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ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS AND SUMMARIES-JAPAN

NO: 1009 DATE: 22 Aug 49

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I PRESS ANALYSIS

AN ANALYSIS OF MAJOR NEWS AND EDITORIALS IN THE TOKYO WEEK-END NEWSPAPERS

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
MILITARY INTELLIGENCE SECTION, GENERAL STAFF
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS ANALYSIS

NO: 1172 **DATE:** 22 Aug 49

Tokyo Newspapers Today and Yesterday

Local political news edged into the top half of the front page this morning after nearly a week of below-fold play. Most of the major reports, however, were speculative, pivoting usually on the conservative merger drive. While isolated stories on retrenchment or the possibility of a 1,000-yen note broke to the top in some dailies, dominant emphasis continued to fall on Japan's swimmers. Gen MacArthur's congratulation to the Japanese swim team highlighted yesterday's coverage. The stress on AAU-linked dispatches carried over to today, particularly in journals with early deadlines. NIHON KEIZAI and AKAHATA were the only scanned papers to subordinate Furuhashi and his teammates in all weekend editions.

POLITICS

Chief Secretary HIROKAWA of the Democratic Liberal Party will meet Democratic coalition leader INUKAI today to discuss the projected conservative merger. Discussion is expected to center on the points covered by the recent Yoshida-Narahashi talks. Hirokawa revealed yesterday that Democratic anticoalition executive NARAHASHI had agreed with the Premier on the need of a unified right. By working with Narahashi, Hirokawa hopes to merge the Democratic Liberals and Democrats by the end of the special Diet session. (a)

Narahashi told Democratic anticoalitionists Saturday that many Democratic Liberals oppose a tie-up with Inukai. Reporting on his four-hour conference with Yoshida, Narahashi emphasized that reconciliation between the Inukai-led Democrats and the anticoalitionists must precede political stability. A unified Democratic Party, he added, can then fuse with the DLP and New Politics Council into a "stabilizing political force." (b)

Socialist Chairman KATAYAMA, on his return from the MRA convention in Switzerland, urged a unified and militant Socialist Party, declaring that his observations in Europe and the US reinforced his belief that social democracy is the "slogan of the century." (c)

Socialists, anticoalition Democrats, and two other opposition parties in the Upper House have agreed to send to the special Diet a bill guaranteeing the re-employment of discharged government workers. (d)

Wealthy farmers made a strong comeback in the farmland committee elections on 18 August. Preliminary returns, covering all but typhoon-ravaged areas where elections were postponed, gave conservative landlords a national average of 80 percent of the committee seats. The trend held in all voting prefectures except strongly unionized Tottori and Okayama, where the right-left ratio was four to six. The abstention rate was unexpectedly low--about 25 percent. (e)

LABOR

The Government is expected to modify its labor policy, switching emphasis from weeding out extreme leftists to developing a democratic union movement. To help retrenchment-weakened unions regain their feet, the Labor Ministry is drafting a softened labor program. As an initial step the Labor Minister intends to warn employers against using industrial rationalization as a pretext for firing union executives. (f)

INVESTIGATION

The seven suspects in the Mitaka runaway train case will be indicted tomorrow on charges of overturning a train and causing death. Deputy Chief Prosecutor KAWAGUCHI said the decision to indict the former rail workers--all of whom deny their guilt--was approved at a meeting of prosecuting officials Saturday. (a)

(a) Mainichi Shimbun, 22 Aug
(b) Mainichi Shimbun, 21 Aug
(c) Asahi Shimbun, 21 Aug
(d) Tokyo Shimbun, 22 Aug
(e) Asahi Shimbun, 22 Aug
(f) Hochi Shimbun, 22 Aug

EDITORIALS

Economic topics took the lead in editorial discussions over the weekend, with the Socialist Party, Japan's return to international relations, the swimming team, repatriates, and child care also stimulating comment.

Economics

ASAHI today proposed the immediate inauguration of a new tax which would be used to aid the unemployed. Emphasizing the responsibility of the nation to those discharged under retrenchment programs, the daily felt that incorporation of a "people's solidarity tax" into the general tax system would not be too much of an added burden in view of the expected tax reduction.

Today's JIJI SHIMPO strongly protested the impending reappraisal of business assets, declaring that defects in the current Commercial Code, combined with strict enforcement of the tax system, are interfering with the sound management of enterprises.

TOKYO SHIMBUN today advocated a raise in health insurance premium rates to offset the "practical bankruptcy" now confronting the insurance system. Poor collection of fees and underestimation of workers' incomes by management are defects that should be corrected immediately, the paper stressed.

Worsening of the stabilization panic is now inevitable, YOMIURI asserted yesterday, declaring that Japan's policy should not be one of avertnig deflation but rather of rectifying the method of readjustment.

NIHON KEIZAI yesterday demanded drastic restudy of the present ration system and the supply and demand program in regard to the wide-spread refusal and subsequent waste of white potatoes.

The subsidy-cut policy of the Yoshida Cabinet is increasing the possibility of violent destruction of the national industry, AKAHATA averred yesterday, calling for the transfer of authority from monopoly capital to the masses as the best guarantee for the protection of industry.

Socialist Party

Pointing out that the time is now "exceedingly favorable" for the Socialists to regain public confidence, YOMIURI today regretted that the party is still inadequately prepared, that it has no program of its own for the labor movement, and that it is content to follow in the wake of the Communists. TOKYO SHIMBUN yesterday saw only two alternatives for the party--a national people's party based on idealistic socialism or a class party based on scientific socialism--and hoped that Chairman KATAYAMA's views would not prove to be a "dud bomb."

International Relations

Yesterday's MAINICHI thought the US action to let Japan participate in international relations was "the best news Japan has received" and was tantamount to "virtual recognition of normal foreign relations." TOKYO SHIMBUN called the announcement "good news in August" and hoped the US action could help the people "destroy all the lies and maneuvers of a certain minority party which is attempting to distort the policies of the Allied Powers toward Japan in the name of racial independence." HOCHI SHIMBUN, considering the action as the initial step for readmittance of Japan into the world family of democracies, said it "encourages our national reconstruction and makes us keenly feel our obligation to complete democratization."

Swimmers

The victory of the Japanese swimming team is of deep significance because it has enabled the Japanese to recover national confidence, JIJI SHIMPO said yesterday. Realization that Japan can take a foremost place among nations in at least one sphere will spur the country's rehabilitation, the daily believed. A second editorial in NIHON KEIZAI commented that the swimming champions had fulfilled their mission by setting a number of new world records and that their "role as a diplomatic mission, if linked with unnecessary theories, would lead to a reverse effect." Yesterday's second ASAHI editorial, while rejoicing over the triumph of the team, felt most deeply impressed by the action of the ranking US swimmer who did not compete because he had to earn money to enter college.

Miscellaneous

MAINICHI, commenting on repatriates today, hoped that they would "muster the courage to rectify mistakes committed upon landing at Maizuru."

Yesterday's ASAHI urged mothers to seek scientific information on the care of children and to discard old customs.

Supplement To
PRESS ANALYSIS
COMMUNIST TRENDS AND ACTIVITIES

I REPATRIATES: SEASON 1949

Readers Point Out Duties of Repatriates, Government: Returnees should judge Japan on basis of their own findings and the Government should improve repatriation relief policies, state readers' letters, which insist further that employment discrimination against recent Soviet repatriates must be removed. (Editorial: Mainichi Shimbun, 22 August) Item 13

Repatriation Ordinance Alleged Unconstitutional: Communist writer charges that repatriation ordinance is direct violation of Constitution both in basis and in content, alleging that it fails to meet the conditions prescribed for issuance of a law based on Potsdam Ordinance No 542 and that it illegally restricts repatriates' basic human rights, as guaranteed by the Constitution. (Akahata, 17 August) Item 107

Highlights of Press Interviews with Repatriates: After a month back in Japan, one repatriate still believes that development of collective farms and "rationalization" of farming techniques would benefit the nation. A second returnee unveils Soviet machinations in detention camps, reports 18-hour work days, insufficient food, confiscation of monthly savings and privately purchased goods. (Press extracts) Item 130

Repatriation Issue Cannot Be Regarded Lightly: With enterprises in a slump and personnel retrenchment in steady progress repatriates may find it impossible to secure employment, asserts the editorial, which fears that living difficulties may turn them into real Communists. It warns that "family affection cannot appease their hunger nor prevent them from turning Red." Instead, it observes, the problem hinges on government policies for stabilizing livelihood. (Editorial: Chubu Kaizai Shimbun, 9 August) Item 138

Repatriates' Actions May Develop into Cold War Trap: The paper sees danger that immediate restriction of repatriates' activities upon embarkation from Russia may cause them to accept Soviet propaganda as true and predicts that the repatriation ordinance will play into the hands of the Communists who will use it to intensify their offensive against the Government. It is possible, notes the daily, that returnees' speech and action may be based on international struggle tactics designed to alienate them from their neighbors and drive them to becoming fighters for the revolution. (Editorial: Gifu Times, 11 August) Item 139

II COMMUNIST ACTIVITIES

Mitaka Case Suspects Will Be Indicted 23rd: Seven arrested Mitaka case suspects will be indicted tomorrow on charge of overturning train and causing deaths, announces Deputy Chief Prosecutor KAWAGUCHI, who adds that TAKEUCHI is "deeply suspected" of being actual perpetrator of crime on basis of undisclosed evidence. He admits that none of the suspects has so far made a confession. (Mainichi Shimbun, 22 August) Item 7

Korean Rioters in Shimonoseki Arrested: Police arrest 75 members of League of Koreans in Japan for sedition and one member for interference with official business, in connection with Korean riot in Shimonoseki. (Yomiuri Shimbun, 22 August) Item 8

178 Arrested in Kansai Wall Gazette Case: Arrests resulting from Kansai area "billboard newspaper" cases reportedly total 178, including 153 Communists. (Yomiuri Shimbun, 22 August) Item 9

Aftermath of Shimonoseki Korean Riot: Yamaguchi Ken headquarters of League of Koreans in Japan launches armed attack on prefectural headquarters of Korean Residents Association and houses of association leaders in Shimonoseki Shi. About 500 barricade themselves in league-operated primary school. Yamaguchi Prosecutors Office decides to arrest all rioters on charge of violating public safety ordinance. (Yomiuri Shimbun, 21 August) Item 31

Red Hq in Yamagata Seized for Tax Failure: Prefectural officials seize Communist district headquarters in Yamagata, Yonezawa, and Tsuruoka in answer to Communist Party Yamagata regional committee's refusal to pay admission tax levied on Zenshinza troupe performances. (Nihon Keizai Shimbun, 21 August) Item 33

For the Protection of National Industry: Foreseeing a decline in public purchasing power, more drastic enterprise adjustment, and the downfall of smaller enterprises as a result of the Government's subsidy-cut program, the Red paper explains it as a desperation measure to guarantee the survival of monopoly capital at the sacrifice of the masses. A struggle for people's control of state-owned industry should be combined with the one for overthrowing YOSHIDA, it concludes. (Editorial: Akahata, 21 August) Item 41

Hokkaido Farmer, Labor Leaders Join CP: Ex-secretary general of New Farmers Party Hokkaido chapter, chairman of Hokkaido Agricultural Workers Union, and Coal Mine Workers Union Hokkaido chapter committeeman join Communist Party. More party entries expected. (Akahata, 16 August) Item 103

Reds Sell Pamphlets on Shimoyama and Mitaka Cases: Communist Party Miyagi Ken Sendai district committee sells 1,500 pamphlets on "The Truth of the Shimoyama and Mitaka Cases;" Iwate Ken district committee sells 400 copies. SHIN KUMAMOTO, Communist organ, issues extra on same incidents; 1,000 copies sold immediately. (Akahata, 17 August) Item 123

II TOKYO WEEK-END EDITION

TOKYO NEWSPAPERS-TODAY AND YESTERDAY

TOKYO WEEKEND EDITIONS

TODAY

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NEWS

ITEM 1 CONSERVATIVE MERGER DRIVE EXPECTED TO BECOME ACTIVE

(Full Translation)

MAINICHI SHIMBUN, 22 Aug -- Chief Secretary HIROKAWA of the Democratic Liberal Party yesterday returned to Tokyo from his visit to Premier YOSHIDA in Gotemba. He made a statement to the following effect concerning the Yoshida-Narahashi and the Yoshida-Masuda-Hirokawa talks:

"NARAHASHI and YOSHIDA have come to an agreement on the necessity of a conservative merger. NARAHASHI will soon start working to attain this end."

HIROKAWA, in compliance with YOSHIDA's wishes, is slated to call on INUKAI today. The conservative merger drive is expected to become very active this week with HIROKAWA taking the initiative.

It is said that the objective of the Hirokawa-Inukai talk is merely to get INUKAI's understanding on the Yoshida-Narahashi talk, but HIROKAWA expects to further call on NARAHASHI and TOMABECHI within a few days and exchange views. He aims at developing this project to the stage of a merger by the end of the extraordinary Diet session.

If this drive does not affect the party members as individuals, the antimerger group probably will not oppose it. On the other hand, the Democratic coalition faction will not oppose NARAHASHI's contention if the party is to be unified on the precondition of a merger. The only hitch is that the opposition faction may make some demands in connection with INUKAI's status. Future prospects will depend on TOMABECHI's enthusiasm for the merger and NARAHASHI's ability.

ONO brought up the problem of the tenure of office of the chief secretary, and HIROKAWA stated to the following effect in this connection: "There would be no objection to having my post taken away in accordance with party regulations. When a stabilized party government is realized, a grand chief secretary system is appropriate. In that case Deputy Premier HAYASHI would be the most qualified person. I do not intend to doggedly hold on to my post."

HIROKAWA reportedly takes this stand because he has started to take up the merger issue seriously.

NEWS

ITEM 2 POLITICAL TURMOIL TO ACCOMPANY PARTY REALIGNMENT

(Full Translation)

YUKAN CHUGAI, 22 Aug — The political situation is progressing placidly along the course set forth by the Government and the government parties because of lack of unity among the Opposition parties and because of the enfeebled labor offensive. However, with the Shoup recommendations on tax reform expected shortly and with convocation of the special Diet session scheduled for the latter part of October, the seemingly quiet political situation is pregnant with unexpected troubles and difficulties as a result of growing activities among the political parties.

These activities include the remerger of the opposition and coalition factions of the Democratic Party as advocated by top Democratic oppositionists and the Socialist-proposed merger of the Social Reform and Worker-Farmer parties into a powerful social democratic party on the occasion of Chairman KATAYAMA's return. Also, veteran members of the Democratic Liberal Party are conferring frequently in an effort to meet the prevailing situation prior to the expected Diet convocation.

Despite frequent demands by the Opposition parties, the Government and government parties have been trying every means to postpone the special Diet convocation on the ground that they wish to hear the Shoup recommendations first. Now that the Shoup mission's task has been completed and Dr SHOUP will reportedly leave for the United States on 27 August, the Diet convocation will probably be made earlier than November, despite DLP Chief Secretary HIROKAWA's reiterated predictions.

Before Dr SHOUP goes home Premier YOSHIDA is to see him to discuss various economic policies in connection with the projected tax reform and obtain reference material for the drafting of various bills to be presented to the forthcoming Diet session. Also meriting attention is the progress in compiling a balanced budget in line with the suggestions of Minister DODGE, who is reportedly to revisit Japan shortly.

Especially it is of great interest to see how the Government and government parties will tackle the problems which have recently been discussed at cabinet conferences and by the Democratic Liberal Party Political Research Committee, such as the utilization of counterpart funds, the elimination of subsidies, revision of the price of rice, general commodity price policy, revocation of the State Coal Mine Control Law, transfer to private management of tobacco and other state enterprises, and foreign trade measures. These will undoubtedly call forth heated debate from the Opposition parties.

Opposition Forces Disorganized

The Opposition group, anticipating that the Yoshida Cabinet will reach a policy stalemate this fall, are intent upon mapping out individual platforms and continuing conferences to seek a policy agreement. Despite such efforts, the Opposition parties have so far failed to attain any consolidation of forces because of the complicated situation within each party.

Chief causes of this failure are the unabated Socialist struggles for supremacy between the leftist and rightist factions and the dimming chances for DLP absorption of or merger with the Democrat coalitionists. NARAHASHI indicated the hopelessness of this merger after his interview with YOSHIDA on 20 August when he reported the Premier's belief that a merger with the coalitionists alone would be meaningless.

Taking advantage of the plight now confronting the Democratic coalition faction, the opposition faction hopes to reamalgamate the party prior to any maneuvers for the formation of a social democratic

ITEM 2 (Continued)

party. However, while NARAHASHI and his group look forward to a large-scale conservative merger with the DLP and the New Politics Council once the Democratic Party has recombined, veteran DLP members are reportedly dissatisfied with the attitude of the clique around Premier YOSHIDA. This view is shared even by some first- and second-term DLP Dietmen.

One Point of Agreement

It is inevitable that these stirrings for party realignment will touch off political bedlam. However, the DLP and the Opposition parties, excluding a part of the Worker-Farmer Party, have a common anti-Communist front. It is generally held that these parties will act as one in anti-Communist activities both within the Diet and without. Based upon this observation, some quarters believe that the Communist-influenced labor unions will take a new turn in their activities following the convocation of the special Diet session.

ITEM 3 UPPER HOUSE OPPOSITION PREPARES REEMPLOYMENT BILL

(Full Translation)

TOKYO SHIMBUN, 22 Aug -- The four opposition parties of the House of Councillors--Socialist Party, Democratic Party, Independents Conference and the Shinsei Club--have agreed to submit jointly to the special session a bill to guarantee the reinstatement of discharged employees. The Legislation Bureau of the Upper House has completed the draft of the bill.

The bill is composed of 12 articles and supplementary provisions. Article 1 sets forth the objectives of the law and the definition of the discharged is given in Article 2 and that of reinstatement in Article 3. Necessary procedures to be complied with by persons within the purview of the law are provided for in succeeding articles with penal provisions bringing up the rear. Article 1 clarifies the objective of the law which is to give reemployment priority to those discharged under administrative and enterprise retrenchment.

In the meaning of the law, the discharged include: (a) National and public personnel, personnel of the Japan Public Monopoly Corporation and the State Railway Corporation dismissed for the reason of the administrative reform after 1 June 1949; (b) personnel of local public bodies dismissed for the reason of the administrative reform after 1 June 1949; and (c) those who were discharged for the reason of enterprise readjustment after 1 November 1948.

The term, "reemployment," referred to in the law means to engage in the same duties and under the same employer as at the time of dismissal. The employer is required to give the discharged a discharge certificate and discharged employee desiring to be reinstated are to register at a public employment office by presenting the certificate. Employers including the State, the Japan Public Monopoly Corporation, the State Railway Corporation and others are required to give prior notice to the employment offices concerned when they hire new employees at the workshop from which employees were discharged for the foregoing reason, and priority reinstatement of the discharged is to be handled on the responsibility and within the competence of the employment offices concerned.

Penal clauses stipulate: (a) When a discharged person neglects to make the prescribed report or when an employer fails to fulfill their duty to make honest reports, they are liable to a fine of not more

ITEM 3 (Continued)

than 5,000 yen; (b) when employers hire new employees without submitting the prescribed report to the employment offices concerned or when they fail to fulfill their duty to reinstate the discharged on a priority basis, they are also liable to a fine.

Besides, as regards the State and the local public bodies, those who have the right of appointment are to be subject to punishment if they commit any act contrary to the provisions of the law. The law is to lose its validity automatically two years after the day of its promulgation, and it is further provided that even after the lapse of the two years, the penal provisions shall be applied to any illegal acts committed within the term of validity.

A similar reemployment guarantee law is expected to be presented also to the Lower House. If such a law comes into existence, no new employees can be hired by public office for two years hence, with a consequent restriction on the creation of a new atmosphere in such offices. Further, the personnel authority of state representatives will be greatly hampered by the penal provisions.

Under the circumstances, there is every likelihood that the government parties will oppose the bill. Presentation of the bill is one of the major reasons for the demand for convocation of the Diet session by the Opposition parties.

NEWS

ITEM 4 WEALTHY FARMERS MAKE STRONG BID IN COMMITTEE VOTE

(Full Translation)

ASAHI SHIMBUN, 22 Aug -- Farmland committee elections were simultaneously held on 18 Aug in all cities, towns and villages throughout the country except in Saga Ken and parts of Fukuoka, Miyazaki and Kochi Ken where the elections were postponed because of the typhoon. Judging from the election results, as of yesterday, the following can be pointed out as noteworthy trends.

1. People are more interested in the election than before. Although there are some "no-contest" districts, abstention rates of 20-30 percent showed more individuals voting than expected.

2. Keenest competition was felt in the class three member (owner-farmers) elections. Generally speaking, a noteworthy phenomenon was the overwhelming advance of wealthy farmers, who form the backbone of the farmer class. Uniting with the class two committee members (landlords), these wealthy farmers will give the farmland committees a strong conservative character.

3. New members amount to 60 percent; they are mostly conservatives.

4. In no-contest districts, except for persons recommended by farmers unions, influential figures and bosses have been elected on by community agreement, and many of them are town and village heads or assemblymen who will sit on the committee concurrently.

5. With regard to political party affiliation, the advance of conservatives -- including independents -- is overwhelming. In Tottori and Okayama prefectures where the farmers union movement is strong, Communists have been elected, but in general fewer unionists of the Communist and Socialist parties have won, resulting in the decline of the radical camp.

Concretely speaking, this shows the comeback of conservative landlords who were hard hit by the second farmland reform; their interest in the election being strongly revealed in the general high rate of voting. In Ibaraki Ken the class one members' (tenants) election, the abstention rate was 30 percent, whereas in the class two members' election the rate was 21 percent. The class three committee members (owner-farmers and others) hold six seats and, being expected to be the most influential, competition was hottest in this phase of the election. Most of those who have been elected to this group are wealthy farmers. For instance, in Nakakubiki Gun, Niigata Ken where the number of class three committee members is 505, over 60 percent of this number were wealthy farmers who farm an average of three Cho two Tan, (approximatily nine acres).

The nationwide totals showing political party affiliation are not yet computed, but conservatives including independents number about 80 percent. Tottori and Okayama prefectures are exceptions, as farmers unions have dominant influence there and they are anticipated to have a 40:60 ratio between conservatives and radicals.

In viewing the whole country, the Japan Farmers Union faction has no leading position now. For example, in Fukuoka Ken in has gained only 400 seats against 1,000 in the previous election. It is reported to be declining in Ibaraki, Tochigi and Yamanashi prefectures as well.

ITEM 5 GOVT AIMS AT DEVELOPMENT OF DEMOCRATIC LABOR MOVEMENT

(Full Translation)

HOCHI SHIMBUN, 22 Aug -- The Labor Ministry is contemplating a big change of the government labor policy with an aim at positively developing a democratic labor movement, in view of the recent tendency for the labor union movement to wither as the result of strong steps taken by the Government in carrying out its personnel cut program,

ITEM 5 (Continued)

As the first step, the Labor Minister is expected to issue a statement shortly, warning the employers against attempting to weaken labor unions by taking advantage of such a tendency and encouraging labor unions to develop a healthy labor movement and to take more positive steps for the democratization of labor unions. The ministry has already started its study of measures to be taken to implement its contemplated change in the government labor policy, which has so far placed emphasis on the correction of extreme labor movements, in consideration of the progress of the Government's administrative adjustment program and rationalization projects of private enterprises.

The idea of the ministry is that the labor policy should advance from the past simple line of merely correcting extreme labor movements and controlling against political activities by unionists, and be taken up as one link of the government economic policies, in view of the present economic situation where even if labor unions should demand higher wages, the entrepreneurs could never meet their demand, consequently bringing about lower real wages for workers. On the basis of this idea, the ministry is already making a detailed study on the minimum wage system.

In addition, there is an influential opinion within the ministry that the All Japan Communications Workers Union should be excluded in th near future from application of the National Public Service Law and that employees of metropolitan and municipal tram and bus services should als be excluded from the framework of local public office employees, to establish a custom of allowing operative workers of the Government to conduct collective bargaining. The School Teachers Labor Relations Law, which is now being studied by the ministry, is also based on this idea.

Of course, it will likely be after autumn before such a series of labor policies is put into practice in concrete form. As first step, the Labor Minister is expected to issue his statement shortly, warning some employers who attempt to weaken labor unions through discharge of union executives and other measures by taking advantage of the present rationalization of industrial enterprises, and, at the same time, hoping labor unions will take positive steps for developing healthy unions and democratization movements.

Unions Withering Due to Mass Dismissals

The following reasons are in the background of the Government attempt led by the Labor Ministry to change its labor policy:

The labor offensive, which once was viewed as serious, has ended in abortion, with the over-all personnel cut plan of the Government for its railway and communications employees and mass dismissals workers by such big private enterprises as the Tokyo Shibaura Electric and the Japan Electric progressing without much commotion. A fundamental problem of the nation's labor union movement lies in the fact that though the unions had showed high spirits in advance, when the dismissal plans were once enforced they yielded with much less resistance than expected.

It is said that a labor union is essentially weak against the discharge of union members, and the fact that some union members are dismissed and others remain in employment constitutes a fundamental factor for making the intraunion unity considerably difficult. Moreover, for example, the internal conflict within the State Railway Workers Union among the Democratization Leaguers, the Renovationists, and the Communists proved a major cause for weakening the union's struggle against the dismissal plan. On the other hand, the fact that the financial assistance by employers to labor unions has been totally suspended as the result of the enforcement of the revised Labor Union Law is mentioned as one of the reasons for the debilitating of labor unions.

