tokyo, jumped a train for northern Sendai and there made a fighting anti-Occupation speech. During the past spring, the writer made a personal survey of a series of the weekly newsreels released by Nippon Newsreel for all Japan. The quite obvious Communist slanting of the newsreels was obvious. In the newspaper field, despite the heroic efforts on the part of Major Daniel C. Imboden, the press continues to slant when possible. One example can be found in the fact that during the summer of 1948 Henry Wallace and the Progressive Party were featured as the "winners" in most of the major Japan daily newspapers of Japan.

There is an association of labour reporters throughout Japan, the Farmer Labour News Reporters Club which meets in Tokyo directly behind ESS headquarters. Repeated reports from Japanese non-Communists and right wing union leaders ~~xxxx~~ indicate systematic slanting in daily news reporting. Leaders of the anti-Communist Democratization League report that they cannot get into the daily newspaper, their releases being thrown into the wastepaper basket by Communist reporters. The Club was formed, according to Japanese as well as American sources, by an American 1st Lt. who is now a member of the left wing California Labour School! The writer made an attempt this past summer (1948) to correct the situation by CIE Action. ESS blocked this action, stopped any further investigation.

One of the most interesting points in the non-development of an anti-Communist program is that the writer purchased with his own funds a copy of the Congressional publication COMMUNISM IN ACTION. This publication was submitted to ESS for possible translation and republication in Japanese to define and analyze Communism for the Japanese. The check-note was returned without action, and the publication was withdrawn. Possible republication was this killed within Mac Arthur's headquarters.

4. My own recommendations come from the facts of the situation as I have seen them during the past three years in Japan:

- a. There must be a house-cleaning within ESS of those elements who have encouraged the advance of the Communist and NCIU elements within Japan. No person should remain in a sensitive position whose loyalty is even questioned. Further, it is quite obvious that the top economic advisers in ESS have failed miserably in the program of stopping inflation announced by ESS in 1945. Although Mac Arthur's headquarters in 1946 purged the reds from CIE, no such purge was undertaken within ESS.
- b. The Occupation must enforce the Far Eastern Commission "Sixteen Principles for Japanese Trade Unions" before we finish up in Japan. Ex-

Report, "Japan, Occupation of" by R. Deverall, dated 3rd January 1949.
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pecially, the trade union movement must be shaken to its foundations in order to replace the now too-often top-controlled undemocratic and fascist structure of the left wing unions with a grass roots democratic structure providing for rank-and-file control. Division of the union membership into Youth and Women Sections smacks more of Tojo and General Araki than it does of democracy. Most important of all, employer support of the trade unions movement (largely confined to the Communist and left wing unions), other than welfare funds, should be suppressed sternly in order to force the left wing unions to pay their own way and develop a sense of responsibility. Further, the poorer right wing unions will have a better chance if they don't have to buck heavily subsidized CP unions.

- c. If the NCIU is now dissolved, official SCAP directives could be used to dissolve the terroristic Youth Action Corps, Youth Sections, and other fascist Youth groups which exhibit militaristic and anti-democratic forms and tendencies. A crack-down on the Youth Sections within the unions would put the Communists on the defensive.
- d. A review of ESS economic policies should be made by a competent economist, rather than to continue "economic reforms" at the expense of the American taxpayer in the hands of adolescents and incompetents. The glaring economic failures of 1945-1948 are an indictment which can not be explained away.
- e. There can be little dent made on public opinion in Japan until the State Department and the Army decide to spend more money on propaganda, less on food imports (which in my opinion could be sharply cut at this time). A weekly well newspaper could be used to reach every home in Japan...at small cost. But we cannot expect to reach the little Japanese until we have a streamlined psychological warfare outfit in Japan which, using our excellent intelligence to the fullest, explains to the little Japanese precisely why Communism is un-democratic and why Communism is the successor of the military gang. Our present CI&E operation in Japan is important, but in my estimation -- excepting Major Imboden and a few others -- CI&E is not meeting the ideological challenge of Communism within Japan. Indeed, CI&E cannot meet this challenge when it must work through Japanese who are themselves infected with Marxism and nationalism. One sample of this failure is a book on Democracy which has been in preparation by CI&E for two years. When I left Tokyo, the draft copy was an impossible hashing of Adam Smith and Karl Marx. It was almost comic yet tragic when you realize that it is proposed to issue 2,000,000 copies to the Japanese school system. A hard-hitting psychological warfare (or psychological peace-fare) unit in Japan which deals directly with the Japanese people at the bottom by directly influencing press, radio, newsreel, publishers, etc., and which above all can issue its own material in the Japanese language,... that is my conception of one of the few hopes of turning back and defeating the tide of Communist infiltration in Japan.

The Communist Party of Japan within three years had marched from a vote of zero to the January 1949 electoral vote of almost 3,000,000. Coupled with geopolitical developments in northern China, the situation within Japan is grave. It would indeed be the supreme tragedy of the Pacific War is the American Occupation, at the end of its fifth year, should be in control of a Japan whose population was anti-American and whose government was Communist. In my estimation, if the present trends are not sharply reversed, that is the ultimate conclusion of our Occupation of Japan.

Report, "Japan, Occupation of" by R. Deverall, dated 3rd January, 1949.

I repeat, it will be a supreme tragedy, for it will signalize the loss
of the Pacific War by our forces.

Richard L-G. Deverall

DEPARTMENT OF STATE

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P.V.

Report, "Japan, Occupation of" by R. Devereall, dated 3rd January, 1949.

I regret, it will be a supreme tragedy, for it will signalize the loss of the Pacific War by our forces.

Richard L-G. Devereall

DEPARTMENT OF STATE

1949 MAR 17 PM 3 29

DIV OF PUBLIC LIAISON
PVI

Japan on the Red Timetable

With the press, radio, and motion pictures heavily slanted in favor of the Communists, democracy is making slow progress in Japan. More democratic propaganda is needed now

by RICHARD L.G. DEVERALL



Acme photos.

The Reds in Japan use mass demonstrations and strikes instead of parliamentary procedure. It has proven successful

ON the thirtieth of May, in the historic city of Nara, the chief of MacArthur's Labor Division, Mr. James S. Killen, appeared at the convention of the Japanese Government Railroad Workers. Hundreds of delegates filled the temple in which the problems of some 600,000 Japanese railroad workers were being discussed. The chairman of the convention, a Communist, told Killen: "We are very busy now with our affairs. But we will vote as to whether or not you may speak to the convention."

While Killen cooled his heels, the convention voted by a slim margin to hear MacArthur's representative, who was also an American Federation of Labor official. When Killen launched into his talk, the hall was filled with cries of "No, no . . ." and "Absolute opposition . . ." Communist leaders sitting in the audience jeered and laughed at the American as he labored through his speech. Killen was so perturbed by the manner in which the

convention had gone that the writer was forbidden to appear the next day at the convention, although he had been an invited guest and was prepared to expose the Communist operation within this union.

The affair was not without significance, for it was the first time since the occupation of Japan (which officially began on September 2, 1945, out in Tokyo Bay) that a major Japanese group had insulted the Occupation and sneered in the face of a high representative of General Douglas MacArthur, Supreme Commander for the Allied Powers.

The Communists at the convention apparently gauged GHQ strength by the manner in which the GHQ representative reacted to their insulting treatment. The Communists captured the convention and, in concert with the other government workers' unions, began a drive for a general strike throughout Japan. During July, representatives of the Communist Party spoke fervently

of: "Sabotage in August, strike in September, and then the October revolution . . . Banzai!"

By strong and decisive action, General MacArthur stopped the drive for a Communist revolution in Japan when, on July 22, he directed that all government workers were to lose their right to strike. Thus he removed from the Communist Party's hands their most dangerous weapon — manipulation of government unions to undermine the Government, capture its services, and then overthrow it altogether.

The prewar Japanese Communist Party had never made any headway inside Japan, for not only was police repression severe, but Japanese Communists often proved themselves more Japanese than Communist. In other words, although the Comintern insisted on overthrow of the Emperor, factions within the prewar party insisted on "revolution *and* the Emperor too . . ." For the truth is that the Japanese is wedded to the emperor system to such

To a blind child, a dog means more than toys and gifts. He is a companion, a friend who dispels loneliness from their young lives



Now we're friends. Handclasp and pawclasp mark the beginning of a real and abiding friendship.



A "shareholders' meeting" of Buddies. The children seem to enjoy it, but the pets seem indifferent.



The children are taught to care for their dogs. Ducky anticipates a brushing by closing his eyes.

February, 1949



Going for a walk or rather a trot. The pup looks winded, but his blind master seems fresh and eager.

an extent that even a devout Comintern follower often drew the line at that point.

Although, during the long days of the Pacific War, many of the top Communist leaders languished in the prisons of Japan, others were able to escape the Japanese police and proceed to Yenan, inside Communist China, where they were under Comintern direction. A Japanese Peoples' Emancipation League was formed, Communist schools were operated, and hundreds of Japanese

ceeded speedily to the task of purging "militarists" from government, education, and economic-social life. In addition, the Allies announced an ambitious plan for the smashing of the huge Zai-batsu (family) corporations which, under government financing, had complete control of the natural resources and basic industries and services of Japan.

Unfortunately, in the field, the Military Government Teams that had come from America to observe enforcement

other Communist publications appeared, including magazines for youth, magazines for young women, and Communist funny books for the children. It is a sad commentary on the American officer then in charge of information that the Communist Party was given, and still retains, the largest allocation of newsprint and paper in terms of party membership of any political organization within Japan!

The propaganda of the Communists in the beginning centered on "demo-



Sanzo Nozaka, Communist hero, returned in 1946 and was received with open arms



General MacArthur has stopped several attempted revolutions, but peace is far away

workers and intellectuals were trained for their job at the end of the Pacific War. Indeed, in May, 1945, with the end of the war in sight, the Communist Party of Japan, still in Red China, outlined a program including purging of "war criminals" and seizure of their property in the name of the "people," complete political liberty, and a revolutionary agrarian program.

Thus, when the Allied Powers steamed into Tokyo Bay on September 2, 1945, and Japanese officials signed the instruments of surrender, the first act in the drama was ready.

The Allied Powers entered Tokyo and occupied Japan. The first tasks, demilitarization of Japan and demobilization of its armed forces, were accomplished in a few months. Working through the Japanese Government, MacArthur abolished the police repressive agencies, granted liberty to all political prisoners, including the Communist leaders, directed the encouragement of a trade union movement, and pro-

of Allied policies were shifted from one prefecture to another. Often the Japanese had better information on MacArthur's policies than did Military Government in the field. And, in addition, the continued drain of personnel during 1945-1946 due to the overrapid demobilization of our Army resulted in a lack of trained permanent observers throughout all Japan.

On the other hand, at the end of the war, the Yenan-trained Japanese Communists were ready. They had plans, they knew what they wanted, and it was not many weeks before they were back, reportedly bringing with them not only plans but huge sums of money. The imprisoned Communists released on October 10, 1945 by General MacArthur, joined forces with the Comintern-trained Communists. In a few weeks, the Communist Party had its official organ, *Red Flag*, in press and publishing 300,000 copies every three days. Later, *Red Flag* became a daily, cut its circulation to 100,000. In quick succession,

cratization of industry" and "down with the Emperor." Again, as in prewar days, the Communists found that their anti-Emperor slogans were not popular with the Japanese, for even Communists bowed when they walked in front of the Imperial Palace in Tokyo.

But, under this cry of "democratization of industry," the Party through its left-wing stooge unions initially in 1945 concentrated on newspapers, press, magazines, and radio. No American who was not in Japan at that time can realize the tremendous propaganda drive carried forward by the Communist Party—and using other people's money! By the spring of 1946, press, radio, and motion pictures were heavily slanted in favor of the left wing and Communist elements. When Sanzo Nozaka, Communist hero, returned from abroad, almost every public agency of communication in Japan under Red influence was used to worship this representative of Comintern revolution. The situation almost got out of hand, but during the

summer of 1946 the Army cracked down, and Communist influence within the newspapers and other periodicals was henceforth more discreet.

From the very beginning, the Communists were positive in their shunning of legitimate political action. The new constitution of Japan, following the lead from Moscow, was called a "fake" document by the Communists. Instead of parliamentary procedures, the Communists concentrated on the building of mass demonstrations, the use of violence, and the creation of Communist "martyrs" through cleverly arranged incidents involving the Occupation Forces. The parades and demonstrations became almost a daily event during the spring of 1946, culminating in the Food May Day. But again, MacArthur was constrained to act and warned the Japanese that force and violence were no way to carry on political action in a country enjoying one of the most liberal constitutions of modern times.

Since the return of the Communists to full freedom and power inside Japan, the Comrades had been hard at work in the creation of a labor movement which they could use for their own purposes. Although initially the Communists worked inside the framework of the revived Japanese AF of L, they soon seceded and in 1946 formed their own Japanese CIO, called the National Congress of Industrial Unions (NCIU). After a series of practice strikes and sabotages during the latter part of 1946, the left-wing unions and the Communist Party joined forces during January, 1947 in the forging of a general strike involving 2,100,000 government workers. Although wage demands were involved in the issue, the announced purpose was overthrow of the Government by economic force. Again, MacArthur intervened, stopped the proposed strike, and ordered a general election. Of the 464 members of the Diet elected, only five were Communists. This defeat indicated

RICHARD L.G. DEVERALL was General MacArthur's Chief of Labor Education for two and a half years and recently returned to America.

that, just as in Czechoslovakia and other places, although the Communists could use tremendous power through minority control of the labor movement, they were politically insignificant.

One of the most interesting aspects of the drive of Communism is its exploitation of the prewar militarist structure based on Japanese feudalism. Thus, the left-wing unions were undemocratic in their structure (and so remain) with small groups of Red Samurai (knights) controlling the actions of hundreds of thousands of workers. In the offices of the red-controlled unions I have gone over their books of "orders" from NCIU headquarters. One order will direct that "Fifty young men will report to Sato San for a youth demonstration." Another may direct that "A resolution will be sent to the Prime Minister saying . . ." While a third may announce the beginning of a strike. The rank and file of the unions, accepting the old feudalism as a "new democracy," are thus manipulated by the new masters.

ONE of the most shocking features of the Communist drive is that the Japanese Government and the employer group have played a vital part in the financing of Red revolution within Japan. From the very beginning, the left-wing leaders demanded that the employer pay the wages of all union officials and clerks, furnish the union offices and equipment, and permit union activities on the time and at the expense of the employer. Thus, in the Communist-dominated, 350,000-strong Communications Workers Union, the Japanese Government, through its labor agreement, granted a closed shop, checkoff to the union, and guaranteed the full pay of

the some 3,200 union officials and clerks. Freed from the burden of financing the union, the Communications Workers Union was then free to invest money in the Communist publishing house, Dawn Press, which had printed tens of thousands of Communist-written pamphlets for distribution to the government worker!

In the same manner, private employers have been as generous. Indeed, in the electrical field, an official of the Communist-dominated Electrical Workers Union told me last year that they had as high as one full-time paid union official for every fifty workers. With many of the officials Communists, paid by the employer, is it any wonder that the Reds in Japan have had a virtual field day?

But it has been in the field of economic policy that the Party has shone. An examination of the policies of the Communist Party in Japan reveals the same general purpose as the Communist Party of France: sabotage of the economy, as long as United States money is being used to revive the economy. Thus, from the very beginning, the Party encouraged inflation, urged the workers on to more and higher wage demands. While Communists told farmers not to turn in their rice, the city workers were agitated about government indifference to their food problems. Communist members of the Tax Collectors Union sabotaged collection of taxes in order to cripple the Japanese Government, while in northern Hokkaido it was reported that the left-wing tax collectors did not bother Comrades, but levied heavy taxes on those opposed to the advance of the new totalitarianism.

