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AUG 30 1948

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 20 August 1948 No. 862

POLITICS

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Possibility of a Democratic-Liberal Cabinet was discussed by TOKYO MINPO, which mentioned that the Opposition party had become very active since the issuance of the Administration ordinance forbidding strikes by public servants. Although opposed to such an eventuality, the journal warned that the "struggle" in which all parties were engaged was "merely an attempt to maintain the interests of monopolistic capital." The Socialists have become divided into two groups -- one favoring, one opposing Diet dissolution -- according to SEIJI SHIMBUN. Should the group favoring dissolution predominate, and should the Party reject cooperation with conservative elements in the next cabinet, the writer predicted that the Socialists would become an opposition group for the next several years.

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An editorialist in the same paper supported the recommendation urging liquidation of the 50-50 ownership of the Bank of Japan (by the government and private circles) and substituting ownership of stock by privately-owned banks. This, the writer felt, would restore banking to its "original inherent state," and guarantee operation of capital "free from personal consideration and powerful influence." An ASAHI commentary endorsed efforts to democratize the banking system, but warned that effectiveness of the reform would be lost unless the proposed Currency and Credit Board possessed "political independence."

Democratic-Liberal Economic Plan

Criticism of the Democratic-Liberal plan for economic reconstruction was voiced by three journals. YOMIURI charged that the program offered only "random policies" for State finance, money and credit, wage control, and unemployment. The paper advised that if the Party expected to formulate policies, it must first of all grasp the "reality of Japanese economy." This was possible only by conducting systematic investigations which, the writer charged, the Party had failed to do. NIPPON KEIZAI thought that the program was too simple, and declared that although establishment of a single exchange rate and rationalization of industry were proposed, no specific policies for their implementation were provided. The editorialist believed that the intent of the Democratic-Liberals was similar to that of the Socialist Party, which announced a reconstruction plan "to exhibit its ideological color." In an editorial terming the economic plans of both parties "misleading," TOKYO SHIMPUN attacked the latter group's measures for "confusing the public" and for "lacking careful preliminary study."

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DECLASSIFIED - Authority SCAP Letter 9 Feb 1948

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AUG 30 1948

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Meantime, the Social Democratic Party's Political Research Committee reportedly submitted a draft revision of the NPSL, which was said to provide for "recognition of the right to organize and the right of collective bargaining," and "reorganization of government enterprises from the viewpoint of socialization." TOKYO SHIMBUN thought that the Socialist Party had a special responsibility to determine its position on this matter. "Neither the Political Research Committee's draft bill, nor the Nomizo Plan (Press Analysis No. 860), has yet been adopted by the Socialist Party as an organization decision," the editorial noted, as NPSL revision was described as the most important issue since the formation of that political group. Accordingly, the Socialist Party was urged "to take a more serious attitude toward the NPSL revision issue," because it "will affect the livelihood both of civil servants and private enterprise employees," as well as "decide the future course of our union movement."

Labor Round Table

At a labor leaders' conference sponsored by TOKYO MINPO, Labor Minister Kato was said to have interpreted the Matsuyama Engine Shed dispute as "not aimed at opposing the Administration ordinance based on General MacArthur's letter." The Minister assertedly believed that "these strikes would not have occurred if only the Government had kept its promises," and he considered it "regrettable that the dispute was considered to be a result of the ordinance." The Cabinet also was criticized in a published statement by the chief of the Secretariat of the All-Japan Government Employees Unions, who declared that "the Government's undemocratic and dictatorial attitude is responsible for the current situation." The labor executive assertedly believed that the anti-strike ordinance "has been issued with the intention of oppressing workers who demand the 5,200-yen basic wage standard," and the ordinance was alleged "to be intended for union employees in private enterprise" in addition to public servants.

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Remarks overheard on the evening trains revealed a more open expression of public opinion than the usual poll, the writer thought, but believed that the antipathy expressed in this way toward Nishio was not directed against him alone. "The voices are the expression of hatred directed by the people against the present corrupt society," the paper maintained.