However, the most important is the point whether labor unions

ITEM 5 (Continued)

themselves have been as strong in essence as generally anticipated. It is believed that only the extreme leftist elements within the labor unions, who stood aloof from the rank and file of the unions, were strong, and this is a fact that most not be overlooked.

Now that the extreme leftist elements have been expelled because of this viewpoint and internal dissension has arisen, the labor unions have become fairly weak both in structure and ideology, and are apt to be amenable to agitation of extreme leftists. Furthermore, there is a possibility that the rank and file of the unions get into a funk from their fear that their participation in union business may result in their discharge by employers.

Especially, in connection with the recent thorough expulsion of extreme leftists, labor unions have withered to an unnecessary extent. Some employers have dismissed union executives without any reasonable ground by taking advantage of the rationalization of industrial enterprises, and the labor unions have lost the spirit even to fight against such unreasonable dismissals.

The contemplated change of the government labor policy is based on these facts, but an opinion is strong within the Democratic Liberal Party that the present labor policy should be maintained and that even stronger steps should be taken against the unions.

ITEM 6 GOVT CONFERS WITH PRIVATE CIRCLES ON DISCHARGE PLANS

(Full Translation)

TOKYO SHIMBUN, 22 Aug -- Personnel curtailment programs of private companies have come to an end. The Government and management, however, fear that another clash between labor and management will occur within this year.

The reason for this fear is that those companies which were seriously offected by the recent subsidy curtailment, or which adopted a partial personnel adjustment program or which were hesitant at first about affecting a personnel curtailment despite excess personnel but have now decided to carry it out after seeing the success achieved by the Tokyo Shibaura Electric are mapping out discharge plans. The Labor Ministry informally and individually conferred with representatives of management including HAYAKAWA (Coal Mine Operators League) ITO (Mine Operators League), SAKURAI (Japan Electric Generating and Transmission Co), TAGAWA (Cotton Spinning Association), and NAKAJIMA (Katakura Industrial Co) as well as leaders of labor unions of private companies.

The Federation of Economic Organizations, on the other hand, does not favor personnel curtailment now since social unrest may arise because of these two factors: 1) a second personnel curtailment will be effected about November, 2) the allowances received by those who were discharged in the first personnel curtailment will have been spent by about November. The federation will advise management to avoid dismissals and effect enterprise readjustment through wage cuts, and urge the Government to speed up the unemployment relief program.

The second personnel curtailment has already come to the fore in the Sankyo Co, the Japan Wireless Industrial Co, the Japan Stainless Co, and the Howa Industrial Co. This tendency is most noticeable among the iron and stell, rolling stock, shipbuilding, communication, and machinery industries.

NEWS

ITEM 7 NO CONFESSIONS FROM MITAKA SUSPECTS; INDICTMENTS DUE 23RD

(Full Translation)

MAINICHI SHIMBUN, 22 Aug — The seven arrested suspects in the Mitaka runaway train case will be formally indicted on the charge of overturning a train and causing deaths when the period for their detention expires tomorrow, Deputy Chief Prosecutor KAWAGUCHI of the Mitaka case special investigation headquarters told the press at 1900 hours yesterday. KAWAGUCHI's statement, in gist, is as follows:

"A conference of public prosecutors Saturday night at the scene of the incident approved indictment of the seven suspects on the charge of overturning a train leading to deaths. Prosecutor TANAKA, chief of the Hachioji branch of the Tokyo District Prosecutors Office and I visited Chief Prosecutor HORI of the TDPO today (Sunday) and informed him of this decision. A formal decision on their indictment will be announced by Chief Prosecutor HORI at 1100 hours, 23 August, when the detention period is to expire.

"TAKEUCHI is deeply suspected as the criminal who directly committed the crime in view of the testimony of witnesses and material evidences. But the prosecution authorities cannot disclose at present any decisive evidence for judging him the direct criminal from the viewpoint of court action, though they possess it.

"Even after the seven suspects are indicted, the prosecution authorities will continue to investigate and collect evidence until the court makes the first judgment against them.

"None of the seven suspects has so far made a confession."

Meanwhile, the special investigation headquarters yesterday asked KURIHARA Teruo,(22), maintenance man; KUROKAWA Yoshinao (21), motorman; and KANAZAWA Taku (21), engineer, of the Mitaka Electric Train Section, who attended the Takaso conference held on the day of the incident, to report to the headquarters voluntarily, and Prosecutors AMANO and ISHIDA questioned them on the alibis of the suspects for the day of the incident and on the details of the conference. WATANABE Ichisaburo, Communist, who is chairman of the Executive Committee of the Hachioji chapter of the State Railway Workers Union, was also subjected to questioning by Prosecutor YOKOYAMA on the situation of the Mitaka local of the SRWU on the night of the incident and other matters for about two hours from 1130 hours yesterday.

ITEM 8 KOREAN RIOTERS IN SHIMONOSEKI ARRESTED

(Full Translation)

YOMIURI SHIMBUN, 22 Aug (Shimonoseki) — By 0500 hours yesterday, the Nishi Shimonoseki police had arrested 75 members of the League of Koreans in Japan for sedition and one member for interference with official business, and confiscated 23 bamboo spears in connection with the Korean riot in Shimonoseki at dawn Saturday.

At 1100 hours the police raided the school maintained by the League of Koreans in Japan in Otsubo Machi, Shimonoseki Shi, and took into custody 14 persons. However, by 1400 hours, over 20 of the arrested Koreans were released for lack of evidence.

There are 18,000 Koreans (10 percent of the population) residing in Shimonoseki, and 80 percent of them belong to the League of Koreans in Japan and 20 percent to the Korean Residents Association.

NEWS

ITEM 9 178 ARRESTED IN KANSAI BILLBOARD NEWSPAPER CASES

(Full Translation)

YOMIURI SHIMBUN, 22 Aug -- According to reports reaching the Supreme Prosecutors Office as of yesterday morning concerning the "billboard newspaper" cases in the Kansai area, 178 persons (including 153 Communists) have been arrested, 22 have been indicted, and six tried by a military court.

EDITORIALS

ITEM 10 CAN THE SOCIALIST PARTY SEIZE ITS CHANCE

(Full Translation)

YOMIURI SHIMBUN, 22 Aug -- In almost every nation it is usual that political parties representing the working class include a Communist Party on the left and a Socialist Party on the right. Japan is no exception in this respect.

This is not only because there is a considerable difference between the two parties in policies and platforms, but also because they are usually irreconcilably opposed to each other with respect to their composition and mode of activities, and, consequently, in their political character.

To put it more clearly, it may be said that although Communist parties profess nationalism or democracy, they form in reality part of an international organization subordinate to the Russian Communist Party. They represent a new species of totalitarian party which aims at establishing a proletarian dictatorship and which regards parliamentarism merely as a means for securing political power. Socialist parties, on the other hand, are completely independent of any foreign organization. They denounce use of violence in securing political power and endeavor the execute their socialist programs solely by enhancing their influence in the national assemblies.

This fundamantal difference between Communist and Socialist parties, however, seems to escape the notice of a large part of our nation. Moreover, even among our Socialist leaders themselves there are men who do not recognize the difference clearly enough. This is why our Socialist Party has so often suffered from internal fluctuations, which exposed it to the attacks of the Communists.

For instance, though the Socialist Party decided at its fourth national convention last spring that "a line of demarkation shoud be drawn between it and the Communist Party", it has not yet succeeded in translating this into action. The latest mass discharge of State Railway personnel has betrayed that the Socialists lacked adequate programs by which to steer the labor movement. All that it could do was to follow in the wake of the democratization league forces in the union who were struggling with the Communists despite many difficulties.

To state the matter in more specific terms, it is quite strange that the Socialist Party not only advocates over-all opposition to the personnel retrenchment of the State Railway and the Postal and Telecommunications ministries, but goes so far as to put up slogans, such as: "Down with the Yoshida Cabinet!" and others. This amounts to ignoring the general will of the nation, insofar as the personnel retrenchment program has been approved by the Diet. Besides, by putting up such slogans in connection with the labor movement, the Socialist Party has betrayed not only that it lacked respect for parliamentarism but also that their ways are not different from those of the Communists because they deceive the workers into believing that they can overthrow a Cabinet by means of union activities.

Judging from the attitude of the Communists toward the repatriation problem and from their efforts to propagandize the immediate advent of a revolution, it is clear that, despite their simulated insistence on a "peaceful revolution", they really aim at effecting a revolution by violence and that their so-called nationalism is nothing but a strategy with which to infuse anti-American sentiments into the minds of the people with a view to persuading them into desiring subordination to the Soviet Union. However, as long as the Socialists have no programs of their own for the labor movement and content themselves with following in the wake of the Communists, it is natural as well as regrettable that the people should be obliged further to lose their confidence in the Socialists, only to the

ITEM 10 (Continued)

advantage of the Communists.

Secretary-general SUZUKI of the Socialist Party has stated that, by the time of the next extraordinary national convention scheduled to be held in November, the Socialist Party desires to merge with the Worker-Farmer Party and that it may possibly absorb the Yamakawa group and the Social Reform Party. Chairman KATAYAMA, fresh from his trip to Europe at the invitation of the MRA, stated at Haneda airport on 20 August regarding the reconstruction of his party: "Since our Socialist Party has had much experience, it should from now on place emphasis on action instead of on theory. I believe that it is urgently necessary that, for the purpose of establishing and reinforcing social democracy, the party should strive by all means to secure internal unity."

However, considering current conditions, it seems difficult for the Worker-Farmer Party to merge with the Socialists. As for KATAYAMA's plan for a reorganization of his party, it is even doubtful that it will carry sufficient weight within the party. Frankly speaking, the very fact that at a moment when both the Socialists themselves and the general public are very anxious to save the Socialist Party from its present crisis, the person who is responsible more than anyone else for the task should have been abroad for more than three months, remains a riddle to the nation. Nobody except Chairman KATAYAMA himself will believe that the Socialist Party can be reconstructed by merely utilizing the results of his trip.

This, however, does not in any sense mean that it is useless to reconstruct the Socialist Party. Since at present the Communists, having been too proud of their unexpected success in the last general election, are already beginning to lose popular support because of their terrorism and lack of judgment, the time is now exceedingly favorable for the Socialists to regain confidence with the people.

This, however, requires that the Socialists should get rid of their present apathy and lack of policy. If the Socialist leaders lack definite policy and the courage to lead the entire nation, and remain anxious to cater to the populace, they will never succeed in making use of this precious opportunity.

It is a matter for regret that, though given a rare opportunity for reconstruction, the Socialist Party seems to be still inadequately prepared for making the most of it.

ITEM 11 IRRATIONALITY OF REAPPRAISAL TAXES

(Summary)

JIJI SHIMPO, 22 Aug -- The reappraisal of business assets, which has been shelved because of its close connection with tax reform, will be brought out again upon the announcement of the Shoup Mission's tax reform recommendations.

According to what is called the Finance Ministry's tentative plan for revaluation, which is similar to that of the Tax System Council, increases in assets value due to reassessment will be subject to taxation. Needless to say such increases in asset value are nothing but book profits and cannot be taxed. Nevertheless, the ministry as well as the council regarding them as "private profits", want to take them away under one plausible pretext or another.

The reappraisal of corporation assets, which ought to have been effected, is still pending. The delay is attributed to the current Commercial Code which computes the book value of corporate assets at purchase cost or market value whichever is lower. However, the provisions must have been enacted under the condition that the difference between purchase cost and market value would be slight. At present market value is several hundred times as high as purchase cost.

ITEM 11 (Continued)

Under such a condition the above provisions should not obtain, and ought to have been revised earlier.

Laws and regulation are lifeless objects while management is a living thing. There may be a lack of harmony between law and practice. In the present case, defects in the current Commercial Code combined with the tax system have become fatal obstacles to revaluation.

In other words, negligence in the revision of the Commercial Code on the part of the state, in combination with strictness in the enforcement of the tax system, is interfering with the sound management of enterprises.

The reappraisal of assets will necessarily result in a decrease in revenue from the corporation tax, which is most undesirable to the finance authorities. To make up for the decrease, they seek revenue from the nominal increase in asset value due to reappraisal. This is the tax officials' way of thinking. It is this way of thinking which weakens the political will to protect the rationality of management of enterprises. It is not unrelated to the trend of the times.

ITEM 12 SOLUTION TO UNEMPLOYMENT BASED ON NATIONAL SOLIDARITY

(Full Translation)

ASAHI SHIMBUN, 22 Aug -- The personnel reduction in the state railways and other government enterprises which has been a great pending question for this year, has been brought to an end formally. This, however, does not mean the settlement of the problem. After the notification of dismissals, the problem of livelihood of the dismissed persons still remains. As private enterprises contract hereafter, unemployment relief measures will become more and more urgent.

The present unemployment is an inevitable consequence of the execution of the nine economic principles for ending inflation. In this regard, it differs in its character from one created by a cyclic recurrence of depression in the economic field, which is considered rather a natural phenomenon.

Especially, regarding the government enterprises, the present personnel cut has been carried out, so to speak, one-sidedly in accordance with the Personnel Strength Law, without collective bargaining. Indeed, it may have been inevitable, but there is no denying that the dismissed persons are the direct victims of the Government's financial policy. It is then natural that the sacrificed should be taken care of on the responsibility of the State.

Notwithstanding, the Government's policy toward this problem has been extremely inadequate, and no special consideration has been paid as yet. The amount of funds purely for the purpose of unemployment relief is only 800,000,000 yen for this year, excluding that for unemployment insurance. With this meager amount, it will be impossible to give jobs to more than 20,000 persons.

Even though 50,000,000,000 yen has been appropriated as public works funds, only a fraction of the newly created unemployed will be helped directly by this. It has been proposed to appropriate 10,000,000,000 yen of the counterpart fund for public works to relieve the unemployed. However, this problem still remains unsettled. As proposed previously in these columns, if 70,000,000,000 yen of the counterpart fund can be invested directly in the development of basic industries, it will serve greatly to solve the problem. However, no prospects have been obtained pertaining to this.

Under such circumstances, a considerable number of jobless persons will remain jobless. Moreover, in view of the actual economic capacity of our country at present, this must be considered unavoidable. Therefore, in the present case, social instability cannot be removed without providing a direct guarantee system for the unemployed. In addition, if the dismissals have little to do with the conduct of dismissed, but in most cases have originated from the national policy, the entire nation is responsible for this guarantee for the unemployed. This is because the people have mutually related interests and should aid one another. In other words, this is demanded from the standpoint of social solidarity.

Heretofore, we have been, so to speak, in an abnormal situation of employment as a result of inflation. That is, latent unemployment has been shifted to the form of low average income accepted by the people. Since, however, unemployment will become apparent hereafter, it is natural that those who have jobs, especially those who obtain higher income, should endeavor to support the unemployed. This is tantamount to sharing the problem of livelihood impartially among the people.

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ITEM 12 (Continued)

From this viewpoint, we should like to propose the inauguration of a tax purely and directly for the purpose of guaranteeing the livelihood of the unemployed. It might well be called a "people's solidarity tax." In France, a "solidarity tax" was established after the war on a large scale, and a huge amount of revenue was obtained by it. In that case, however, its objective was to regulate national finance by filling the deficit. What we propose here, on the other hand, is a tax purely for relieving the unemployed, and this we believe is far more in keeping with the idea of social solidarity of the people. Moreover, not so large an amount of funds will be required in this case.

Some may say that a further increase in taxes is undesirable since we have already been harassed by heavy tax rates. Fortunately, however, a considerable tax reduction is expected in the next year. Assuming that 10 percent of the present income tax is collected as the people's solidarity tax, the total amount will reach 30,000,000,000 yen. In the light of the tax reduction totaling 100,000,000,000 yen as now predicted by the Government, it is possible to reduce the tax to a considerable extent even after inaugurating this new tax. In its nature, this solidarity tax should be established even if there is no tax reduction in the next year. Thus this is considered the best opportunity for incorporating the unemployment relief tax into the general tax system.

As a concrete step, various factors will have to be considered. This tax should not be imposed on those in the lower income bracket. Concerning unemployment in general, the new tax should be directed toward the development of industries.

However, it is incumbent upon the people as well as the Government to guarantee the livelihood of at least those who have been dismissed in accordance with the Personnel Strength Law. This guarantee should have a clear-cut form, and the plan should be formulated with the basic idea that the livelihood of the people is mutually related. Only on this basis shall we be able to surmount the present difficult situation and expect an economic development in the future. We demand serious consideration by the various political parties, the Government, and the people toward the materialization of this step.

EDITORIALS

ITEM 13 TO THE REPATRIATES AT HOME

(Summary)

MAINICHI, 22 Aug -- Among the readers' letters sent to this paper, those dealing with the repatriates from abroad topped all others both last month and this month. Some of these letters attacked the repatriates for their acts of violence, while others, mainly sent from those who returned home previously, sympathized with the feelings of the new repatriates, but, nevertheless, did not approve their radical actions. A third group of letters urged the people not to criticize but to embrace the new returnees warmly.

Many of these letters advocated that as the recent repatriates were "frogs in the well" informed only by one-sided propaganda throughout their long detention period, they should first be allowed to see the present world situation with their own eyes and to see their own positions and make their own judgment.

The public opinion on recent repatriates as expressed in these letters compels us, the people, to reflect deeply and, at the same time, the repatriates to reconsider their own activities. Now that the returnees have already spent several weeks at their homes they should have recognized gradually that the actual situation in Japan as well as in the world is quite different from that they were told in the Soviet Union. More important than anything else for them is to recognize objectively the actual situation as it is. We hope that, when they have made an objective judgment of the situation on the basis of their experiences since they returned to Japan, the repatriates will muster the courage to rectify the mistakes committed upon landing at Maizuru.

On the other hand, the Government and the people should show a stronger affection toward the returnees, as pointed out in the letters sent to this paper. In consideration of the circumstances that forced them to resort to such radical steps as they took upon landing, we should strictly refrain from refusing to employ them merely because only on the ground that they are recent repatriates from the Soviet Union. The whole nation should deal with the ill-fated repatriates with specially strong sympathy, and the Government should improve its policies for relief of the repatriates.

ITEM 14 CRISIS OF HEALTH INSURANCE

(Summary)

TOKYO SHIMBUN, 22 Aug -- The success of any system depends upon the ability of the participants. The reported crisis facing health insurance is a good example.

There is a growing number of people utilizing health insurance. On the average each insured person receives medical treatment twice a year and each dependent, 1.6 times. About 70 percent of the nation's 80,000 doctors are health insurance doctors and the average doctor depends on health insurance cases for 70 to 80 percent of his income.

At any rate, the system is a success because it is being utilized by so many people. However, this popular system is now confronted with practical bankruptcy, mostly because of a serious unrest in the industrial and economic fields. Delayed payments to doctors and an anticipated deficit of 3,100,000,000 yen are now seriously hurting the functioning of the system.

Increased treatment charges and poor operation of the system are caused by many adverse factors. Five percent of every worker's income is deducted for health insurance. However, the worker's average income is estimated at 5,900 yen and is always underestimated

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ITEM 14 (Continued)

by the management. This is one of the defects in the present system. This fact demands sincere reflection of both the workers and the management.

Another adverse factor is the poor collection of fees. Tokyo Metropolis collected only 55 percent in June. Delayed payments to the doctors is caused by this poor fee collection. The medical report reveals that 40 percent of the payment demanded by the doctors is for injections. It is reported that the introduction of penicillin has recently caused a 10 percent increase.

The number of patients utilizing this system is also increasing. Up to now, medical fees have been almost equal in amount to treatment fees. Now, medical fees account for 80 percent of the total. Kind treatment is always appreciated but it is regrettable that there are some doctors who do not hesitate to use extravagant medicines if they can be imposed upon patients. Even among the insured, there are many who have no scruples and are abusing the system.

In this connection, the Social Insurance Council urges the Government to cover the 3,100,000,000-yen deficit for this year with government subsidies. Raising of the premium from five percent to the maximum of 5.5 percent will still leave a deficit of 2,500,000,000 yen. It may be difficult but we consider that a raise in premium rates will have to be carried out. At the same time, however, all defects in this system must be weeded out so that the system so vital to the lives of workers, together with the Welfare Pension Insurance, will gradually be developed into an ideal system.

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ITEM 15 MASUDA: NO LABOR UNREST EXPECTED FROM DISCHARGE PROGRAM

(Full Translation)

TOKYO SHIMBUN, 21 Aug -- Chief Cabinet Secretary MASUDA Friday paid a visit to Premier YOSHIDA, who is recuperating in Gotemba, and conferred with him on various questions of the moment. DLP Chief Secretary HIROKAWA also took part in the talk. In the evening of the same day, he met press reporters who accompanied him from Tokyo. The gist of the questions and answers exchanged between him and the reporters on impending issues follows:

Question: What is the Government determined to do at the coming extraordinary Diet session?

Answer: The Government is now fairly certain of being able to lighten the nation's tax burden at the extraordinary Diet session. The date of the convocation of the session, however, will probably be delayed until the latter part of October.

Q: What are the main policies to be settled by the Government?

A: The rationalization of the tax system, for one. Next in importance comes the question of devastated areas rehabilitation. To provide against possible calamities in the future, a sum of about 10,000,000,000 yen has been listed for general rehabilitation expenses,

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of which 3,000,000,000 yen will be covered by Treasury subsidies and appropriations from the Deposit Bureau. With the reduction of price differential subsidies and the sale of state-owned properties, a sum of about 70,000,000,000 yen has been saved in the budget compilation. This sum will be earmarked for other purposes. Bills to be submitted to the extraordinary Diet session total about 60, of which about 20 are connected with the tax system reform, while the remaining 40 include those relating to the local personnel strength law, the broadcasting law, the disaster relief law, the export compensation law, etc.

Q: President INUKAI of the Democratic Coalition faction and NARAHASHI Wataru of the Democratic Opposition faction recently called on Premier YOSHIDA. On the other hand, ONO Bamboku has referred to the theory of two major conservative political parties in Niigata. What is the Premier's opinion in connection therewith?

A: Middle-of-road political parties intend to take the reins of government alternately with our conservative parties, but this idea does not have much chance of realization. The best political structure is to have two major parties, one a sound democratic conservative party and the other a social democratic party which has drawn a very clear line of demarcation with the Communist Party. The question lies in whether to lay stress on the principle of production advocated by the conservative party or that of distribution insisted on by the socialist party. We will stick by the conservative party policy of production until the day productivity is increased to 120 and the living standard to 100, based on the index number of 100 for 1930 and 1931. At the same time necessary measures will be taken for full employment.

Q: What does the Government intend to do about the labor unrest?

A: Collective bargaining is to be opened in the state railways. We except this example will be followed by the All Japan Communications Workers Union and others. As regards unemployment countermeasures, necessary expenses amounting to 5,000,000,000 yen has been listed in the budget in addition to the operation of the counterpart funds. Besides, an increase in employment is expected, so at no time will the number of unemployed hit the 1,600,000 or 1,700,000 level. Accordingly, I believe no labor unrest will arise as a result of the current administrative reform and enterprise readjustment.

Q: The rumored good news to come in mid-August was not realized. Another rumor is afloat that something good will occur on 2 September, the day of Japan's surrender. What about this?

A: The permission of Japanese travel abroad and other such news are all glad tidings. I cannot say anything definite about the rumor concerning 2 September.

ITEM 16 PREMIER RETURNS TO CAPITAL FROM SUMMER REST TOMORROW

(Full Translation)

YUKAN CHUGAI, 21 Aug (Gotemba) -- Premier YOSHIDA has been spending his summer holiday at the Zuiunso Villa here. He will leave here Monday, spend the night at his Oiso residence, and return to Tokyo on Tuesday. After his long absence he will attend the regular cabinet meeting on Tuesday.

He is also expected to see Dr SHOUP on Tuesday in connection with the tax system reform problem.

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NEWS

ITEM 17 NARAHASHI STRESSES UNIFICATION OF DEMOCRATIC PARTY

(Full Translation)

MAINICHI SHIMBUN, 21 Aug -- The opposition faction of the Democratic Party held its Supreme Committee meeting at 1200 hours Saturday at the party's anteroom in the House of Councillors. TOKUBECHI, SAKURAUCHI, HITOTSUMATSU, CHIBA and other leaders attended the meeting. The meeting requested the attendance of Supreme Committeeman NARAHASHI, who recently conferred with Premier YOSHIDA at Gotemba, to hear the details of the conference.

At the meeting it was agreed that there is no objection to NARAHASHI's proposal to unify the Democratic Party into one body. It was decided that the party strategy for this purpose would be determined by the party as a whole. The party has made it its fundamental principle to draw a distinct line between the reconstruction of the party and the conservative amalgamation. After the committee meeting, NARAHASHI declared as follows:

"I have long been alienated from Premier YOSHIDA because of the divergence of political views, but I conferred with him on the stabilization of the present political situation. I did not confer with him as a representative of the party or a member of a party organ. As the result of the conference, it has been clarified that the intraparty situation of the Democratic Liberal Party prevents the welcoming of President INUKAI of the Democratic coalition faction. Premier YOSHIDA admitted this point. This is the main reason for the present political instability.

"Under the circumstances, the two factions of the Democratic Party should, first of all, unite for the purpose of stabilizing the nation's politics. A united Democratic Party should then hold a national convention to decide its future course.

"I am going to confer with Lower House Speaker SHIDEHARA on Thursday this week after the end of the convention of the Akita chapter. Later, I will confer with Premier YOSHIDA again. I will act in accordance with the party principle.

"Personally, I am convinced that it is necessary at present to establish a political front supported by the working class and welcomed by other nations. For this purpose, I am sure that it is imperative to organize the Democratic Liberal Party, the Democratic Party, and the New Politics Council into a stabilizing political force."