Communist-printed material and radio programs coming into the country from either the Soviet Union proper or from Sakhalin have repeatedly told the Japanese that the Berlin and European problem is just part of the "cold war." The real situation, the Japanese are told, is that the next war may well start in the Orient, and Japan will then be used by the Anglo-Americans as a battlefield.

It is therefore no surprise to find that some officials of the Japanese Government are slow to act in warding off the infiltration of the Communist Party. Government officials are essentially bureaucrats, and so long as the "cold war" continues, and so long as they fear its impact inside Japan, they will continue to sit on the fence. Thus they will be co-operative with Occupation personnel to a certain degree, but the same officials will turn around and be just as co-operative with the Communist Party. They do not know which side will come out on top . . . and they are

Selective List



► The roof of the church was leaking, and the minister asked for volunteers to raise funds for its repair. Donal offered his services.

About a week later the minister met Donal, who showed signs of having imbibed a bit too freely. Donal was apologetic. "It's collecting for the roof, Minister," he said. "Every one of the neighbors I called on insisted on giving me a wee drop after paying down his subscription."

The minister was shocked. "Are there no teetotalers in the parish, Donal?" he asked.

"Och, aye," was the reply. "Sure there's teetotalers. I've written to them."

—Irish Press

trying to please everyone. Even Japanese businessmen, who have the most to lose under a Communist regime, are fearful of the Communists and have played a role in the financing of the Party.

Although resentment against the Americans was evident in the headquarters of the Communist-controlled NCIU as early as 1946, the Party was slow in developing the racist line of Tojo. But on March 26, 1948, the Communist Party announced a new drive in Japan to form a "democratic racial front" presumably to liberate Japan from the Anglo-American invaders. "Culture," that magic word in Japan, was enlisted in the drive of the Communists, who have stepped up their campaign against the reactionary and depraved culture of the Anglo-Americans. Strong appeals to anti-American sentiment were made increasingly toward the spring and summer of 1948, advising that all Japanese must cooperate with the Communists in preserving "Japanese culture" free from alien influence. Although the rank-and-file worker, just as the farmer, is enthusiastic about the free and easy American, the continued drive of Communist propaganda is slowly gaining, for there is a perfectly natural resentment against any occupation forces and it mounts with the passing of the years. Further, since MacArthur smashed the chance of the Communists to bring about a revolution through the Japanese labor movement, the Communists are devoting increasing time and effort to the "cultural crisis," to the infiltration of the school system and the universities, and to the development of antioccupation sentiment amongst the intellectuals. It was no surprise when, this past October, in the first election of a board of education in Tokyo, the Communists not only got a party member on the five-man board, but got him there with the third-largest vote!

The American reader may well say, "Well, so what? Why should I be worried about Japan? All I want is one of those new television sets!"

American readers prior to Pearl Harbor felt the same way. All most of us knew about Japan was something about Admiral Perry, cherry blossoms, Mount Fuji, and Madame Butterfly. But tens of thousands of American boys later paid the price for that terrible indifference and ignorance. Today the Reds are again on the move in the East. With the Berlin crisis occupying the attention of the American people, the Communists have entrenched themselves in northern China and are now well on the road to mopping up the rest of that ill-fated country. Northern Korea is firmly in

THE HALTER OF SNOW

by SISTER MARY IRMA, B.V.M.

*They hid strong snares for her feet and wove to tempt her
A bridle of gold;
She eluded the crafty traps; the golden bridle
Would not hold.*

*"A halter of snow would bind her,"
Seeing her, God said,
And slipped the white thong, cool and easily broken
Over her head.*

*Startled, she turned from the thick green turf of the meadow
To see what this might be,
And walked thenceforward in joyful circumspection,
Lest she go free.*

Communist hands and ready to seize the Allied portion as soon as American aid has fattened it for the kill. And Japan, that strategic key to the Orient, both a buffer for the Russians and a base for the Americans, is faced with a Communist-controlled China and Korea to the west, strong Soviet bases within view to the north.

Under Allied Occupation, Japan has enjoyed a freedom unknown before. American food shipments have within three years brought a starving people to a level approaching their prewar days. Indeed, when the Army announced this past spring that the Japanese diet would be increased from 1,200 to 1,450 calories, the announcement was misleading, for the truth is that the Japanese citizen is today eating from 1,800 to 2,000 calories. And when you visit the farmers, who constitute 60 per cent of the population, you find a strong, smiling, healthy people. The feat of American public health service within Japan has been one of the outstanding developments of the Occupation, with Japan healthier today than ever before.

IN the eyes of the Soviet strategist, here is a most remarkable geopolitical plum almost ready for the taking. As the Soviets aid the capture of China, with America sitting by twiddling its thumbs, and with Korea perhaps next on the timetable, the Reds have but to wait until the Americans complete the reconstruction and then pick off a heavily populated, vigorous little country. As the Russians rearmed the northern Koreans, imagine if you will the possible terror of the future if the Russians rearm the Japanese and once again launch a Greater East Asia Co-Prosperity Sphere under Russian auspices. It is no wonder that General Eichelberger has declared, "If we lose Japan, we will have lost the Pacific War."

My own conclusions are very simple.

The Occupation in Japan has got to get tougher and more realistic in some directions. The many aids and comforts afforded the Communist Party in Japan should be withdrawn as rapidly as possible. The trade union movement should be shaken to its foundations, abuses removed, and a democratic pattern formed. Stricter price control and rationing, coupled with rational wage and employment policies, might well make further food exports from the United States unnecessary or at least limit them drastically. And, above all, that one priceless item which we have not dispensed too freely should be increased with all possible speed: information and education. A writer in the *Military Government Journal*, recently returned from an information survey of Japan, reported that some intelligent Japanese observers feel that, although we have sent in food for the Japanese body, the Communists have been feeding the Japanese mind. Certainly, any American in Japan will be shocked to roam through neighborhood book-stalls and find that, although the complete Marx-Lenin-Stalin library is available at low prices, books on the American system and on democracy are obviously scarce or absent.

The struggle inside Japan is the struggle of two ways of life: Democracy and Communism. A pragmatic people in their political philosophy and way of life, the Japanese will possibly follow him who offers the "best deal."

The struggle in the Orient has just begun. The development of Soviet policy in the Far East has now entered the dynamic phase. Has America the men and the ideas to contain the offensive of international Communism and intensify a democratic offensive of its own?

Upon our answer to this question may depend the life and future of the boy or girl now looking over your shoulder at the pictures in this magazine!



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

6 DIVISION OF
NORTHEAST ASIA AFFAIRS

*File
M/S*

United States Political Adviser
for Japan

DEPARTMENT OF STATE Tokyo, March 31, 1949.

No. 166

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REC'D
APRIL 7

ACTION
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Subject: Democratic Party Attitude Toward the Coalition
Cabinet.

INFO
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The Honorable
The Secretary of State,
Washington.

M

Sir:

89-100/2-1849

With reference to this Mission's airgram no. 42 of February 18, 1949, I have the honor to transmit to the Department a memorandum of a conversation between Mr. KOJIMA Tetsuzo, former Democratic Party member of the House of Representatives, and Mrs. Jane M. ALDEN, who is temporarily assigned to this Mission from the Department.

Mr. Kojima was defeated in the general election of January 23, 1949. He was one of the original organizers of the Liberal Party (predecessor of the present Democratic Liberal Party) in 1945, but withdrew from that party with former Prime Minister ASHIDA Hitoshi to join the Democratic Party before the general election of April 1947.

Mr. Kojima is convinced that the Democratic Party will be permanently split as a result of the efforts of its president, Mr. INUKAI Ken, to effect a coalition with the Democratic Liberal Party as a result of which two Democrats have joined the Cabinet of Prime Minister YOSHIDA Shigeru. According to Mr. Kojima, plans for such a coalition arrangement were made before the election because Mr. Yoshida was then not sure of how strong a position he would win in the election, and because Mr. Inukai was afraid that if the Democratic Party remained outside the Cabinet it would have difficulty in securing adequate financial support. At the same time, Mr. Kojima avers that Mr. Inukai is naturally attracted by power, and ultimately hopes to succeed Mr. Yoshida as president of the Democratic Liberal Party. Being affiliated with the Ashida faction in the Democratic Party, Mr. Kojima has an obvious dislike for Mr. Inukai, whom he considers an opportunist always seeking to align himself with power and money.

Mr. Kojima

MAY 1949
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DMR

Tokyo's Despatch No. 166,
March 21, 1949.

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Mr. Kojima described in some detail the methods by which the Democratic Liberal Party assisted Democratic Party members of the Inukai faction in the January 23 election. In the third district of Fukuoka the Democratic Liberal Party, according to Mr. Kojima, also succeeded in bringing about the defeat of Mr. NARAHASHI Wataru (Ashida faction Democrat) by supporting the candidacy of Mr. SAKAI Haruo who ran officially as a candidate of the Peoples Cooperative Party.

In commenting on the gains scored by communist candidates in the January election, Mr. Kojima expressed ~~the belief~~ that the most powerful weapon in the communist campaign was the party's method of appealing to voters on the tax question, and the clever manner by which communist "tax adjusters" were apparently able to secure tax reductions for small businessmen. Mr. Kojima also believes that the communists have by no means reached the peak of their strength and that in the next House of Councillors election in 1950 they will make additional gains.

The poor showing of the Democratic Party is attributed by Mr. Kojima to its participation in the coalition Katayama and Ashida cabinets. While these coalition cabinets were in power they were forced to assume responsibility, in the eyes of the people, for the enforcement policies which were in fact the policies of General Headquarters rather than those of the two parties. Mr. Kojima expressed the belief that General Headquarters should hereafter publicly announce that a particular policy is a Headquarters policy and must accordingly be carried out, and withdraw from "day to day interference" in Japanese politics, allowing the Japanese to work out their detailed programs within the broad framework of over-all Headquarters directives (this Mission's despatch no. 114 of February 21, 1949).

Mr. Kojima strongly feels that the Democratic Party should not participate in a coalition cabinet. He advocates concentrating on efforts to build up local party organization and to cooperate as much as possible with the Social Democratic Party. Mr. Kojima's views on an independent role for the Democratic Party are of special interest. He believes that eventually the party in power will lose popularity, and that the so-called protest vote will go to the parties outside the government. If the Democratic Party participates in the government by virtue of a coalition cabinet, the protest vote will then go to the Socialists and the Communists. On the other hand, if the Democratic Party remains outside the cabinet, the protest vote in the next election will go in large part to the

Democrats

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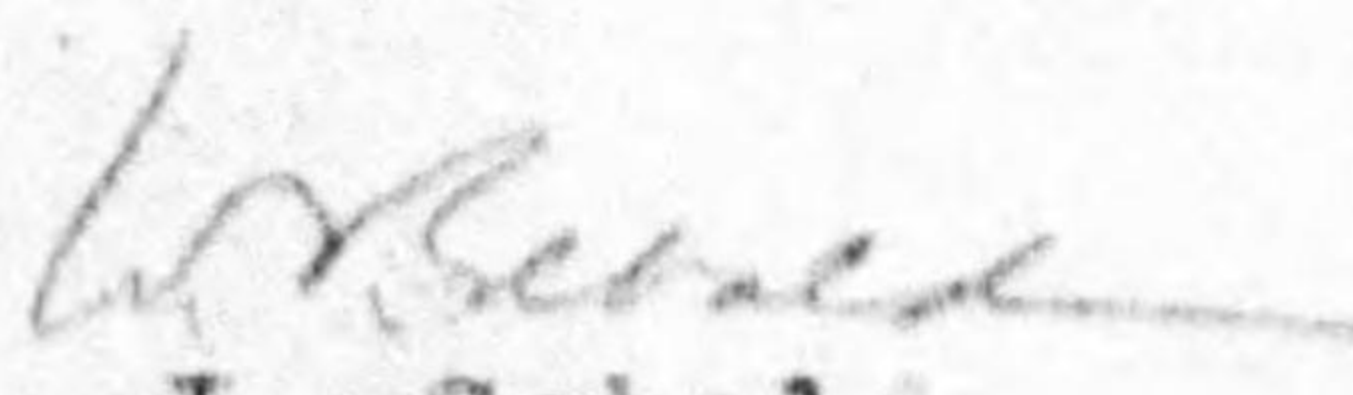
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Democrats and the Socialists with the communists receiving a much smaller share. At the same time, Mr. Kojima feels that if the Democratic Party remains outside the cabinet and cooperates as an opposition party with the Social Democrats this will tend to prevent the Socialists from gravitating toward the communists. Mr. Kojima in this connection favors a course of action by which the Democratic Party will move toward the left so that an ultimate merger with the right-wing elements of the Social Democratic Party may be possible. According to Mr. Kojima, Mr. Ashida was prevented from effecting such full cooperation with the Socialists because of opposition from the right-wing of the Democratic Party, as represented principally by the Inukai faction. If the party splits, as Mr. Kojima believes is certain, and the Inukai faction merges with the Democratic Liberal Party, there will be a much more favorable atmosphere for the remaining elements of the Democratic Party to cooperate closely with the Socialists.

While Mr. Kojima's views do not necessarily represent the Democratic Party's official thinking on the question of political realignments, the trend of events since the January election strongly suggests that some degree of realignment is under consideration within both the Democratic and Social Democratic parties. The gravitation of the Inukai faction to the Democratic Liberal Party and the elimination of such political manipulators as Narahashi through defeat in the January election will unquestionably put what remains of the Democratic Party in a more advantageous position to come to an understanding with the Socialists. At the same time, pre-election defections of left-wingers from the Social Democratic Party, and the party's strong post-election stand against a popular front merger with the communists, will place the Socialists in a better position to reach an understanding with the Democrats. Such a realignment would be most advantageous in rebuilding the middle groups in Japanese politics and at the same time strengthen this group as a constructive, liberal opposition in the Diet. It is believed, however, that the most serious handicap confronting both the Democratic and Social Democratic parties is the lack of effective, dynamic leadership. The leadership of both parties has been characterized mainly by negative rather than positive personalities, some of whom have unfortunately become tainted with political corruption.

Respectfully yours,


W. J. Sebald

Enclosure:

Memorandum of conversation
February 22, 1949 with
Kojima Tetsuzo.

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Party Attitude Toward
Cabinet".
**THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA**

MEMORANDUM OF CONVERSATION

February 22, 1949

CONFIDENTIAL

Subject: Democratic Party Attitude Toward the Coalition
Cabinet.

PARTICIPANTS: KOJIMA Tetsuzo (former Democratic
Party Diet Member)
JANE M. ALDEN

Mr. KOJIMA Tetsuzo, Democratic Party member, was elected to the House of Representatives in 1946 and 1947 from Hyogo, Fifth District (the district of Mr. SAITO Takao), but he failed to be re-elected in 1949. Mr. Kojima was among the original organizers of the Liberal Party in 1945, but he left that party along with former Prime Minister ASHIDA Hitoshi and joined the Democratic Party before the 1947 election. Prior to 1945 when he entered politics, Mr. Kojima was a practicing lawyer in Tokyo. He spoke frankly on the present situation within the Democratic Party. Although no longer in the Diet he remains close to the Ashida faction of which he was a member.

The Coalition Cabinet

Mr. Kojima began the conversation by stating that he felt sure the Democratic Party would split into two almost equal groups. Some of the members under the leadership of Mr. INUKAI Ken have joined the coalition cabinet headed by Prime Minister Yoshida, but others who hope to retain the name "Democratic Party", have remained outside the coalition. The agreement between Mr. Yoshida and Mr. Inukai to form a coalition cabinet was made prior to the election, primarily because Mr. Yoshida did not expect to obtain an absolute majority in the House of Representatives. This agreement was not generally known within the Democratic Party, and was not submitted to the party for its decision until after the election. Mr. Inukai desired a coalition because if he remained outside the cabinet he would have limited financial support for his party and also because he is, in Mr. Kojima's opinion, attracted by power.