YUKAN MIYAKO thought the apparent tendency favoring Diet dissolution was increasing, while SEIJI SHIMBUN believed that the trend to support Katayama's demand to dissolve the Diet was gaining ground within the Socialist Party. On the other hand, YUKAN MIYAKO pointed out, attempts on the part of Government leaders to prevent Diet dissolution also were on the increase. If postponement of the special session was delayed sufficiently, there would be no opportunity for a new election between the special session and the regularly scheduled December convocation of the Diet, the writer suggested. Premier Ashida probably will not dissolve the Diet unless he can be sure of Socialist Party support, SEIJI SHIMBUN observed.

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Hailing the proposal as "an epoch-making contribution toward democratization of the banking structure," MAINICHI predicted that creation of a non-political board to assume jurisdiction over credit and monetary policies would eradicate "bureaucratic" influences from these circles. Noting that the plan was based on the US Federal Reserve System, the morning daily warned that it would be "no easy task" to effect a change which would meet Japan's "economic realities." JIJI SHIMPO also mentioned that the proposal was patterned after the American system, and indicated endorsement of lessened authority for the Bank of Japan.

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REPATRIATION

A long article in JIJI SHIMPO described the conditions of Japanese troops remaining in the USSR, as revealed in the accounts of recent repatriates. Communist indoctrination was described as on a large and highly organized basis, and 1,000 Japanese were reported to have been sent to Moscow University. Reports reprinted in camp newspapers from AKAHATA (Tokyo-printed Communist Party organ) were said to form the people's only knowledge of conditions in Japan. On returning to their homeland, it was declared, repatriates "came to realize the great difference between the real situation . . . and that reported by AKAHATA. Thus, most of them suddenly lose their ideological training." The article noted that Japanese laborers in Sakhalin and the Kurile Islands were being replaced by "reactionary" persons brought from northern Korea and the Ukraine. Living conditions in Russia were said to have improved during the last year -- for the detainees as well as native inhabitants.

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No. 861

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Meantime, enforcement of the administrative ordinance banning strikes by public employees reportedly resulted in the arrest of alleged ringleaders of recent walkouts among government railway workers. An investigation also was said to have been launched into the Communist Party's alleged participation in the work stoppages of Shintoku Engine Shed employees. As a consequence of railway strikes in Hokkaido, NIPPON KEIZAI said that a newsprint shortage in Tokyo and Osaka was expected.

Asserting that labor was in a disadvantageous position because it "had swung too far to the left" since the Surrender, NIPPON KEIZAI observed "a drastic transformation of the labor problem -- subsequent to the issuance of General MacArthur's letter." Admonishing labor organizations "to reorganize their confused setup" by making necessary concessions, the editorial simultaneously cautioned management against attempts to suppress the trade union movement "merely because the situation is favorable to restrictive action."

POLITICS

News reports on political subjects touched on the projected date of the special Diet session, possible Diet dissolution, and Socialist Party Chairman Katayama's contention that Suehiro Nishio would not automatically be ousted from the Party even if judged guilty in his present trial. Generally, however, political news was given no special prominence in today's press, and, like the news reports, editorials dealt with a variety of subjects.

Demands for and discussion of various types of reforms were the subjects of editorials in three journals. TOKYO TIMES advocated complete renovation of the Transportation and Communication Ministries in accordance with the SCAP letter of 22 July; YOMIURI emphasized the need for greater sincerity in carrying out the purge ordinances, and SEIJI SHIMBUN offered "reflections" on the state of Japan's reconstruction. The latter observed that Japan must expect difficult living conditions for some time to come, and asserted that the "rampancy of blackmarketing, the scandals in government, and union extremes are the result of the people's failure to recognize the actual state of the nation."

The Government's delay in making known SCAP recommendations that Constitutional revision be considered was criticized by TOKYO MINPO, which contrasted the speed with which the SCAP letter recommending revision of the National Public Service Law had been implemented. A reason for the Administration's announcement concerning possible charter changes was said to be an attempt to provide for abdication of the Emperor in connection with the forthcoming verdicts in the International Military Tribunal.

PRESS

ASAHI commented on the alleged bodily attack on one of the newspaper's reporters by a prominent citizen of Honjo, Saitama Prefecture (Press Analysis No. 859). "We take a serious view of the fact that freedom of the press has been jeopardized," the paper said, adding that concern was felt for "the future of Japan's democracy." Meantime, a statement reportedly was issued by the Prime Minister's Office, which urged local inhabitants to become aware of their power to correct political abuses and not depend on Occupation forces and the police to fight "bosses."