ITEM 18 NARAHASHI SAYS INUKAI FACTION IS STUMBLING BLOCK

(Full Translation)

JIJI SHIMPO, 21 Aug -- NARAHASHI Wataru yesterday disclosed the contents of his talk with the Premier and his outlook on the general situation:

"The meeting required four hours to iron out the misunderstandings between the Premier and myself. It appears to me that the undecided attitude of the Democratic coalitionists under INUKAI is a chief factor in the present chaotic political situation. In answer to my questions in this connection, Premier YOSHIDA hinted at difficulties besetting the task of drawing the Inukai faction into the Democratic Liberal Party camp because of the latter's complicated internal situation. To clear up this confused political atmosphere, I intend to apply efforts toward the unification of the Democratic Party from a broader point of view. This is a desire unanimously expressed by the local party committees.

"In this connection, more than 10 Democratic coalitionists recently asked me to play an active role in the task of unifying

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ITEM 18 (Continued)

the Democratic camp. I am of the opinion that the conservative merger issue should be decided at a national convention."

NARAHASHI left Tokyo Saturday night to attend the party's Akita Chapter convention. He is expected to have talks with various quarters concerned upon returning home on 25 or 26 August. He is scheduled first to meet Lower House Speaker SHIDEHARA, then to call on Premier YOSHIDA after studying the development of the general situation, and finally to confer with President INUKAI of the Democratic coalition faction.

ITEM 19 KATAYAMA BACK, REPORTS ALL NATIONS DESIRE PEACE

(Full Translation)

ASAHI SHIMBUN, 21 Aug -- Chairman KATAYAMA Tetsu of the Socialist Party Central Executive Committee, accompanied by Mrs KATAYAMA and his private secretary UEHARA, arrived at Haneda Airport Saturday at 1600 hours by Pan-American Airlines. After attending the MRA convention held in Switzerland, the former premier had made an inspection tour of European countries and the United States.

Immediately after greeting a crowd of over 100 welcomers, including Socialist Secretary-general SUZUKI and MRA personnel, KATAYAMA told newsmen that "the bluebird is democracy, pacifism, and socialism." He stressed the following points:

1) All nations desire peace and reconstruction. Communist parties have entered a period of decay and reactionary conservative parties are behind the times.

2) Social democracy is the slogan of the century for future world peace and reconstruction.

3) The Japan Socialist Party will strengthen its unity and keep in close contact with its friends of the same principle throughout the world.

The following is the gist of KATAYAMA's press statement:

1) "Western European nations, striving for reconstruction, desire to gain peace by avoiding chaos and destruction. They contend that dictatorship and despotism should be abolished and that democratic practices are necessary. That is because these peoples hate communism.

"The influence of communism is now at a low ebb; that is, it is now entering a period of decay. The number of both individuals and nations (in Eastern Europe) escaping from the Communist sphere of influence is now showing an upward trend.

"On the other hand, reactionary conservative forces are branded as being behind the times. Monopoly capitalism has been largely revised and reactionary conservatives all over the world have been left behind. I met the son of the late American President Franklin ROOSEVELT and he showed interest in the moves of the socialist parties the world over.

2) "Social democracy is the slogan of the century for future world peace and reconstruction. Under this slogan Western European nations are seeking rehabilitation. Since the end of World War II a democracy with new principles, has been advocated and social democracy has shifted from the period of theory to the period of practice.

"Western European nations are proceeding with social democracy. I found considerable significance in political developments in Western Germany, France, and Italy.

3) "Wherein lies the basis of democracy? It will be determined by the history and people of a nation. What endorses democracy is

ITEM 19 (Continued)

the socialism and pacifism behind it.

4) "I have found that social democracy has many friends throughout the world. I expressed my desire to keep in close contact with them, and they answered favorably. We should avoid international isolation and keep up with the general trend of the world.

"Since the Socialist Party has no alternative but to rebuild itself through practice and not theory, I hope that the whole party will proceed in close unity."

ITEM 20 BANKS BELIEVE 1000 YEN NOTES WILL PROMOTE RATIONALIZATION

(Full Translation)

NIHON KEIZAI SHIMBUN, 21 Aug -- The problem of the rationalization of financial institutions, together with that of lowered rates of interest, is now a topic of discussion. In this connection, issuance of 1,000-yen bank notes has recently come to the fore, and a regular study of this issue is now under way between the Finance Ministry and banking circles. The Finance Ministry's Bank Bureau is intent upon a speedy realization of the issuance of the new denomination, which banks in general seem to favor. The Government is thus going to begin negotiating with related quarters in the near future. The issuance of the 1,000-yen note, according to the Finance Ministry will make it possible to reduce bank expenses. The Ministry officials put utmost emphasis upon their desire to effect this measure in an attempt to touch off the rationalization of banks--a pressing present-day need. Actually, Finance Ministry authorities estimate that conversion into the 1,000-yen denomination of 50 percent of the notes now in currency will ensure the possibility of economizing on an annual outlay of around 400,000,000 yen among banks throughout the nation. These officials refer to this economizing measure as an effective prelude to the rationalization of banks. Banks also, especially major ones in urban centers, are voicing a strong desire for the issuance of the new denomination. This problem was the first subject placed on the agenda of a session of the Bank Rationalization Specialist Committee recently established and inaugurated within the National Federation of Bank Associations. Discussions resulted in clarifying that a claim in favor of the issuance dominated with a vote of 38 to 27. Concurrently a calculation by a certain bank indicated that conversion into 1,000-yen notes of 70 percent of the existing notes in currency would save 35 percent of the business volume and 20 percent of the personnel engaging in accounting business. A survey by another bank pointed to the possibility of a 30 percent slash in accounting employees. Both surveys thus testify to the possibility of acceleration of the rationalization measure.

This conclusion is, however, confronted by an argument asserting the prematureness of the projected issuance, or the necessity of prudence. This argument is based chiefly upon the inflationary psychology that (1) the issuance of the 1,000 yen denomination causes general apprehension as to currency reform, (2) brings forth counterfeit notes, and (3) stimulates inflation coupled with higher prices. This argument was brought before a recent meeting of the Bank of Japan Policy Board. The idea of prudence was supported by some of the board members, and no final decision was reached. This problem is not simple, but observers believe that the argument for issuance may eventually dominate. Furthermore, the theory of a 10,000-yen note issuance exists in certain quarters. General interest is mounting over the earnest consideration, among persons concerned with financial and monetary affairs, of the problem of the pending issuance of notes in higher denominations.

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NEWS

ITEM 21 EMPLOYERS GROUP TELLS BUSINESS TO OUST COMMUNISTS

(Full Translation)

JIJI SHIMPO, 21 Aug -- The Japan League of Employers Associations, after studying basic policies to be followed by management to cope with the labor offensive following the enterprise rationalization, has recently adopted a program, and transmitted it to all employers throughout the country through subordinate organizations. The contents of this program may be summarized as follows:

I. Expulsion of subversive and recalcitrant elements. It is highly probable that, taking advantage of the present "summer offensive" of the labor camp, the Communists will, in accordance with their so-called local popular struggle strategy, attempt by all means to connect internal affairs of individual enterprises with general political issues, with a view to giving rise to local riots as well as carrying out political movement to overthrow the Yoshida Cabinet. Moreover, such actions on the part of the Communists are expected to be further intensified in the future. If the situation is left as it is, management will be continually menaced by their actions, and there will be little hope of establishing a sound labor-management relationship. Therefore, it is urgently necessary at present to expel Communists from enterprises. Hitherto it has often been maintained that expulsion of Communists constitutes a violation of Article 11 of the Labor Union Law. However, in view of the gravity of the current situation, we should be courageous enough to expel these recalcitrant forces and to safeguard our enterprises from an entirely new viewpoint. As specific measures to be enforced for this purpose, the following steps are necessary:

1) In expelling Communists, it was for a time regarded as a legal issue whethr or not an employer could dismiss his employees on the ground that they lacked the sincerity to co-operate with him. However, the latest mass discharge of state railway employees has furnished a decisive precedent regarding this point. We are authorized to dismiss all those who either have committed acts interfering with the normal management of enterprises, or who have assisted others in the commission of such acts.

2) Any act violating work rules, contracts, operational regulations, etc, should be punished promptly and adequately. In the past, employers have often failed to take prompt steps, for fear of giving rise to disputes. However, since they exercise their legitimate rights in taking such steps, they should not hesitate to enforce necessary measures resolutely.

3) It is not always desirable for an enterprise to have two or more unions simultaneously. However, when a second union is organized for the purpose of improving the condition of the enterprise by means of adequate labor-management collaboration in keeping with the actual state of affairs, the employer should give priority to this second union, regardless of the number of its members in the management of the enterprise.

4) Employers, for fear that they might be criticized as being undemocratic, have refrained from undertaking anti-Communist education for their employees. However, since the Communist Party takes every possible step to inculcate Communism, it is quite logical that we should be equally justified in carrying on anti-Communist education from our own viewpoints.

II. Prerequisites for cooperation with autonomous labor unions. Thanks to the growing tendency toward self-criticism on the part of the unions, so-called "extra-legal unions"--so called in connection with the revised labor laws--- are gradually beginning to lose ground. Under such circumstances, the employers should respect

ITEM 21 (Continued)

the spirit of the laws and decide specific issues from a sufficiently flexible viewpoint, without being deceived by the tactics of the other party. We should, on one hand, endeavor to call the attention of the public to cultivating respect for law and for the necessity of democratizing labor unions. On the other hand, we should urge the labor committees to establish good customs and assist the courts in formulating favorable precedents. The following are principles to be acted upon by employers in dealing with issues arising in connection with the revised labor laws:

1) The Labor Union Law defines labor unions in Article 2. Any union which does not fulfil any of the requirements prescribed in this article is not a labor union as recognized by the law, but an extralegal union.

2) Paragraph 2, Art I of the Labor Union Law prescribing criminal immunity is not applicable to organizations other than labor unions as recognized by the same law. But, insofar as an act on the part of a dispute body or an extralegal union is legitimate, Art 35 of the Criminal Code, also providing for immunity, is directly applicable to it.

III. Revision of labor contracts. The revision of the labor laws has furnished us with a good opportunity to improve labor contracts so as to facilitate labor-management collaboration. Employers are urged to make the most of this opportunity. In revising labor contracts, the following points should be taken into consideration:

1) In accordance with the spirit of the revised laws, matters concerning the autonomy, democracy and responsibility of labor unions must, as far as possible, be stipulated unequivocally in the contracts.

2) While attention should be paid to the protection of labor rights, it is necessary to define the limits beyond which the union cannot interfere in management.

3) Regarding, in particular, the qualifications for union membership, an adequate line of demarkation must be drawn between union members and those who cannot be union members. In so doing, attention should be paid to the requirements of management as well as to the autonomy and independence of the union.

IV. Retirement allowances. The problem of retirement allowances is very important. Especially in connection with a mass discharge, it often becomes the most vital phase of the issue. Accordingly, this problem should be adequately dealt with from diverse angles. The following are principles to be acted upon by employers regarding retirement allowances:

1) Originally, retirement allowances are intended to be a reward for past service rendered to the enterprise. But since at present we have no system of social insurance, it is necessary, in view of the present social and economic conditions of the nation, that retirement allowances should at the same time be considered as a means to ensure employees' livelihood after discharge.

2) In curtailing surplus personnel as a phase of enterprise rationalization, it has often been customary to pay "discharge allowances," in addition to retirement allowances, in order primarily to ensure the dischargees' livelihood. This, however, should be included in retirement allowances, in view of the consideration that such separate discharge allowances are incompatible with the present unemployment insurance system.

3) The sum of retirement allowances should be determined within limits imposed by the actual financial conditions of the enterprise.

ITEM 21 (Continued)

4) Since the interenterprise connection of the labor movements renders it inevitable that an inordinately high rate of retirement allowances paid by one enterprise adversely affects other enterprises, we should always be careful to determine the rates, paying due attention to general standards.

5) In formulating contracts or regulations regarding retirement allowances, no permanent stipulation should be included in view of the instability of currency. All provisions should be temporary; that is to say, applicable only to present cases, or to cases arising in the immediate future.

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NEWS

ITEM 22 NPA SETS METHOD FOR APPEALING DISCIPLINARY ACTION

(Full Translation)

YUKAN CHUGAI, 21 Aug -- Government and public office employees subjected to disciplinary action or disadvantageous punishment are authorized to appeal to the National Personnel Authority for further examination, if they have any objection to the decision, according to Article 90 of the National Public Service Law. Accordingly, the Personnel Authority yesterday promulgated regulations governing procedures for this purpose. Heretofore, employees who were subjected to undue punishment were unable to do anything about it. These regulations, however, which cover seven chapters and 69 articles, give the employees a chance to appeal for examination. If the punishment is considered unfair, the decision can be revoked. To date, 25 cases have already been brought up, including that of Executive Committee Chairman GESHI Tadashi of the Finance Ministry Workers Union, who was dismissed on charges of opposing the 48-hour system in January. The first oral examination is to be held in mid-September. The examinations will be handled by an equity committee made up of three to five men selected from among civilian circles, in addition, to the personnel chief and the general affairs bureau chief. Appeals will be examined in the form of court trials held in accordance with the Code of Civil Procedure. The trial will be conducted with both parties placed on an equal footing. Employment of counsels at the trial is also authorized. If the punishment meted out is adjudged improper, the equity committee will order the office concerned to revoke the punishment. Any employee having a complaint must submit to the Personnel Authority a written appeal together with the discharge notice within 30 days after he received the notice. False examination will be liable to punishment of not more than three years imprisonment, or a fine of not more than 100,000 yen.

ITEM 23 SRWU OPPOSES ABOLISHING SEASON TICKETS

(Full Translation)

JIJI SHIMPO, 21 Aug -- The Central Dispute Committee of the State Railway Workers Union held a liaison conference Saturday at 0930 hours. The meeting approved a representation to the railway authorities against abolishing the season ticket system, and one to the National Personnel Authority asking establishment of special summer holidays of two days monthly in September and October. The proposals were delivered the same afternoon. The meeting also approved action orders No 1 and No 2, the first since the organization of the new Central Dispute Committee, asking all districts to recommend candidates for the local mediation committees, and to develop a campaign against abolition of the season ticket system.

ITEM 24 AG-FORESTRY MINISTRY UNION SAYS REJECT DISMISSAL NOTICES

(Full Translation)

MAINICHI SHIMBUN, 21 Aug (Odawara) -- The fifth Central Committee meeting of the Agriculture-Forestry Ministry Workers Union opened at 1000 hours Saturday at the Fourth Odawara Middle School. Present at the meeting were 160 of the 190 Central Committee members. Reports were made on the struggles in various localities. It was decided that all dismissal notices will be

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ITEM 24 (Continued)

rejected, and three percent of the wages of union members will be contributed as relief funds for the discharged. A policy on prolonged dispute tactics will be determined today.

ITEM 25 WAGE COUNCIL SLATED--TO STUDY MINIMUM WAGE SYSTEM

(Full Translation)

TOKYO SHIMBUN, 21 Aug -- The Upper House Welfare Committee meeting was held Saturday at 1040 hours in the Diet to deliberate on the unemployment policy and the minimum wage system. At this meeting, Labor Minister SUZUKI answered to the following effect to an interpellation posed by YAMASHITA Yoshinobu (Socialist):
"(1) Although it is difficult to calculate the actual number of potential jobless, due to the special circumstances in Japan, the figure is probably near the 4,000,000 mark. (2) The Labor Ministry is now studying the minimum wage system. It has not yet been decided, however, whether it will be immediately adopted, adopted by degrees or applied to all industries. At any rate, I would like to obtain an appropriate conclusion after consulting with private circles at a Wage Council to be established before long."

ITEM 26 CREATION OF LONG-TERM LOAN FINANCING ORGAN STUDIED

(Full Translation)

JIJI SHIMPO, 21 Aug -- To establish financial organs to deal exclusively with long-term loans, the Finance Ministry has decided to study the enactment of a bond financing company law (tentative name) under which financing organs with the power to issue bonds, will be created. The highlights of the plan seem to be:
1) The long-term loan agencies will not transact short-term commercial loans. It will exclusively handle long-term equipment funds and real estate loans.
2) Funds will be raised only through the issuance of bonds, without resorting to absorption of deposits and savings.
3) Deposits will not be accepted in principle, except from loancees (part repayment in substance).
It is likely that these agencies will be organized as companies and not banks.

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ITEM 27 BIG CITY PUBLIC SAFETY MEN DISCUSS LOCAL POLICE ISSUES

(Full Translation)

NIHON KEIZAI SHIMBUN, 21 Aug (Osaka) -- A conference of public safety committees of all major cities opened at 1000 hours Saturday at the Central Auditorium in Osaka. Representatives of ten major cities, Tokyo, Osaka, Kyoto, Kobe, Yokohama, Nagoya, Hiroshima, Sendai, Fukuoka, and Sapporo, attended the meeting to deliberate on improvement of local independent police operations. Major points of discussion were:

(1) Expenditures for the local police have been shouldered by cities, towns, and villages. If such big incidents as the Shimoyama and Mitaka cases should be repeated, the local self-governing bodies will become unable to bear these financial burdens. Therefore, these expenditures must be paid from the state treasury.

(2) It is requested that the Government authorize the flotation of police debentures.

(3) The police telephone facilities have been placed under the control of the Telecommunications Ministry. However, these facilities should be unified independently to establish close contact as quickly as possible on a nation-wide basis.

ITEM 28 OVER 10,000,000,000 YEN IMPORT EXCESS IN JAN-JUN 49

(Full Translation)

TOKYO SHIMBUN, 21 Aug -- The Finance Ministry Saturday announced the foreign trade figures for the first half of the year (January to June). Exports amounted to 82,620,000,000 yen and imports to 93,005,000,000 yen, registering an excess in imports of about 10,370,000,000 yen. Compared with the corresponding period of last year, the increase in monetary value was 5.6 times in exports and 4.7 times in imports. Calculated by ton, exports amounted to 1,391,000 tons and imports to 5,341,000 tons, each showing an increase of 1.9 times as compared with the corresponding period of last year.

ITEM 29 MEASURES STUDIED TO COPE WITH POTATO RATION REJECTIONS

(Full Translation)

NIHON KEIZAI SHIMBUN, 21 Aug -- The Agriculture-Forestry Ministry expects that more sweet potato rations will be turned down this year than last year. This is attributable to the concentrated sweet potato rationing during a short period, and the distribution of inferior potatoes not fit for food.

As a measure to cope with the situation, the concentration of sweet potato rations at one time will be avoided by means of bonuses to early potatoes, storage, and price control. Also, the producer price and the government price of inedible potatoes will be lowered on a large scale. The ministry wishes particularly to slash the price of sweep potatoes for industrial use to less than 40 percent of top-grade prices.

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NEWS

ITEM 30 NODA QUITS ESB POST TO HEAD UNIVERSITY DEPARTMENT

(Full Translation)

ASAHI SHIMBUN, 21 Aug -- Vice-Director-general NODA of the Economic Stabilization Board has tendered his resignation in order to become dean of the political economy department of Seikei University in September. Accordingly, Director-general AOKI has asked President ISHIKAWA of the Federation of Economic Organizations to recommend a successor. General Affairs Bureau Chief GOSU Kohei of the Economic Friends Sciety has been asked to replace NODA. However, Foreign Exchange Control Commissioner YAMAMOTO and Vice-Director FUKUSHIMA of the Price Board are also being mentioned as candidates for the post.

ITEM 31 ARRESTS BEGIN IN AFTERMATH OF SHIMONOSEKI KOREAN RIOT

(Full Translation)

YOMIURI SHIMBUN, 21 Aug (Shimonoseki) -- About 0300 hours Saturday, more than 300 members of the Yamaguchi Ken headquarters of the League of Koreans in Japan (supporting North Korea) attacked the Yamaguchi Ken headqurters of the Korean Residents Association (supporting South Korea) and the houses of the leaders of the association in Shimonoseki Shi, with bamboo spears, clubs, and Japanese swords. For about three hours, they tore apart the main office of the association and 17 houses and seized private property. SAI Saisen, chief of the women's department of the association, was seriously injured. Three other members of the association were also seriously injured, and nine slightly. Meanwhile, one member of the league was seriously hurt.

The west substation of the Shimonoseki Municipal Police quickly dispatched 40 policemen, but they were unable to do anything. The police station sought the help of the Yamaguchi-Ken headquarters of the National Rural Police. As the result, 600 armed policemen were mobilized from neighboring police stations. About 0600 hours, the riot was brought under control for the time being.

However, those who participated in the riot, including leaders of the league, barricaded themselves in the Higashi Otsubo Primary School in Shimonoseki, which is run by the league. About 500 Koreans have gathered in the school. They are watching the attitude of the police. Considering that the situation has reached the critical point, the police have sought the help of the Kokura and Moji police stations. The 600 students of the Hiroshima District Police School, have been alerted.

The Yamaguchi Prosecutors Office has decided to arrest all those who participated in the riot on charges of violating the public safety ordinance. As soon as reinforcements arrive, the prosecutors office is ready to begin to arrest 64 Koreans, whose names are known. Furthermore, it is reported that several leaders of the association have been abducted by the league. The police have begun investigating this also.

The members of the Korean Residents Association, who were attacked by the League of Koreans in Japan, have disappeared from the city, and are taking no action whatever. These two organizations of Korean residents have long opposed each other. The riot has its origin in a clash between marching groups of the two organizations in Onoda Shi on 15 August, the anniversary day of Korean emancipation. In this clash, about 40 members of the association were injured. This incident has intensified the antagonism between the two organizations.

The League of Koreans in Japan attacked the office of the association successively for three days beginning Wednesday last week.

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ITEM 31 (Continued)

The attack reached its climax early Saturday morning.

Armed with warrants of arrest from Prosecutor TSUTSUMI of the Shimonoseki Branch of the Yamaguchi Prosecutors Office, about 500 armed policemen under Prefectural Police Chief HARADA were mobilized at 1430 hours Saturday and arrested 30 league members who assembled in the Higashi Otsubo Korean Primary School. When the police began to withdraw, some Koreans threw stones at them. Therefore, 22 other members of the league were arrested on the charge of interfering in the execution of official duties.

Meanwhile, the National Headquarters of the National Rural Police, gravely concerned over the Shimonoseki riot, dispatched Police Superintendent FURUKI and Police Inspector KURIYOCHI to Shimonoseki Shi Saturday evening on a fact-finding mission.

ITEM 32. INVESTIGATOR SAYS INDICTMENT OF 7 MITAKA SUSPECTS SURE

(Full Translation)

JIJI SHIMPO, 21 Aug -- The term of detention for the seven suspects in the Mitaka case is to expire on 23 August. However, the investigation has made rapid progress during the past several days. It is certain that TAKEUCHI and six other suspects will be indicted by 23 August. The joint investigation headquarters seems to have obtained sufficient evidence against all suspects.

The prosecution headquarters Saturday afternoon transferred TAKEUCHI, SHIMIZU, and MIYAHARA from Hachioji Juvenile Prison to Fuchu Prison. All seven suspects are now held there. Meanwhile, Prosecutor TANAKA of the Hachioji branch of the Tokyo District Prosecutors Office reported the progress of the investigation to the prosecutors board.

Concerning the expected indictment of the seven suspects, SENTODA, chief of the investigation headquarters, at 1100 hours Saturday, stated: "The investigation headquarters has been concentrating its efforts on tracing clues and reports in the vicinity of the scene of the crime. By adopting this established method of stressing the scene of crime, it has obtained considerable evidence. The Hachioji special investigation headquarters will indict all the suspects within a few days.

"The joint investigation headquarters is still convinced of the guilt of all the suspects. It will continue investigations up to the trial to bolster its case. I cannot draw a conclusion yet, but the evidence seem to point to TAKEUCHI as the actual perpetrator of the crime."

ITEM 33 RED HQ IN YAMAGATA SEIZED FOR FAILURE TO PAY TAXES

(Full Translation)

NIHON KEIZAI SHIMBUN, 21 Aug (Yamagata dispatch) -- Prefectural officials Saturday morning seized the Communist district headquarters in Yamagata, Yonezawa and Tsuruoka. The action came after the Yamagata Regional Committee of the Communist Party claimed the prefectural admission tax amounting to 76,200 yen (which was imposed on the performances given by the Zenshinza troupe in the three cities for the purpose of collecting funds during May this year) was unfair, and refused to pay it.

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EDITORIALS

ITEM 34 PROGRESS ON TREATYLESS PEACE

(Full Translation)

MAINICHI SHIMBUN, 21 Aug -- The United States State Department reportedly requested the Far Eastern Commission on 18 August to take positive action to let Japan participate in international conferences and agreements. According to FEC sources, the United States' proposal that the FEC approve broader authority for Gen MacARTHUR to allow the Japanese to participate in international relations, including consular arrangements, was made on 6 May, but no decision has been reached. If the recent proposal is approved by the FEC, Japan's "peace without peace treaty" will take an epochal step forward. Hence it must be said that this is the best news Japan has received in the four years since the war.

Whether the FEC will approve this proposal cannot be predicted. The State Department's statement, however, said that regardless of what position the commission may take, any government may refuse to have diplomatic relations with Japan or to permit access to its territory. Also, whether to invite Japan to participate in international organizations or conferences is a matter for the governments of interested nations to decide. Therefore, even if the proposal is approved a final decision on whether to invite Japan to participate in international conferences and similar bodies hinges on the free will of the participating nations or the other party. This presumably will facilitate the FEC's acceptance of the United States' proposal. It is also considered that even if the proposal is rejected, the United States will be able to realize it of its own volition.