Mr. Inukai has the idea that if he can bring about a merger of his faction (his original plans included the entire Democratic Party) and the Democratic Liberal Party he will have an opportunity to succeed Mr. Yoshida as

president

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✓ president of the Democratic Liberal Party when Mr. Yoshida retires in a few years. In Mr. Kojima's opinion, Mr. Inukai will never be able to succeed to a position of leadership within the Democratic Liberal Party. In the first place, Mr. Inukai is strongly opposed within the Democratic Liberal Party by political bosses such as ONO and HOSHIJIMA and also by HATOHAMA. Their opposition to Mr. Inukai dates back to the prewar period when he joined the Nakajima faction of the Seiyukai rather than the Kuhara faction. Mr. Hatoyama, formerly of the Kuhara faction, had been close to Mr. Inukai's father, the late INUKAI Ki, and in addition had supported Inukai financially in his election campaigns. Neither Mr. Hatoyama nor his immediate associates have forgiven Mr. Inukai for his siding with the Nakajima faction.

✓ Mr. Kojima considers Mr. Inukai an opportunist, without strong principles, and one who always gravitates toward power and money. Mr. Kojima quoted the statement made to him by Mr. KOSAKA Zentaro, a member of the Inukai faction: "You are making a mistake to consider Inukai the son of his father; he is really the son of his mother, a geisha". Inukai does not accept advice from those around him unless it agrees with his own ideas. He will always place his confidence in men who do his bidding. Mr. KOJIMA Kazuo (not to be confused with Mr. Kojima Tetsuzo), who is a close adviser of Mr. Yoshida, opposed the coalition between Yoshida and Inukai because he considers Inukai unreliable. Many other members of the Democratic Liberal Party also oppose the alliance with Mr. Inukai.

Mr. Kojima spoke briefly of Hatoyama. He characterized Hatoyama as a man who, when out of power, gathers around him capable advisers, but when he is in power he turns to the political bosses who can give him financial support and can control the party organization.

The Election

✓ In view of the pre-election agreement between Inukai and Yoshida, the Democratic Liberal Party assisted the campaign of Inukai faction candidates and worked against the Ashida faction. In some cases, according to Mr. Kojima, the Democratic Liberal Party actually gave financial support to candidates of the Inukai faction. At the time of the campaign, the Inukai faction was in control of the Democratic Party and in dividing party funds among the candidates was partial to the members of its own faction and failed to give financial assistance to the Ashida candidates. A further illustration of Democratic Liberal Party tactics against the Ashida faction was the case of Mr. NARAHASHI Wataru, a candidate from Fukuoka, Third District. Since Mr. Narahashi was a strong supporter of

Ashida,

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Ashida, the Democratic Liberal Party considered it important to defeat him. Accordingly, the Democratic Liberal Party supported the candidacy of Mr. SAKAI Haruo who ran officially as a candidate from the People's Cooperative Party, but was supported financially by the Democratic Liberal Party. Mr. Sakai apparently had little or no support from the People's Cooperative Party headquarters, or at least the party headquarters was not aware of his connections with the Democratic Liberal Party. At every competitive speech-meeting in the Third District of Fukuoka, Mr. Sakai spoke immediately after Mr. Narahashi and devoted his allotted time to attacks on Narahashi. Sakai obtained only 5,000 votes, but this was sufficient to prevent the election of Narahashi. Mr. Narahashi, however, was a runner-up in his district, although he failed to be elected by approximately 5,000 votes.

In Mr. Kojima's opinion the recent election was one of the worst from the standpoint of corruption in the post-war period. The strict election campaign law merely invited violations. Vote buying was quite common, with a single vote costing 10,000 yen on an average.

Mr. Kojima also pointed out that many wealthy men contributed to the Communist Party's campaign fund, not because they were communists or wanted the communists to win, but because they feared that the communists might get stronger in the future, and their contributions now would be insurance against intimidation by the communists if or when they came into power. This same statement has been made by other persons.

In discussing the results of the recent election, Mr. Kojima considered the communist appeal to the voter on the tax question as their most powerful single appeal. In the local areas the communists campaigned against high taxes, organized free tax consultation services, and assisted individual businessmen in obtaining tax reductions. This was accomplished because of the peculiar methods of tax allocation and collections. A tax collector apportions the amount of taxes for his district among the various groups and always sets the sub-quotas higher than necessary, because he figures that some will not be able to pay all the taxes, but if others pay their fixed quota the district will still collect the full amount of taxes due. The communists helped individual businessmen to negotiate with the tax collector for tax reductions and then took credit for obtaining the reduction when in fact the individual businessman might have been able to obtain a reduction from the tax official on his own.

In the

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In the case of the Democratic Party's poor showing in the election, Mr. Kojima attributes this in large part to its participation in the Katayama and Ashida Cabinets, and in his own case he felt that the arrest of Mr. Ashida caused him to lose support in his district. Mr. Kojima was known in his district as a close associate of Ashida. He was also handicapped by lack of financial support from his party.

The Democratic Liberal Party gained general support because in the minds of the people that party "appeared to be in disagreement with SCAP". Mr. Kojima felt that the Democrats and Socialists were forced to take responsibility, in the eyes of the people, for many recent cabinet policies which were in fact the policies of SCAP which the parties merely carried out. On this subject, Mr. Kojima was not critical of SCAP's policies per se, but he felt that SCAP should do one of two things: either announce to the public that a particular policy is a SCAP policy and must be carried out, or withdraw from day-to-day interference in the formulation of Japanese Government policies and leave the Japanese to work out their programs within broad principles. The present tactics of SCAP, whereby the Japanese Government is told privately to sponsor a given policy and therefore has to assume public responsibility for its initiation, has weakened the Socialists and the Democrats.

In a discussion of the merits of a multiple-member constituency (such as now exists) as against a single-member constituency (such as that for election to the United States House of Representatives), Mr. Kojima favors the latter system. He feels that the principal difficulty of all parties, except the communists, is that the parties had too many candidates in a given electoral district. He also pointed out that in many cases rivalry between candidates from the same party in the same district was far greater than rivalry between candidates from different parties in the same district. In addition, the Democratic as well as the Democratic Liberal Party, were not sufficiently well-organized to prevent local candidates from assuming the party label and competing in the election even though party headquarters did not approve or even desire their candidacy.

In Mr. Kojima's opinion in the House of Councillors election (one-half of the members of the House of Councillors are elected every three years) the communists will gain many seats. He said at first that the communists would elect a representative from every district, but later agreed that this was probably an exaggeration. The conservative parties will probably nominate more than

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one candidate in a district, while the communists will nominate only one. Mr. Kojima thinks that the communists have not reached the peak of their strength and that the 1950 elections will see further gains for that party.

The Future of the Democratic Party

Since Mr. Kojima considers a split in the party inevitable, his remarks on the future course of the Democratic Party are confined to the Ashida faction, which he hopes will retain the name "Democratic Party". Mr. Kojima is among those in the party who believe that the Democrats should remain outside the coalition. He feels that the Democrats should concentrate on building up their local party organization, cooperate with the Socialists as much as possible within the Diet, and seek to prevent a situation where the Socialists, as an opposition party, will be drawn toward the communists. A very interesting discussion ensued as to the tactics of building up local party organization and Mr. Kojima was interested in various techniques used in the United States and England. Mr. Kojima thinks that if the entire Democratic Party joins the coalition then in the next election both the Democratic and the Democratic Liberal Party will lose votes and these votes will go in part to the Socialists, but more important the protest votes will also strengthen the position of communists. On the other hand, if the Democrats remain outside the coalition, the protest votes against the Democratic Liberal Party in the next election will go in large part to the Democrats and Socialists with the communists receiving a smaller percentage of this vote.

Within the Ashida faction Mr. TOMABECHI Gizo has assumed active leadership, since Mr. Ashida is remaining quiet until after his trial. Second to Tomabechi is Mr. KITAMURA Tokutaro who is becoming an increasingly important figure in the party. Kitamura is a relatively new man in politics, having been elected to the Diet for the first time in 1946, but he has gained considerable personal popularity within the party, although he still lacks a strong position in the local areas.

Mr. Kojima personally favors a course of action in which the Democratic Party will move toward the left seeking a firmer alliance with the right-wing Socialists. Mr. Ashida was prevented from cooperating more fully with the Socialists on matters of policy because of the strong opposition from the right-wing faction within his own party, but since the bulk of this opposition group has now gone over to Inukai, Mr. Kojima thinks it is now possible for the Democratic Party to cooperate more closely with the Socialists. He considers the eventual amalgamation of the Ashida faction and the right-wing Socialists desirable, but he admits that this is not possible in the immediate future. Meanwhile, he considers it better for both the Democrats and the Socialists to remain outside the government.

Reaction

CONFIDENTIAL

Enclosure to Tokyo's
Despatch No. 166,
March 21, 1949.

MAY 3 1949

CONFIDENTIAL

-6-

Reaction to Mr. Royall's Statements

Mr. Kojima discussed very briefly his reactions and the reactions of others to the reports attributed to Mr. Royall in an off-the-record press conference. Leaving aside the question of what Mr. Royall did or did not say, Mr. Kojima felt that the reports created considerable doubt in the minds of many Japanese and he pointed out that the communists are already making political capital out of the purported remarks, and in his opinion they will continue to use these reports for their own benefit.

Jane M. Allen

Jane M. Allen

CONFIDENTIAL

DEPARTMENT OF STATE
 RECEIVED
 MAY 3 - 1949
 DIVISION OF
 COMMUNICATIONS AND RECORDS

INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION
 67 BROAD STREET, NEW YORK 4, N. Y.

OFFICE OF
 FAR EASTERN AFFAIRS
 APR 4 1949
 DIRECTOR
 DEPARTMENT OF STATE

DIVISION OF
 NORTHEAST ASIAN AFFAIRS
 APR - 4 1949
 DEPARTMENT OF STATE

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Mr. W. Walton Butterworth
 Director, Office of Far Eastern Affairs
 Room 3152, New State Department Building
 Washington 25, D. C.

Dear Mr. Butterworth:

Please find enclosed excerpts from
 Monthly Reports received from our overseas subsidiaries
 and associated companies, which may prove of interest
 to your office.

Sincerely yours,

Leonard Jacob II
 Leonard Jacob II
 Vice President

894.00/3-3149

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DCR - NE Unit
 Anal. *mf*
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MAY 3 - 1949

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JANUARY 1949 REPORT FROM

JAPANPOLITICAL SITUATION

The general election of the new House of Representatives and the national review of qualifications of the Supreme Court Justices were held on Jan. 23 simultaneously throughout the country.

As the result of the voting, the landslide victory had been won by the Democratic-Liberal Party and sweeping rise by the Communist Party. Conspicuous was the noteworthy decline made by the Social Democratic Party, Democratic Party and the People's Cooperative Party who took the so-called middle-of-the-road policies upon the basis of their coalition. Thus the Japanese people has granted the definite leadership to the Democratic-Liberal Party as the next cabinet-forming party by giving it the majority of votes.

The abstention rate was 30% throughout the country.

The number of the newly elected of each party is shown as follows:-

Democratic-Liberal	264
Democratic	68
Social-Democrats	49
Communists	35
People's Cooperatives	14
Others	36
Total	<u>466</u>

An announcement has been made by Public Relations Section, G.H.Q. on Jan. 14 that a new directive issued to the Japanese Government broadened the scope of business activities of foreigners and allowed limited investments and acquisition of business properties in Japan by which they might contribute to the Japanese economic rehabilitation.

SCAP officials said that "this action takes a new step toward the restoration of Japan's normal international economic relationships and hastens the achievement of a self-sustaining economy".

The new regulations place post-war commercial entrants on an equal footing with non-Japanese who have continuously resided in Japan since September 2, 1945; except for property transactions, on an equal and non-discriminative basis with Japanese nationals and firms.

The directive requires non-Japanese commercial firms and persons to secure SCAP's and Japanese Government's validations for acquiring Japanese real estate for business purpose, stocks and shares, rights to a portion of the profits, sales or output of a Japanese firm, patents of Japanese origin, etc.

MAR 31 1949

JANUARY 1949 REPORT FROM JAPAN CONTINUED:

Decisions on SCAP validations will be recommended by a newly established seven-men Foreign Investment Board, headed by Maj. Gen. William F. Marquat, Chief of SCAP's Economic and Scientific Section. However, those acquiring the land and buildings for their own residential use are required only to report the effect to the Foreign Investment Board.

An announcement has been made by Public Relations Section, G.H.Q. on Jan. 31 that the reopening of a controlled securities exchange business in Japan will be approved as an additional measure for the purpose of accelerating economic recovery program now in progress.

The Supreme Commander's action was a realization of his policy announced more than a year ago to the Japanese, that permission to operate a controlled stock exchange would be given when the economic level sufficient to support an international exchange rate for the yen had been established or reasonably attained.

MAR 31 1949

THE FOREIGN OFFICE
OF THE
UNITED STATES OF AMERICA

FE
DC/R
file

G. DIVISION OF
NORTHEAST ASIAN AFFAIRS
United States Political Adviser
for Japan

No. 209

file
APR 20 1949

Tokyo, April 7, 1949.

RESTRICTED
(For Department Use Only)

DEPARTMENT OF STATE

Subject: Petition of HATOYAMA Ichiro For Re-Screening.

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APR. 15

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The Acting Political Adviser has the honor to transmit to the Department a copy of a petition addressed to the Supreme Commander by Mr. HATOYAMA Ichiro, former political leader, who has been disqualified from holding public office.

According to Mr. Hatoyama's petition, he appealed to the Japanese Government for reconsideration of his case in March 1947, but since this appeal was never answered and since SCAPIN 919 of May 3, 1946 stated that he had been purged from public office on direction of General Headquarters, Mr. Hatoyama has directed his second appeal to the Supreme Commander.

Mr. Hatoyama's second petition recapitulates the points he presented in the first petition and requests the Supreme Commander to reconsider his case.

Enclosure: *att.*

✓ Petition from Hatoyama
Ichiro (single copy)

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Parchment Mat to Department

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RESTRICTED

JUN 7 1949

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ACTION COPY

RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

894.00/4-749

Confidential File DMR

-1-

D-709 Tokys

13. February, 1949.

TO: General Douglas MacArthur,
Supreme Commander for the Allied Powers

FROM: Ichiro Hatoyama

SUBJECT: Second Petition for Re-Screening of My Political
Purge

In March, 1947, the undersigned, Ichiro Hatoyama, submitted a petition to the then Premier Shigeru Yoshida, head of the Japanese Government Re-Screening Committee, for re-examination of my political purge. This previous appeal of mine was never answered by the Japanese Government, and since SCAPIN 919 dated 3 May, 1946, stated that I had been purged from public office by the direct action of your Headquarters, I considered it more appropriate to appeal to you directly. I am submitting this petition to you now with the hope that more information concerning my political activities has been available to you and your Headquarters during the three years and a half of Occupation, which might be of use in reconsidering my case, and that I shall be released from my political purge by your fair and impartial judgment.

In my previous a hundred and thirty page petition to the Japanese Government dated 17 March, 1946, fully appended and further supplemented with a fifty page reproduction of my diaries during 1938 to 1942, I tried to disprove each of the charges of my political purge. Point by point, I verified in the appeal that evidences cited in your Memorandum of 3 May, 1946, were either false or misinterpretation. I should like to repeat them here again for your convenience in reviewing my case.