FOREIGN

AKAHATA predicted internal political dissension in the new Korean Republic, and -- in describing the inaugural ceremonies -- observed that "almost nothing was reported as to the attitude of the people." After noting the forthcoming elections in the Soviet-occupied part of the country, the paper commented, "The movement for a unified Korea would progress a few steps if northern Korea could in some way grasp the will of the people of southern Korea for a unified nation."

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PRESS ANALYSIS, 18 August 1948 No. 860

ECONOMY

Government plans to reform the Japanese banking system and related activities were featured by major papers today. Designed to "eliminate all traces of wartime financial practices" (ASAHI), the proposals reportedly were being drafted into bills which will be submitted to the Diet. Provision will be made, journals said, for the "democratization" of all banking institutions, including the Bank of Japan, and for the transfer of administrative authority from the Finance Ministry to a new commission. Brief commentaries on the projected reformation appeared in ASAHI and YOMIURI, with the latter foreseeing diminished influence by "financial bureaucrats."

Anti-Blackmarket Campaign

Commenting on the current anti-blackmarket campaign, editorialists were divided as to whether the authorities' efforts would be successful. One group of papers (TOKYO SHIMBUN, SHIN YUKAN, and ASAHI) appeared to believe that any curbing of illegal sales would be temporary, while MAINICHI and YUKAN MIYAKO predicted that the drive would be more effectual. The TOKYO SHIMBUN comment appeared in a criticism of the Administration's price stabilization plan, which, it was charged, would lead to "more elaborate schemes for blackmarketing." Stable prices depended, the writer contended, on increased production, strengthening of planned distribution, and an improved delivery system.

Acknowledging that the present was a "golden opportunity" to check blackmarketing, ASAHI nevertheless maintained that "we cannot expect results until a nation-wide movement begins." Another hindrance to the campaign, the editorialist alleged, was the "inseparable relations" between police and blackmarketeers. SHIN YUKAN added that the police "have a record of defeats in their wars with blackmarket dealers."

On the other hand, MAINICHI maintained that "small-time operators" were being eliminated and that a shortage of goods provided less opportunity to effect illegal transactions. "Businessmen no longer can afford to slight the anti-blackmarket campaign," the paper declared. "There may be loopholes in the regulations, but a system is being completed which will sooner or later make it impossible to operate on the blackmarket." In agreement, YUKAN MIYAKO anticipated "results from this campaign."

Discussion of proposed currency devaluation led JIJI SHIMPO to warn that the plan would be accompanied by evils which would affect the livelihood of workers, but a SEIJI SHIMBUN writer argued that currency reform was the only method of checking inflation.

LABOR

Announcement of State Minister Nomizo's plan for revision of the National Public Service Law -- which Labor Minister Kato was expected to introduce at today's Cabinet meeting -- was accorded considerable attention in most metropolitan journals. Assertedly reflecting left-wing Socialist views, the proposal would provide the rights of organization and collective bargaining "in conformity with the purport of General MacArthur's letter." Also recommended was the establishment of "a public service standing committee" to handle all matters pertaining to government employees, and institution of a sliding-scale wage system.

Union opposition to revision of the NPSL was manifested in the National Council of Government and Public Office Workers Unions' published declaration that the Cabinet's reported revision draft was "so reactionary that it literally would crush the entire labor union movement." The Council assertedly claimed that the proposed Personnel Authority "will have despotic powers," "invalidation of labor contracts will permit large-scale dismissals to be carried out freely,"

and "freedom of thought and the right to support the political party of one's choice will be abrogated." In addition, the labor body claimed that "the rights to organize and to bargain collectively -- which are guaranteed by the Potsdam Declaration, the Far Eastern Commission, and by the Constitution -- will be annulled."

Meantime, enforcement of the administrative ordinance banning strikes by public employees reportedly resulted in the arrest of alleged ringleaders of recent walkouts among government railway workers. An investigation also was said to have been launched into the Communist Party's alleged participation in the work stoppages of Shintoku Engine Shed employees. As a consequence of railway strikes in Hokkaido, NIPPON KEIZAI said that a newsprint shortage in Tokyo and Osaka was expected.