It is understood that the chief objective of this proposal is to push Japan's foreign trade and economic self-support. The recently announced white paper on foreign trade clarified the need to improve Japan's foreign trade immediately. To this end, we keenly feel the necessity for setting up branches or agencies of Japanese firms abroad to conduct direct negotiations and, on the other hand, for investigating the situation in foreign countries. Naturally, the next consideration is the resumption of consular business. In effect the recent US proposal will make it possible.

As for international conferences, Japan was hitherto permitted to participate in the capacity of an observer, but was not allowed to speak formally. If the recent proposal is accepted, Japan will be able to be formally represented.

According to chief SEBALD of Diplomatic Section, GHQ, the absence of consulates has not only caused the trade problem but has prevented Japanese residents abroad from registering births, deaths, and marriages according to Japanese law. The matter has a serious bearing upon the livelihood of Japanese residents abroad.

The recent proposal is, of course, not designed in the least to afford diplomatic status to Japan's representatives who attend international conferences. Nor will it give a consular status to a person who handles consular business affairs. However, permitting Japan to participate in international agreements, consular arrangements, and other bilateral accords is tantamount to virtual recognition of normal foreign relations to be established after the conclusion of a Japanese peace treaty.

According to the observations of Foreign Ministry sources, there is possiblity that Japan's trade representatives will be sent to New York and a consul to Argentina. The next hope is pinned on dispatching similar groups to other South American countries, India, and Pakistan. The Ministry apparently intends to announce this on 2 September, the anniversary of the formal surrender, and is expecting

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that this will materialize by the end of this year. It will, the ministry also feels, materialeze if the United States and the other party nations agree even if the FEC rejects the recent proposal.

All matters concerned are to be permitted subject to GHQ's judgment and under its control as before. To quote the remarks of Lincoln WHITE, State Department spokesman, although the recent move represents the revival of "international relations of a limited character," it can be said that it is unprecedent that Japan is permitted this much pending the conclusion of a peace treaty.

The benevolence of the United States toward Japan is ascribed to many causes. At present, there is no prospect for early conclusion of a peace treaty because of the complicated international situation. It cannot be denied that the policy of expediting Japan's political nd economic self-support as soon as posible -- the United States' consistent policy for Japan -- is being impeded on that account. To break this stalemate, the United States has exerted efforts to realize "a peace without a peace treaty."

The recent proposal is along this line. Since its objective is obviously to push Japan's self-sufficiency, there is no need to dwell upon the method for Japan to repay the United States' kindness. We hope that the FEC will accept the recent proposal as soon as possible. We also consider it necessary to exert efforts to achieve democratization and self-sufficiency in every sphere.

ITEM 35 TRULY "GOOD NEWS IN AUGUST"

(Full Translation)

TOKYO SHI BUN, 21 Aug -- According to reports from Washington, the US State Department announced Thursday that "Gen MacARTHUR as Supreme Commander for the Allied Powers is empowered to let Japan enter into international relations such as conventions, meetings, conferences, consular arrangements or such other bilateral accords as Japan may be invited to participate in." This means that Japan has actually advanced a step further on the road toward peace without a peace treaty. This is truly "good news in August."

The US Government and SCAP have hitherto given Japan numerous opportunities to engage in international activities, economic, cultural and others such as despatching representatives to the IPA and the ILO meetings, concluding trade agreements with various countries, and sending commercial missions and students to various countries as well as the reopening of private trade last year. By this new action of the US Government, Japan has been given a chance to broaden and deepen the scope of its international activities.

We feel the profoundest gratitude upon receiving this good news. At the same time, we sincerely hope that this good news will help the people destroy all the lies and maneuvers of a certain minority party which is attempting to distort the policies of the Allied Powers and SCAP toward Japan in the name of racial independence.

However, satisfactory development of international activities of Japan cannot be achieved through this good news alone. There is no doubt that we must rely much upon the guidance and aid of the US Government and SCAP for successful furtherance of our relations with other nations.

But what is more important at this juncture is that both the Government and people do their best to turn this opportunity to best advantage. Furthermore, in doing this, it is a matter of prime importance, as the US State Department declared, that both the Government and the people should respect the rights of the governments

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and people of other nations. If we reflect on Japan's past insolent demeanor in the fields of international politics and economic activities and the resultant war, we cannot but follow this advice.

It is, of cource left to as whether or not we make full use of the chance we have been granted. It seems that foreign nations are generally ill-disposed toward Japan. Instead of just being elated at the good news, both the Government and the people must pay deepest consideration to the problem of how to make foreign feeling favorable to us.

ITEM 36 INTERNATIONAL AGREEMENTS AND US POLICY

(Full Translation)

HOCHI SHIMBUN, 21 Aug -- At the beginning of the fifth year since the surrender, the US Government has made us glad by announcing that it will give Gen MacARTHUR power to permit the Japanese to conclude consular agreements. Considering the increasing complexity and delicateness of Asiatic affairs resulting from the Chinese Communists' ascendancy, we are very glad to think that international conditions surrounding us are developing one by one in our favor, thanks to the US Government's kind consideration. We know from this not only that our country constitutes an important factor for the United States in deciding her world policies, her Asia policies in particular, but that the economic standing of our country is one of the key points on which Asia's rehabilitation depends. Then we should not forget the guidance and assistance which the United States has constantly rendered to enable us to recover from war calamities. The State Department's statement clearly expresses that the fundamental objectives of the occupation of Japan will be substantially promoted by facilitating Japan's gradual participation in international relations, which are beneficial to both Japan and outside countries. As everyone knows, the divergence on basic matters between the United States and the Soviet Union is such that a peace pact for Japan is left untouched without so much as a preliminary conference. However, it is already four years since the end of the war, and the powers interested have begun to realize the disadvantage of leaving Japan without a peace pact. The United States in particular is immediately responsible for the control of Japan, and she has been studying steps to set our country on its own feet both in order to highten her own burden and in view of the development of Asiatic affairs. It is from this motive that the United States has dropped its administrative responsibilities relative to the control of Japan, one by one, and has given the Japanese almost perfect independence insofar as internal affairs are concerned. As early as two years ago, Gen MacARTHUR declared that the military objectives of the demobilization and disarming of Japan were already completed, and that he could not agree to the occupation of the country extending beyond the period absolutely necessary. Moreover, GHQ has recently recommended cessation of the removal of reparations goods, has put an end to the administration of civil affairs by the military governments, and has pronounced that measures for deconcentrating excessive economic power were completed. Besides, there were rumors that the Japanese might be permitted, under some restriction, to resume their diplomatic relations within this year, and that limitations upon the sending of traders and other representatives abroad might be lifted. The recent step taken by the United States Government has made us realize that these rumors were not necessarily unfounded.

Even if the United States Government's proposal is put into effect it is not, as the State Department spokesman has clarified, to allow Japan to resume regular diplomatic relations with other countries;

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decisions to let Japan participate in international organizations and comferences will rest with the countries concerned. In addition, the stationing of consuls will be confined to those countries that want the activities of Japanese consuls, and we surmise that they will be first placed in countries desiring trade relations with Japan, such as the United States, India and Pakistan. Be that as it may, the United States recognizes full well the disadvantages and inconvenience arising from leaving Japan without a peace pact, since she regards our country as an important factor in her world policies. Japan being the advance post for preventing Communist expansion in Asia, the United States makes it her primary objective to place Japan virtually under a peace pact, to allow it a wide sphere of independence and to promote its democratization. Apart from being an epochmaking step taken by the United States Government, the recent announcement is good news for us Japanese, as it is the initial step for us to be readmitted into the world family of democracies. This step by the United States encourages our national reconstruction, and makes us keenly feel our obligation to complete democratization. As we recognize at the same time that there can be no regeneration in the true sense of the word without a peace treaty for Japan, we sincerely hope that a perfect international unity may be attained as quickly as possible.

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ITEM 37. STABILIZATION PANIC POLICY (By OKINAKA Tsuneyuki)

(Summary)

YOMIURI SHIMBUN, 21 Aug -- Worsening of the stabilization panic is now inevitable, since it represents one phase of the great change now in progress on a world-wide scale. The reason does not lie in the weakness of Japan's economy. It would be impossible even for the United States, the king of the world economy, to reverse this current. The anti-deflation policy of the US Government, including redistribution of gold to Europe and the inflationary currency policy, will do no more than somewhat retard the down trend of the world economy. A great change has been witnessed in the structure of the world market, as illustrated by the formation of a Soviet zone on an ocean-to-ocean scale, and the emergence of England as a country of excess exports to Europe. In such a situation, the recovery of productive capacity of the world has been expedited by the industrial power of the United States, which has maintained a high standard, twice that of the prewar period. Thus the prewar level of industrial production in Europe had been restored as early as at the end of last year. However, the world lacks gold or dollars to purchase the products. Thus the change in the world economy is most keenly reflected in the increase of imports and decrease of exports of the United States. The effective demand for American commodities has reached a readjustment period. The situation has something in common with that of the great panic in the fall of 1929. Japan's economy should also be viewed from such a global angle.

It is said that a great difference between the former panic and the present one lies in the development of control techniques. However, the theory, or techniques of control have not yet advanced to such an extend as to avoid thereby the arrival of a panic. In fact, capitalism without panics is almost inconceivable. The present panic as well as the former one is a deflation panic. Intrinsically, deflation is a severe adjustment process of the economy. Inflation creates an apparent prosperity. When production in Europe was destroyed, American commodities flowed in because of the purchasing power given by the United States. As the productive capacity recovers its prewar standard, the exports from the United States have inevitably decreased. Thus it becomes necessary to make a reappraisal of the commodities flowing out of the factories. The situation is similar in the case of Japan's deflation. That the enterprises have been maintained and wages paid by means of deficit loans means that the enterprises and labor have been appraised above their actual value. The fact that production has reached 50 percent of the prewar level owes much to inflation. However, coincidentally with the readjustment period in the world economy, Japan's economy has entered the stage of strict regulation set by the nine economic principles. If the economy is to be truly stabilized, this process is inevitable.

As soon as a trend toward deflation is seen, hurried efforts are made to avert it. However, inasmuch as there can be no stabilization bypassing an adjustment period, we should resolutely enter the deflation period. What we should do is not avoid deflation, but minimize the sacrifices accompanying it and share the burden equitably. It is unjustifiable to maintain the wage standard at the expense of the unemployed, or to create new unemployment because of a compulsory employment system for the jobless, thereby wasting capital accumulated by production. Moreover, it is hoped that the idea be abandoned that deems the lowering of tax rates the only method for avoiding deflation. To be sure, the lowering of tax rates will ease deflation by increasing the effective demand. However, the problem lies in the removal of the time lag between the collection of taxes and government payments. In short, the policy to be adopted is not to avert deflation, but to rectify the method of readjustment.

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ITEM 38 KATAYAMA COMES HOME

(Summary)

TOKYO SHIMBUN, 21 Aug -- With Socialist Party Chairman KATAYAMA back home, the general public is most anxious to know more about the "reorganization of the Socialist Party," of which he reportedly spoke often during his trip. The Socialist Party reconstruction was to commence right after what they called the Reconstruction Convention, but it has not yet been launched. Moreover, there seems to have arisen a new undesirable factor connected with it. What KATAYAMA will say about the issue, is, therefore, the more significant. There are only two alternatives for the party: whether to make it a national people's party based on idealistic socialism, or a class party based on scientific socialism. Without a solution of this issue, the intra-party opposition between the right wing and the left will not be removed. The last convention, however, failed to adopt a clear-cut definite stand relative to this. Fortunately, this internecine battle has not been severe during the chairman's absence, but this lucky outcome is due to the fact that both factions were too busy with gathering union members for the Democratization Leagues in connection with the struggle between rightists and leftists in major labor unions. This is all right, but the party may at the same time be foisting a weak promissory note--revision of the Personnel Strength Law--on the unions. This is indeed the aforementioned new undesirable factor. KATAYAMA dropped a dud bomb at Lake Towada just a year ago. We hope he will not repeat the same thing.

ITEM 39 REFUSAL TO ACCEPT WHITE POTATO RATION

(Summary)

NIHON KEIZAI SHIMBUN, 21 Aug -- White potato rations are being turned down all over. It is feared that sweet potatoes will meet the same fate. Both the rationing officials and the people consider these two items nuisances. It is questionable whether this phenomenon is due to any improvement in the food situation, or whether it comes solely from the selfishness of the people. At any rate, it is a great waste of time and labor transporting and distributing great quantities of potatoes, if they are not rationed out, and left to rot. Moreover, it is a big waste to plant such unpopular potatoes. The deficit in the firewood and charcoal special account is being heatedly discussed, but what do the authorities expect to do about the money lost by allowing potatoes to rot! It is entirely up to the consumers whether they want to reject or accept rations. The ration system does not warrant the officials in charge to impose unwanted rations on the consumers. The entire responsibility for allowing potatoes to rot rests with the public corporations and rationing officials. As long as the present ration system is continued, a smooth ration of potatoes will be impossible, because it is fundamentally unreasonable to ration out potatoes in place of staple foodstuffs. The five-year economic rehabilitation program aims at the production of 1,700,000,000 Kan of sweet potatoes and 890,000,000 Kan of white potatoes in 1952, compared to the 1,500,000,000 Kan of sweet potatoes and 720,000,000 Kan of white potatoes this year. What do the authorities intend to do with all this? Are they merely playing with figures? At any rate, the present ration system and the supply-demand program necessitate drastic restudy in this connection.

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ITEM 40 TO MOTHERS WITH INFANTS

(Full Translation)

ASAHI SHIMBUN, 21 Aug -- Of late, birth control is much talked about in all circles, but it should be backed by a strong sense of duty to bring up healthy children. The infancy mortality rate in Japan is 50 times higher than that in the United States, and diarrhea and enteritis are the biggest killers. It is not a simple matter to find out causes, but we feel keenly the urgent need of the diffusion of scientific knowledge pertaining to the care of children. Medical examinations of children between 18 and 24 months were held principally at health centers throughout the country during the period from December of last year to March this year. According to the findings, the weight at the time of birth is generally above the standard, but it falls below the standard at 18 months to 24 months after birth. Probably there are various causes for this, but it has been pointed out that the weaning time is considerably late. Late weaning not only imposes greater burden on the mothers, but benefits no one at all. True, preparing baby food at home is a lot of trouble, but it does the infants no good if they are breast-fed milk which has little nutritive value. Usually, weaning is best started about seven months after birth, and stopped at the first birthday, but the survey has disclosed that nearly one-third began weaning 12 or 13 months after birth.

This ignorance about the care of children indicates equal ignorance relative to diseases. Particularly the fact that rural children are behind urban children in growth and weaning points to the low standard of public hygiene. Also, that children's food consists very largely of carbohydrates, such as grains and sweet potatoes, and conspicuously lacks protein and calcium, is a reflection of Japan's food situation today. This point should not be overlooked. At any rate, mothers should not stick to old customs. It is characteristic of Japanese mothers to be blinded by affection. Mothers of the Western countries at first sight look to us cool almost to the degree of being cruel, but this is because they believe they should force on their children what they believe to be scientifically the best, since the children have no such knowledge. Unlike Japanese mothers, they do not sympathize with children indiscriminately. Contrary to irrational fears, this brings up healthy children. This is what is meant by scientific care of children. Needless to say, the authorities concerned should endeavor to spread and inculcate this kind of children's care, but at the same time we hope that mothers will also positively seek to learn it.

ITEM 41 FOR THE PROTECTION OF NATIONAL INDUSTRY

(Full Translation)

AKAHATA, 21 Aug -- The subsidy-cut policy of the Yoshida Cabinet is intensifying the intergroup differences within monopoly capital circles, increasing the possibility of violent destruction of the national industry and aggravating the danger of enslavement of the masses.

It is not for the sake of lightening the burden of the people that YOSHIDA has started to touch the problem of government subsidies, which have so far served to secure surplus profits for monopoly capital. On the contrary, it is a manifestation of the intensified crisis in all fields and the comprador-like character of the Government and monopoly capital.

The 1949 fiscal budget has now come to the stage where it can no longer be executed in its original form. This is attested to by the

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shortage of collected taxes, the increasing stockpiles, increase in the financial loss of the Government due to the irregularities and corruption in government offices, the bankruptcy of state finance, the necessity for the reconstruction of damaged areas, and unemployment relief. The constant struggle of the masses, however, is making it impossible for the Government to impose heavier taxes upon the masses.

The crisis of world-wide production surplus is now coming. This pressure is being brought to bear upon monopoly capital of this country. Both the Government and monopoly capital, so long as they wish to remain in their present position, must remedy their exploitation formula because of this pressure.

Under the pretext of narrowing the gap between Japanese prices and those of the international market, the Government is now planning to make monopoly prices in the domestic market dependent on those in the international market and thus exploit the masses to the fullest extent. The Government, however, pretends that the subsidy cuts will lighten the burden of the masses. Finance Minister IKEDA has often declared that the Government will reduce the people's tax burden. What deceit! As proof of this deceit we list the following points:

First, the Government, while planning subsidy cuts, does not remedy its low rice price and low wage policy. On the contrary, it is strengthening this policy. The Government does not intend to reduce the food import subsidy, which is one of the responsible factors for the low rice price, but is trying to increase the amount of subsidies by importing more food. The original 2,600,000 tons of food to be imported this year has been increased to 3,200,000 tons, necessitating an increase of 9,000,000,000 yen in subsidies.

The blackmarket prices of farm products have already fallen because of the drop in the people's purchasing power. The difficulties of the farmers, who are forced to deliver even barley and potatoes in excess of delivery quotas, will thus be increased.

Second, the Government is firm in its attitude to extend subsidies to cover the differences between import prices and domestic prices with regard to the importation of raw materials. It is thus trying to maintain the monopoly prices of surplus commodities in the foreign market at the sacrifice of the masses. This is evidenced by the government policy on the importation of coal and iron ingot.

Third, the Government, while enforcing subsidy cuts, is attempting to guarantee the losses suffered by monopoly capital by raising monopoly prices. A plan to raise the price of iron and steel by 50 percent and the price of fertilizer by 60 percent is now under study.

Further, the Government does not intend to collect the vast amount of price differentials. Instead it is trying to extend bounties to these industries in place of subsidies. Yet, the Government always states that it will lighten the tax burden.

The effects of subsidy cuts will be very serious and no one will be able to hide the result. The raise in the prices of iron and steel, coal, and fertilizer is now driving the various related industries to the brink of bankruptcy. The domestic market will become all the more smaller as a result of the reduction in the construction budget, as well as of the decline in the purchasing power of the masses. Dismissals, enterprise adjustment, the downfall of smaller enterprises, and the destruction of farming and fishing industries will become worse.

As a result of narrowing the gap between domestic prices and those in the international market, our national industry will be constantly exposed to the tempest of world-wide panic. This is clearly shown by the conflict within monopoly capital circles such as the one over the subsidy reduction issue between the management of the Japan Cast Iron Pipe Co

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and Japan Steel Industry, who deal with steel and pig iron, and the management of the Fuso Metal Co, the Kobe Steel Manufacturing Co and the Kawasaki Heavy Industry Co, who are engaged in rolling steel.

The iron and steel industries, which have developed on the strength of imported ores in the past half year, are now being forced to depend upon scrap iron. The destruction, confusion, and the unbalance of industries is becoming aggravated. The independence of the national industry is being lost and the nation is rapidly becoming enslaved.

Due to YOSHIDA's traitorous policy, the unification of the national industry protection front has been greatly strengthened and the conditions for a regional struggle of the masses are becoming ripe. We cannot cope with YOSHIDA's subsidy reduction policy by insisting on the maintenance of the existing subsidies. Nor can it be done by making the Government extend industry protection funds, instead of subsidies, from the current fiscal budget. This is clear from the fact that the masses have suffered from the subsidy policies of past cabinets.

It is now incumbent upon us to call for the establishment of people's control instead of bureaucratic control and the people's control of state-owned industry for the protection of the nation's industry. The struggle for this purpose should be combined with the one for the overthrow of YOSHIDA. So long as monopoly capital has authority, all funds will be used for exploiting the masses. The authority which is now in the hands of monopoly capital should be transferred to the masses. This is the best guarantee for the protection of industry.

ITEM 42 MAGNIFICENT ACHIEVEMENTS OF SWIMMERS

(Summary)

ASAHI SHIMBUN, 21 Aug -- All Japanese are rejoiced at the news from Los Angeles that the Japanese swimming team has set many amazing new world marks at the AAU swimming meet. The people have been moved deeply because these wonderful new records were set at an international championship meet in which Japan was permitted to participate for the first time since the surrender.

What has most deeply impressed us, however, was the fact that McLANE, the top-ranking middle-distance swimmer in America, did not participate in the meet for the reason that he had to work this summer to earn money to enter Yale University next year. He places more importance upon education than upon the world records he is likely to set at the AAU meet. It is significant that he is regarded by the American public as doing a common thing in the regular way.

Before entering international society, the Japanese people must ponder over the attitude of this American student swimming cahmpion.

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ITEM 43 THEY DID NOT DISAPPOINT US

(Summary)

JIJI SHIMPO, 21 Aug -- Japan's swimming team won all the free-style events except the 100-meter one at the AAU swimming championships in Los Angeles, and established new world records in four events, in the full view of all nations. Our swimmers have proved worthy of the confidence we placed in them. All the Japanese people have been transported with joy at the news of their victories. As was daily reported, the Japanese swimmers also enjoy great popularity among the American people. They have demonstrated the Japanese people's excellence in sports, and have greatly promoted friendly relations between America and Japan. This great success of the Japanese swimming team at the AAU swimming meet is attributed basically to many years of effort by Japan's swimming world. An American correspondent points out the passion for swimming of the Japanese, and hard training, as the strong points of the Japanese team. We must give full play to these strong points, in order to maintain this glorious victory.

We have lost many things as a result of the surrender. It is no exaggeration to say that the disappearance of national confidence is the greatest of these losses. It seems that a servile spirit has been prevalent among the Japanese people. The loss of confidence apparently prevents the rehabilitation of Japan, and makes the Japanese more than a little desperate. The victory of the Japanese swimming team is of deep significance, because it has enabled the Japanese to recover national confidence. It is an undeniable fact that the people have regained the confidence that they can take the foremost place among nations, at least in one sphere. Herein lies the significance of this victory. The achievements of FURUHASHI, HASHIZUME, and three other swimmers are also worthy of praise from this point of view.

ITEM 44 THE PRIDE OF JAPANESE SWIMMING

(Summary)

NIHON KEIZAI SHIMBUN, 21 Aug -- The Japanese champions, readmitted to participation in international sports for the first time since the surrender, have through their brilliant achievements lived up to the expectations of the nation. This may reasonably be a source of frank joy and pride to the nation. One cannot say the result is of no consequence, for victory is the objective of athletic competition. Athletic competition, however, should be characterized by serenity of mind, irrespective of its outcome. Dejection over defeat should breed no spite toward the victor, nor should victory cause loss of respect for the loser's personality. Athletic contests should be oriented solely toward fighting for victory, and, beyond that, there is, and should be, no theorizing. Our champions have the role of a diplomatic mission, which, if linked with unnecessary theories, would lead to a reverse effect. Our champions have fulfilled their mission by setting a number of new world records.

III POLITICAL

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ITEM 101 SOCIALIST DEFEATS DLP CANDIDATE FOR MAYOR

(Full Translation)

AKAHATA, 16 Aug (Oguni dispatch) — In the mayoral election in Oguni Mura, Kariha Gun, Niigata Ken on 10 August NAMBA Nobuzo (Socialist), endorsed by the democratic front, was elected with 1,596 votes. The defeated Democratic Liberal Candidate MATSUDA Sakutaro received 1,454 votes.

ITEM 102 COMMUNIST ELECTED TO IWATE KEN VILLAGE COUNCIL

(Full Translation)

AKAHATA, 16 Aug (Morioka dispatch) -- In a by-election for two village assemblymen in Tahata Mura, Shimohei Gun, Iwate Ken, tabulation of votes on 11 August showed that KAZUHAYA Katsuji (41) of the Communist Party was elected. Polling 740 votes he received 245 more votes than FUJIWARA Isuke (DLP) who won the second seat.

In the January general election, the Communist Party had won only 81 votes. The great advance of the party is attributable to the potent assistance of repatriates from the Soviet Union.

ITEM 103 HOKKAIDO FARMER, LABOR LEADERS JOIN CP

(Full Translation)

AKAHATA, 16 Aug (Nara dispatch) -- Former Socialist MIZUNO Seishichi, member of the national and prefectural committees for the emancipation of outcastes, and former Socialist DATE Masaki, secretary-general of the Nara district youth section of the emancipation body joined the Communist Party on 3 August. MIZUNO resides at Daifuku Mura, Isobe Gun, Nara Ken. Both men had been working closely with the Communist Party. More members of the Daifuku chapter of the body are expected to join the party.

(Hokkaido dispatch) -- MIYAGUCHI Saburo who resigned as secretary general of the Hokkaido chapter of the New Farmers Party on 9 August in opposition to the anti-Communist policy adopted by the party at an extraordinary convention held on 9 August, joined the Communist Party on 10 August. His entry was also a protest against the anti-Communist policy adopted by the All-Hokkaido Farmers Convention which met on 10 August under the sponsorship of Secretary-General SHIOJIRI and others of the Farmers League. MIYAGUCHI said, "For the sake of true unity I will join the party and continue the fight."

On the same day, Chairman TAKAYAMA Yasutsugu (28) of the Hokkaido

ITEM 103 (Continued)

Agricultural Workers Union and HATAKEYAMA Masataka (41), member of the executive committee of the Coal Mine Workers Union Hokkaido Chapter, joined the party. Together with growing demand everywhere in Hokkaido among the rank-and-file for farmer unity and for cooperation between laborers and farmers, it is believed that party entries will continue in succession.