-2-

(1) Your Memorandum first charged me for my sharing responsibility for the formulation and promulgation without Diet approval of amendments to the so-called Peace Preservation Law of 1928 as Chief Secretary of the Tanaka Cabinet from 1927 to 1929. To this, I submitted as counter-evidence that I did not take part in the formulation and promulgation of this legislation. In fact, the original draft of the amendment does not carry my personal seal as can be evidenced by Japanese Government records. If I had been as influential and ardent an advocate of this legislation as alleged in the SCAP Memorandum, I would certainly have fixed my seal to the order and claimed as much credit for the same as possible.

(2) The second charge was that I was responsible for stifling freedom of speech in the schools by means of mass dismissals and arrests of teachers suspected of "leftist" leanings and "dangerous thoughts" and the dismissal of Professor Takigawa in May, 1933 from the faculty of the Kyoto University as Minister of Education from December, 1931 to March, 1934. In my previous petition I proved that "mass dismissals and arrests of teachers" at that time concerned only "communistic" primary school teachers in Nagano Prefecture and the action was taken by the Prefectural Governor under the Home Minister, and not under the Minister of Education. As to the dismissal of Professor Takigawa, I admit that I removed him from the faculty in order not to let him take lead of the young students, the reason being that he was then a Communist as is proved by the appended official records of my first petition. (See Original petition Pages 10-15 and appendix C of the same.)

-3-

(3) The directive then charged me for participating in the "forced dissolution of farmer-labor bodies" and indorsement of totalitarianism in its application to the "regimentation and control of labor" under the Tanaka Cabinet. In my previous petition, I proved that this was not true. The dissolution was ordered by the Home Minister in April, 1929, to the Communist elements which had then permeated into farmer-labor movement, and it was an event not under my official jurisdiction. There is absolutely no evidence that as Chief Secretary of the Cabinet, I exercised personal or political influence to accomplish the dissolution. I further explained that such suppression under the Tanaka Cabinet was only directed at the Communists, and true and legitimate farmer-labor movements gained strength steadily from 1927 to 1935. As to your next charge on "regimentation and control" of labor, I pointed out that it was a complete misrepresentation.

(4) In your Memorandum, a few passages were cited from several chapters of my 369 page book Visage of the World (Sekai no Kao), published in 1938, to indicate intentionally my friendly attitude toward Nazism, admiring the German labor system and supporting the aim of Japan in China. To these charges, I appealed in my previous petition that, in commenting a book of this nature, one passage should offset another and should not be taken out of context. The complete effect of the book is decidedly in the negative. I pointed out particularly that the citation on the German labor system was a great misinterpretation of the original meaning.

-4-

(5) Finally, I was charged for my formal address mailed to my constituents at the time of the 1942 election. As is the same in the case of the above-mentioned book, I stressed in my plea that this also should be considered in its total merit of the whole contents and not by a few passages cited out of context. For this reason, I appended the full text of the address to my previous petition. I also appealed that the abnormal circumstances of the war at the time of the election should be taken into consideration in evaluating the contents of the address. To take this address at its face value without real knowledge of Japan's war-time politics is a much too severe and superficial interpretation of the event. The fact that the Tojo Cabinet suppressed me and my associates at the election explains fully my political position during the war.

To my previous plea, I appended 15 counter-evidences from verified sources, fully disproving each of the evidences cited in your purge directive. In addition I filed as supplementary counter-evidence my diaries during 1938 to 1942 to show, in a general way, that my fundamental political ideas and attitudes do not positively fall under Category "C" of SCAPIN 550 purge directive.

In the present plea, I wish to produce additional information to further prove that I am not "one of those who deceived and misled the people of Japan into militaristic misadventure". I have been a convinced liberalist and a parliamentarian all throughout my past political career. I feel that I must get rid of this present "trapping" which the Communists had played on me three years ago.

-5-

I can, of course, fully appreciate your most difficult task you have shouldered during the past three and a half years in occupying a strange country amidst the turmoil of defeat of the war. But after these years, I believe that many details of Japan's past, muddled and uncertain in 1946 when I was barred from public life through your action, are now better known to you and your Headquarters today. It is my sincere hope and belief that by now various sections of your Headquarters have accumulated new and additional informations which will substantiate my previous appeal. I shall herewith submit for your convenience some additional remarks which might be of value to you in evaluating and reviewing my case concerning my attitude and opinion prior to and during the war.

I PRIOR TO THE WAR

(1) During the second Kono Cabinet (1938-1939), it was my opinion that if Japan plunged into war with America and England, it will eventually ruin us. I was opposed to everything that would lead us to war. I tried to stop every chance whenever it came. This was my publicly known attitude.

For this reason, I cabled to Kono from London, as will be more fully described later, to send Japanese Delegation to the Nine power Conference at Brussel in 1938 so that they could talk over matters with the other powers to settle the Chinese problems. Otherwise, I thought, the China Incident would eventually develop into a full-scale war with other powers. For the same reason, I opposed in the Diet the so-called "emergency"

-6-

legislations, including the Mobilization Act of 1938. This is a matter of public record. I was against Tojo and his clique all throughout that critical period. But the current of the time went from bad to worse.

I called on Wakatsuki in February, 1941, and spoke to him about the danger for our country if she gets involved in a World War II, about the impossibility of Japan to have the upper hand in her fight with America and England and told Wakatsuki that he should work to replace Konee with Ugaki to clean-up the Army with Mazaki as its head. He agreed. Then, I encouraged him to appeal directly to the Throne about this. He said if Okada (ex-Premier) shares this view, both will confer and take a proper action.

Upon returning from Wakatsuki's home, I immediately telephoned Okada for an appointment. He promised to see me at 10 a.m. the following morning. I told him exactly the same story as I told Wakatsuki. Okada positively assured me that danger of war is my groundless apprehension and is entirely without base. He asserted that since the whole Navy is against it, there never will be a war. Naturally, I had to stop my talk there.

But I further went on with my plan. My diary tells that on 19 May, I called on Privy Council's Chairman Hara and, after telling him the whole story, demanded him to appeal directly to the Throne in his capacity as the Chairman of the Privy Council. However, Hara told me that his position was not so powerful as I assumed it to be and therefore he could not act in such a capacity. During my conversation with him, I remember I even

-7-

used violent expressions for his senseless statement evading official responsibility, while he actually received full grace of his official capacity. At any rate, my plan failed. I am sure both Wakatsuki and Okada remember our conversations. Probably the present Premier Yoshida remembers the whole story better, because my visits to Wakatsuki, Okada and Hara, in fact, had originated in my consultation with Yoshida.

(2) In 1938, Seiyukai split. At that time, the Army's power had already infiltrated into politics. There were, even among Seiyukai members, pro-militarists and the Army's cat-paws. Chikuhei Nakajima (ex-aircraft manufacturer and wartime Minister of Munitions) headed these groups. His advocacy was that "Japan should first advance to Singapore and next to the Mediterranean!"

The President of Seiyukai then was Kisaburo Suzuki, my brother-in-law and ex-Minister of Justice. Because of his poor health, at that time, the party was operated by a Board of Councillors consisted of four members. They were Yonezo Maeda, Toshio Shimada, Chikuhei Nakajima and myself and I was the top member. In the event Suzuki resigned, I was expected to become his successor. But, during my absence abroad, Maeda and Nakajima were at work to throw me out of the party when I returned from abroad.

It was a fight for Presidency between Nakajima and myself. I suggested to decide by voting. The three other councillors first opposed it, because more members were in my favor. A month later, after they had succeeded in "buying up" the votes, they in turn proposed voting. This time, I

-8-

vetoed, because I thought it was not fair play. But the situation developed to my disadvantage. Ichiro Kono, Toyotaro Fukazawa, Yasutaro Fujio and others came to me proposing to nominate Kuhara as candidate and back him up to beat Nakajima. I withdrew my candidacy, not wishing to disclose the foolishness and dirtiness of the struggle within the party. In so deciding, I even ignored the strong opposition to my resignation by two of the senior members, Chuzo Mitsuchi and Kenkichi Yoshizawa, who knew what kind of a man Kuhara was. In other words, the break-up was a fight between Pro-militarists and parliamentarians among Seiyukai members. Nakajima represented the first group and I represented the second group. But Kuhara finally advocated the "dissolution of political parties" and flattered to the militarists.

I retired from taking an active part in politics in 1938 when I saw that all the political parties were busy in toadying to the Army, fearing the power of the militarists. This was a well-known fact then. At that time, Seijun Ando, Hitoshi Ashida, Etsujiro Uehara, Tsuruhei Matsuno, Banboku Ono, Joju Hayashi, Koichi Seko, Toyochi Ishizuka, Hatsutaro Haraguchi, Chokichi Miyawaki, Kenkichi Yoshizawa, Chuzo Mitsuchi and other took my side. When this became known, many persons came to me, advising me to "change my coat". Among them were two journalists, Kobayashi of Tokyo Nichi Nichi and Namekate of Kokumin Shimbun, who were particularly eager in persuading me to conform with the changing tide of the time. I made clear to all of them that I had no intention of fooling myself by going back to active politics again. I hear that Kobayashi is now

-9-

living in Kagawa Prefecture, but I do not know the whereabouts of Namekata. (Refer Appendix F)

(3) My fight with the pro-militaristic members of the Seiyukai may be dated back to the formation of the Showa Domei (Showa League), the original cradle of the Japanese pattern of Fascism. In these early days, my fight was against the Fascist elements of the Seiyukai party.

Showa Domei was formed by ex-Seiyukai members who abandoned the party to join the Okada Cabinet (1934-1936). They included Takejiro Tokonami, Tatsunosuke Yamazaki, Shinya Uchida and others who had a tacit understanding with the so-called "new bureaucrats" then gaining influence under Saito and Okada administrations. Through them, the Showa Domei came into close contact with the Army.

As has been mentioned above, the so-called "new bureaucrats" were fostered under the administration of both Saito and Okada. They steadily gained strength backed up by powerful men like Kurahei Yuasa, Takio Izawa and others and in close tie up with the Army faction represented by Tetsuzan Nagata, Tojo's predecessor. Later, the "new bureaucrats" cleverly made the best use of young peers and influential court vassals like Kono and Kido, thus rapidly building up Fascism in Japan. Under the pretext of a "national reform", they worked on, outwardly to expand military activities in China, and inwardly to strengthen Government controls in order to pave the way for the coming national mobilization.

-10-

As a member of the Saito Cabinet (1932-1934), I fought against their growing influence. When the Okada Cabinet was formed, I insisted to stand in opposition. But as has been stated above, Tokonami, Yamazaki, Uchida and others were determined to join Okada, and broke off with Seiyukai, and thus the Showa Domei was formed. After Konoe came into power, more members followed them, flattering the military clique and the "new bureaucrats". Nakajima, Maeda and others of the Nakajima faction were among them. Finally, Kuhara and his clique followed, thus leaving only my associates and myself a minority group in the party. At any rate, we stuck to the last for Parliamentarism. These are all publicly known facts readily verifiable with outside sources.

(4) As to my relation with the Yokusan Seikikai (Political Rule Assistance Association); it is told that my name was once listed and later struck off. But the truth is that I never did take any procedure for enrollment with the Association.

At that time, Ashida and Jiro Hoshijima had the intention of joining the Association. We held a Dokokai meeting to decide whether we should join the Association or not. With tears in their eyes, Ashida and Hoshijima declared that they would end their long political partnership if I did not join. The following morning, Ando called up all the Dokokai members to gather at my Otowa house in Tokyo to continue the discussion. I still refused to join. Around noon time, Ashida and Hoshijima left my house for enrollment, saying that the time-limit was running out.

To my surprise and Ando's, who came to see me again, the day's evening papers reported my joining the Association. As

-11-

for myself, I never sent out the enrollment card. I imagine that since both Ashida and Hoshijima have been my close associate for ages, they probably told the press in their discretion that I might also join the Association. Hence the evening news. In so doing, they may have thought that they had done me good. The above story has been fully described in the appendix of my previous appeal. Since I had all but retired from Diet Duties, I did not even know of the alleged membership until I was purged. It is moreover absolutely certain that I never held purgeable office or attended any business of the association.

(5) On 20 October, 1937, I cabled from London to the Japanese Government, advising them to send a delegation from Japan to the Nine Power Conference which was to be held at Brussel for the purpose of debating on Japan's action in China. During my stay in London that year, I talked with many British Government representatives, businessmen and others, and from the information and opinions I accumulated, I believed that by talking the whole matter over with other powers, Japan could terminate the China Incident at an earliest possible chance and avoid any future armed conflict with America and England. Thus I proposed that Japan should join the Conference. Unfortunately, the Japanese Government did not accept my proposal and simply ignored the Conference.

I remember a painful experience during my stay in London. One day, I met the British Foreign Minister Anthony Eden at the Parliament, accompanied by the present Premier Yoshida. Just when I was explaining to him that the majority of the Japanese people are hoping Anglo-Japanese friendship, he showed me a cable from Tokyo with an opposite effect reporting an Anti-British rally at Hibiya Park in Tokyo. He said he had just receive the cable and told me that

-12-

Teijiro Yamamoto was representing my party, Seiyukai, at the rally. I assured Eden that I could not believe it and that the majority of the party members were friendly to England. When I said so, I did not lie to myself; I believed it. But to my deepest regret, situation later on developed in the other direction, the majority of the party members joining the pro-military faction.

(6) A rumor had been widely circulated, when I was returning home from abroad in February, 1938, that the rightists and militarists would prevent my coming on shore at Yokohama. My wife had traveled as far as Hawaii to meet me, bringing with her many private letters from my friends, all sending a red signal. The rumor apparently had originated in my proposal, as has been described already, to send Japanese Delegation to the Nine Power Conference. Fortunately, nothing of the sort happened as I was closely protected and guarded by my associates, except that some rightists handed me an impeachment letter at Tokyo Station.

(7) Among the bills submitted to the Diet by the Army while I was abroad was the National Mobilization Law. This bill restricted the freedom of the people most effectively and reduced the function of the Diet. When I returned from my trip abroad in 1938, my associates informed me of the reasons for opposing the above law in the cabin of the Chichibu-Maru. I agreed with them and definitely opposed to the bill. On the same day of my return, I presented this view of mine at the Diet building to the then Premier Kono, who told me that he also was of the same opinion. My colleague Ryozo Makino made a speech in opposition to this same law at the Committee Meeting, but in spite of the majority's support of his

-13-

speech, the bill passed the Diet almost unanimously, due to the suppression by the Government. My associates were the only members who actually voted against it. Koichi Seko can verify this statement.

(8) My associates and I were against the 1939 military pact with Germany and Italy. The present Premier Yoshida and I shared the same view that it would endanger Japan's relation with the Soviet, *as I described in my diary 3 February, 1939. To quote from my diary of 2 April, 1939:*

"Shunkichi Ueda (present Director-in-Chief of the Board of Justice) told me the story told him by Tetsuzo Watanabe, (present President of Toho Studios). Watanabe met Home Minister Kido sometime ago and warned Kido about the danger of the tri-power military pact in case of a head-on dispute with the third power or powers. Kido replied that he could not understand it. Ambassadors Oshima and Shiratori are coming home, ignoring the Government's instructions and upon their return, a new military cabinet will be formed. As a result, a pact on vague terms will be inevitably signed. It is this weakness and the irresponsibility of Kido's that has thrown Japan into the present plight and grief. We are sick of this irresponsible and gloomy ruling".

In my diary of 15 January, 1940, I wrote
"Those who are clamoring for German military pact or Russo-Japanese non-aggression pact always gamble matters and decide matters for self-interest."

Further my diary of 22 January, 1940 says:
"Such lecture as Shiratori's is a product of this stormy world, this revolutionary air of the time of Terror."

-14-

(9) My diary of 3 February, 1940, shows that I denounced the action of the Chairman of the Diet in punishing Takeo Saito for his speech made at the plenary session on 2 February, 1940. I was absent at this voting, but I criticised Kuhara as "crazy" when he admonished my associates to leave the party for voting the blue-ballot. My position is clearly revealed by the fact that the only Seiyukai members who voted to support Saito were my intimate colleagues.