Asserting that labor was in a disadvantageous position because it "had swung too far to the left" since the Surrender, NIPPON KEIZAI observed "a drastic transformation of the labor problem -- subsequent to the issuance of General MacArthur's letter." Admonishing labor organizations "to reorganize their confused setup" by making necessary concessions, the editorial simultaneously cautioned management against attempts to suppress the trade union movement "merely because the situation is favorable to restrictive action."

POLITICS

News reports on political subjects touched on the projected date of the special Diet session, possible Diet dissolution, and Socialist Party Chairman Katayama's contention that Suehiro Nishio would not automatically be ousted from the Party even if judged guilty in his present trial. Generally, however, political news was given no special prominence in today's press, and, like the news reports, editorials dealt with a variety of subjects.

Demands for and discussion of various types of reforms were the subjects of editorials in three journals. TOKYO TIMES advocated complete renovation of the Transportation and Communication Ministries in accordance with the SCAP letter of 22 July; YOMIURI emphasized the need for greater sincerity in carrying out the purge ordinances, and SEIJI SHIMBUN offered "reflections" on the state of Japan's reconstruction. The latter observed that Japan must expect difficult living conditions for some time to come, and asserted that the "rampancy of blackmarketing, the scandals in government, and union extremes are the result of the people's failure to recognize the actual state of the nation."

The Government's delay in making known SCAP recommendations that Constitutional revision be considered was criticized by TOKYO MINPO, which contrasted the speed with which the SCAP letter recommending revision of the National Public Service Law had been implemented. A reason for the Administration's announcement concerning possible charter changes was said to be an attempt to provide for abdication of the Emperor in connection with the forthcoming verdicts in the International Military Tribunal.

PRESS

ASAHI commented on the alleged bodily attack on one of the newspaper's reporters by a prominent citizen of Honjo, Saitama Prefecture (Press Analysis No. 859). "We take a serious view of the fact that freedom of the press has been jeopardized," the paper said, adding that concern was felt for "the future of Japan's democracy." Meantime, a statement reportedly was issued by the Prime Minister's Office, which urged local inhabitants to become aware of their power to correct political abuses and not depend on Occupation forces and the police to fight "bosses."

FOREIGN

AKAHATA predicted internal political dissension in the new Korean Republic, and -- in describing the inaugural ceremonies -- observed that "almost nothing was reported as to the attitude of the people." After noting the forthcoming elections in the Soviet-occupied part of the country, the paper commented, "The movement for a unified Korea would progress a few steps if northern Korea could in some way grasp the will of the people of southern Korea for a unified nation."

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POLITICS

The prosecution's demand of an 18-month sentence for Suehiro Nishio, Socialist leader accused of falsifying testimony regarding political funds, was given front-page coverage in most Tokyo papers. Also widely noted were the Socialist Party's resolution to promote a peace treaty in the near future, and additional reports on formation of a centrist party.

Interpretations of the significance of Tetsu Katayama's remarks in Hokkaido (Press Analysis No. 856) continued to appear in editorials. To SHIN YUKAN, the Socialist leader's remarks suggested that unless the three-party Coalition collapsed, the "vicious political circle" would continue indefinitely. The Katayama interview indicated a challenge to the Democratic-Liberals and "a lingering love" for the Democrats, the journal remarked elsewhere, in a review emphasizing the key position of the Socialists in the present situation. The need to conciliate both left and right wings of the Party was held responsible for Katayama's insistence on Diet dissolution and his concurrent refusal to countenance withdrawal of Socialist members from the Cabinet. Criticism of consistent political compromise, as allegedly seen in the Katayama position, was voiced by a SHIN TOKYO editorial.

Possibility that the Diet may not be dissolved in spite of the earlier stand of the Socialists and Democratic-Liberals was recognized by several papers, although SHIN HOCHI considered the possibility of dissolution to be increasing in importance once more. MAINICHI, on the other hand, considered the dissolution rumor on the wane. TOKYO SHIMBUN saw the chances for and against dissolution as almost equally divided, and SEIJI SHIMBUN reported rising opposition to dissolution in political circles. To the last-named journal, the opposition to dissolution and to a new election seemed particularly dangerous, and Diet members were charged with being afraid of the test of a popular vote. Dissolution of the Diet "is not wrong" if it is a means whereby the people can make their wishes known, TOKYO SHIMBUN thought, urging that in the event the Cabinet resigned en bloc, the reins of authority be handed over to the Democratic-Liberals as the majority party.