ITEM 104 W-F PARTY HEAD KURODA SEEKS FARMER UNITY

(Full Translation)

SANYO SHIMBUN (Okayama), 11 Aug -- KURODA Hisao, head of the Worker-Farmer Party, who returned to Okayama Shi on 10 August to stump Okayama District, said that the Japan Farmers Union -- in which a unification movement has recently arisen among certain groups -- can be unified into a huge farmers organization again. His statement follows:

"Under the present situation it is necessary for farmers to unify. They must become a solid unit in order to struggle against the present capitalistic policy which oppresses them with heavy tax, low price of rice and excessive rice delivery quotas.

"The Japan Farmers Union split at the third convention was a very deplorable development. In my opinion, there are two important points to remember about this split: one is that it was not the wish of the rank-and-file union members but was caused by a conflict among certain leaders, and the other that in spite of the split at national headquarters, many local federations are still united and are urging the headquarters and federations which have split to unify again. In short, it was an incomplete split.

"This split was quite unnecessary, because the members of both factions are all farmers. The split was caused by meddling of political parties. From this fact it is evident that a clear distinction must be made among the farmers unions, labor unions and political parties. Union members are free to support political parties of their choice, but no political party should control or guide a farmers union. The union must remain independent of political parties.

"The movement mentioned above for the unification of farmers unions is a large one that includes not only the two JFU factions, but also the National Farmers Union and all independent farmers unions in the country. I am confident that this unification program will be successfully realized. Particularly because this movement is supported by the rank-and-file, I expect rapid development. We will be able to hold a national farmers unification meeting, by harvest season this fall, at the latest.

"Assuming responsibility for the JFU split, I tendered my resignation from the JFU chairmanship. In order to carry out the unification program, I will serve as a common member hereafter."

KURODA is slated to stump the prefecture until 12 August. HORI Makoto, member of the House of Councillors, will also visit this district on 11 August to make speeches in support of KURODA.

ITEM 105 NATION-WIDE ANTI-COMMUNIST MOVEMENT IN JAPAN

(Summary)

SEKAI NO UGOKI (Semi-monthly magazine), 15 Aug -- One of the biggest problems facing the political parties in Japan today is how to confront the communists. INUKAI Ken's idea is to establish the two-party system with a new conservative group to be formed by

ITEM 105 (Continued)

those who believe in the principles and practice of conservatism, and a social democratic party evolving from the present Socialist Party.

INUKAI expressed this idea at Nagoya after he had discussed the issue of a combination of conservative elements with Premier YOSHIDA and Secretary-general of the Democratic Liberal Party HIROKAWA at the Foreign Minister's official residence in Tokyo. However, due to the labor offensive and other important questions this idea has not materialized at all.

On 5 July Democratic Liberal leaders as well as Premier YOSHIDA, deliberated at party headquarters on their attitude toward the Communist Party and decided on the 12-point fundamental anti-communist program. Through the establishment of the Anti-Communist Policy Enforcement Committee, and an Anti-Communist Youth League, the Democratic Liberals hope to develop the anti-communist movement rapidly.

Although both the right and left-wingers of the Democratic and the Socialist Parties are opposed to communism, the Democratic Liberals appear to be the most interested at the moment in carrying out a vigorous anti-communist campaign. This is due to the fact that this party forms the Yoshida Cabinet on which the Communists concentrate their sharp attacks. Moreover, it must not be forgotten that the movement undertaken by the Democratic Liberals aims at the stabilization of the Yoshida Cabinet as well as the reconstruction of Japan.

In the past the major defects of conservative political parties in this country have been found in the type of members composing it, such as local bosses who have had no knowledge of party organization or responsibilities. The above-mentioned anti-communist program of the Democratic Liberal Party indicates that the party is attempting to amend its faults. It is very doubtful, however, whether the party can attract the masses with such slogans only. An intellectual stated: "Although it is necessary to criticize and make demands on the Communist Party, it must be remembered that criticism of communism does not necessarily mean anti-communism. The revival of offensive and violence under the pretext of an anti-communist movement will only hinder Japan's democratization. Not only will it be the fight against the Communists but also a challenge to democracy."

(NAKAMURA Tetsu: Anti-communism and Communism, SHISAKU, No 7)

The Democratic-Liberal who was involved in the Diet brawl was a gambler, and despite strong demands from the masses, that he be expelled from the party, still remains.

Although all parties agree in opposing communism, none of them, except the Inukai faction in the Democratic group, are following the Democratic-Liberals in their concrete movement.

Among the anti-communist activities assumed by other groups the labor union activities led by the Socialist Party are especially noteworthy. In a joint strife conference with the Democratization Leaguers in the State Railway Workers Union, it has been decided by the party to uphold the slogan to protect the State railway from destruction by violence of the Communist Party. The Communists, on the other hand, criticize the Democratization Leaguers as disrupting and betraying the State Railway Workers Union.

The fact that the anti-communist movement is developing on a nation-wide scale indicates that the crisis has become acute both domestically and internationally.

POLITICAL

ITEM 106 DILEMMA OF JAPANESE MONOPOLY CAPITAL by SUGIYAMA Hiroto

(Summary)

CHORYU (Monthly magazine), Aug 49 -- Japanese monopoly capital, as well as the government formed by its political party, has grown increasingly desperate in defending itself before the people's offensive, but throughout this process, a move to somehow avert the impending crisis is discernible. New changes seen in our postwar economy have caused the position and interests of monopoly capital to shift, and this has forced the capitalists to ponder over what course to take in the future. For example, it is now possible for foreign private capital, especially the banking interests, which hitherto was bound by various restrictions under the occupation, to readily monopolize commercial transactions and actively participate in Japanese economy. Under this situation, the monopoly capitalist camp has begun to waver, friction and confrontation centering around the clash of interests to become acute, and this struggle to be concentrated on seizing the spheres of influence of the others in the State structure.

The group of monopoly capitalists attached to YOSHIDA and his faction as their "brain trust," is composed of people with nationalistic leanings such as IKEDA Seihin and SATO Kiichiro of the Mitsui interests who in the past were closely connected with Imperial Court influences. That YOSHIDA, as president of the Democratic Liberal Party, has constantly worked to revive this influence with the idea of utilizing it in implementing his plan to reconstruct Japanese monopoly capital is shown in his advocacies such as the proposals to reinstate Zaibatsu purgees and to abolish the Restricted Company Ordinance.

Here, another group of monopoly capital has come to the fore since the war. Heavy chemicals industry capital which had to depend upon the Reconstruction Finance Bank for rehabilitation and is considered essential to the state is a good example. The outstanding characteristic of this group is the close connections it had with the leaders among prewar securities brokers. For example, the Showa Denko Company was actually controlled by KOBAYASHI Chu, president of the Fukoku Life Insurance Company, while the Japan Iron Manufacturing Company forced with the problem of reconstruction, was obliged to hand the post of managing director to NAGANO Shigeo, younger brother of NAGANO Mamoru, and later have him appointed vice-president of the Economic Stabilization Board. In other words, the initiative in this group has been taken over by surviving leaders among prewar securities brokers who were once affiliated with the former BANCHOKAI and presents a typical pattern taken by monopoly capital in controlling postwar politics during the KATAYAMA and the ASHIDA regimes.

When YOSHIDA formed his second Cabinet, it is not surprising that he surrounded himself with people close to him during the opposition party days such as KANO Hisao and SHIRASU Jiro, who had no direct control over capital, or IKEDA Seihin and YUKI Toyotaro from the purged group. However, when he began to concentrate on forming a merger of the conservative forces, capitalists of the old BANCHOKAI approached him, and now their leaders such as KOBAYASHI Chu, NAGANO Mamoru (represented by his brother Shigeo), MIYAJIMA Seijiro, ISHIKAWA Ichiro and SHINDO Buzaemon, are seen to frequent the Foreign Minister's official residence. It is said that a society was formed recently by Finance Minister IKEDA Hayato with ISHIKAWA Ichiro, ICHIMADA Hisato, NAGANO Shigeo, and SAKURADA Takeshi as its leading members, which meet from time to time at Atami.

ITIM 106 (Continued)

Thus, YOSHIDA has come to be surrounded by the most active elements, the champions of postwar monopoly capital, and YOSHIDA has begun to make use of them. In this, a factor of vital significance in the trend and sphere of influence of monopoly capital has appeared. By this we mean that since the implementation of the Nine Economic Principles, the possibility of the former Zaibatsu combines such as MITSUI and MITSUBISHI reorganizing to regain their prewar control of politics has been shattered. In the new Japanese economy under the Nine Economic Principles, political control by monopoly capital has no alternative but to take the broker-like form resorted to by NAGANO Mamoru and KOBAYASHI Chu.

Merger of Conservative Forces a Necessity

The merger of conservative forces recently proposed by the Democratic Liberal Party is primarily aimed at unifying and strengthening the dissension-wracked monopoly capital camp and finding a way out of this dilemma. The struggle staged on May 30 by the Tokyo Metropolitan Transportation Workers Union against the Public Safety Ordinance as a prelude to the so-called peoples' struggle, fully convinced the Democratic Liberals of the necessity of a merger as a means to maintain their power. The bureaucrats among them, such as MASUDA Kaneshichi, apparently have confidence in old bureaucratic and police structure, for they assume a comparatively calm attitude toward the frantic maneuvering by people such as HIROKAWA to complete a merger.

The question of strengthening the police force, an organization dealing in force and backed by government authority, is being earnestly discussed at the conference of Cabinet Ministers concerned with public peace. There are two opposing opinions on this question -- one, to restrict the freedom of the people by establishing a new section in the Special Examinations Bureau of the Attorney-General Office similar to the old thought police; and the other, to place the proposed thought police under the jurisdiction of the Metropolitan Police Board or the autonomous police as in the past. At any rate, the problem of strengthening the police force is a grave international issue and a source of constant headache for the Yoshida Cabinet which is attempting to execute the policy advocated by extreme reactionaries in the monopoly capital camp.

Under this situation, dissension within the monopoly capital camp is increasing to create the danger of a split within the Democratic Liberal ranks. The controversy over the selection of the chairman of the Bank of Japan's Policy Board exemplifies the internal dissension existing among Japanese monopoly capitalists. How to control such state-capitalized companies as the State Railway Corporation and the Public Monopoly Corporation or their presidents is the question now confronting monopoly capital and the object of their strategy.

The question as to how to operate the Counterpart Fund, whether it should be invested as government loans or loans by banking organs, is also aggravating the internal conflict in the monopoly capitalist camp. The policy of the Yoshida Cabinet in enforcing the Nine Economic Principles, is to blame for this condition as well as the imminent collapse of smaller industrialists and rich farmers and the increasing unemployment which jeopardizes the people's livelihood. The world-wide dissension seen in the monopoly capital camp is gradually causing their political rule to assume an insidious and secretive aspect.

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Just how monopoly capital will join hands with the suffering smaller industrialists and rich farmers group and develop as a political force will depend on how the people's struggle centered around the working masses will develop. Although monopoly capital, faced with a formidable crisis, has been obliged to generally support the oppressive policy of the Yoshida Cabinet, it lacks the confidence to go so far as to unify the political forces of the ruling class through a conservative merger. Thus monopolistic capital now finds itself on the horns of a dilemma.

ITEM 107 UNCONSTITUTIONALITY OF REPATRIATION ORDINANCE by NAGASAKI Konosuke

(Full Translation)

AKAHATA, 17 Aug — The DLP's Yoshida Government on 11 August suddenly issued a government ordinance ostensibly for maintaining order in and smooth execution of the repatriation work. On just what authority and on what legal basis did the Yoshida Government issue such a government ordinance? It was based naturally on Imperial Ordinance No 542 authorizing the government to issue necessary ordinances to execute the stipulations of the Potsdam Deslaration. Under the Meiji "divine rule" Constitution in force before the surrender, the Imperial Diet was ostensibly the organ for representing the interests of the subjects and for enacting laws. Actually, however, this Diet was a mere ornament, and all regulations necessary to control and exploit the subjects were arbitrarily issued in the form of "emergency Imperial ordinances" (Article 8 of the Meiji Constitution) at the unilateral will of the Emperor. These ordinances had the full force and effect of laws and at times superseded laws.

The new Constitution has abolished the divine rule of the Emperor and declares that sovereignty lies with the people. Yet, an emergency Imperial ordinance is not only still in force but is being openly taken advantage of by the conservative, reactionary influences. This is the present state of our country four years after the defeat.

This "emergency Imperial ordinance" still in force under the new Constitution is the so-called "Potsdam Imperial Ordinance No 542". When the Democratic Party's Ashida Cabinet in July 1948 promulagated the "Government Ordinance No 201," which forcibly deprived all government and public workers of their labor rights, many democratic jurists demonstrated that this ordinance as well as the Potsdam Imperial Ordinance No 542, upon which it was based, are now unconstitutional since Article 98 of the new Constitution makes null and void Law 72, which gives validity to the Potsdam Imperial Ordinance No 542, and other ordinances and measures based on the old Constitution.

Government Uses Invalid Ordinances

However, the Yoshida Government, using this invalid Imperial Ordinance No 542, promulgated the Organizations Control Regulations in April and sought to oppress democratic organizations and progressive political associations backed by the people; and now it seeks to force the unilateral will of the Government on repatriates through the Repatriation Government Ordinance.

Not only is the content of the Potsdam Imperial Ordinance No 542 invalid under the new Constitution but the Government's application of this measure is also illegal. Even if we, for the sake of argument, concede to the Government's claim that Ordinance 542 is

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valid, two conditions must still be met before the Government can issue an ordinance based on it: (1) the ordinance must be for the purpose of carrying out a SCAP order; and (2) there must exist an especially urgent need for its issuance. If the government ordinance does not meet these two conditions, its issuance is clearly an abuse of official authority, a violation of the Constitution, and a disregard of the Potsdam Declaration. This shows the unconstitutionality of the basis of the recently issued Repatriation Government Ordinance.

Moreover, the content of this ordinance is also in violation of the Constitution. First, the ordinance states that from the time the repatriates board the repatriation vessel unitl they are finally returned to their homes, the conduct of the repatriates shall be closely bound by the orders of the ship's captain, the director of the Repatriation Relief Bureau (or the director-general of the Repatriation Relief Board), the president of the Japan State Railways, the governor, etc. Violators will be punished by imprisonment of not more than one year and a fine of not more than 10,000 yen.

Articles of Constitution Violated

Second, in the event the repatriates act of their free will and their conduct is contrary to the orders of the above-mentioned officials, they are punishable on charges of "agitation," "instigation" or "intimidation." The moment the repatriates board the repatriation ship, their status as prisoners of war vanishes and they possess the basic human rights, guaranteed by the Constitution -- the freedom of thought, conscience, religion, assembly, speech, association, expression, and action (sic) (Articles 19, 20 and 21 of the Constitution) (they possess these rights even before they reach their homes). The Government's restriction of the repatriates' freedom of will and action is clearly a violation of the above-mentioned articles of the Constitution. Moreover, since this restriction constitutes a form of holding repatriates in involuntary bondage when it is not as a punishment for a crime, it is also a violation of Article 18 of the Constitution.

Third, the Repatriation Ordinance bans the masses from welcoming the repatriates and threatens to punish violators. This is also a violation of the above-mentioned articles of the Constitution. At the same time, the Government, which openly takes such a high-handed, discriminatory action, is an unconstitutional government that runs the national administration and wields authority as it pleases without the trust of the people, disregards its role as a public servant, and infringes upon the sovereignty of the people. (The preamble and Article 15 of the Constitution).

The maximum extent of the Government's authority is limited to the purely technical aspects of carrying out the repatriation work. The Government has absolutely no right to restrain the people's basic rights.

Thus, as explained above, the Repatriation Ordinance is unconstitutional both in basis and in content, and it is naturally invalid according to Article 98 of the Constitution.

The Government argues its point by citing Article 9 of the Potsdam Declaration. Its ignorance of laws is highly ridiculous. If we go by the Government's statement, conversely, how is it going to explain the failure to faithfully observe the terms of the Potsdam Declaration (stipulated in Articles 1 and 6 of the surrender pact)?

ITEM 107 (Continued)

Article 9 of the Potsdam Declaration gives the post-surrender Japanese people the right to return to their homes to lead peaceful and productive lives and not become enslaved again by the militarists and the reactionary fascists. It does not state that the repatriates' freedom of action, ideology and expression shall be oppressed. The Yoshida Government, itself, which has driven the people into slave-like poverty and permanent unemployment without giving them the opportunity to lead peaceful and productive lives, violates Article 9 of the Potsdam Declaration and ignores the surrender pact, thus violating an important international treaty.

The new Repatriation Ordinance perfectly reveals the reactionary character of the Yoshida Government which not only violates the Constitution, but also ignores the Potsdam Declaration and the surrender pact.

ITEM 108 THE GOVERNMENT ANTI-COMMUNIST ORGANS by NAGATA Hojin

(Summary)

SEIKAI JEEP (Monthly magazine), Sep 49 — At the press conference immediately following the State Electric Railway Workers' strike, MASUDA, chief secretary of the Cabinet, stated that an unofficial meeting of the ministers and officials concerned had been held to take up the labor problem now facing the government. Moreover he expressed his desire that the press eliminate the term CHIAN KAKURYO KAIGI, meaning Ministers' Conference for Public Security, stating that it was too incentive in nature.

MASUDA perhaps was over confident at the time, because he believed that the Yoshida Cabinet did not necessarily have to rely on police power alone, that the people's support could be won by anti-unemployment and other economic measures to cope with the labor offensive, and that the Cabinet could destroy communist tactics by utilizing the Special Examination Committee of the Diet, or through the anti-communist movement of the Democratic Liberal Party. Since the Procurator-General and the President of the State Police also attended this meeting, it was only natural that the police problem and the maintenance of public peace and order should have been brought up as a main issue.

When the conference opened with an attendance of excited ministers, newspapermen crowded the Premier's official residence where it was held, hoping to obtain some sensational news. The conference, however, had been called for the simple purpose of exchanging information.

The meeting ended in a decision that the government should control both the police force and the anti-communist intelligence network. On the day following the State Electric Railway Strike, MASUDA angrily reported to Premier YOSHIDA that the cabinet possessed no intelligence network and that the only source open to the ministers for obtaining information regarding the strike was the morning newspapers.

It can be supposed that both MASUDA and KORI, assistant chief secretary of the Cabinet, who were important participants in the conference and who have had much experience with the police, especially thought police administration, are impatient with the present police system.

Another problem confronting MASUDA in regard to the conference, lies in the fact that the ministers and officials do not have sufficient knowledge of the labor problem, such state ministers as OYA, HONDA, and OZAWA being quite ignorant in this respect. It is said that a certain minister, after hearing GARAI, chief of the Labor

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Administrative Bureau, analyse the present labor situation and the tactics of the Communist Party, astonished SUZUKI, the Labor Minister, by asking whether GARAI. was a member of the Communist Party. It is extremely doubtful if a conference attended by such ministers can succeed in developing into a central organ to bear down upon the Communist Party.

UEDA, the Attorney-general, is another leader in mapping out anti-communist measures for the government. Last year, as soon as he assumed the position of attorney-general in the second Yoshida Cabinet, he carried out a personnel change in the Special Examining Bureau of his office, and appointed YOSHIKAWA Mitsusada, a public procurator, chief of the Bureau. When the third Yoshida Cabinet was formed, UEDA proposed a re-organization of the Special Examining Bureau and realized his objective in May this year.

As a result of this reorganization, the Fourth Section of the Special Examining Bureau was newly established. This is the anti-communist investigation and intelligence organ now in question.

A young procurator named YOSHIHASHI Toshio, a YOSHIKAWA confidante, was appointed chief of the section. During the war, YOSHIKAWA was famous as a so-called thought prosecutor of great ability. His greatest feat dealt with the Popular Front case in 1937, where approximately 20 persons, including KATO Kanju, were imprisoned on a charge of plotting to obstruct the national polity. He was more like a fanatical nationalist at that time.

If one were to trace his career, one would discover how well versed he is in communist affairs and what an expert he is in handling them. Although he has been criticized as a typical reactionist by cultural and other organs, UEDA, attracted by his firm will to "maintain the national polity" appointed him to the position. Although the Fourth Section of the bureau does not as yet possess a thorough intelligence network, covering the entire country, even Premier YOSHIDA is expecting much from this organization.

ITEM 109 IBARAKI VILLAGERS HOLD ANTI-COMMUNIST RALLY

(Full Translation)

MAINICHI SHIMBUN (Ibaraki edition), 17 Aug -- The youths of Kanomi Mura, Sashima Gun, Ibaraki Ken have risen to guard their village from the disruptive tactics of the Communists.

The Communists have been protesting various village projects. They had called a villagers' rally in positive opposition to a flood-control project on Higashinitsura River, arguing that 5 Chobu (1 Chobu is 2.45 acres) of village land would be lost thereby. They also started an opposition movement when the village authorities approved a resolution by the new system middle school construction committee calling for an assessment from each villager of a sum double the residents' tax to raise 2,500,000 yen for construction expenses. The villagers refused to dance to the Communist tune, and the fund-raising program has progressed satisfactorily. The construction of two buildings (eight rooms) is 80 percent complete now.

The Communist obstructive action which finally provoked reaction was the petty charge that four "sun" (one "sun" is 1.193 inch) lumber had been used under the flooring, contrary to blue-print qualifications. An anti-Communist rally was held on 12 August in front of the Kanomi village office under the sponsorship of the Sashima Anti-Communist League.

ITEM 109 (Continued)

The convention declared that, since the Higashinitsura River project would free 2,500 Chobu of paddy field from danger of inundation, it must be completed. The rally warned the villagers to guard their village from the destructive tactics of the Communist Party.

The anti-Communist movement will be carried on vigorously in the future.

ITEM 110 FARMLAND COMMITTEE MEMBERSHIP REDUCED TO 15

(Full Translation)

MAINICHI SHIMBUN, 17 Aug -- The Government promulgated on 16 August a revised Central Farmland Committee Ordinance which was approved by the Cabinet on the same day.

The revision reduces the committee membership from 23 to 15. The representation in the new committee will be six owner-farmers, two owner-tenant-farmers, two landowners, and five men of learning and experience. Members will be appointed by the Agriculture-Forestry Minister.

ITEM 111 ASHIDA SAYS JAPAN IN LIFE-DEATH STRUGGLE

(Extracts)

YUKAN KYOTO (Kyoto), 15 Aug -- Dietman ASHIDA, en route to Fukuchiyama, his birthplace, to inspect the recent flood damage, stopped in Kyoto on 14 August and immediately called on Governor KIMURA for a report on flood conditions in the prefecture.

On his departure from Kyoto on an over-crowded third-class train, he said, "Neither middle-road politics nor the internal troubles of the Democratic Liberal Party are my business. Now that Japan is in the throes of a life-or-death struggle, I no longer think of such questions as how to overthrow the Government or what the next Government should be."

ASHIDA, in company with Councilman OKU, will inspect the flood-stricken areas during the period from 16 to 21 August, and at the same time will make stump speeches at every district in the prefecture.

ITEM 112 NISHIO AND NABEYAMA PULLING STRINGS

(Summary)

NAIGAI TIMES, 13 Aug -- NISHIO, though still under charges for alleged involvement in the Showa Denko case, burns with the desire to cut a figure again in the political world. In the State Railway readjustment issue he tried to play a big role as a mediator between the Government and the Socialist Party. After conferring with NABEYAMA Sadachika, an influential leader behind the SRWU Democratization League, and KANEMASA Yonekichi, a Kansai councillor of the Japan Federation of Trade Unions, he on 2 July sent a letter to SUZUKI regarding measures to overcome the critical political situation, and at the same time proposed a meeting between NABEYAMA, KANEMASA, SUZUKI and himself.

Statements in the letter included:

(1) The Socialist Party should not be dragged into Communist struggles for power.

(2) The basic objective of the SRWU Communist fraction is to disrupt State Railway services.

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(3) If the leftist Unification Faction arbitrarily leads the union to strike, the Socialist Party should prevent it by positively backing the Democratization League and mobilizing the masses.

(4) From the viewpoint of national administration, some degree of administrative readjustment in the State Railways should be recognized.

(5) The Socialist Party should not merely aim to overthrow the present cabint.

This letter is proof that NISHIO and NABEYAMA are extreme-right Socialist leaders. SUZUKI at first accepted the proposal for a four-man conference, but called it off on the scheduled day by sending a letter to NISHIO and others. SUZUKI's reconsideration is believed to have been based on advice from persons close to him.

NISHIO and NABEYAMA had intended to use the four-men conference as a springboard for their re-entry and entry respectively, into the Socialist Party by successfully settling the State Railways issue. They at the same time planned to strengthen their leadership within the Democratization League to satisfy YOSHIDA's expectations.

On the other hand, SUZUKI, who called off the meeting, has, intentionally or accidentally, begun to act along the line that NISHIO suggested. This has caused ADACHI, TANAKA and others of the leftist faction to protest; but SUZUKI, having in effect approved the [illegible] suggestions presented by NISHIO and others, is showing no indication of complying with their demand.

Finally, the question of a possible Socialist split must be examined. With Leftist Leader SUZUKI becoming so conciliatory as to tacitly approve NISHIO's suggestions, the ideological differences between the right and left should be negligible. Yet, the party, which includes many lines of thought, may split if complications develop.

In the leftist camp, KATSUMATA Seiichi is a shining light for his ability to formulate policies. WADA Hiroo, former Economic Stabilization Board director-general, is regarded as a leading person among the neutrals. In the rightist camp KIKUKAWA Tadao, MORITO Tatsuo, NISHIMURA Eiichi and NAKAZAKI Toshi are conspicuous figures.