(10) Diaries of the following dated show my opinion and attitude toward Konoe's "New Political System" and Taisei Yokusankai (IRAA).

27 August, 1940
7 October, 1940
15 October, 1940
27 October, 1940
5 January, 1941
22 February, 1941

(Refer Appendix Q)

(11) What I was most interested in during my tenure of office as the Minister of Education (December 1931-March 1934) was public education. Improvement of pay-rolls for primary school teachers and personal inspection of education facilities by the Emperor were two of the measures. I instituted to stress the importance of public education. It is beyond imagination how the primary school teachers all over the country were encouraged and rejoiced over these steps. Formation of the National Convention of Teachers was another step. I attended its meeting. In Sendai, Nagasaki, Tokyo, Osaka, Niigata, Gumma and other places, I spoke at their meetings on the importance of civil education,

-15-

the responsibility of the teachers, education of heart and fraternity, the spirit of fair-play and on the principles of democracy. I should imagine that the local papers surely carried reports of my views expressed at those meetings. Heijiro Shimokawa (then President of the National Convention of Teachers) who now resides in Mie Prefecture or Tomaru Nakazawa (Shimokawa's successor) of Tokyo know well about my idea and also how the teachers felt about it. Even after my resignation, I continually attended their meetings for about two years. But the dissolution of the Convention was later ordered by the Japanese Government under the pressure of the Army.

(12) What I regret most is that I could not put into effect my project for improving the normal school education, for which I had appropriated a fund of ¥ 4,000,000 in 1934 prior to my resignation. I appropriated this fund for the purpose of teaching at all normal schools the history and principles of democracy in order to let them understand why a democratic government is smoothly operated in America and England, but not in other countries.

(13) I encouraged all kinds of sports during my administration. People called me the "Minister of Sports". No parliamentary government can be operated without the spirit of fair play, which is best demonstrated in sports. During my term of office, I wrote a book on sports titled Story on Sports (Sports o Kataru).

(14) Because of my stubborn opposition to Communism, I have been, in some cases misunderstood and mistreated as an anti-Liberalist. I have read a great number of books on Soviet's politics, her ways

-16-

and means of actual operation, on many tragedies of the Soviet people and on the personal character of Satlin. All these have made me a firm anti-Communist. The teaching of Confucius and Mencius also might have had some influence on me. I remember I expressed this attitude of mine clearly to the public a long time ago during the Komei Kato Cabinet (1924-1925) at the Diet Budget Committee when I questioned the Premier Komei Kato about the Third International. This can be verified in the stenographic records of the Committee. Soon after I established the Liberal Party, I made public my "Anti-Communist Statement" which caused quite a sensation at that time. This is a well-known fact. I am not a "new" Anti-Communist. All my constituents and friends know well how long I have been consistently working for a smooth operation of a democratic parliamentary system. It is my greatest regret that I am regarded in the same light with those who suddenly began to speak loudly of democracy after the war ended.

(15) One day in 1937, Shunkichi Ueda (present Director-in-Chief of the Board of Justice) informed me that he had found "terrible documents" in the safe of the Planning Board of the Japanese Government. A person employed by the Board through his recommendation brought them to him. Ueda said he worked three days and nights to copy all the papers. The documents contained detailed plans for the "political and economical reforms of Japan". The reforms were designed to make Japan a 100 per cent Communistic country. Both Ueda and I kept this a secret then, but a few years later, Ueda told it to Kono, Hiranuma, Ikeda, Wakatsuki, Okada, Hara and some others. Discovery of these plans had convinced me that there were a good many numbers of Communists in the Army and that they were quite powerful in the organizations. I cannot forget about

-17-

this and I still believe that the Communists have played a leading role in dragging Japan into the Pacific War. It had further assured my pessimism that Japan was fighting a definitely losing war. Iwamura, former Minister of Justice, told me that Hidemi Ozaki, leading Communist in Japan, stamped with vexation just before his death that he could not celebrate Japan's defeat at Hibiya Park! Ueda, Iwabuchi and Iwamura will be able to substantiate the above story.

(16) I should like to cite here one more evidence that I believed in democracy--that is, I had been a sincere advocator of women's suffrage since the time I was the Chief Secretary of the Tanaka Cabinet. Indeed, that was one of my principles when I formed the Liberal Party and many leading women of Japan came to express their appreciation to me at that time.

II During the War--What I Thought and what I Did

(1) My attitude toward the Taisei Yokusankai (Imperial Rule Assistance Association) was always the same as that toward its offspring the Yokusan Seijikai mentioned before. My conviction was that this Association, organized by Kono under the ridiculous pretext of "national re-unification", was a total defiance of parliamentary system and suppression of the liberal opinions of the minority parties. In spite of my publicly-known view on the Yokusan Seijikai, I was constantly importuned to join it. In regard to it, I recall the following incidents.

-18-

One day early in 1942, the present Premier Yoshida called at my Karuizawa home and told me that Konoe was going to invite me to dinner and I should accept it. I refused saying that Konoe is a traitor, Konoe and Kido are going to ruin our country and I am not interested in a traitor's dinner. Obviously Yoshida told Tsuruhei Matsuno (ex-Railway Minister) about it. Matsuno came soon after Yoshida left and repeatedly advised me to go to Konoe's dinner if I wanted to stay in politics, but I still refused.

Several days later, Konoe visited my Karuizawa home at night after 8 p.m. I told him I had several questions to ask him and if he could not give me satisfactory answers, we could not be friends. I asked him why he had organized the Yokusankai, why he had recommended Tojo, what he meant by "national reunification", where the Army was leading Japan to by what it is doing now, what he considers about the clean-up of the Army and whether he really thinks it possible to control the young military officers without General Mazaki as their head. Konoe answered each question and stayed until after 12 p.m. Because of several telephone calls, he went back, promising to continue the conversations the following day.

I called on him to continue our talk the following day. His view in short was that Tojo was recommended by Kido, that he was also worried about the Army and had organized the Yokusankai as a means to check the militarists, and he also favored the idea of having Mazaki to shake up the Army. As our opinions were the same, I saw Konoe quite often after that.

While I continued to see Konoe, my opinion on the Yokusankai was definitely confirmed and I came to believe that the indecisive, dilly-dallying attitude and the strong sense of partiality of

-19-

Konoe and Kido were mostly responsible for Japan's being dragged about by young military officers. Yoshida, Matsuno and several other friends of mine all know the above story. It was this opposition which led myself and my political friends to oppose the budget appropriation for the Yokusankai in 1941. This led to the formation of the Dokokai of which previous mention has been made. Diet records as well as political colleagues will confirm this statement.

I haven't played golf for almost eight or nine years. Before that, whenever I saw Konoe or Kido at the Asaka Golf Club, I whispered to my weekly Sunday Golf-mates such as Ryozo Asano, Shun Nomura, Yasuto Shudo and others that it is these men who would overthrow our country sometime. I still believe, even today, that if the right man was then chosen for the job, even the fury of the militarists could have been kept down.

(2) Though I did not have very close connection with General Mazaki at that time, I knew that he was strongly opposed to the adventures of the Kwantung Army in Manchuria in successively expanding their operations, ignoring the directives of the Japanese Government. I knew that he had persistently insisted on the immediate evacuation of the Japanese troops from Shanghai at the time of the First Shanghai Incident, with the hope of having a peaceful settlement of the China Incident, against the Army's intention to stay on there. I further knew that he had dashed courageously to stop the Kwantung Army from swarming into North China through the Long Wall, over-riding the policy of the home government. For these reasons, I thought General Mazaki was the proper man to rule over young military officers.

One day in 1943, I traveled to Tokyo from Karuizawa to call on General Mazaki and returned on the same day. At this talk,

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Mazaki assured me that Japan has already lost the war. When I called on General Ugaki later at his Kokubunji home, I told him to use Mazaki if his cabinet were to be formed. I helped Ugaki in the hope that he could use Mazaki, when he obtained the power to do so, in order to lead to an early termination of the war by an over-all clean-up of the Army and the crazy young officers. At my Karuizawa home, I further conferred with Konoe and Ugaki on selecting candidates for the expected Ugaki Cabinet members, but the plan failed due to the indecision of Konoe and the opposition by the Army. Both Ugaki and Mazaki are fully acquainted with these circumstances.

(3) At the Diet Member's Assembly of the Yokusen Seijikai (only party at that time) on 17 June during the Diet session of 1943, I broke my long silence frankly attacking the wartime Government for barring the freedom of speech of minority parties and banning the disclosure of truth about the war. The Government at that time refused to allow my associates to speak on any important legislation in the plenary session as well as at the committee meeting. Also the official war announcements differed so much from the information I gathered from Yomoda of the Yomiuri Shimbun, Ashida, Miyawaki and other sources. In this speech, I challenged that if the Government just gave orders and simply requested absolute obedience, it is nothing but despotism. I stressed that they can expect real cooperation of the people only when they are convinced, and that real cooperation comes only from mutual consultation based on true facts and not from false reports or suppression of speech. All the members who attended the Diet then should know this.

-21-

(4) In the same speech at the Diet Members' Assembly on 17 June, 1943, I referred to the Bills for the Adjustment of Enterprises and the Counter-measure of Food. Both of them were of course submitted by the Army. The Army's program was kept in the safe of the Planning Board and that of the Chief of the Bureau of Military Affairs. Surprising as it may seem, these Bills were apparently based on the political revolution plan of Communism--that which absolutely denies the Diet, and the economic revolution plan of Communism--that which absolutely denies ownership. Iwabuchi has a copy of it in Japanese and I have heard that it has been translated into English.

(5) Those who opposed to strike Takao Saito's name off the roll of the Diet joined me in establishing the Dokokai in 1941. The legal bills the Dokokai opposed were chiefly the Special Wartime Criminal Code and the Temporary Control Law for Speech, Publication, Meeting, Association, etc. Needless to say, the Army was in the background of these bills.

How the Dokokai suffered under the coercion of the Army and the Government can be clearly seen in the 1942 election. The majority of the candidates lost due to unjust and illegal interferences beyond imagination, and the number of their Diet members were reduced to nine from 36. I presume that you are fully informed of how completely the so-called recommendation election neglected the Constitution and Law. When I stated my speech with the words, "the recommendation system is ..." at the Shibuya Public Hall, I was immediately ordered to stop. Another time when I said, "Do you people want freedom or no freedom?" at the Kubomachi Primary School in Koishikawa, Tokyo, the police-men of guard hit the floor furiously and shouted,

-22-

"Be careful, speaker!" My mail address barely passed by excluding or revising some parts of the original text at the last minute. The Army and Government interference toward my associates in local districts were even more severe.

(6) When the fall of Saipan was imminent in 1944, I went to see Konoe, strongly demanding him to take an immediate action to end the war with the surrender of that island. Konoe assured me that an Imperial Conference might be held in order to inform their unanimous opinion to the Throne, as many princes were of the same view.

(7) My second admonition to Konoe was to do everything to stop the war when Singapore fell. Konoe did not agree for the reason that the Army was too arrogant to listen to any peace motion and, if the war ended there, it will drive them further to an uncontrollable state of mind and conduct. When Okinawa fell, everyone wanted peace, but any such motion was bluntly ignored. My close associates are all well-informed with the story.

(8) During the war, I had to spend most of the time at my villa in Karuizawa to take shelter from the oppression of the Army. Due to the above fact, when I plied the post-war Shidehara Cabinet with questions at the Diet, many of the members interfered, calling me a "by-stander of war." This certainly should be with- in the memory of the Diet member as it happened not long ago. Should I still be subject to the charge of "deceiving and misleading the people of Japan into militaristic misadventure"? It has been my consistent principle to oppose to a despotic government, and I have always done my best to establish parliamentarianism in our country.

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III Letters from Friends

I should like to present to you a few private letters from my friends, which were returned to me after the procurators had investigated my house in November, 1948, in the hope that they might throw more light on my position and thoughts prior to and during the war. The original text of these letters are available for your perusal if necessary.

- (1) Letter from Kazuo Kojima denouncing Yokusankai and Expressing Concerns Over Japan's Critical International Relation.

30 August, 1941.

Dear Ichiro,

Tea-boy association (Yokusankai) is reported to be soon organised by ingratiating opportunists. For years, they were pulled around by the militarists. Now they have shamelessly come to fawn upon the Army. Pusillanimous as they are, no wonder they can act so cheap! All they can do is to make their declared "Sammi Ittai" (Trinitarianism) a step toward the coming election. Everyone will be struck dumb with astonishment if he is told that such is "the break-down of the old system" and "the re-unification of the reforming powers".

But more serious is the international situation. This morning's Konoe statement toward America, as I see it, is more suitable for "domestic consumption". A greater danger will be the probable outcome of the recent general mobilization. The so-called hard and fast Iron National Policy can be identified with the policy of "advance to the South, but slow with the North", only temporarily covered up with "mature consideration".

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Therefore, if once the militarists are ready for action, nobody knows when and where the second and third Mukden Incident might break out. The trouble is that they are well aware of their own power, but know nothing of the nation's potentials. Greater trouble is they now know they can pull around the nation. Good or bad, confidence means a power. Furthermore, nobody will dare to check them. Rather the whole country is trying to ride with them. So much I am displeased and disconcerted.

Yours sincerely,

Kazuo

(2) Letter from Etsujiro Uehara When a Plan for the Ugaki Cabinet was Underway in 1943.

29 August, 1943.

Dear Ichiro,

I agree with you that the best man to open up a way in the present political tangle is Ugaki. But if Seigo Nakano (a long-time Diet member who killed himself toward the end of the war) participates in the plan, I am afraid the plan might fail midway. My frank opinion is that it is still too early yet for a political change or to expect one. The whole nation, I believe, will be shocked if Germany and Italy collapse and that is the time when we should plan a big turn in our country. That is the time we should all work out a plan to shut out the militarists completely from politics. Otherwise, the future of our country is definitely hopeless. I think we can wait without our country being reduced to ashes until Germany and Italy collapse. If we hasten too much, I am afraid there will be more chances of failure. We certainly cannot shut our eyes

-25-

to the present deplorable conditions, but the situation in general has not matured yet to warrant a speedy change.

Yours truly,

Etsuhiro

(3) Letter from Shotaro Yano, Showing His Views to the War

4 May, 1945

Dear Ichiro,

War in Europe has come almost to the end. This is not a surprise. I only deplore the miserable state of the people governed by crazy men.

Yours,

Sho

(4) I had several letters of similar contents received from Seijun Ando, expressing serious concerns over national affairs. These have not been quoted since I returned them to him to use in his application for his purge release.

As I have stated before, I have been a liberalist
parliamentarian all throughout my political life. I am
sure that many of my old friends will be willing to prove
the evidences given here are true to facts. More infor-
mation above in details based on verifiable sources will
be available for your perusal if deemed necessary or helpful.

I, who deceived and misled the Japanese People into the war and
became their active political leader during the war, could it
have been possible for myself and the Liberal Party to win the
first post-war election by the highest poll, when all Japan
was emotionally embittered and disillusioned over their
deception and misrule by the militarists? The people of Japan
are very well acquainted with my thoughts and actions prior to
and during the war. If not, they would never have voted for
me and the Liberal Party in preference to the Progressive
Party.

It is my sincere hope that you will reconsider my case, after
reviewing the evidences offered in my present appeal and my
petition, together with that your Headquarters must
have accumulated during the past years. I am hopeful
your honest judgment will result in my release from the
charge by your fair and impartial decision.

I affirm the above to be true in every particular
to my knowledge.