FOREIGN

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Among three papers which continued comment on inauguration of the Korean Republic, DAI ICHI SHIMBUN congratulated the new nation but said, "at the same time . . . hearing that neighboring Korea has celebrated her independence, we cannot help but feel impatient over the fact that not even a small prospect of a (Japanese) peace treaty has been seen yet, though it is three years since the Surrender." Another wish for signing of a Japanese treaty came from DIAMOND NIPPO, which hoped for a 4-power conference that would take up the question. "To prolong the Occupation will only result in making the spirit of dependence on foreign aid grow stronger," this editorialist averred.

Announcement of the impending visit to Tokyo of Chinese ex-Premier Chang Chun drew varied interpretations. TOKYO SHIMBUN believed the mission would be aimed at investigating to what extent the US intended to aid Japan's recovery, and asserted that the member for China on the Allied Council for Japan had often warned his government of the threat of this nation. A recent TOKYO TIMES editorial, on the other hand, attributed the Nationalist leader's visit to efforts toward coordinating anti-Communist policy in the Far East.

PRESS

Following an attack on his person, an ASAHI reporter was said to have brought charges against a prominent citizen of Honjo, Saitama Prefecture. The assault allegedly was committed by Waichiro Oishi (identified as a member of the town assembly and a director of the "Police-Citizens Association and the Judicial Protective Committee") after the newspaper employee, Yoshio Kishi, claimed that leading officials of the town were in league with textile black-marketeers. As a result of Kishi's suit, the paper said that other persons had come forth with information that they had been blackmailed and threatened by "bosses and gangsters."

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AUG 30 1948

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 17 August 1948 No. 859

LABOR

Scheduled consideration of National Public Service Law revision at a Cabinet meeting tomorrow won front-page space in major papers, as MAINICHI said that an increasing number of railway employees in Hokkaido were leaving work in defiance of the Government ordinance forbidding strikes by public servants. In view of reported intra-Administration differences, doubt was expressed that the Ministers would reach a definite decision on the revision draft. The Socialists, for example, were said to be opposed to the nature of the Personnel Authority and to the wide powers vested in it.

Comment on the proposed revision appeared in three papers, two of which cautioned against eliminating the government employees' unions. Particularly outspoken, TOKYO MINPO attacked preparation of the draft without consulting unions as undemocratic, and indicated that disagreement among Cabinet leaders was cause for clarifying "obscure points." Charging that it was the Administration's plan to eradicate public employees' unions, the commentator warned that this action would lead to "corruption" in government service.

Likewise, ASAHI endorsed the principle that public employees should not forget their status as civil servants, but thought it desirable for such workers to be allowed to carry on union activities. "We must not ignore the real state of things while adhering to the spirit of the civil service system," the writer maintained, adding that there was need for government unions to make a "fresh start." YOMIURI -- noting that the "character" of labor relations committees had been changed -- wondered what would happen to the committees after revision of the NPSL. Although possible changes were considered, the journal limited predictions to the suggestion that the problem might become an important political issue.

Meanwhile, two minor journals expressed disapproval of union defiance of the ordinance. Protests by Osaka workers that the ordinance violated the Potsdam Declaration were denounced by DIAMOND NIPPO as Communist-instigated, and CHUKA NIPPO cautioned unions against permitting themselves to be used by Communists. "The public does not approve of the policy of dragging the union movement into a political dispute," the Chinese-operated journal concluded.

ECONOMY

Conclusion of a $242,000,000 trade agreement between Japan and sterling area nations won lead position in three major journals and featured attention in others. The pact -- expected to increase trade volume 350 percent during the 12-month period beginning 1 July 1948 -- was said to provide for a balanced exchange of goods, with Japan selling textiles, raw silk, industrial machinery, paper, and chemical products in return for cotton, wool, iron ore, rubber, and coal. Sole comment thus far appeared in NIPPON KEIZAI, which noted that the agreement would have a salutary effect on Japan's over-all trade balance since it would serve to "adjust the one-sided commerce with the US."