All these rightists are men of action, in comparison with the leftist ideologists. Yet the salient fact is that the present right-left feud is based on sentiment and dissatisfaction with the leadership rather than on ideological differences. Moreover, the feud is dangerous in that it smolders and does not flare up openly. In view of this, faint-hearted SUZUKI is acting cautiously in order to avoid a party split at all costs.

It must be noted, in this connection, that the two factions have, for the first time since the formation of the party, won strong rank-and-file support. The leftists have as their foundation the JFTU leftist faction, the Japan Farmers Union Independence Establishment League and the Socialist Youth League Preparatory Committee; while the rightists have the support of the JFTU rightist faction, the National Farmers Union and the Independent Youth League. In the SRWU Democratization League the leftists are attempting to expand their own influence through the Omiya Group, headed by SAITO Tetsuo and KIKUKAWA Takao, and the rightist faction through HOSHIKA, MUROFUSHI and KITAGAWA.

The conclusion in a nutshell is that the party must first attain unity before launching its two-front operation. Since SUZUKI apparently is not equal to this task, the solution depends on the ability of KATAYAMA, who will return from the United States at the end of this month.

POLITICAL

ITEM 113 OPPOSING UNIONS KEEP SOCIALISTS DISUNITED

(Full Translation)

SEIKEI JOHO, 12 Aug -- The leaders of the Socialist Party, which met disasterous defeat in the Lower House election this spring, are making great efforts to unite the party and restore it to its position of former influence. In actuality, however, the party has been sliding more in the opposite direction. A long way from its heyday of the time the Katayama Cabinet was formed in the spring of 1947, the Socialist Party today is wracked by inter-factional strife; and political observers even anticipate a party split in September, or an expulsion of one faction by the other -- leftist or rightist -- whichever is stronger.

It had been said this spring that the Socialist Party would inevitably split this autumn; but with the close of the Fifth Diet and the coming of the hot weather season, strife within the party had quieted down of its own accord. Recently, however, with the growing influence of both the HOSOYA Shota-led National Federation of Industrial Organizations and the HOSHIKA Kaname-controlled SRWU Democratization League, which are the foundations for the reconstruction of the Socialist Party, inter-factional conflict has again risen, and has become so strong that a party split is now regarded as only a matter of time.

Proceeding on the premise that the reconstruction of the party lies in winning control of the labor unions and expanding the party influence through them, the Socialists went all out to establish their influence in labor unions. As a result, they backed HOSOYA Shota, former NCIU Secretariat Chief, and succeeded in organizing the National Federation of Industrial Organizations, which reportedly has 300,000 members. At the same time, regarding the Government workers, the Socialists drove a wedge into the State Railway Workers Union through HOSHIKA Kaname, and succeeded in overwhelming the pro-Communist faction in the controversy over the recent State Railways personnel cut.

HOSOYA Shota of the NFIO is an affiliate of Socialist Party Secretary General SUZUKI Mosaburo, and is a big power of the left wing faction; while HOSHIKA of the SRWU Democratization League, on the other hand, is regarded as belonging to the right wing faction, and is connected with ASANUMA Inejiro and KATO Ryozo.

By thus bringing the NFIO and the SRWU Democratization League under its influence, it appeared as though the Socialist Party had succeeded in expanding its influence for the party reconstruction; but this also resulted in aggravating the disunity within the party.

The Socialist Party is riding a horse whose fore half and hind half are pulling in different direction, and it is about to be pitched from that horse at any minute.

The NFIO is the former NCIU Democratization League, and HOSOYA is its absolute boss. The SRWU Democratization League, on the other hand, is controlled by the right wingers, such as HOSHIKA, NABEYAMA Sadachika, ASANUMA and KATO. Also, the JFTU, the treasure of the Socialist Party, is under the influence of MATSUOKA Komakichi and is regarded as pro-right wing. However, since TAKANO Minoru is connected with the Hosoya-Suzuki (Mosaburo) faction, the JFTU is also said to be influenced by the left wing faction.

Though the Young Men's Section of the Socialist Party was the strong-box of the leftists, the right wing faction recently organized an independent young men's league to compete with the party's leftist-controlled Young Men's Section; and the young men's sections of the SRWU Democratization League, the JFU and the JFTU, are now affiliated with the league. Therefore, the Socialist Party's Young Men's Section

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is no longer such an important factor.

The Socialist Party had been eagerly looking forward to holding a party reconstruction convention in October and expanding and strengthening the party; but since it has based its reconstruction on the NFIO, a left-wing influence, and the SRWU Democratization League, a right wing influence, there is a constant clash of ideologies. This has already developed into personal ill-feelings, and it is said that the party will be unable to hold its convention within this year.

ITEM 114 LABOR OFFENSIVE CAUSES ANTI-RED FEELING TO RISE

(Full Translation)

SHIN YUKAN, 17 Aug -- The much-discussed labor offensive was led by comparatively few unions, although including the State Railway Workers Union and the National Communications Workers Union who were backed with the behind-the-scenes aid of certain organizations, and is now slacking off due to the failure of ultra-leftist tactics and the infiltration of anti-Communist sentiment into the unions themselves.

The extreme action of the ultra-leftists not only brought the inverse result of strengthening anti-Communist policy in the political world, but also incurred the ill-will of the people because of its lawlessness. The result is that the Government no longer believes it is difficult to tide over the situation.

Politicians also generally observe that the political unrest has been relieved to a large extent, because there is no longer any possibility of a major labor offensive such as a general strike of the Government and Public Office Workers Union.

Meanwhile the opposition parties (excluding the Communist Party) demanded that the Government call an extraordinary session on 25 August to revise the Personnel Organization Law and to establish immediately an unemployment relief program.

The heads of three parties, namely, the Socialist Party, the Opposition Democratic Faction and the New Political Council, proposed that Premier YOSHIDA meet and negotiate with them. But these requests were denied, and Premier YOSHIDA on 12 August left for Gotemba and Oiso for a two week rest.

Several times in the past, the Government announced that it would convene the extraordinary session sometime after the middle of September. But now that the Shoup tax reform recommendations will not be forthcoming until late August, instead of early August, as expected, the convocation of the Diet will also be delayed until the middle of October, according to Chief Cabinet Secretary MASUDA.

Ultimately the convocation may be delayed until November, which was the time indicated by DLP Secretary-general HIROKAWA. This can be conjectured from the fact that an agreement was made between YOSHIDA and INUKAI on 10 August that the Democratic Liberals and the Coalition Democrats should start a joint, nation-wide speaking tour early in September.

The Socialist Party alignment with the Democratization League and the clarification of an anti-Communist policy in defining its attitude toward the administrative readjustment program will greatly affect the political world. The anti-Communist forces now comprise a solid line from the DLP on the right to the Socialists on the left. At a casual glance it appears, therefore, that the two diametrically opposed forces are the Communist and Democratic Liberal Parties. However, a decisive fight between the Socialists and the Communists is historically inevitable. Then, as the Socialists strengthen their position through this engagement, a conservative merger will become

ITEM 114 (Continued)

necessary. This will reduce the minor parties, and it seems possible that a two-party system of a conservative party and a progressive party, as envisaged by Premier YOSHIDA, will emerge.

This leads us to consider the question of the re-organization of the political world. At present there is no concrete indication that a conservative merger will take place, or that the progressive camp will be unified soon. This is mainly because the Democratic Liberal Party, which holds the absolute majority in the Diet, has no urgent need for a large conservative merger, either in managing the Diet or in administration. The political world is dull, although every party is acting separately, in preparation for some great change to come sometime in the future.

The Socialist Party and the Opposition Democratic Faction believe that major changes will not come before the ordinary session is over. A successful non-confidence vote in the Cabinet cannot be expected before then.

As for the New Political Council, its internal troubles are so serious that it is virtually powerless. Over the question of the three opposition party leaders meeting, the Socialist Reform Party took issue with the Peoples Co-operative Party for its self-promotion tactics. The New Farmers Party has already seceded. In this manner the minor political parties will cease to have meaning in the political world.

In conclusion, it should be pointed out that the opposition parties frankly acknowledge the durability of the Yoshida Cabinet, and moreover, that the opposition ties are very fragile. They can exert no pressure upon either the Government or the ministerial parties. Under these circumstances, even if the extraordinary session convened, they will be unable to carry out an effective offensive.

IV ECONOMIC

ARTICLES OF ECONOMIC SIGNIFICANCE FROM
NEWSPAPERS AND MAGAZINES PUBLISHED
THROUGHOUT JAPAN

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ITEM 115 RECENT ACTIVITIES OF TRADING COMPANIES

(Full Translation)

NIHON KEIZAI SHIMBUN, 11 Aug -- During the past two years since the reopening of private foreign trade, the ups and downs of traders have been pronounced. More than 1,000 trading companies existed at one time, but recently this number has been reduced considerably. Because of the slackness of exports and the permission to send overseas agents, only the fittest are expected to survive.

The activities of all trading companies for the coming year will be the object of general attention. Recent conditions of various trading companies are:

1. Because of the export slump, domestic transactions have continued increasing as compared with foreign transactions.

2. Due to fund shortages, trading companies cannot retain their stocks any longer, and there is a tendency to dump at unreasonably low prices. This has given rise to unfavorable operating conditions of individual companies.

3. Generally speaking, foreign firms have encroached upon domestic firms.

4. The accumulation of export goods and the cancellation of contracts have given rise to fund shortages in large trading companies. The circulation rate of capital is thus becoming slower.

5. The Toyo Cotton, the Japan Cotton Industry, the Gosho, and the Itochu Companies, the four topmost cotton companies, are planning to handle machinery and metals as a result of the cotton slump.

Countermeasures to surmount the recent slackness of export are the sending of overseas agents and the increase in export items, which are being planned by various companies.

The export field is further demanding the following points to promote exports: (1) an early realization of private imports; (2) facilitation of the method of the pound-dollar settlement; (3) permission to use Japanese vessels for foreign trade; and (4) the realization of CIF contracts. Described below are the actual conditions of leading trading companies.

Adaka Industrial Company

Metals and machinery occupy five to six percent of the goods handled by this company. Approximately five billion yen worth of goods were handled during the one year period up to the end of March this year. The amount was composed of 30 percent exports and 70 percent domestic sales. Recent transactions have increased to a monthly average of nearly 500 million yen. Forty percent of this is exports. This company is less affected by the slump in exports than those concentrating on textiles.

Although this company has applied for permission to send experts abroad, it is said to be less active than other firms.

ITEM 115 (Continued)

The employees number 756.

Gosho Company

Despite the fact that this company is aiming to shift from the former principle of placing primary emphasis on textiles (including sundries, lumber, machinery and fertilizer) to metals and machinery, its textile transactions still comprise 70 to 80 percent of the entire commodities handled. The amount of exports between January and May this year was an average of 350 million yen monthly, but in June it increased to 670 million yen. Goods handled for domestic use amount to about 200 million yen. In this manner, emphasis is placed upon exports.

The company is making preparations for dispatching 14 experts to India, Pakistan, North America, South America, East Africa, Thailand, Hongkong, French Indo-China, and Burma.

Japan Cotton Industry Company

This company used to place primary importance on textiles, but because of the recent slackness of textile exports, the company has been handling sundries, machinery, metals and foodstuffs. Recent monthly exports until about May averaged 300 million yen, more than one half of which consisted of textiles. About eight persons are expected to be sent to Bangkok, Rangoon, Bombay, Java, Africa and Egypt.

Toyo Cotton Company

Foreign and internal transactions are about half and half in this company. The amount of exports was 3,800,000 dollars in January, 4,200,000 dollars in February, 2,600,000 dollars in March, 1,900,000 dollars in April, 1,100,000 dollars in May, and 1,200,000 dollars in June.

The drop of exports since March is attributed to the company's exclusive handling of textiles. Henceforth, therefore, the company intends to get more business elasticity through handling machinery, metals, and sundries. At the same time, it is making efforts to increase domestic dealings. On this account, the company is taking on stronger characteristics of a wholesale agency. Of the amount transacted during June and July, the rate was 60 percent domestic trade and 40 percent foreign trade.

The company is applying for permission to send 13 or 14 experts to North America, India, Africa, Pakistan, Thailand, Hongkong, Burma, Egypt, South America, etc.

Nissho Trading Company

Since this company emphasizes machinery and metals, the recent increase in their exports has enabled the company to attain a monthly average of 600 to 700 million yen. For the past year, the 987 employees have neither increased nor decreased.

The company intends to send one expert each to India, Pakistan, Hongkong, Burma and Bangkok. President TAKAHATA Seiichi and Director NAGAI Kotaro also wish to go to North America and England.

ITEM 115 (Continued)

Kanematsu Trading Co.

Although this company has been placing emphasis since its establishment on trading in wool, it too, as in other firms, has begun to handle sundries and machinery and has made a rapid advancement in this field. Particularly, because of the slackness of the wool trade, domestic transactions have become comparatively large, July's results being 86 percent. The company is planning to send experts to areas where the company used to have branches and detachments before the war, including the United States.

Nozaki Industrial Company

Due to the fact that this company handles special goods such as hides and skins and canned foodstuffs, it is better off than other firms. Recent exports amounted to 207 million yen in April, 180 million yen in May, and 333 million yen in June. After June, the exports show an upward trend. Besides Director KINOSHITA Fumio, who has left for New York, the company is planning to send two experts to Thailand, Burma and Central and South America.

Takashimaya Iida Company

Besides the former items of silk, rayon, and woolen fabrics, the company's advancement in the fields of spinning machines and metals is conspicuous. This year's sales reached 489 million yen in January, 399 million yen in February, 474 million yen in March, 553 million yen in April, 420 million yen in May, and 520 million yen in June. About 30 percent of these figures comprises exports. The increase in the total amount of transactions is attributed to the increase in domestic dealings. The slump in textile exports has forced this company to act as a sort of wholesale agency.

Of the 1,120 employees, 790 persons are engaged in trade business. The dispatch of experts to the United States, India, Pakistan, South America, Thailand and near-eastern areas is being planned.

Daiichi Trading Company (DAIICHI BUSSAN)

This company deals mainly with metals, machinery, cement, construction materials, and foodstuffs. Recently, it has commenced handling textiles. This year's sales amounted to 380 million yen in January, 410 million yen in February, 340 million yen in March, 320 million yen in April, 250 million yen in May, and 340 million yen in June. With May as the bottom, the export has again increased. The company has always placed emphasis on exports, but in an attempt to rationalize operation, it is making efforts to increase domestic transactions. As a result, the January ratio of 80 percent exports to 20 percent domestic trade has recently changed to 60 to 40.

Eight experts are expected to be sent to Hongkong, India, Pakistan, Africa, Manila and the United States.

Daiichi Commercial Company (DAIICHI TSUSHO)

Because of the increase in the export of dyes and cement, this company's August export promises to increase. Until July, however, the export continued decreasing monthly with 410 million yen in April, 330 million yen in May, 310 million yen in June and 300 million yen in July.

ITEM 115 (Continued)

The company has 340 employees. Eventually it intends to send two persons each to the United States, India, Pakistan, Thailand, Burma, Hongkong, Singapore, Netherland Indies, and the Philippines, but 10 experts will be sent for the present.

Naigai Commercial Co.

Since this company used to place primary emphasis on imports, foreign transactions are secondary until private importation is reopened. The average monthly sale for the recent six months was 150 million yen. This amount is believed to be too small for the number of employees. For this reason the company is looking eagerly forward to the realization of private imports.

Other companies

Those companies which handle machinery and metals in the main are the Japan Machinery Trading, the Japan Trading, the Muromachi Trading, the Kyowa Trading, the Miyako Commercial and the Marunouchi Commercial Companies. They were all established by former employees of the former Mitsui Trading and the Mitsubishi Trading Companies. Although their staffs are mostly composed of able persons, they are lacking in funds. It is considered difficult, therefore, for them to cope with the Daiichi Trading and the Daiichi Commercial Companies in the over-all operation. However, in special fields, such as the rolling stock etc, some of them are conducting big transactions and have possibilities of developing into specialized companies. These companies are none too active in sending experts abroad. Two or three persons seem to be the maximum.

As for foodstuffs, the Far Eastern Products (KYOKUTO BUSSAN) and the Tokyo Foodstuffs Companies have big transactions as upstart companies, but their development in the export field is a future problem. Most of their transactions are domestic.

In the textile field are the Nikko Trading (connected with the former Mitsui Trading Company), the Kamei, the Yofuku Industrial, the Itochu, and the Nanri Trading Companies. Since the Itochu Company is a secondary company for the Daiken Industrial Company, an increase in its future transactions is expected, and it is very likely to be counted as one of the 16 leading trading companies in the future. The Yofuku Industrial Company took over the former Hattori Company, and its monthly sales amount to 450 million yen, half of which are international transactions. The company intends to send about four experts to North America, India and Africa. The Itochu and the Kamei Companies seem to be planning to send two or three experts each on the basis of the priority system.

As for sundries, the Asai and the Morimura Trading Companies, both dealing in procelain, may be counted as leading trading companies. They intend to send experts abroad with considerable discretion after investigations. Two persons each are believed to be the maximum because of financial limitations.

ITEM 116 TEXTILE LEADERS FORESEE TRADE IMPROVEMENT

(Full Translation)

JIJI SHIMPO, 16 Aug -- Definite improvement in foreign trade by this year-end has been predicted by some of Japan's industrial leaders.

ITEM 3116 (Continued)

KINOSHITA Seijiro, president of the Public Textile Trade Corporation, stated: "Japan's private exports played an important role in developing her postwar foreign trade, but they could not achieve expected results because transactions were carried out with buyers without knowledge of overseas market conditions. The recent authorization for foreign travel by Japanese businessmen will eliminate this adverse factor, and the establishment of v overseas branches of trade firms, if permitted, will encourage our trade still more.

"The prospects for Japan's export trade are not pessimistic although it is true that buying is held back in anticipation of a pound sterling devaluation and the pending conclusion of a trade agreement between Japan and sterling bloc countries. During the first six months of this year, the export of cotton cloth amounted to 443 million yards, a sharp increase over last year, and that of silk goods, excluding cancelled contracts, amounted to 32.7 million yards, which nearly equals the 34 million yards exported last year.

"The extent of a pound sterling devaluation is uncertain. Even if a 20 percent cut is effected, market prices of English goods will not necessarily drop by 20 percent, because the blackmarket exchange rate for the pound sterling has dropped to three dollars. In view of the fact that prices of cotton and silk goods are comparatively lower than those of woolen goods, our textile exports will not be seriously affected by the devaluation."

NIIZEKI Yasutaro, President of the Dai-ichi Trading Company, stated: "The question of how to encourage Japan's export trade must be considered in connection with world economic conditions. The shift of US policy toward checking deflation means that one of the obstacleshas been removed. The pound sterling devaluation may temporarily discourage export trade, but will not handicap it in the long run, since the devaluation will facilitate the exchange of the pound sterling and the dollar. Japan's impending problem is to have a way opened for settling sterling accounts provided in a trade agreement with sterling bloc countries, now under negotiation. An agreement on long-term payments with credit extended for a certain period would be one method, and triangular trade would be another. If this trade agreement can serve to improve the settlement of trade balance, Japan's future export trade will warrant optimism.

"There are promising overseas markets such as Burma, Pakistan, India, Hongkong, Siam, Netherland Indies, Singapore, Far Eastern countries, Africa, Australia, Central and South America, and the Philippines. Trade with Communist China, although still unopened, cannot be neglected. Since the war, the export of production and transportation materials has sharply increased in proportion to other goods, and this tendency is expected to continue for some time. The structure of export industries should be reconsidered at this time when trade in silk goods with the US and cotton goods with Southeastern Asia have reached the saturation point. Since Japan is favored with power and labor, the chemical industry, especially the synthetic fiber industry, and the small machine industry should be given particular emphasis."

Export Trade Has Many Unsolved Problems

YAMADA Jiro, Managing Director of the Toyo Raw Cotton Company, stated: "Despite the establishment of the single exchange rate, Japan's private export trade has various problems still to be solved, including the revision of floor prices, the method of covering risks, and

ITEM 116 (Continued)

more authority in settling trade claims. The complicated and time-wasting export procedures, in particular, are nullifying the very essence of private trade, which means capitalizing on every business opportunity.

"The slump in exports since the establishment of the exchange rate is probably a slump for a certain period during which high yen value goods are adjusted. The price decline in the US, the devaluation of the pound sterling, and similar adverse factors abroad are indeed the causes for slackened exports. We, however, expect that the US will solve these problems at an Anglo-American conference to be held early in September and at a general meeting of the International Currency Fund scheduled to open in mid-September. In addition, a trade agreement with sterling bloc countries, now under discussion, will be concluded by the end of September, and the first Japanese visitors to foreign countries are expected to leave in the same month. Under these factors, prospects for Japan's future export trade are bright; exports after October will improve greatly, and the six hundred million dollar export goal will probably be achieved."

ECONOMIC

ITEM 117 CLOTHING SITUATION EXPECTED TO IMPROVE THIS FALL

(Full Translation)

SANGYO KEIZAI SHIMBUN (Osaka), 14 Aug -- The abolition of control on chemical textiles such as staple fiber and rayon is expected to be put into effect in September. On that occasion, enormous quantities of new products of high quality made from mixtures of chemical textiles and wool, cotton, and silk are expected to be produced. On the other hand, an abundant release of stockpiled clothing is also anticipated. In view of these facts, the blackmarket prices of cotton products, which maintained a high level, have dropped to one half of their price one month ago, and are expected to fall further, even below official prices as soon as staple fiber appears on the market. Thus future prospects for the clothing situation are extremely bright. Although the export first principle has hitherto been adhered to, the recent slump in exports has forced the International Trade and Industry Ministry to shift emphasis to domestic dealings by lifting or relaxing controls on domestic demands, and at the same time, by planning to produce five million pounds of rayon and staple fiber each month during the third quarter. By this means, rayon output compared to the second quarter is to decrease by three million pounds and staple fiber is to increase by 600,000 pounds. In this manner, the chemical textile structure is about to undergo a great change.

It is the authorities intention by increasing staple fibers to increase the people's rations and to insure smooth supply and demand after controls are lifted. Since this winter will see on the markets enormous quantities of flannel, serge and overcoat materials of staple fiber mix, the people will enjoy the first warm winter since the war, as far as clothing is concerned.

Since the balckmarket prices of ration controlled commodities are likely to drop below the official prices after the control is lifted, rayon is expected to fall, after the decontrol, to 20,000 yen for 100 pounds and staple fiber yarn to 35,000 to 40,000 yen, both 20 to 30 per cent lower than the official prices.

The abolition of the control on staple fiber is not yet decided by the ESB. The plan to retain control over staple fiber cotton is supported by many officials. The main reason for opposing the over-all lifting of the staple fiber controls is that cotton spinning companies, having more than one million spindles lying idle, will try to undertake wool weaving, silk reeling, hemp spinning, etc. as well. As a result, special wool weaving firms, special spinning companies, and fabric weavers, all small scaled, will be thrown into a disadvantageous position.

The lifting of the control on rayon, staple fiber and wool spinning will affect the prices of silk and cotton fabrics. Despite the fact that the abolition of the controls is strongly rumored, the market price of raw silk is maintaining the high price of 110,000 yen per bale. This seems to indicate that the price is already at a proper level.

Although the blackmarket price of cotton has dropped to one half the price of one month ago, it will inevitably fall below the official price in the event staple fiber appears on the market in abundance. This will necessitate the lifting of controls, about next May or June, from such items as will escape lifting this time, and all transactions will be placed on a free-sale basis.

DECLASSIFIED AUTH: EO 12958 SEC. 3(E) AND 3(D) OR (E) NNDB # 779012

ECONOMIC

ITEM 118 USE OF AGRICULTURAL BILLS INCREASES

(Full Translation)

NIHON KEIZAI SHIMBUN, 18 Aug -- Reflecting the growing money shortage in farm villages, the utilization of agricultural bills edged upward. The Agriculture and Forestry Ministry survey reveals that the balance of agricultural bills discounted by the Central Agriculture-Forestry Bank as of the end of July amounted to 13.72 billion yen, 2.9 times the figure as of the end of April. Estimates put terminal circulation of the bills at more than 15 billion yen.

ITEM 119 SODA PRODUCTS MAY BE DECONTROLLED SOON

(Full Translation)

KAGAKU KOGYO NIPPO, 13 Aug -- As previously reported, the Government is continuing studies aimed at the decontrol of special coal as well as the revision of official prices on the stabilization felt commodities through reduction of the price differential subsidies.

Already the Price Board's final draft is reported to have been drawn up and as soon as agreement is reached among the government authorities, an immediate enforcement is believed likely to result. However, the consideration of subsidy cut on the stabilization felt commodities as prescribed by the balanced budget has reached a stage wherein the abolition of official prices on highly finished products has come in for study. This development is attracting keen public attention.

That is, simultaneous with the general price rise in stabilization belt commodities, the Government is planning to enforce a sleeping decontrol covering all highly finished good. Consequently, an immediate concern is being felt over the disposition of chloride and refixed soda derivatives in connection with the revision of soda price. If this policy of the Price Board is to be accepted as the principle, when the price revision is enforced on soda, the curtailment of the official prices on all the secondary products was expected, as a matter of course.

However, according to reports, among the chloride, the official prices of strong bleaching powder, hydrochloric acid, sodium bicarbonate and calcium chloride will be abolished, with the exception of liquid chlorine and bleaching powder whose official prices will be left unchanged. And further, of the soda derivatives, the official price of carbon disulphide will not be abolished. According to available information it is still impossible to say whether the curtailment of the official prices will be effected all at once or gradually.