Ichiro Hatoyama

pers
B

April 4, 1949

PERSONAL AND CONFIDENTIAL

Dear Bill:

I was a little disturbed by your airgram No. 42, February 18, 1949, and by a point which was made in one of your recent dispatches written by Spinks. The statement in the dispatch as best I recall it implied that it was desirable that government in Japan alternate between a party such as the Democratic Liberal and a socialist party. The statement in the airgram which I have in mind is the last sentence. It seems to me that we would be forgetting Japanese political tradition and possibly not working in our own best interest if we were to favor a single party's absorbing all non-socialist and non-Communist elements in Japan. Such a party would, I am sure you will agree, include or appeal to the vast majority of the Japanese and if upon becoming dissatisfied with the party in power the electorate could only turn to a socialist or Communist party I question whether the best interests of the United States would be served. It seems to me that it would be far better if the electorate could choose between two parties, neither of which embraced socialist or Communist principles.

This Document Must Be Returned to
DC/R
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Files
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I would be much interested in having your own personal views on this important question, because you are much closer to the political scene in Japan.

Sincerely yours,

Max W. Bishop

DC/R
Anal. <u>70</u>
Rev. _____
Cat. _____

The Honorable
William J. Sebald,
Acting United States Political
Adviser for Japan.

CONFIDENTIAL FILE
894.00/4-449
CS/H

CONFIDENTIAL



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

JFE

United States Political Adviser
for Japan

Tokyo, April 12, 1949.

REC'D
APRIL 18

No. 217.

DC/R

ACTION
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UNCLASSIFIED

INFO
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Subject: Transmitting Publication regarding Conditions of
Japan.

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The Acting Political Adviser has the honor to transmit herewith for the Department's information five copies of a pamphlet entitled Present Conditions of Japan, I, prepared by the Japanese Foreign Office and published under date of January 1948. The pamphlet gives a cursory sketch of present political, social and cultural conditions of Japan. The information is not new, but in certain respects is of interest as having been prepared by the Japanese Government (for example, the purge statistics and the account of the Soviet Union's entry into war against Japan).

gwm

Enclosure: *att*

✓ Five copies of pamphlet,
Present Conditions of
Japan, I.

APR 22 1949
RECEIVED
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AND REPRESENTATIVE MATTERS

Parchment Mat to the Department.

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Action Assigned to *Fisher*
Action Taken *Copy of book
sent to LR, CIA
Copy of book to IAD*

Date of Action *4-25-49*

Action Office Symbol *IAD*

Name of Officer *J.S.*

Director's File

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ACTION COPY RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

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In reply refer to NA

SECRET

The Secretary of State encloses for the information of the Secretary of the Army a copy of an article regarding modification of the purge in Japan which appeared in the Nippon Times of March 15, 1949, in Tokyo, Japan. Similar articles have appeared in other papers there.

It is United States policy that the purge should be modified. The statements attributed to "Charles L. Kades, Deputy Chief of SCAP's Government Section," are in direct conflict with policies of this Government and publication of these statements in Japan is considered detrimental to United States interests.

The alleged assertions that Japan is more threatened from the "extreme right than from the extreme left" and that "fear of Communism is a red herring" do not conform with the reports which have been received from Department of the Army intelligence sources. It is believed that statements of the sort attributed to Mr. Kades when circulated in Japan play directly into the hands of the Communist movement there and may well result only from "wishful thinking".

It would appear desirable to take appropriate steps to correct the false impression regarding United States policy which has been circulated in Japan by the publication of this report and to assure that all important officials of SCAP Headquarters are informed of and guided by the established policies of this Government. This is particularly desirable in view of the provisions for the modification of the purge in paragraph 13 of NSC 13/2 as approved by the NSC and the President. The Department of State would appreciate being informed whether the remarks attributed to Mr. Kades were actually made by him and, if so, what action the Department of the Army proposes to take.

Enclosure:

Copy of article from Nippon Times, March 15, 1949.

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Copy of Article from Nippon Times, March 15, 1949

KADES DISCOUNTS STORIES ON PURGE

Deputy Chief of Government Section
Says Rightists Behind Hullabaloo

By William McDougall, UP Staff Correspondent

Washington, March 14-- An occupation official here said, "All this hullabaloo about a possible revision of the purge policy emanates from the extreme right in Japan--the Hatoyama-Hirano axis--who are simply whistling in the graveyard."

The official was Charles L. Kades, deputy chief of SCAP's Government Section, who is here on temporary duty. His words were in answer to a question following a talk he made to the "300th Military Government Group" and the organization of reserve officers.

Mr. Kades was interpreting the results of the recent Japanese election. He minimized Communist gains. Asked why the Red vote was not ominous, Mr. Kades replied Japan was threatened more from the extreme right than from the extreme left. He said, "fear of communism is a red herring nourished by those who desire to restore the old order in Japan. However, that group is no longer a dominant factor in Japanese political life."

Mr. Kades told 250 reserve officers that as a result of the purge and the elections a new democratic leadership has arisen in Japan. He said General MacArthur has always considered the purge not as a punitive but as a preventative measure. He said the fact that there are so many new faces in the Diet showed the success of this policy.

Forty-one per cent of the present Diet members have been elected for the first time. Mr. Kades was on the staff section in GHQ which had the function of advising SCAP on the administration of the purge by the Japanese Government.

Asked if there was any substance to reports that a revision was contemplated, Mr. Kades replied that the Far Eastern Commission had no revision of its policy decision under consideration. He said, in any event, the SCAP directive of January 4, 1946 would be controlling the Japanese Government because SCAP was the sole executive authority in Japan. He said the directive known as the "SCAPIN 550" is in no way a mere revision of the Joint Chiefs of Staff directive of November 1945 which established

the basic

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the basic post-surrender policy and later was superseded by an FEC policy decision on the same subject.

Mr. Kades said communism would fall on barren ground in Japan "because General MacArthur has been a super-salesman of democracy." He said General MacArthur's vision and statesmanship had created an impregnable barrier against communism. He said the Japanese people are enjoying civil liberties and the way they exercised the voting franchise proved they wanted to participate in a representative government.

He said the land reform program had made home-owners out of tenant farmers who might otherwise have succumbed to communism. He said the deconcentration program had made it possible for small businessmen to compete in the market.

Mr. Kades said most Japanese trade unions desired to remain free and except for the communications workers and a few isolated groups were not susceptible to Communist leadership. He said the Railway Workers Union was an example of a Communist minority failing to capture the non-Communist majority.

Asked why the extreme right was more dangerous than the left, Mr. Kades replied, "in the event of an acute economic program there would be a natural tendency on the part of the people to be disillusioned with the machinery of the representative government and return to the traditional leadership. Mr. Kades said the Japanese would not turn to Communist leadership "because the Japanese people recognize the extreme left as a Trojan Horse and a spearhead of alien pressure. On the other hand, the extreme right is totalitarianism in sheep's clothing of domestic tradition."

Mr. Kades said the election returns which gave the Communists 35 seats in the House of Representatives but swept Shigeru Yoshida's conservatives to a thumping majority victory was "simply the result of the operation of practical politics."

He said the election indicated a normal reaction against the group in power, namely the Democrats and the Social Democrats plus the revelations of the Showa Denko scandal and the unfortunate split in the Social Democratic Party between the right and the left wings.

Mr. Kades said General MacArthur's comment on the elections summarized the true result. General MacArthur

said

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said, "The people of the free world everywhere can take satisfaction in this enthusiastic and orderly Japanese election which at a critical moment in Asiatic history has given so clear and decisive a mandate for a conservative philosophy of government."

He quoted Gen. Courtney Whitney, head of the Government Section as saying, "The Japanese people have given another demonstration that they have the ability to operate the machinery of a representative government."



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Handwritten initials/signature
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file

DIVISION OF
NORTHEAST ASIAN AFFAIRS
States Political Adviser
for Japan

MAY 4 1949

No. 242

Tokyo, April 21, 1949.

DEPARTMENT OF STATE

CONFIDENTIAL
(For Department Use Only)

no action required
may 15, 1949
mg.

XXXXX

Subject: The Social Democratic Party's Shift to the Left.

REC'D
APR 28

ACTION
FE

The Honorable
The Secretary of State,
Washington.

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Sir:

I have the honor to bring to the Department's attention the reorganization of the Social Democratic Party at its fourth national convention (March 15-17, 1949), as a result of which left wing elements have secured virtual control of the party.

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Mr. SUZUKI Mosaburo, leftist leader, was elected Secretary General in a substantial victory over Mr. ASANUMA Inajiro of the right wing. For the first time since the organization of the party at the end of the war a leftist has secured the secretary generalship. A new thirty-man Central Committee has been chosen, comprising ten right-wingers, ten left-wingers, five neutrals, and five members representing the leftist Japan Liaison Council of Labor Unions (Zenroren), thus giving the leftist a potentially preponderant position. Mr. KATAYAMA Tetsu was reelected party Chairman as a compromise gesture to the right wing, but he is expected to be over-shadowed by the more aggressive Secretary General. The convention also voted to amend the party's constitution to provide for a communist-style politburo of five members, local chapters at workshop levels, and public election of the Central Executive Committee by party members.

The results of the party's reorganization indicate a marked increase in the influence of labor union leaders, including Democratization League elements of the National Congress of Industrial Unions. Because of the Social Democratic Party's support of the National Public Service Law amendment in 1948, the League initially intended to organize a labor party of its own. More recently, however, it decided to concentrate its attention in effecting the reconstruction of the Social Democratic Party along more leftist lines.

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Tokyo's Despatch No. 242,
April 21, 1949.

CONFIDENTIAL

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The reconstruction of the Social Democratic Party at the fourth national convention has thus given labor a far stronger position in the party than it ever enjoyed before. It is likely, therefore, that the party will become more truly a labor party, although at the cost of moving further to the left.

The national convention rejected the left wing's insistence upon a "scientific socialism", or Marxist plank, in the party's platform. Instead, the party has committed itself to the attainment of an equally vague program of "social democracy" through the acquisition of power in the National Diet. To accomplish this end, however, the convention adopted certain communist techniques, such as closer identification with the mass labor movement and what is virtually the cell principle of organization at the lowest or so-called workshop level. The party has in this way moved much closer toward becoming a class party, although it has still drawn a line against the class principles of the communists.

While the Social Democratic Party has moved much further toward the left, it is still considerably to the right of the Japan Communist Party. Mr. Suzuki, the new Secretary General, is a thorough leftist, but of the legal type. He has apparently drawn a certain limitation beyond which he will not venture, as illustrated by his remaining within the party last fall when ultra-leftist elements of the Kuroda faction withdrew to form the communist-like Labor-Farmer Party because of dissatisfaction with the conservative leadership of the Socialists. Like Mr. KATO Kanju, Mr. Suzuki is not a Marxist, and he has been as opposed to suggested mergers with the Japan Communist Party as any of his party's right wingers. While noted for his intellectual integrity and with some reputation as an economic expert, Mr. Suzuki has given little evidence of being a brilliant or particularly capable political leader. His theories of socialism lack clarity. As a politician, he betrays considerable confusion in his thinking. He is anti-capitalistic without sharing the communists' anti-capitalism. In the confused middle ground between right and left, between capitalism and communism, Mr. Suzuki might well lose his way. Despite his anti-communist views, he could be easily susceptible to a communist-inspired popular front movement if it were offered in the right garb.

In moving further to the left, the Social Democratic Party has undoubtedly strengthened itself. It will now be able to bid more successfully for mass labor support. In this sense, the party may be able to counter more

effectively

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Tokyo's Despatch No. 242,
April 21, 1949.

CONFIDENTIAL

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effectively postwar communist inroads into the labor movement, a consideration which was apparently behind the decision of the anti-communist Democratization League to throw its support to the Social Democrats rather than attempt to create a new, "reformed" socialist, or labor, party of its own. On the other hand, the reorganization of the Social Democratic Party will most likely sever its connection with the more liberal elements of the Democratic Party, the basis upon which the coalition Katayama and Ashida cabinets were built.

The national convention of the Socialists has by no means erased the heterogeneous, factional character of the Social Democratic Party. Each step in the convention's deliberations, from the election of officers to the definitions of party policy, was marked by compromises and adjustments between the left and right wings. But in this process of compromise and adjustment the center of gravity has definitely shifted to the left, and, while an open split between the two extremes has been avoided, the party is still a coalition of conflicting factions.

The increased strength of the party's left wing can be attributed only in part to labor's larger role in party affairs as a result of the national convention. Equally important is the decline in strength and prestige of the right wing leaders. From the time the party was organized at the end of the war under right wing auspices, the rightists have been unable to provide aggressive, dynamic leadership. Men like Katayama and Asanuma apparently lack the political acumen and forceful personality strong leadership demands. In a sense, most of the Social Democratic Party's leaders are too far ahead of their time. Japanese politics, for all the postwar changes, is still characterized by certain traditional, so-called "feudal" aspects of leadership in which the oya-bun, or boss, depends upon a following based upon strong personal loyalties. Too many of the Socialist leaders lack such strong personal followings and have depended upon the more impersonal support of the intangible electorate. At party conference tables and in the rough-and-tumble of intra-party strife a leader's personal popularity at the polls is too often of less weight than the number and influence of his personal backers.

The Social Democratic Party leader who was perhaps best qualified from the standpoint of the size and strength of his personal following was Mr. HIRANO Rikizo. This former right-wing leader, however, was disqualified under the purge, apparently at the instigation primarily of General Headquarters. His disqualification deprived the party's right wing of its strongest and perhaps most able leader.

Another

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TOKYO S Despatch NO. 242,
April 21, 1949.

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Another important weakness of the Social Democratic Party's right wing which has been of equal benefit to the leftists was the party's political failure while it was in office during the Katayama and Ashida coalition cabinets. This political failure has seriously discredited right wing leadership in the eyes of the leftists and the party's general reputation in the eyes of the electorate, as demonstrated all too clearly by the results of the last general election.

Respectfully yours,

W. J. Sebald

Parliament Mat to Department.

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ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation 894.00/4-2149
Despatch No. 243
 Date 21 Apr 49
 From USPOLAD, Japan
 To State

In the review of this file this item was removed because access to it is restricted. Restrictions on records in the National Archives are stated in general and specific record group restriction statements which are available for examination. The item identified above has been withdrawn because it contains:

- Security-Classified Information
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USSR Authority

2 Jul 78 Date

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TERUO MUKOYAMA
Konwa Kaikan Bldg.
Tsukiji
Tokyo

Hon. Dean Atchison
Secretary of State
Washington, D. C., U. S. A..

C DIVISION OF
NORTHEAST ASIAN AFFAIRS Tokyo
April 29, 1949

MAY - 6 1949

DEPARTMENT OF STATE

Your Excellency;

Since arriving in Japan last February 21, I have been extremely busy in trade activities. With over a month passed by, I should like to take this opportunity to extend my cordial greetings to you from Tokyo.

During the month spent here to date, I have been able to gain an over-all picture of presentday Japan. I am happy to be able to report that the changes for the better have been remarkable since my visit here a year ago. More houses have been constructed, the people are now better clothed, and there is a deeper sense of optimism for the future.

I met General MacArthur last week and discussed various topics with him for over two hours. He expressed a great determination to see through the rehabilitation of Japan. During the course of my activities, I was also able to meet many Japanese business and political leaders, all of whom are unanimous in expressing their gratefulness to the United States for her aid in Japan's reconstruction. The Japanese are really sincere in their hopes to repay American generosity with deeds rather than with mere words. And I think a real effort is being made toward that end.

April has seen the coming of warmer weather here. In Ueno Park here in Tokyo, cherry blossoms have begun to bloom. Soon the beautiful pink flowers will cover the whole Japanese landscape.

I am hoping to spend a little more time here to conclude my business contacts. I think Japan and America can do much good for each other in certain fields. I am making it my mission to cement such relations.

160215

In closing, I would like to say that I can be reached always at the address on this letterhead. If you have any matters you wish to correspond, please don't hesitate to write. I wait eagerly for your reply.