ASAHI and SHIN HOCHI commented on developments since resumption of private foreign trade last August (Press Analysis No. 858). The first-named journal expressed satisfaction over the progress of trade relations and measures instituted to promote commerce, but cautioned that optimism was unwarranted because many problems still remained. The writer pointed to the necessity for establishing an exchange rate, to lack of funds and materials among numerous enterprises, to the drop in coal production, and to the anticipated shortage in electrical power. Enumerating conditions favoring Japan's trade development, SHIN HOCHI nevertheless called for increased efforts to spur export production. Meanwhile, KOGYO SHIMBUN believed it "should not be difficult" to double exports with the simplification of negotiations and the opening of various trade channels.

POLITICS

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

AUG 2 6 1948

No. 858

PRESS ANALYSIS, 15 and 16 August 1948

POLITICS

Agreement between the Democratic and Peoples Cooperative Parties on future political plans was featured in weekend editions, and journals also accorded space to preliminary steps toward possible revision of the Constitution. Principal decision reached by President Ashida of the Democrats and Chairman Miki of the Peoples Cooperatives, reports agreed, was to support a central political league, as opposed to a new centrist party. The leaders also decided to avoid Diet dissolution unless such action were necessary from the standpoint of political stability.

Belief was widespread that the Ashida-Miki conference was, in effect, a reply to Socialist Chairman Katayama's advocacy of dissolution (Press Analyses Nos. 856,857), although a TOKYO SHIMBUN headline claimed that the Premier was "desperately trying to win over" Katayama. Two journals -- YOMIURI and SHIN HOCHI -- observed increased support for the left-wing Socialist view that the Party should support dissolution and become an opposition group. Although acknowledging that Katayama had attempted recently to placate Party rightists, YOMIURI indicated that the ex-Premier was inclined to cooperate with Mosaburo Suzuki, leftist leader. To ASAHI, it seemed that the Ashida-Miki endorsement of a central political league was an attempt by both leaders to preserve the status quo, and TOKYO TIMES assailed Katayama and Ashida for "being engrossed in regenerating their Parties."

OCCUPATION

Tokyo papers featured numerous editorials and commentaries on the third anniversary of the Surrender, while Prime Minister Ashida's message on the occasion was prominently displayed. Lead position in the Communist organ AKAHATA and leftist TOKYO MINPO was taken by a reprinting of the full text of the Potsdam Declaration. Comment was unusually extensive, with 13 Tokyo dailies devoting at least a part of their editorial columns to the anniversary, and reviews, contributed articles, and press commentaries also appearing.

Writers tended to emphasize both the rapidity and extent of Japan's reconstruction in the past three years, and the concurrent failure of the people and government to hasten recovery still further. Pride in the accomplishment of the Japanese people and recognition of the part played by the Allies in Japan's rehabilitation were particularly noted in editorials in DAI ICHI SHIMBUN, JIJI SHIMPO, and MAINICHI, with the latter referring to 15 August 1945 as "a day of salvation" for the majority of Japanese. Similarly, a SHIN TOKYO commentary saw the Surrender as a turning point for Japan, but warned against the "persistence" of old ideologies. Expressing gratitude to the Allies for assistance thus far extended, JIJI SHIMPO hoped for additional help in re-establishing the nation's foreign trade, and for completion of repatriation from the USSR.

The Japanese, however, have failed to make the most of their opportunities for reconstruction in a variety of ways, according to many commentators. Indications of incomplete democratization were cited in the circumscribed lives of housewives (DAI ICHI SHIMBUN), the difficulties experienced with regard to the new school system (JIJI SHIMPO), the nature of newspaper public opinion columns (TOKYO TIMES), the failure to suspend interest payment on war bonds (SHIN HOCHI), the quality of the National Public Service Law (DAI ICHI SHIMBUN and SEIJI SHIMBUN), and the troubled labor situation (JIJI SHIMPO and SHIN HOCHI). YOMIURI further questioned whether the Government was actually doing its best for reconstruction. TOKYO TIMES stressed the people's desire for greater efforts from the Diet.