There are a great number of items other than soda line which are slated to have their official prices abolished sooner or later, and the whole question now seems to hinge on the time of enforcement.

DECLASSIFIED AUTH: E.O. 12958 SEC. 3(E) AND 3(J) OR (E) NND # 775012

ECONOMIC

ITEM 120 MORE FREEDOM IN FOREIGN TRADE ACTIVITY SOUGHT

(Full Translation)

BOEKI NIPPO, 12 Aug -- In a written recommendation to the Diet and to government agencies concerned with economic affairs, the Federation of Economic Organizations on 10 August aired its hopes for the overseas travel of traders and the establishment of the trade commissioner system. The FEO had examined the problem in its Trade Policy Formulation Committee headed by ASAO Shinsuke, president of the NYK, and recently worked out the recommendation. The plan was officially decided at the organization's directors' meeting on 9 August. As regards foreign travel, the plan requests the simplification of procedures involved as well as travel authorizations to the maximum possible number of qualified applicants.

As for the Foreign currency reservation system, the following two points were stressed:

(1) The length of use should be extended from the current six months to one year.

(2) Flexibility and freedom should be introduced into the administration of the foreign currency obtained in the open account.

These two points are drawing keen attention as realistic demands to meet needs arising from the actual operation of the system.

The gist of the recommendation is as follows: With the Foreign Currency Fund System enforced recently, traders in this country have been permitted to use part of the foreign currency earned through export for traveling abroad. We welcome this step and pin great hopes on its outcome. The Government is reportedly asking the Allied Powers for permission to re-establish the postwar trade commissioner system in addition. It is expected that the combination of the two steps will help greatly in promoting Japan's foreign trade.

Foreign Currency Reservation System

(1) Demands concerning the oversea travel of traders under the Foreign Currency Reservation System.

The best way to promote foreign trade is to respect the traders' experience and ingenuity and to stimulate private commercial activities. Various steps should be taken to simplify procedures involved in obtaining permission for traveling abroad as well as to give as much freedom as possible to activities in foreign countries. In this connection it is hoped that these specific steps will be taken:

(A) Simplification of passage procedure: For the time being there are expected to be many traders who plan short term trips to inspect markets here and there. Since this is to clear the way for full scale oversea activities in the future, arrangements should be made to enable every trader who desires to travel to go wherever he chooses.

(B) Approval of as broad a scope of activities in foreign countries as possible. It is hoped that permission will be given not only to set up branches, etc, but also to engage in every commerical activity within the law in the countries visited. Efforts should be made to obtain this permission from the Allied Powers as well as from countries to be visited.

(C) The list of those to be qualified for foreign travel should give maximum coverage. It is hoped the door to overseas travel will be opened not only for traders and export manufacturers and their organizations but for insurance underwriters, shippers, bankers, their organizations, trade institutions, etc. Special efforts are requested to enable small traders, unable to make a trip themselves,

ITEM 120 (Continued)

to send out their representatives.

(D) Partial Revision of the existing Foreign Currency Fund Reservation System: In order to promote the efficient use of foreign currency as funds for travels abroad, the following revisions are requested:

(1) The right of employing foreign currency expires in six months after it is reserved. Therefore, there is little chance of accumulating the reserve and using it at opportune moments. It is hoped that the effective period of that right will be extended to at least one year.

(2) It is probable that some traders cannot buy and utilize the reserved foreign currency for the lack of yen funds. It is hoped relevant steps will be taken in inducing banking institutions to finance such a fund.

(3) The foreign currency earned in transactions under the open account system can be used at present only in the country with which the transaction was made. This may create cases in which a trader in possession of a considerable reserve of foreign currency can not go where he needs to go. It is hoped the use of the reserved foreign currency will be allowed, through certain procedures, at least in countries which have specific trade relations with the foreign country which is a party in the trade contract with Japanese traders. Steps should be taken to that end.

Trade Commission System

(2) Demands concerning the establishment of the trade commissioner system.

Private travel abroad is not enough to meet the need of settling disputes in international private law involving the placement of claims and the cancellation of trade contracts and of inspecting the over all marketing conditions from the national point of view. A great deal needs to be done by trade commissioners. Under Japan's current national situation, however, it is not necessarily sufficent to restore the postwar system. In establishing a new trade commissioner system, therefore, it is hoped that the following points will be stressed in keeping with the postwar economic condition so that the system may best serve to encourage Japan's trade:

(A) Only experts on trade shall be appointed as commissioners.

(B) For this purpose, these positions should be completely opened to private individuals. It is also hoped that officials accompanying commissioners will be selected from among top-notch civilian experts on trade.

(C) Trade commissioners selected shall be paid adequately so that they may give full play to their ability.

(D) Trade commissioners shall be assigned with special emphasis on promising new markets.

(E) Trade commissioners shall stay at a certain spot as long as possible.

(F) Since trade commissioners, unlike diplomats, touch primarily on business activities, their appointment shall be decided in consultation with private circles.

ITEM 121 CERAMIC MAKERS PREPARE FOR FUTURE DEMANDS

(Full Translation)

CHUBU KEIZAI SHIMBUN (Nagoya), 15 Aug -- Export Chinaware entrepreneurs, who have been suffering from increasing stocks and

ITEM 121 (Continued)

lack of new export contracts, petitioned the Bank of Japan through the International Trade and Industry Ministry for stop-gap funds totaling 570 million yen for the manufacturers in the Tokai area. The request includes 400 million yen for Aichiken, 100 million yen for Gifu makers, and 70 million yen for Mie producers. Of the 570 million yen, 200 million yen is for dinner-set makers.

Exporters are now being rushed to meet the export contracts which were concluded at the old exchange rate, but no exporter, excepting the Nihon Chinaware Company (NITTO), has so far concluded sizable contracts on the new exchange basis. According to the recent reports, however, American markets are expected to resume active buying around next spring.

Therefore, the 12 dinner-set manufacturers (excluding the NITTO Company), whose combined monthly production capacity is 13,000 sets, intend to keep their monthly production at the 7,300 set level for the five remaining months of the year with stop-gap funds so that they can operate their production equipment fully as soon as American demands increase with the coming of spring. In this case, funds amounting to 200 million yen are necessary since one dinner-set requires 6,000 yen. These funds are to be raised by individual enterprises on their own credit. At a time when export trade is very sluggish, various circles are watching with interest the outcome of this petition for funds.

The ceramic business is also so sluggish that it is feared that the industry will be unable to meet demands in foreign markets when they increase in the near future. The Aichi Ken Economic Rehabilitation Committee's sectional subcommittee on production has decided to seek loans (stop-gap fund, 600 million yen; production rationalization fund, 500 million yen) and to develop Asiatic markets in order to improve the situation. The committee also decided to ask the authorities concerned to consider the following points:

1. Stockpiles of Chinaware are expected to total about 500 million yen. As for the recent cancellation of contracts, a survey by the Nihon Export Chinaware Association alone shows a cancellation of about 500,000 dollars. Manufacturers are readjusting their production setup and rationalizing enterprises in compliance with the production goal for the current fiscal year, but because of the tie-up of capital, smaller enterprises are about to be snuffed out. Therefore, it is necessary for the authorities to take special financing measures to facilitate funds amounting to 600 million yen.

(2) The bulk of markets for Chinaware are in Asiatic areas such as China and India, as the actual results of the past show. When transportation charges and other conditions are taken into consideration, the export trade with such countries will become more important. Hence it is necessary to promote trade with these areas or to adopt a barter system. Items to be exported are insulators and other electrical appliances, industrial appliances, earthen goods for building purpose, tiles, porcelain for hygienic purpose, and tableware.

3. The investigation of overseas markets is indispensable for the promotion of the export trade. The Foreign Currency Reserve System, which was established recently, is utilized only by a limited few among large enterprises since other enterprises cannot afford it. Hence, the Government should dispatch immediately an overseas market investigation commission to develop new markets, or take some special measures to simplify foreign travel and the establishment of overseas agencies and branches by smaller business-men also.

V SOCIAL

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ITEM 122 MAYORS REQUEST PREF ACTION ON CREDIT SALES

(Full Translation)

AKAHATA, 17 Aug (Hakodate dispatch) - On 4 August some 10 representatives of the Esashi Machi chapters in Hiyama of the All Japan Communications Workers Union, the National Agricultural and Forestry Ministry Employees Union, and the Japan Electric Power Workers Union negotiated with the mayor of Esashi Machi on unemployment relief, credit sales of staple food and other problems.

The mayor gave his word that these problems would be taken up as a matter of concern to all towns and villages in the district at a conference of Hiyama mayors and village headmen. This conference was held at 0900 hours on 8 August at the Futoro Mura office, when it was resolved that a request would be made to the Hokkaido Prefectural Office for approval of a stable foods credit sale system for the jobless and needy. It was agreed to dispatch representatives to Sapporo on 12 August.

ITEM 123 REDS SELL PAMPHLETS ON SHIMOYAMA AND MITAKA CASES

(Full Translation)

AKAHATA, 17 Aug (Sendai dispatch) -- The Communist Party Miyagi Ken Sendai district committee on the morning of 10 August conducted a street sale of pamphlets on "The Truth of the Shimoyama and Mitaka Cases," employing mainly discharged state railway workers. Within four hours 1,500 copies were sold. The Iwate Ken district committee also sold 400 copies in two hours on the same day.

(Kumamoto dispatch) -- The Communist Party Kumamoto prefectural committee published an extra of the "SHIN KUMAMOTO", organ paper of the committee, on "The Truth of the Mitaka and Shimoyama Cases" on 10 August. As soon as eight Communists appeared on the street to sell the extra, citizens seeking copies ran after them.

One thousand copies were sold immediately and 10 new AKAHATA subscribers were gained..

ITEM 124 COMMUNISTS TARGET OF DISMISSAL PROGRAM, THEY CLAIM

(Full Translation)

AKAHATA, 17 Aug -- It has become clear that the Attorney General's Office legislative examination office prepared a list of Communist Party members and supporters, on the basis of which each ministry enforced its personnel retrenchment program. Unilaterally, orders for dismissals were sent to each bureau chief through the general affairs section chiefs of the ministers' secretariats. At the Labor Ministry, as many as 50 employees were discharged, although its dismissal quota based on the Table of Personnel Organization Law was 20.

ITEM 124 (Continued)

It is reported that the labor union section of the Labor Administration Bureau in the Labor Ministry worked intensively to prepare the list, assiduously searching out information on the Communist Party in close liaison with the National Rural Police headquarters and the Attorney General's Office.

Attention is now focused on the matter, for it apparently constitutes spy activity against the labor unions in violation of the FEC!s 16 labor union principles.

It is also reported that the fourth section of the Attorney General's Office legislative examination office is charged with thought investigation, and that officials who, "thought prosecutors" as before and during the war, oppressed Communists and democrats, are central figures in this work.

ITEM 125 PHYSICAL EXAMINATIONS FOR TEACHERS PLANNED

(Full Translation)

TOKYO SHIMBUN, 17 Aug -- Although the physical condition of students has steadily improved since the end of the war, it is still for below the optimum of 1937 -- 38. In view of this, the health section of the Education Ministry has decided to institute a strong compulsory health education program next year.

The ministry, holding that child health can be improved only by having healthy teachers, will move first to stamp out tuberculosis, which has been called the teacher's disease. It has been said that Japan leads the world in tubercular teachers -- and this trend has yearly become more marked since the war.

According to an investigation made by the Education Ministry last year, of 91,257 elementary school teachers investigated, 2,611 needed to take precautionary measures, 714 rest, and 557 treatment -- a total of 3,882, which is a very high rate of 4.253 per cent. Of 53,167 junior and senior high school teachers investigated, 1,543 needed to take precautions, 417 rest, and 273 treetment -- a total of 2,133, or 4.192 per cent of the total investigated. These figures show a sharp increase in the incidence of tuberculosis among elementary school teachers over the 2.71 per cent of year before last.

Since teacher health has an important influence upon child health and may even effect a decline in student scholastic ability, primary emphasis is placed -- on the program to stamp out tuberculosis among teachers.

For this purpose, yearly X ray examinations will be made compulsory, in order to discover cases early and start treatment toward recovery. To carry out this program, a subsidy of about 30,000,000 yen will be included in the budget for next year, and if necessary, steps will be taken to legalize X-ray examinations permanently.

It is also planned to increase the number of sanatoriums -- at present there are only 30 throughout the nation -- by establishing a sanatorium in each prefecture. A plan for similar health examinations for professors of colleges and universities is also under consideration.

ITEM 126 TEACHERS SAID GUILTY OF ANTI-COMMUNIST TEACHING

(Full Translation)

MINSHU SEINEN, 14 Aug (Shibata dispatch) -- One MORI, a teacher at Togawa Junior High School in Niigata Ken, Shibata Shi, is reported to have said in a lecture to his second year social science class: "In some towns repatriates are making talks on the Soviet Union to gatherings of children. But you must not listen to them lest you be

ITEM 126 (Continued)

taught Communism." He is giving his students the impression that Communism is nondemocratic. A second-year student said, "his manner of talking seemed intended to stir up fear of Communism."

The Democratic Youth League has determined to make a protest after delving into the matter.

In view of the fact that colonialization of education is being developed, as indicated by the merger of schools and the failure to effect the 6-3-3 program, and freedom of speech and thought are being restricted, recent oppression of students by teachers has become a vital issue, and statements like the above by teachers are a matter of grave concern.

(Joge dispatch) -- A teacher in the Joge Senior High School in Hiroshima Ken told a member of the Democratic Youth League, OKAMOTO, "you are using the names of senior students to sell the MINSHU SEINEN, and I want you to stop it. I have read TROTSKY's On Capital, but Communism is no good." He also forbade his students to buy the MINSHU SEINEN. Together with the fact that the school has unilaterally taken the students to various lectures, the incident is causing mounting disatisfaction among the students.

ITEM 127 WORKERS FIGHT DISCHARGE, EXPOSE CORRUPT OFFICIALS

(Summary)

AKAHATA, 17 Aug -- Utilizing the occasion of distribution of dismissal notices in the Telecommunications and Postal administration ministries, various chapters of the All Japan Communication Workers Union are promoting their struggle by coupling irregularities exposure struggles with workshop demands for cancellation of dischrge notices. The All Japan Communication Workers Union Headquarters reports that the Aichi district headquarters of the AJCWU and the Nagoya telecommunications construction office chapter have exposed irregularities in the Nagoya Telecommunications Office, and that the two chapter in an open letter published on 20 August accused the Yoshida Cabinet of basing the dismissal program on corruption and injustice.

The most conspicuous of the many irregularities that have been exposed were misappropriation of large sums of money consigned to the custody of influential technical officials, secret distribution of several thousands of yen to subsection employees as customary travel expenses, unauthorized borrowing of commodity purchasing funds, and installation of new telephones in red light districts that were not included in the telephone-bond-financed cable-installation program. In all cases of irregularities, financial management was freely handled by some individual.

The union is pushing investigations to determine whether there was collusion among officials. ... Many instances of bribery and corruption in connection with subcontracting companies are being exposed.

ITEM 128 DISCHARGED STATE RY WORKERS DEMAND REINSTATEMENT

(Summary)

AKAHATA, 17 Aug -- Representatives of discharged members of the head office, Tokyo, Shimbashi, Hachioji and Ueno chapters of the SRWU on the afternoon of 15 August staged a sitdown in the Transportation Ministry office, demanding relief measures for dischargees. However, since the Ministry authorities declined to negotiate the discharged railway workers submitted written demands and decided to conduct negotiations with the director of the labor bureau on 16 August. The dischargees' demands follow.

ITEM 128 (Continued)

I. Cancellation of the state railway authorities' plans to decrease ticket gates to a minimum, close the back entrance of stations, and abolish parcel post sections in certain stations and reinstatement of discharged railway workers.

II. No deduction of clothing costs from the separation pay.

III. Finding of employment for the discharged, and at the same time, usage of adequate places, such as lots under the elevated and storehouses belonging to the KOSAIKAI, state railway mutual aid association, for carrying on financial activities to maintain livelihood until new positions are found.

IV. Opposition to the new train operation schedule which overworks railway workers, and its replacement by a new schedule which will not inconvenience passengers.

V. Opposition to the contemplated abolition of railway commutation tickets and increase in railway forces.

Discharged railway workers are now confronted with extreme difficulties in finding employment, because of being branded by authorities as "undesirable elements." Furthermore, employment security offices are restricting the number to be employed in the government light public works program because of the meager budget. As a result, dismissed railmen whose separation pay was a mere 7,000 yen are now suffering from serious livelihood difficulties.

Day Laborers Rally in Yokohama

(Kanagawa dispatch) -- Six hundred day laborers in Yokohama held a rally on 13 August in front of the Naka Ward Office, and adopted an 11-point resolution calling for, among other things, provision of free quarters, medical facilities, baths and laundry facilities, increase in pay to unemployed day laborers, etc. After the rally, they thronged to the ward office and obtained a pledge from the public welfare section chief to hospitalize sick day laborers without fail, even if they are not registered at the ward office.

The day laborers then staged a demonstration against the prefectural assembly. The report that they would besiege the assembly roused consternation among assemblymen meeting at that time. They called armed policemen, closed all doors and set up barricades to stave off the demonstrators.

The day laborers then joined with members of the Kanagawa Prefectural Federation of Labor Unions, the All-Japan Occupation Forces Workers Union, the Korean League of Japan, etc., who had also been demonstrating against the assembly, and held a day laborers encouragement rally. Ten rally representatives met SASAKI, chief of the public welfare department, and extracted promises from him to accelerate the construction of free quarters and eliminate boss influence from employment security offices. Moreover, the day laborers decided to organize a day laborers' union and stage a joint struggle with friendly organizations. Eleven day laborers joined the Communist Party on the spot.

ITEM 129 COMMUNICATIONS WORKERS RESIST DISCHARGE

(Summary)

AKAHATA, 17 Aug (Hokkaido dispatch) -- With the personnel cut program for communications workers in this district focused upon Communists and union leaders, struggles have been increasingly intensified with discharge notices being turned down and appeals made for the safeguard of the nation's communications system. The All Japan Communications Workers Union Headquarters has instructed

ITEM 129 (Continued)

all its subchapters actively to demand necessary personnel and to expose all irregularities committed by communications officials.

The Sapporo Telegraph Office Chapter, which had been handed dismissal notices for 18 members, including Communist SHISHIDO, former chapter secretary-general, forced the authorities to retract some of the notices during collective bargaining on 12 August. During this negotiation, a senior official representing the authorities admitted that SHISHIDO was devoted to his work.

(Miyagi dispatch) -- Most dischargees of various AJCWU chapters in Miyagi Ken refused to accept their dismissal slips. Personnel reduction at the Sendai post office delayed mail delivery on the 13th, as well as intensified labor at the mail section necessitating holiday attendance by workers. The union's south Sendai regional chapter is negotiating for necessary personnel. A number of AJCWU chapters in and around Sendai Shi jointly sponsored a rally on the 12th to safeguard communications, and at the same time, launched a propaganda compaign seeking public support. Their struggle is being bolstered by various democratic organizations which have risen in joint struggle.

(Akita dispatch) -- The Telephone and Telegraph Construction Bureau chapter in Akita Shi, at its rally on the 13th, set up a committee for workshop management, in the face of the authorities' back-to-work order. It was decided that section chiefs would be asked to signify whether or not they intended to collaborate with the union in its demand for business control. As a result of these activities, regular office functions are practically paralyzed.

(Tohoku dispatch) -- AJCWU chapters in Yamagata Ken are fighting for the retraction of discharge notices issued to a total of 219 union members.

(Niigata dispatch) -- Thanks to combined efforts of union members and the office chief to check dismissals, only one member of the AJCWU Niizu chapter was discharged, quite contrary to general expectation. At the Niigata Telegraph Office, 10 dischargees turned down their discharge slips, warning unionists of future intensification of labor.

(Tokai dispatch) -- The Nagoya Telegraph Office chapter, on the 12th decided to turn down dismissal notices and to recognize union membership for dischargees. The Atsuta chapter also passed a similar resolution.

(Kansai dispatch) -- Communist SHIGENO, chairman of the AJCWU Wakayama district committee, was fired despite the high esteem in which he is held even by his superiors.

(Hiroshima dispatch) -- The Chugoku district federation of AJCWU chapters, on the 11th conducted final negotiations on the discharge issue with the local Postal Administration and Telecommunications Bureau chiefs. The authorities promised reconsideration in case irregularities are found in the determining of dischargees. The number of announced dischargees is 112, including the federation chairman.

(Kyushu dispatch) -- At the AJCWU Oita district headquarters, all of the 140 dischargees refused to accept discharge notices. Dischargees of the Oita post office notified the postmaster that they would ignore the dismissal notices.

SOCIAL

ITEM 130 HIGHLIGHTS OF PRESS INTERVIEWS WITH REPATRIATES

(Extracts)

SHIZUOKA SHIMBUN (Shizuoka), 14 Aug -- Interviewed one month after repatriation from the Soviet Union, IMURATA Sago, 29, a farmer in Sida Gun, Aikawa Mura, Nishishima, said: "While I was never fully indoctrinated in communism, I have never considered the norm system bad. Since returning to my home I have come to the conclusion that the system cannot be introduced in its original form. I do, however, think of the development of collective farms to avoid extreme physical exertion as well as to promote efficiency. On the matter of redistribution of farmlands, the quality of the soil should be taken into account in order to attain equality of distribution. I do not support communist principles because of the objections of my family, but it is my belief that the leisure resulting from the rationalization of farming techniques would never prove a loss to the nation. My prime objective now, however, is to be a good son, husband, and farmer."

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ASAHI SHIMBUN (Yamagata Edition), 16 Aug -- Soviet repatriate MITAKE Kosaku of Higashi Oitama Gun, Urushiyama Mura, Ikeguro, sent the following report, written at the port of debarkation, to the Yamagata Prefectural Office: "Our food rations were far from ample, the A ration of bread being 250 grams; B ration 350 grams; C, 400 grams; and D, 450 grams. Last year we were rationed potatoes in place of bread, because Russian soldiers had eaten our share.

"Though the work day was fixed at eight hours, we had to work as long as 18. One month before repatriation, the Russians took us to a Red Boy Scout school, presumably for our enlightenment, but we ended up building a gymnasium, playground, and swimming pool. The overseer was a Japanese graduate of a training institute for aktivs. He said membership in the Communist Party guaranteed him a living without work. When work did not make the desired progress, the overseer was sent as a rule to prison. For this reason he drove us hard. Aktivs were paid 100 yen a month, and were employed in observing the thoughts and activities of compatriots without having to do any physical labor themselves.

"Of wages paid since 1948, 40 yen was deducted monthly for living expenses, and the remainder was saved. Upon transfer to another detention camp, however, our savings were not returned to us. It was cleverly planned so that we would not be able to take any money home with us. Each time we completed a task, our camp was shifted to another site. At the beginning of last year, even the things we had purchased on the way home from work were confiscated."

VI EDITORIAL

EDITORIALS OF SIGNIFICANCE FROM NEWSPAPERS AND MAGAZINES PUBLISHED THROUGHOUT JAPAN

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ITEM 131 THE PROPOSED OSAKA METROPOLITAN POLICE BOARD

(Summary)

OSAKA NICHINICHI SHIMBUN (Osaka), 11 Aug -- The long pending bill on the "Ordinance Regarding the Establishment of the Osaka Metropolitan Police Board" will be introduced to the City Assembly today. The draft, which took two months to complete, generally referred to the new Police Law and the structure of the proposed police board will be patterned after that of the American municipal police system.

When viewed from a political standpoint, the establishment of a metropolitan police in Osaka leaves much room for discussion. We say this because the Yoshida Cabinet has given the people the impression that it is highly fascistic and in view of Attorney-general UEDA's random statement to the effect that even if the present Cabinet loses the people's support, it need not be dissolved, and that everything can be handled by the party which commands the majority in the Diet. Particularly, the Government is reportedly contemplating the presentation to the forthcoming extraordinary Diet of a bill for the strengthening of police power on the pretext that the strengthening of police power is a prerequisite to the maintenance of peace and order in Japan which is now without an armed force of its own.

Since the present project calls for the enforcement of prompt judicial police activities, there is no cause for the citizens to harbor any apprehension. However, it is to be hoped that police authorities, whose force will leap suddenly from a municipal police to a metropolitan police, will exercise self-restraint and self-reflection and refrain from abusing their expanded power.

It is beyond any dispute that Osaka as an industrial city is internally one of Japan's most important cities, that externally it is a city having a more important bearing than Tokyo. Consequently, it should be taken into consideration that the future well-being of Osaka has much to do with the welfare of all Far Eastern countries. As long as a powerful police force is indispensable for the development of production and the maintenance of human rights, we heartily welcome the present scheme as a competent step which copes with both internal and external situations. Of course, the abuse of police power should be superintended by the Public Security Commission.

With the Osaka Metropolitan Police Board to be newly established in the near future, it is to be hoped that the Public Security Commissions will exert their utmost efforts within the scope of law.

EDITORIAL

ITEM 132 IMPROVE CONDITIONS FOR SIDE-WORKER

(Summary)

SHIN-YO SHIMBUN (Matsumoto), 9 Aug -- To relieve their household economy to some extent many workers are seeking side-occupations. However, since the recent trend of national economy is toward a temporary curtailment of production, side-work itself is not abundant nor is it very profitable. Furthermore, the issue of side-occupation is becoming more and more serious, with the growing list of jobless.