P. S.

We have just finished hearing your speech at the Press Club, N. Y., It came in very clearly and I translated most of it to group of Japanese leaders who gathered here in this hotel for Emperor's Birthday. I told them that I had the honor of meeting you through my good friend Gael Sullivan in March 1947. and you were very kind to direct me to Mr. Earnest Gross, Who helped me to come to Japan in 1947. I also told them your help in Oyama's case.

kw

(70thman) T. Mukoyama

00/4-2949

CS/JEC

894.00/4-2949

Handwritten: FE

MAY 13 1948

Dear Mr. Mukoyama:

I have been directed by the Secretary to thank you for your kind letter to him, dated April 29.

It is indeed gratifying that the Secretary's Press Club speech had clear reception in Japan and that you were in a position to translate it to a group of Japan's leaders.

Sincerely yours,

Niles W. Bond
Acting Chief
Northeast Asian Affairs

894.00/4-2949

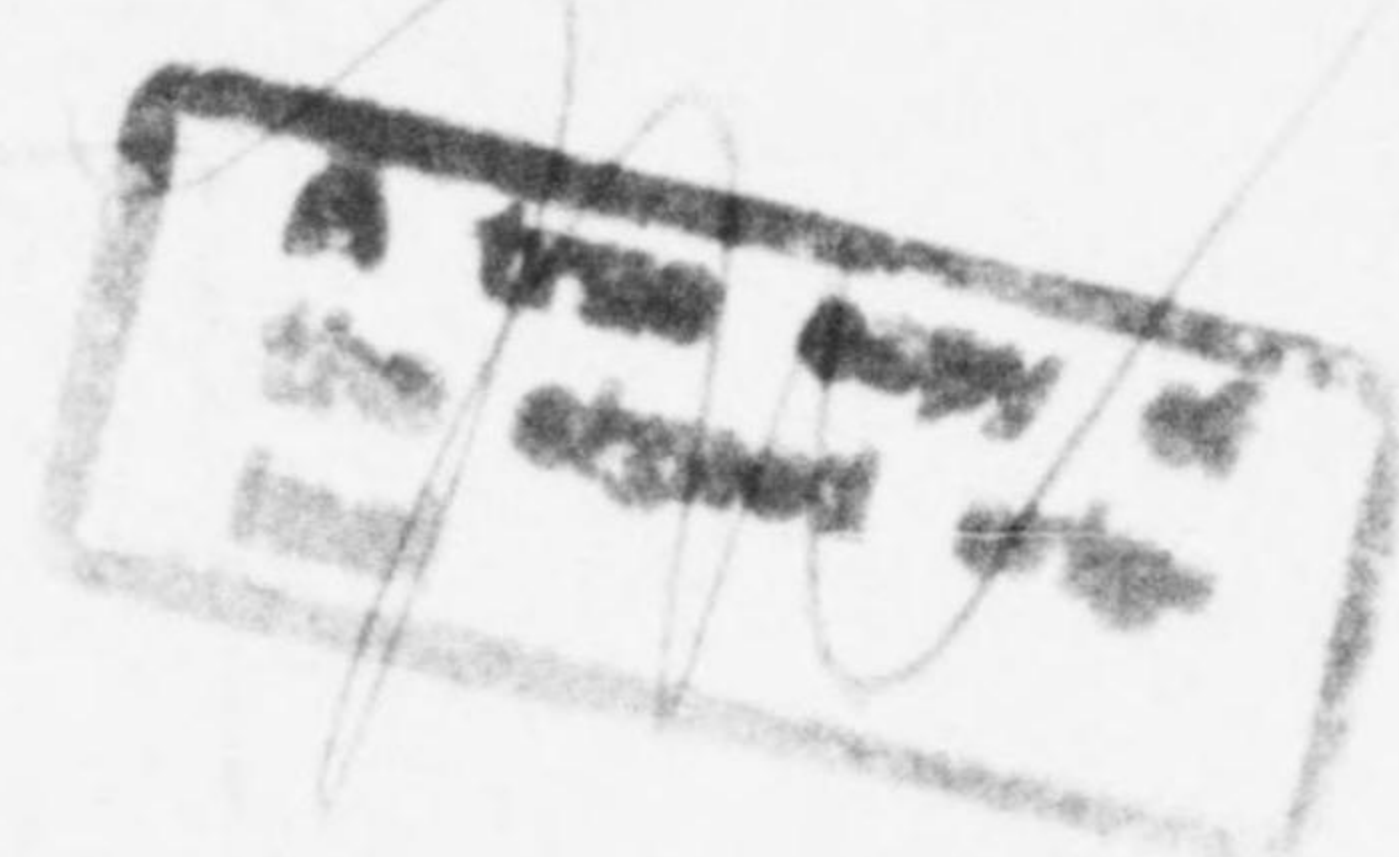
Mr. Teruo Mukoyama,
Konwa Kaikan Building,
Tsukiji, Tokyo.

CS/JEC

894.00/4-2949

Handwritten: FE:NA:MGreen:br

Handwritten signatures: [Signature] [Signature]



MAY 11 1948

Handwritten: by DS-4 to Tokyo (Office of Acty Polt adn)
CR/200



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

G. DIVISION OF
NORTHEAST ASIAN AFFAIRS

MAY - 9 1949

DEPARTMENT OF STATE

Tokyo, April 30, 1949

PERSONAL AND SECRET

~~MG~~
~~13~~
D.C./R
file

Dear Max:

In reference to your letter of April 4 regarding our airgram No. 42 of February 18, 1949, let me recapitulate some of the considerations which went into the conclusions reached in that airgram and in my secret despatch no. 4 of January 4, 1949, which I believe is the one you had in mind.

In despatch no. 4 we concluded that "it is our belief that the most desirable and (practicable pattern for democratic development in Japanese political life) rests in a change of governments between a conservative party and a labor party as their majorities fluctuate in the National Diet, with the communist groupings at the extreme left remaining always a small minority;" that the more conservative elements are endeavoring to form a single conservative party, while the communists are exerting formidable leadership to organize an extreme leftist group; and that "the important middle political area, from which a future labor party should develop, is unfortunately in a state of disorganization and confusion."

I am sure that subsequent developments (as a result of the general election of January 23) have borne out these pre-election conclusions. The conservative elements, as represented by the Democratic Liberal Party, have won a preponderant position in the Diet; the extreme left, centering around the Japan Communist Party, has phenomenally increased its strength; and the middle grouping, represented by the Democratic Party and the Social Democratic Party, has suffered disastrous reverses. In this connection, let me add that we are in disagreement with the Government Section's interpretation of the election and its insistence that the election has not resulted in the "polarization" of Japanese politics.

We

Max W. Bishop, Esquire,
Chief, Division of Northeast Asian Affairs,
Department of State,
Washington, D. C.

DC/R
Anal. 20
Rev. _____
Cat. HNK

PERSONAL AND SECRET

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electorate's choice to one or the other of the two extremes. The general

-2-

We believe that this polarization is an undesirable development. For one thing, such polarization tends to intensify left-right conflict which in other countries has led to violence and disorder at the sacrifice of all really democratic development. In the second place, political polarization reduces the election of January 23 is in our view a disturbing manifestation of this trend toward a limited choice. The phenomenal gains of the Democratic Liberal Party and the communist-led extreme left were made entirely by defections to the right and to the left from the middle grouping.

On the other hand, as noted in airgram no. 42, we believe that a more clearly marked division of political groupings in terms of their respective political views is also desirable. The great weakness of the middle grouping (primarily the Democratic and Social Democratic Parties) was its heterogenous character. This grouping has attempted to embrace too wide a range of political sentiment for its own good. It has represented an expedient merging of basically conflicting elements, brought together in good part for the purpose of serving the personal ambitions of leaders who have attempted to secure strength by the number of their followers regardless of their conflicting political views. For example, the middle grouping has contained elements fully as conservative in outlook as the Democratic Liberal Party (e.g. Inukai of the Democratic Party) and radical elements who are virtually as far to the left as the Japan Communist Party (e.g. Kuroda, formerly of the Social Democratic Party but now head of the communist-aligned Labor-Farmer Party).

It was inconceivable and, to our thinking, undesirable that such unmatched elements should attempt to function within the framework of the middle grouping merely for the purpose of having a place to ride in the political procession.

The realignments which have taken place within the middle grouping before and since the general election are, we believe, desirable from the standpoint of clarifying the political atmosphere. Accordingly, we expressed the view in airgram no. 42 that the defection of the conservative Inukai faction from the Democratic Party and its desire to merge with the equally conservative Democratic Liberal Party appears to be a healthy development. In a similar way, the weeding out of ultra-radical elements from the Social Democratic Party would give that body a far more consistent and integrated character.

Certainly

-3-

Certainly one reason why the Democratic and Social Democratic Parties suffered in the January 23 election was because many of the electorate came to realize that they would not know what they were voting for if they voted for candidates of either of these parties. One voting for the Democratic Liberal Party knew he was voting for conservatism; one voting for the Japan Communist Party knew he was voting for communism. But those who voted for the Democratic and Social Democratic Parties were voting for political ambiguity, since the Democratic Party represented anything from Mr. Yoshida's conservatism, to the right fringes of the Social Democratic Party's socialism; while the Social Democratic Party in turn represented anything from the more liberal tones of the Democratic Party to the red hue of the Japan Communist Party.

Although we believe it is desirable for conservative elements to group into a single, clearly marked conservative party, and equally desirable for extremely radical and communist sympathizer elements to drop their middle grouping camouflage and take their stand with the extreme communist left where they can be properly identified, we also feel that this process of realignment will in turn ultimately strengthen the middle grouping.

Furthermore, it is our belief that a strong middle grouping, such as might evolve through a merger of the center and conservative elements of the Social Democratic Party with the more liberal elements of the Democratic Party, would be a desirable development. While we are by no means in agreement or sympathetic with the middle grouping's vague program of socialization, we feel that a strong party of this character offers the best possible means of keeping the Japanese communists within limits. There are and will be many Japanese who, unwilling to support the conservative views and policies of the grouping represented by the Democratic Liberal Party, nevertheless are not communists and do not want to support a communist party. But unless there is some other alternative, such as a strong middle grouping could provide, they have little or no choice except to support the communist party or its radical satellites. The election of January 23 was, we believe, a clear demonstration of such frustration.

Many conservative Japanese, including Prime Minister Yoshida, are in favor of building up a strong middle grouping around the Democratic and Social Democratic Parties. They believe, as we do, that such a grouping would be the most desirable form of opposition and one which would also provide an outlet for many Japanese not of conservative sentiment who might otherwise turn to the extreme left for want of any other place to go.

Sincerely yours,

Bill
W. J. Sebald

PERSONAL AND SECRET

DEPARTMENT OF THE ARMY
STAFF MESSAGE CENTER
OUTGOING CLASSIFIED MESSAGE

OH 1

DEPARTMENT OF STATE
ACQUISITION AND DISTRIBUTION
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MAY 10 1949

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PARAPHRASE NOT REQUIRED
Civil Affairs Division
Mr. M. F. Foster 6841

This Document Must Be Returned to
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To: SCAP

Nr: WAR 88225

5 May 49

Fr CSCAD cite FE. Reurads Apr C 69596 and Aug 48 C 62810. Reurads Oct 48 W 90282 and Jul 48 W 85963. Fgn Business and Investment Activities in Japan is subj.

1. Interested agencies wash are anxious to encourage Investment Program in Japan, but desire reexam proposal Para 7 Part 2 urad C 62810 and Para 7 ourad W 90282. Request initiation action outlined be suspended pending further consideration here based on advice fr you.

2. To assist consideration here, please furn dtls proposed acquisitions shares and your comments re assistance to Japanese economic rehabilitation. Specifically dtls re particular potential investors, types and amts or potential investments, potential amt fgn exchange which would be acquired and other tangible contributions to Japanese economy.

3. Serious concern shared by all agencies respecting contd depressed scety prices in Japan that do not yet reflect inflationary impact as obsrd in wholesale and retail price indices and that might easily result in acquisition of majority control by fgn investors with modest outlay dollars or sterling. Such activities might be psychologically and politically harmful to the occupation.

4. Please furn proposed text new lang covering purchs of Japanese securities for Yen acquired with fgn exchange.

NOTE: C 69596 1b CM IN 19498 (28 Apr 49)
C 62810 1b CM IN 1196 (11 Aug 48)

ORIGINATOR: CAD

DISTRIBUTION: NAVAIDE, AF, CAD (STATE, TREASURY), JCS, IAD, NAVY, OAS, PO, SCORM, ARMY COMPT, CS

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(May 49) DTG: 061939Z lrp

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28

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE
INCOMING TELEGRAM

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7

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Action: EUR
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Control 3719

Rec'd May 10, 1949
9:22 a.m.

1949 MAY 10 PM 2 04

OFFICE
OF EUROPEAN AFFAIRS
MESSAGE CENTER

FROM: Moscow
TO: Secretary of State
NO: 1198, May 10

Tokyo's April 25-26 peace congress covered in 1/3 column Tokyo Tass despatch Soviet press May 10. Tass says 1,300 participated in congress which adopted program fight against war propaganda, Fascism, Jap affiliation military bloc, and for rapid conclusion peace treaty. Participants headed Ikvo Oyama.

Sent Department 1198, repeated Tokyo 23.

KOHLER

JMK:WMH

894.00/5-1049

PLAIN

MAY 16 1949

HH

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

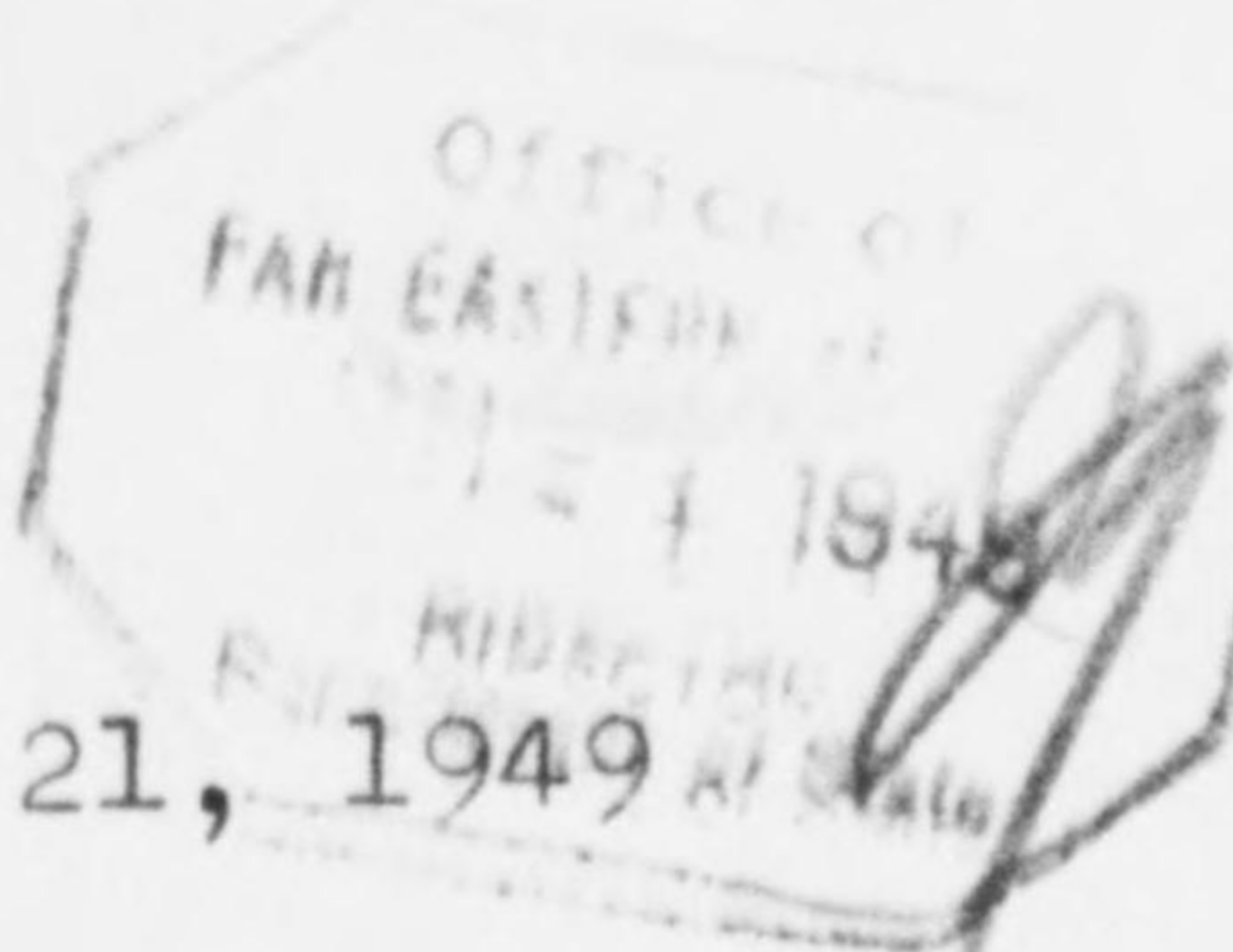
RM/R *EE: [initials]*

TO : NA - Mr. Bishop

DATE: 5/16/49

FROM : NA - M. Green *mg*

SUBJECT: Tokyo's 242 of April 21, 1949



A good example of the deteriorating political situation.
mmh

At its fourth national convention, the left-wing of the Socialist Party gained virtual control of the party. A leftist (Suzuki Mosaburo) secured the secretary generalship for the first time in the party's history. The leftists obtained a potentially preponderant position on the Central Committee and voted an amendment to the party's constitution, providing for a Communist-style politburo of five members, local chapters at workshop levels and popular election of the Central Executive Committee. By adopting certain techniques such as closer identification with the mass labor movements and what is virtually the cell principle of organization at the workshop level, the Socialist party moved closer toward becoming a class party, although it is far from espousing Communist principles.