Anticipation of a Japanese peace treaty was mentioned by several papers, with SEIJI SHIMBUN raising the question of Japan's readiness to conduct a democratic government without supervision. AKAHATA, on the other hand, placed the blame for delay in peace negotiations on the Ashida Cabinet, and asserted that "conclusion of the peace treaty will decisively remove Japan's economic difficulties."

ECONOMY

First anniversary of the resumption of private foreign trade was accorded extensive coverage in the weekend press. Papers noted the increase in export trade, the growth of private trading since February of this year, and the Board of Trade's plans to double exports during the coming year. Also accorded attention was Finance Minister Kitamura's opposition to devaluation of the yen. Kitamura reportedly censured Commerce-Industry Minister Mizutani and Mosaburo Suzuki, head of the Socialist Political Research Committee, for urging currency reform, declaring that their statements "only promote uneasiness."

Comment on the private trade anniversary appeared in three papers. NIPPON KEIZAI and TOKYO SHIMBUN felt that unless an official exchange rate was set, transactions would remain under "great restriction" despite simplification of trade procedures. The financial journal admonished that the easing of buyer-seller negotiations placed heavier responsibility on Japanese merchants. Unless the producers lived up to their contracts, not only would their credit be affected, but the credit of Japan as a nation would suffer as well, warned the writer. In addition, Japan must endeavor to raise the quality of export products if it is to compete on the international market, the paper concluded. Agreeing, JIJI SHIMPO urged thorough study of foreign markets in order to slant production along the lines of commodities most in demand.

Socialist Anti-inflation Plans

An ASAHI editorial claimed that inasmuch as the anti-inflation programs evolved by the Socialist Political Research Committee and the Orthodox Diet Members Group -- formerly of the same party -- held currency reform as the chief measure for rolling back inflation, these plans could not be considered sound. The fundamental means to check inflation was to eliminate deficits of the Government and of industrial enterprises, contended the commentator. Currency devaluation would only cause a dearth of funds, and in turn would intensify the panic that would accompany currency stabilization, insisted the journal. Meanwhile, an article in the same paper characterized the Socialist PRC plan as "vague and radical," and charged that the program was "intended to be used for political purposes."

LABOR

Decision of the recent public procurators' conference to lend full support to enforcement of the Administration ordinance banning strikes and collective bargaining by State employees was noted in several metropolitan journals. The procurators reportedly believed that sympathy strikes by union members employed in private enterprises were "illegal political strikes," and felt that "resignation tactics being employed by some civil service employees should be dealt with severely."

FOREIGN

Promulgation of the Korean Republic received prominent attention in Sunday's and Monday's editions. General MacArthur's message, delivered in Seoul, was widely quoted, and editorials on the new government appeared in ASAHI, MAINICHI, YOMIURI, JIJI SHIMPO, and TOKYO MINPO. Congratulations were offered to the new nation, but the division of the country was observed as a marring feature in the independence celebration. Because of the expected formation of a government in the northern zone, most editorialists seemed pessimistic. Writers expressed hope for eventual unification -- so that "the Korean people may contribute to Asiatic rehabilitation" (ASAHI). YOMIURI regarded military strength as the most important need for the new state, and felt that retention of American forces for the time being was essential.

EMPEROR SYSTEM

In observing the third anniversary of the Surrender (see above), YOMIURI and SHIN YUKAN prominently featured discussions of the status of the Emperor. YOMIURI published the results of a nation-wide poll of 3,080 persons, 90.3 percent of whom reportedly favored continuance of the Emperor system. SHIN YUKAN devoted almost the entire front page to interviews with persons from various walks of life, the divergent opinions ranging from apprehension lest the system again be utilized for feudalistic power to belief that the Emperor should be retained because in the present uncertain times he is a symbol of order. An editorial on the trend toward "humanizing" the Emperor contended that the effort went too far in attempting to make him "no better than the mass of the people," for no other individual "could symbolize the unity of the Japanese."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

AUG 20 1948

PRESS ANALYSIS, 14 August 1948 No. 857

POLITICS

Possible revision of the Constitution, reported yesterday only by YOMIURI, received broader coverage today as Attorney-General Yoshio Suzuki corrected the interpretation placed on his earlier remarks by the morning daily. Contrary to previous reports, a bill to revise the Constitution was not expected to be introduced in the immediate future, the Cabinet Minister stressed, although he regarded the present as "an opportune time" for re-examining the charter and, according to news reports, confirmed the fact that the Government had requested Diet reconsideration. The Attorney-General was quoted as saying that legal revisions to provide for the Emperor's abdication had not been discussed, but that alterations in the Constitution might deal with the technical aspects of such problems as formation and resignation of the cabinet, and nomination of the premier.