According to the statistics of the Welfare Ministry, over 60,000 are working presently at the 1,300 public vocational training centers throughout the country. If those who are working outside the training centers individually or collectively are included, the figure should exceed twice, or perhaps, 10 times, the aforesaid number, but unfortunately the majority of them are working under extremely bad conditions. Many of those working at side jobs work as kitchen help or take care of children and most of them barely earn 1,000 yen a month, while fairly skilled laborers engaged in lacing textiles for export get at best about 1,500 yen a month. A monthly income exceeding 4,000-5,000 yen can be regarded as being limited to special technicians and special cases. Despite such an insignificant income, various people are earnestly seeking side jobs in order to sustain their household economy.

Recently, there are indications that not a few private businessmen are evading taxes by registering their business as a public vocational training center. Anyone may establish a public vocational training center by making an application in accordance with the Public Enterprise Law to the prefectural governor. These centers are exempted from land and building taxes. The more real public vocational training centers there are, the more convenient and profitable it will be to the home-workers, but if the training centers are utilized to enrich private businessmen such practices must be stopped immediately. In this connection, it is hoped that both the central and prefectural governments will revise the law reasonably.

ITEM 133 ACCELERATE REPATRIATION FROM CHINA (Column: Yesterday and Today)

(Full Translation)

HOCHI SHIMBUN, 13 Aug -- It is reported that those Japanese who are still detained in Communist controlled China number around 100,000 and that 20 per cent of them are women and children. Young women who worked as nurses during the war have been forced to remain in China and are leading miserable lives.

The petitions requesting early repatriation, addressed to Communist Leader MAO Tse-tung, and sent by the families of the detained are full of pathos, describing their miserable conditions, and cannot be read with dry eyes.

Although the Government formulated measures to accelerate repatriation from the Soviet territory, it apparently lacks zeal regarding repatriation from Communist controlled China. If this indifference is only due to the fact that the issue involves Communist China its negligence cannot be over-criticized. The great number of 100,000 in itself is astonishing to the people. The Government is responsible for ascertaining the fact and taking necessary steps to accelerate repatriation from Communist China.

Even before the families had to send out private petitions, the Government should have made formal demands to the Communists. The Government should accelerate the repatriation of those Japanese who are still detained in China before promoting trade with Communist controlled China. We earnestly hope for their repatriation at the earliest practicable date through the sympathetic understanding of Communist Leader MAO Tse-Tung.

EDITORIAL

ITEM 134 PARTICIPATION IN WORLD AGRICULTURAL CENSUS

(Summary)

NISHI-NIPPON SHIMBUN (Fukuoka), 8 Aug — The Ministry of Agriculture and Forestry is preparing an agricultural census in February next year, as Japan has been permitted to participate in the first postwar world-wide agricultural census proposed by the United Nations Agricultural Organization. This agricultural census aims to collect basic agricultural data, with a view to improving the efficiency of food production and distribution for the betterment of the nations' caloric standard, and elevating the farmers' standard of living in line with the world economic trend.

The agricultural condition of the world has undergone a great change due to the unprecedented panic and the war since the first world-wide agricultural census was conducted in 1930. As a result, it has become necessary to conduct another world-wide agricultural census in order to solve the postwar agricultural problems of the world. From this point of view, it is most regrettable that the Soviet Union and the east European nations have refused to participate in this census.

International economic relations, which were cut off by the war, have been re-established. The domestic prices of Japanese rice and wheat are already under the influence of the US wheat market and the rice markets of Asia. To find the right course for Japanese agriculture under the complicated and unstable international economic situation, we must, first of all, know our position in world economic relations. If our agriculture is behind those of other countries in productivity, management, and mechanization, we must investigate the causes and eliminate them by the organized strength of farmers. The Japanese farmers, who are now proceeding towards establishing a new agronomy after having completed land reform, place great expectations on the result of the census, and they should be deeply interested in its enforcement.

The Agriculture and Forestry Ministry plans to mobilize the statistics and research departments of local governments and compile a survey on acreage, cattle, and agricultural technique throughout the country. Reports by individual farmers, which were apt to be confusing will be replaced by direct investigation by investigators. To compile correct data, cautious preparations must be made by the concerned circles. If false data and incorrect statistics are produced it will not only ruin the other nations' efforts to give scientific basis for the solution of world food problems, but will also cause Japan to be labeled as a liar.

It must be noted that the sincere co-operation of farmers, as well as the training of investigators, is indispensable for making the census a success. The farmers today are very suspicious towards this sort of census because they fear that it may be used as data for delivery quota and taxation. The Government must, therefore, assure the farmers that the results of the census will never be used, and cannot be used, as data for delivery quota and taxation. It is true that all statistics of the nation serve in the execution of government policies and measures. This does not mean, however, that the material used in compiling complete national statistics can be used for other purposes. The Government must convince the farmers of this.

EDITORIAL

ITEM 135 NCW PERSONNEL CUT AND UNEMPLOYMENT RELIEF

(Summary)

NIIGATA NIPPO (Niigata), 13 Aug -- With the issuance of individual dismissal notices yesterday the personnel slash of the communication workers has begun. For the very reason that both the Government and the NCWU have undertaken sufficient preparations, it is not creating so serious a tension as the mass discharge of the state railway workers, at least on the surface. Furthermore, the critical attitude of the people toward the Government, the NCWU and other Government and public office workers unions is apparently another factor for the smooth execution of the discharge program. But inasmuch as the NCWU is the most communistic and radical of the Government and public office workers unions, and since the strength of the Democratization Leaguers within the NCWU is not so strong as that within the SRWU, the future struggle moves of the extremely leftist union does not necessarily warrant optimism.

The task of the Postal Administration and the Tele-communications Ministries, both under control of the NCWU, is concerned with such vital public services as mail, telephone, and telegrams. Therefore, even if a part of the union members resort to acts of force and suspend mail and communications services, the nervous system of the nation is severed instantly. Should such a deplorable event occur at this time of social unrest, the nation would be plunged into a terrible situation.

At present, the general labor situation varies with the locality and our prefecture (Niigata) is comparatively peaceful. But this does not mean that the over-all labor situation is calm. For, so long as there are maneuvers by some radical elements who over-estimate their own power, anything can hoppen. It is reported that the lower organizations of the NCWU are improving in their attitude. We must be careful to determine if this is actually true or whether it is a kind of strategic propaganda to relax the guard of the opponents.

Inasmuch as unemployment lowers the workers to a state of miserable existence, it may be natural for them to fight discharges. In this point, the lack of unemployment countermeasures on the part of the Government is unpardonable. But on the other hand, it is more unpardonable for the members of the NCWU to control the communications facilities serving as the nerves of the nation arbitrarily. In view of the fact that without public support, we, therefore, hope that union members will not forget that they are still members of society and not simply workers.

The Government, meanwhile, is viewing the future of administrative readjustment, optimistically and focusing public attention on the unexpectedly large number of workers retiring voluntarily. This, however, is a very hasty conclusion. For many of the workers retiring voluntarily are quiting work in order that they may overcome financial difficulties for the time being, by depending on the retirement allowances. Accordingly, future unemployment relief must be enlarged to the extent where even such voluntary job-losers can be relieved.

Reasons for the anticipated aggravation of the struggle by the NCWU are: (1) the rapidly narrowing scope of employment for the jobless; and (2) unlike the SRWU, the NCWU has no side-enterprise; and society in general is beginning to look down on the unemployed as undesirable elements. Therefore, no one can assert that the unionists may not resort to some desperate solution to the problem. The Government claims that it will take as many appropriate measures as possible to help the jobless to find employment, but in consideration of the unfavorable social conditions besetting the majority of the

ITEM 135 (Continued)

unemployed, it must be kept in mind that humanistic policies on the part of the Government and the people's deep sympathy are essential in relieving not only government workers who are without employment but also workers who lose their jobs through private industrial readjustment in order to settle the unemployment situation favorably.

ITEM 136 THE BIRTH OF AN INTERNATIONAL SPIRIT

(Summary)

YUKAN CHUGAI, 16 Aug -- A repatriate from the Soviet Union has disclosed that Soviet children are surprisingly well-indoctrinated with Soviet formalism. Political education of the public forms one of the principal policies of the Soviet Union and the people of that country live amid propaganda and political education along the lines of Communism. It is most remarkable that the Soviet authorities lay emphasis on the education of children from the viewpoint that the realization of their wishes to establish a Communistic society depends upon the younger generation.

Every country entertains great hopes in its younger generation. Professor LASKI of England has stated that thorough democratization of the world is dependent on the education of young people. And in the United States, there is recently a strong opinion among the intellectuals that people should now take a view of the world not only in the sense of political and economic relations but from the philosophical and religious standpoints with an eye to the future prosperity of human beings. On the other hand, it was decided at the World Educational Conference held last June that university education should have as its principal aim the awakening of students to their responsibility for the achievement of world peace.

The importance of education needs no reiteration. In our country, however, the authorities are quite indifferent to this problem and even the new 6-3 school system has made no progress since its enforcement, whereas it is reported that the system has reached the stage of complete enforcement even in Okinawa. In order to make Japan a really democratic nation, the Government should not spare expenses for education.

In Japan, which has been on the way to national democratization only these four years, not only children but also youth and aged people are required to make efforts to master democracy. In this sense, the new international spirit movement of the intellectuals of the United States has much to teach us. At a time when the compilation of next year's budget is expected in the near future, all the people should give earnest consideration to the development of education, opening their eyes to the world situation.

ITEM 137 FOR THE PROTECTION OF PEACE (Column: Whimsy)

(Summary)

YUKAN CHUGAI, 16 Aug -- The idea of celebrating the anniversary of the termination of the war and the day when the atomic bomb was dropped on Hiroshima as days of peace is excellent. It is also gratifying to know that a movement for the protection of peace is being promoted by the intellectuals. But how much effort is the Japanese willing to exert to keep the country from the threat of another war? Profound philosophy and great ideals could not save the world from two wars in the 20th century. However, this fact does not justify the impossibility of achieving permanent world peace.

ITEM 137 (Continued)

If every Japanese has the earnest desire to protect peace, Japan can avoid the danger of another war. Yet because some people lack true enthusiasm for peace bloody incidents frequently occur. The Government must exert every effort to eliminate the warlike and brutal spirit of the people and protect peace. Various political parties came into power by turns after the war, but none of them made any effort for the protection of peace. It is deplorable that the love of peace is not prevailing throughout Japan, a country which has made a fresh start as a peace-loving nation.

ITEM 138 REPATRIATION ISSUE CANNOT BE REGARDED LIGHTLY

(Summary)

CHUBU KEIZAI SHIMBUN (Nagoya), 9 Aug -- Ever since the resumption of repatriation from Soviet territories the speeches, actions, and ideologies of the repatriates have become a subject of heated discussions. At first the people were puzzled by the cold attitude of the repatriates toward those who greeted them, the formalistic demonstration of Communistic spirit, the"kangaroo court" incidents, and the clashes with the police in various localities, but now the people are feeling fear and antipathy toward the repatriates.

Various opinions prevail regarding the speeches and actions of the repatriates. Some people insist that the adamant attitude of the repatriates is due to their long detention in a foreign land and to the demagogic Communistic news which they have been fed. This opinion is partially true. It is also probably true that many repatriates pretended to turn Red, because of their earnest desire to return to Japan. There is also the opinion that many of the repatriates who joined the Communist Party immediately after their return to Japan will quit the party when they learn the truth of how unfounded Communistic demagogisms were and that their adamant attitude will be softened when they are encircled by their families. We do not deny these opinions. Is it not too easy, however, to get satisfactory results from these matters alone.

Our nation is at present undergoing a deflationary trend with the enforcement of the Nine-point Economic Stabilization Program. Personnel retrenchment is steadily in progress. Enterprises are in a slump. Under such circumstances, it is probably impossible for the repatriates to find employment. Moreover, rural areas are already suffering from overpopulation. The financial condition is also too stringent to engage in blackmarketing.

Under such critical conditions, can the optimistic idea that the adamant attitude of the repatriates will be softened when they learn the truth or when they are encircled by their families be entertained? Their erroneous ideas will no doubt be revised. But simultaneously, they will be threatened by living difficulties, and there is the danger that they will become real Communists. Affection cannot appease their hunger, nor prevent them from turning Red.

There is no doubt that strengthened measures to relieve the repatriates and the entrepreneurs' generosity to absorb them are necessary. But this is a matter of course, and we do not repeat it here. However, since the repatriation issue cannot be solved so simply, we urge the Government to fully realize that the repatriates cannot be saved from Communism by their families' affection and their recognition of the truth, but by the stabilization of their livelihood. After all, the success or failure of the repatriation issue is entirely dependent upon what policies the Government will formulate in stabilizing the people's livelihood.

EDITORIAL

ITEM 139 PROBLEM OF REPATRIATES

(Summary)

GIFU TIMES (Gifu), 11 Aug -- The Government promulgated an ordinance based on the Potsdam Imperial Ordinance prohibiting repatriates from such actions as refusing to land and board designated trains and subjecting the captains and the crews of repatriation ships to kangaroo courts. Under the new ordinance only family members of repatriates are allowed to board repatriation trains while welcoming parties at railway stations will be placed under regulations.

We fear the repatriates may possibly consider the Government's legal restrictions on their actions as "oppressive" and their hostile feeling against this nation may be heightened. Most of them, who have been indoctrinated with communism and biased propaganda for as long as four years, are sceptical about the democracy and freedom in new Japan. If their movements are restricted as soon as they return to their country, there is danger that they may accept the propaganda heard in Siberia as true.

It is inevitable that the new Government step will exert bad influence upon domestic and foreign politics. The Communists, calling the new Government ordinance, "A suppressive measure against the masses", will intensify their offensive against the Government, and consequently, increase the political and social unrest. On the other hand, the East European countries will also denounce Japan, and some of the west European countries will strongly charge that the Yoshida Cabinet is reactionary.

The greater part of the responsibility for having brought affairs to such a serious pass.is upon the shoulders of the Government and the people. The Government was wrong in trying to welcome the repatriates, whose way of thinking is entirely different from ours, according to its own program. It was also hypersensitive about the Communists' enthusiastic receptions of the repatriates, and went so far as to attempt control by police force. A series of such failures on the part of the Government forced it to issue the new ordinance based on the Potsdam Imperial Ordinance as the last resort.

I am of the opinion that the promulgation of the new Government ordinance is one of the damages done to Japan by the "cold war" between two worlds. The repatriates have perplexed the public by their eccentric conduct. In view of the recent change in international circumstances, it seems that the battlefield of the "cold war" has moved to Asia.

The surprising speech and action of the repatriates may have been based on international struggle tactics. Their eccentric movements will incur the people's antipathy, and a close watch will be kept on their every action even after they settle down in their native towns and villages. As a result, their repulsion will be increased, they will abandon themselves to despair, and become fighters for the revolution. Herein lies a trap set by the "cold war". The Japanese should fully consider the problem of repatriation from an international point of view.

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For the Assistant Chief of Staff, G-2:

Thomas N Stark

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I PRESS ANALYSIS

AN ANALYSIS OF MAJOR NEWS AND EDITORIALS IN TODAY'S TOKYO NEWSPAPERS

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
MILITARY INTELLIGENCE SECTION, GENERAL STAFF
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS ANALYSIS

NO: 1171 **DATE:** 20 Aug 49

Today's Tokyo Newspapers

Dispatches with Los Angeles and Washington datelines cornered the top headlines today. New records set by Japanese swimmers at the AAU meet, though continuing to dominate the general coverage, lost lead play in three scanned papers to the State Department announcement empowering Gen MacArthur to let Japan reopen semidiplomatic relations. The only other development to catch bannerline emphasis, and then just in one daily, was the scheduled announcement of the Shoup tax recommendations on 26 August. News of strict domestic origin barely clung to the bottom half of most front pages.

ECONOMY

Premier YOSHIDA reportedly emphasized in his conference with two leading Democratic Liberals yesterday that Japan should repay its international debts to restore foreign confidence and attract foreign capital. He was understood to have also called for abolition of the fertilizer subsidy and speedy completion of the conservative merger. (a)

The Shoup tax survey mission will outline its basic plan for reforming the Japanese tax system at a press conference on 26 August, one day prior to Dr SHOUP's departure for the US. The 1,500-word outline will be followed in a few days by detailed recommendations. (b)

Government officials, confronted by mounting stockpiles of unsaleable goods, have decided to curtail production of commodities unwanted on either the domestic or foreign market. They intend also to conduct a more accurate study of consumer demand, to divert unsaleable export goods for home consumption, and to buy up stockpiled goods with sales potentiality through the Industrial Reconstruction Corp. (c)

POLITICS

Both coalition and anticoalition Democrats yesterday undermined the Narahashi proposal for a unified Democratic Party. Anticoalitionist TOMABECHI Gizo disagreed with the second phase of his colleague's plan, declaring that while he favors reconciliation of the two rival Democratic factions, he strongly opposes the follow-up move to tie up with the Democratic Liberals. A coalition spokesman belittled the plan and predicted that it will end in complete failure. Anticoalition executive NARAHASHI Wataru, who made his unity proposal after conferring with Yoshida Wednesday, revealed yesterday, shortly before leaving Osaka for Tokyo, that he will soon talk with the Premier again. Narahashi will present a detailed report on his initial conference with Yoshida at a gathering of top anticoalition leaders today. (d)

TRAIN WRECK

The scope of the Fukushima derailment investigation narrowed yesterday when police learned that three or four striking union leaders were unaccounted for a few hours before and after the wreck. They also discovered that the wife of one of the workers at the local Toshiba plant had predicted the derailment on the previous day. Of the 25 persons now under suspicion, about 10 will be rounded up today or tomorrow for questioning. The release of Communist YABE Kanichiro, the one suspect arrested to date, was demanded by the Fukushima chapter of the State Railway Workers Union. The union contended that Yabe had nothing to do with the wreck and urged that investigators refrain from exploiting the case politically. While pledging unstinting co-operation, local SRWU leaders announced that they will launch an independent investigation. (a)

(a) Asahi Shimbun
(b) Kogyo Shimbun
(c) Nihon Keizai Shimbun
(d) Jiji Shimpo

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EDITORIALS

Economic issues drew sharpest emphasis in today's editorial columns, with discussions centering around economic reconstruction, subsidy cuts, counterpart funds, taxes, rice price, and the tourist business. Japan's swimming champions, political activities of students, and Chinese Minister Wu's visit also provoked comment.

Economics

ASAHI urged the Government to "awaken from its apathy" and establish a clear-cut outlook on future economic reconstruction instead of proceeding on a day-to-day basis. What Japan needs most is an authoritative prediction about the form Japanese economy will take in the next several years and the level to which the people's living standard will be raised, the journal emphasized.

Although admitting the necessity of abolishing the nation's subsidy system, JIJI SHIMPO found points for criticism in the proposed government policy for handling the subsidy reduction. In the iron and steel industries particularly, the journal felt uneasy about plans to absorb the deficit through a raise in steel prices and subsequent reduction of production costs for secondary products. There is little hope of reducing production costs in heavy industries at this point, the daily believed.

Commenting on the use of counterpart funds, TOKYO SHIMBUN regretted the "general misunderstanding" of the purpose of the funds, noting that many people regard the money as reconstruction finance loans in disguise. It is premature to make a conclusion on the effectiveness of the funds in industrial reconstruction and finance adjustment, the journal said.

MAINICHI labeled the tourist business "the champion dollar-earner" in Japan. Anticipating a revenue of 10,000,000 dollars this year from tourist trade, the daily pointed to the importance of maintaining hotels and good roads for the convenience of the visitors. It is essential that as many foreigners as possible come to this country, the daily said and urged the Government to work out plans for establishing Japanese tourist agenices in larger cities all over the world.

Although the Japanese have become accustomed to the practice of "racking their brains to evade taxes" and constantly complain that taxes are too high, they have formed no opinion as to how much taxes should be reduced, a commentary in ASAHI pointed out. It criticized this vagueness of thought and lack of opinion, suggesting that individuals compare their own financial status with the extent of the nation's rehabilitation and then decide on how much tax they can pay and still manage to keep their business going.

JIJI SHIMPO agreed with the National Foreign Trade Council observation that taxes in Japan constitute a threat to her people, causing them to evade taxation, but said people are abiding by the present system in view of the national emergency.

Pointing to the difficulty in fixing the price of rice this year, NIHON KEIZAI saw defects in each of the three plans so far presented. A high rice price policy cannot be adopted, at least at the present time, the daily maintained, explaining that it is "quite impossible" for present-day Japan to heighten the farmers' purchasing power by maintaining the price of agricultural products at a high level, as is done in the US.

Miscellaneous

AKAHATA saw in the splash of publicity given the Japanese swimming team an attempt by the "governing class to lead the people to false racialism, reaction, and militarism." Lashing out at the "star system" and the emphasis upon establishing new records, the Communist journal declared that sports must be democratized and made into something that working people can enjoy freely and equally so that they can cultivate a sound spirit and a stout constitution.

TOKYO SHIMBUN deplored the ill-advised political activities of students which has necessitated the placing of the All Japan Federation of Student Councils under the Organization Regulation Ordinance. The fact that students' organizations are now to be given the same treatment as political organizations means simply that they have been overstepping their bounds, the journal said, noting that history shows that political campaigns by people with little social experience are bound to be dangerous.

In view of the 1,000-year-old relationship between Japan and China, no Japanese can oppose the idea of reviving friendly relations with unified China, TOKYO SHIMBUN said. The daily wondered about the real purpose of Chinese Minister WU's visit to Japan, declaring he "must have come here to find out various possibilities relating to Japan's stand and the Far Eastern anti-Communist front by inspecting the actual situation in this country."

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Supplement To
PRESS ANALYSIS
COMMUNIST TRENDS AND ACTIVITIES

I REPATRIATES: SEASON 1949

Best to Forget First Impressions of Repatriates: First-group repatriate suggests that both the returnees and the nation forget impression gained during the former's first few days back in Japan, noting that "repatriates subjected to biased Soviet propaganda have found many differences between actual conditions in Japan and what was told them during their internment." (Mainichi Shimbun, 13 August) Item 107

Public Opinion Poll Tests Reaction to Repatriates: Sixty-five percent of those polled in random survey consider returnees' attitude "bad." In explanation, 19.2 percent of this figure cite refusal to respond to public and family welcome, 8.9 percent name lawlessness, 7.9 percent list self-righteousness without knowledge of Japan's internal conditions. Over 75 percent think time will change the minds of the returnees; 64.1 percent regard the Communist Party's attitude toward the repatriates as "bad." Out of 20 repatriates surveyed, 14 state that their attitude since arrival home is "unchanged," 11 declare "negative" reaction to present conditions in Japan, seven support Communist Party. (Tokyo Shi bun, 16 August) Item 122

Escapee from Manchuria Reports on Life under Reds: Yenchi, Manchuria, detention camp escapee draws grim picture of internment life under the Chinese Communists. Approximately 400 Japanese are left in Yenchi, he says, about one third of which have gone over to the Reds. Escape attempts are punished with two or three years imprisonment of death by shooting, he remarks. (Mainichi Shimbun, 16 August) Item 130

Prisoners' Experiences Valuable, Says Red Writer: Observing that the "servile" attitude shown YOSHIMURA of "dawn prayer" fame is not representative of prisoners of war in Siberia, the writer says the "despotic rule" in detention camp was broken down by organized resistance and a "happy self-ruling system established." He insists that the Nahodka "people's courts" are not what the name commonly implies, but rather "soldiers' meetings" whose mission is to "awaken the masses by exposing undemocratic influences." The "valuable" experiences gained through these "soldiers' meetings" must be put to use in the struggle against monopoly capital and the establishment of a true democracy, he concludes. (Magazine: Hyoron, September) Item 131

II COMMUNIST ACTIVITIES

Reds Report Farmers Unify Democratic Front in Mie: Mie prefectural farmers convention reportedly effects unification of front beyond framework of farmers' organizations, decides to carry out Communist-Socialist amalgamation, to fight for downfall of Yoshida Cabinet. Move for unification of anti-Government political front becomes vigorous in Kanagawa Ken. Mass meeting for creation of an Atsugi district council for consolidation of democratic front adopts 15-point platform stressing opposition to dismissal of workers, promotion of independent trade with China, and overthrow of Yoshida Cabinet. Communist Party Political Bureau member ITO welcomes joint struggle with Socialist and Worker-Farmer parties as forerunner of three-party merger. (Akahata, 20 August) Item 9

Investigators of Fukushima Wreck Report Progress: Matsukawa train wreck predicted by wife of local Toshiba plant employee, investigators learn; about 10 State Railway Workers Union requests immediate release of Communist ex-railway employee YABE; pledges "unstinted co-operation" in arrest of men responsible for crime. (Asahi Shimbun, 20 August) Item 10

Mitaka Probers Fail to Find Enough Material Evidence: With only five days left in detention period for seven Mitaka case suspects, investigation headquarters official admits lack of concrete evidence against them. Joint conference of prosecutors and investigation headquarters will be held to decide question of indictment. (Jiji Shimpo, 20 August) Item 11

AJCWU Leftists Decide to Hold Central Committee Meet: All Japan Communications Workers Union Central Dispute Committee, with only leftists present, schedules three-day Central Committee meeting for 12-14 September. (Asahi Shimbun, 20 August) Item 13

Sports Allegedly Being Used as Tool of Ruling Class: Sports champions are being publicized by the ruling class to divert public attention from the living difficulties and to instill a false sense of racial superiority, according to the Communist daily. With emphasis on the production of champions, a general sports program for improving the physical level of the masses is lacking, it asserts. "To systematize sports for workers, we must connect the movement with the daily struggles against the governing class regarding working conditions." (Editorial: Akahata, 20 August) Item 21