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In moving left-ward, the Socialist Party is in a better position to bid for mass labor support which it lost to a large extent as a result of having supported the National Public Service Law amendments on labor. In this sense, the party may counter more effectively postwar Communist inroads into the labor movement, a consideration which evidently caused the Democratization League subsequently to back up the Socialists rather than to form a new "Labor Party". The leftist trend of the Socialists, on the other hand, will almost inevitably block any fusion between the Socialist Party and the liberal elements of the Democratic Party.

As for leadership, Katayama was reelected party Chairman as a compromise gesture to the right wing. He is expected to be overshadowed by Suzuki who, though a confirmed leftist, is not a Marxist and has been opposed to suggested mergers with the JCP. However, he is not particularly capable. His theories lack clarity. He could, despite his anti-Communist views "be easily susceptible to a communist-inspired popular front movement if it were offered in the right garb". The ablest and best qualified leader of the Socialist Party is Hirano Rikizo, former right-wing leader. He was disqualified under the purge, apparently at the instigation of General Headquarters.

CS/Y

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FE should see. An appraisal sheet is attached.

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For District Liaison Officer

NA: MGreen: bk



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA
DIVISION OF
NORTHEAST ASIAN AFFAIRS

MAY - 4 1949

United States Political Adviser
for Japan

No. 242

DEPARTMENT OF STATE

Tokyo, April 21, 1949.

CONFIDENTIAL

(For Department Use Only)

~~XXXXXX~~

Subject: The Social Democratic Party's Shift to the Left.

REC'D
APR 28ACTION
FEThe Honorable
The Secretary of State,
Washington.INFO
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EUR/X

Sir:

I have the honor to bring to the Department's attention the reorganization of the Social Democratic Party at its fourth national convention (March 15-17, 1949), as a result of which left wing elements have secured virtual control of the party.

C

Mr. SUZUKI Mosaburo, leftist leader, was elected Secretary General in a substantial victory over Mr. ASANUMA Inajiro of the right wing. For the first time since the organization of the party at the end of the war a leftist has secured the secretary generalship. A new thirty-man Central Committee has been chosen, comprising ten right-wingers, ten left-wingers, five neutrals, and five members representing the leftist Japan Liaison Council of Labor Unions (Zenroren), thus giving the leftist a potentially preponderant position. Mr. KATAYAMA Tetsu was reelected party Chairman as a compromise gesture to the right wing, but he is expected to be over-shadowed by the more aggressive Secretary General. The convention also voted to amend the party's constitution to provide for a communist-style politburo of five members, local chapters at workshop levels, and public election of the Central Executive Committee by party members.

The results of the party's reorganization indicate a marked increase in the influence of labor union leaders, including Democratization League elements of the National Congress of Industrial Unions. Because of the Social Democratic Party's support of the National Public Service Law amendment in 1948, the League initially intended to organize a labor party of its own. More recently, however, it decided to concentrate its attention in effecting the reconstruction of the Social Democratic Party along more leftist lines.

The

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Tokyo's Despatch No. 242,
April 21, 1949.

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-2-

The reconstruction of the Social Democratic Party at the fourth national convention has thus given labor a far stronger position in the party than it ever enjoyed before. It is likely, therefore, that the party will become more truly a labor party, although at the cost of moving further to the left.

The national convention rejected the left wing's insistence upon a "scientific socialism", or Marxist plank, in the party's platform. Instead, the party has committed itself to the attainment of an equally vague program of "social democracy" through the acquisition of power in the National Diet. To accomplish this end, however, the convention adopted certain communist techniques, such as closer identification with the mass labor movement and what is virtually the cell principle of organization at the lowest or so-called workshop level. The party has in this way moved much closer toward becoming a class party, although it has still drawn a line against the class principles of the communists.

While the Social Democratic Party has moved much further toward the left, it is still considerably to the right of the Japan Communist Party. Mr. Suzuki, the new Secretary General, is a thorough leftist, but of the legal type. He has apparently drawn a certain limitation beyond which he will not venture, as illustrated by his remaining within the party last fall when ultra-leftist elements of the Kuroda faction withdrew to form the communist-like Labor-Farmer Party because of dissatisfaction with the conservative leadership of the Socialists. Like Mr. KATO Kanju, Mr. Suzuki is not a Marxist, and he has been as opposed to suggested mergers with the Japan Communist Party as any of his party's right wingers. While noted for his intellectual integrity and with some reputation as an economic expert, Mr. Suzuki has given little evidence of being a brilliant or particularly capable political leader. His theories of socialism lack clarity. As a politician, he betrays considerable confusion in his thinking. He is anti-capitalistic without sharing the communists' anti-capitalism. In the confused middle ground between right and left, between capitalism and communism, Mr. Suzuki might well lose his way. Despite his anti-communist views, he could be easily susceptible to a communist-inspired popular front movement if it were offered in the right garb.

In moving further to the left, the Social Democratic Party has undoubtedly strengthened itself. It will now be able to bid more successfully for mass labor support. In this sense, the party may be able to counter more

effectively

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Tokyo's Despatch No. 242,
April 21, 1949.

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-3-

effectively postwar communist inroads into the labor movement, a consideration which was apparently behind the decision of the anti-communist Democratization League to throw its support to the Social Democrats rather than attempt to create a new, "reformed" socialist, or labor, party of its own. On the other hand, the reorganization of the Social Democratic Party will most likely sever its connection with the more liberal elements of the Democratic Party, the basis upon which the coalition Katayama and Ashida cabinets were built.

The national convention of the Socialists has by no means erased the heterogeneous, factional character of the Social Democratic Party. Each step in the convention's deliberations, from the election of officers to the definitions of party policy, was marked by compromises and adjustments between the left and right wings. But in this process of compromise and adjustment the center of gravity has definitely shifted to the left, and, while an open split between the two extremes has been avoided, the party is still a coalition of conflicting factions.

The increased strength of the party's left wing can be attributed only in part to labor's larger role in party affairs as a result of the national convention. Equally important is the decline in strength and prestige of the right wing leaders. From the time the party was organized at the end of the war under right wing auspices, the rightists have been unable to provide aggressive, dynamic leadership. Men like Katayama and Asanuma apparently lack the political acumen and forceful personality strong leadership demands. In a sense, most of the Social Democratic Party's leaders are too far ahead of their time. Japanese politics, for all the postwar changes, is still characterized by certain traditional, so-called "feudal" aspects of leadership in which the oya-bun, or boss, depends upon a following based upon strong personal loyalties. Too many of the Socialist leaders lack such strong personal followings and have depended upon the more impersonal support of the intangible electorate. At party conference tables and in the rough-and-tumble of intra-party strife a leader's personal popularity at the polls is too often of less weight than the number and influence of his personal backers.

The Social Democratic Party leader who was perhaps best qualified from the standpoint of the size and strength of his personal following was Mr. HIRANO Rikizo. This former right-wing leader, however, was disqualified under the purge, apparently at the instigation primarily of General Headquarters. His disqualification deprived the party's right wing of its strongest and perhaps most able leader.

Another

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TOKYO'S DESPATCH NO. 246,
April 21, 1949.

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Another important weakness of the Social Democratic Party's right wing which has been of equal benefit to the leftists was the party's political failure while it was in office during the Katayama and Ashida coalition cabinets. This political failure has seriously discredited right wing leadership in the eyes of the leftists and the party's general reputation in the eyes of the electorate, as demonstrated all too clearly by the results of the last general election.

Respectfully yours,


W. J. Sebald

Forwarded to Department.

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Action Taken *no action*

DIVISION OF
NORTHEAST ASIAN AFFAIRS
JUN - 8 1949
DEPARTMENT OF STATE

United States Political Adviser
for Japan

Tokyo, May 16, 1949.

Date of Action No. 314
Action Office Symbol
Name of Officer *W. G. ...*
Direction to DC/R *file*

ACTION
FE ENC

Subject: Prime Minister's Address at Tokyo Correspondents Club.

INFO
DCR
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The Honorable
The Secretary of State,
Washington.

Sir:

1/

I have the honor to transmit five copies of an address Prime Minister YOSHIDA Shigeru delivered at the Tokyo Correspondents Club on May 11, 1949.

IXR

The address has aroused considerable interest because of the Prime Minister's earnest appeal for world sympathy, confidence, and cooperation in assisting Japan's economic recovery and return to normal international relations.

The Prime Minister also took occasion to correct what he considers a false impression of himself and the Democratic Liberal Party. He noted that he and his party are often described in foreign books, magazines, and newspapers as "ultra-conservatives," "reactionaries," and "die-hards". Mr. Yoshida stated that he and some of his associates were arrested by the Military Police during the war because they did not subscribe to the creeds and doctrines of the militarists and ultra-nationalists then in power. The Prime Minister emphasized that during the war it was the militarists who were the radicals and that he and his associates were the conservatives who stood for peace and dared to defy those in power.

There is no doubt that Mr. Yoshida keenly resents the labels "reactionary" and "die-hard" which many foreign correspondents as well as leftist opponents in Japan repeatedly use in describing him and the Democratic Liberal Party. While some of the leaders of the Democratic Liberal Party unquestionably represent an old-guard type of conservatism, it is inaccurate to describe the Prime Minister and the party he heads as reactionary in the

customary

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JUN 24 1949

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894.00/5-1649

No. 314, May 16, 1949.

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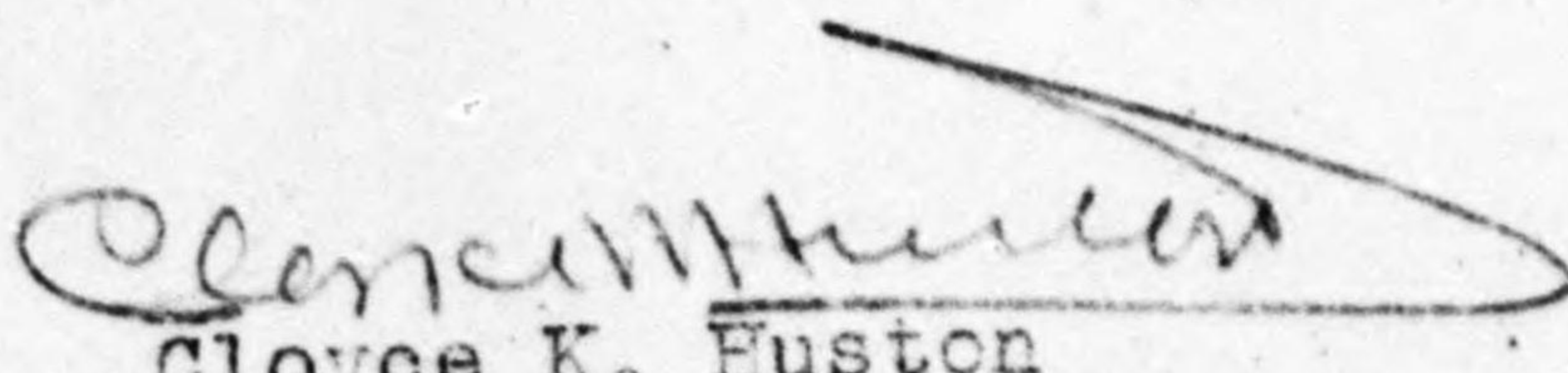
customary sense of the word. Mr. Yoshida and his party represent the principal conservative element in postwar Japan primarily because there is nothing further to the right as an influential organized party. As the Prime Minister noted in his address, the only difference between his position during the war and today is that he and his party are now in power.

Mr. Yoshida's position is actually a relative one. Since the end of the war the scale for measuring political viewpoints has been shifted far to the left. During the war this scale began on the far right with the militarism and extreme nationalism as personified by the Tojo coterie, and extended only about as far to the left as Mr. Yoshida and other peace advocates who were harassed or imprisoned for their "radical" views. With the end of the war, almost everything from Tojo extremism to the edge of Mr. Yoshida's conservative position was swept from Japanese political life, while, at the same time, the political scale was shifted to include newly-risen political groups ranging from the liberalism of the Social Democratic Party to communism. This shifting of the scale has, of course, left Mr. Yoshida at what has now become the right in Japanese politics.

In his appeal for sympathy and understanding, Mr. Yoshida expressed the hope that the world will realize that the Japanese are today sincerely endeavoring to rebuild their nation upon a peaceful, democratic basis. He pleaded for a tempering of thoughts of revenge and retribution by those who suffered from Japanese aggression with the realization that Japan now stands before the world chastened, humbled, and helpless as a result of a disastrous military defeat. The Prime Minister expressed the hope that the world will not hold the transgressions of the past against Japan's future and will permit Japan to resume its place among the nations. "All we are asking now," the Prime Minister pleaded, "is access to materials and markets so that we may buy the food we need to live."

The Prime Minister's appeal for sympathy and understanding of the problems which face Japan's recovery and his denial of having reactionary policies have been favorably received by the Japanese press as a highly desirable effort to dispel suspicion and misunderstanding over Japan's efforts to recover. Some Japanese, however, have expressed disappointment that Mr. Yoshida did not deal with the communist problem and reiterate his determination to stamp out communism. In making his appeal for the world's sympathy and in attempting to counter charges of being reactionary, Mr. Yoshida probably believed it would be inappropriate to deal with the communists beyond his concluding statement that he and his party do not see eye to eye with the Socialists and "abhor communism".

Respectfully yours,


Cloyce K. Huston
Chargé d'Affaires ad interim

CONFIDENTIAL

May 16, 1949.

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-3-

Enclosure: *att.*

Prime Minister's Address
at Tokyo Correspondents
Club, May 11, 1949.
(five copies)

Parchment Mat to Department.

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