Principal subject of editorial comment was Tetsu Katayama's interview of 12 August (Press Analysis No. 856), which drew critical observations from a number of journals. Major points of criticism differed in the various papers, however. For example, although YOMIURI and TOKYO SHIMBUN editorialists agreed with MAINICHI that the Socialist Party leader's opposition to a Democratic-Liberal Cabinet was natural, they were more critical of Katayama's contention that the Socialists would not cooperate in designating Yoshida as premier in the event the Democratic-Liberals should win in a forthcoming election. What did Katayama mean by saying that he will not recognize the majority, YOMIURI queried, asserting that from such a standpoint "even Diet dissolution becomes meaningless." Katayama's attitude on this point indicated to TOKYO SHIMBUN that he was "intending to dabble in the blackmarketing for political power," even though the Socialists might be under no formal obligation to acknowledge the majority party as having the prerogative of forming a cabinet.

The MAINICHI and YOMIURI writers also differed on the question of withdrawal of Socialist members from the Cabinet, with the former regarding Katayama's contention that the Socialists should remain within the Government as indicative of a "responsible attitude," even though resignation from the Cabinet might make things easier for the Socialists themselves by resolving internal dissensions. YOMIURI, on the other hand, expressed the opinion that if the Socialists wished to remain in the Cabinet, they should cease advocating Diet dissolution. Failure of the Socialists to make any clear-cut commitment for turning to an Opposition Party was most sharply criticized by MAINICHI, which saw the solution for Socialist difficulties in a three-fold program of dissolution of the Diet, formulation as an opposition, and reconstruction of the Party.

Personal criticism of Katayama also appeared in YOMIURI and SHIN TOKYO, as the latter accused the former Premier of attempting to "chase two rabbits at the same time," in his efforts to placate both left and right wings. Admitting that the Socialist leader's former demands for Diet dissolution had, of necessity, been modified by the SCAP letter regarding revision of the National Public Service Law, YOMIURI suggested that the combination of Katayama's character and the internal problems of the Socialist Party might have been the more influential factors in softening the demand for a new election. The exact intention of Katayama's remarks was considered "unclear" by SEIJI SHIMBUN which, however, hazarded the suggestion that Katayama's recommendation that Socialists remain in the Cabinet was a check against the disruptive influence of Mosaburo Suzuki's urging of Socialist withdrawal.

FOREIGN

De facto recognition of the South Korean Government by the US and China gained lead position in many metropolitan papers, which also reported plans of the Supreme Commander to attend the inaugural ceremonies at Seoul on Sunday. Only comment so far noted appeared in MAINICHI, which remarked on the numerous difficulties confronting the new government. Unity of the Korean state is the greatest desire of the people, the commentator observed, adding that accomplishment of the unification and independence of Korea was dependent on the abilities of newly elected President Syngman Rhee.

LABOR

Announcement by the Socialist Party's Political Affairs Research Committee of a draft plan for the revision of the National Public Service Law was accorded extensive coverage. The Committee proposed that non-clerical field workers in government enterprises be permitted to conduct strikes and collective bargaining "within the limits compatible with their obligations as civil servants." In addition, the draft plan recommended "democratization of the projected Personnel Authority," quarterly investigations relating to revision of the wage standard, and "reorganization of government-managed enterprises -- with a view toward socialization." Communist Party policy was said to have "prompted revision of the National Public Service Law, and afforded conservative elements an excuse for curbing the labor movement."

Osaka Ordinance

Rescission by the Osaka Public Safety Committee of the recently enacted municipal ordinance regulating public assemblies and demonstrations was reported in most papers. The Government was said to regard the ordinance as constitutional, "since it is based upon the authority to issue municipal decrees as provided under the Local Self-Government Law." State officials assertedly acknowledged, however, that "one point running counter to Occupation authorities' instructions lies in the prohibition of unregistered indoor assemblies." Simultaneously, AKAHATA reported that two Osaka Communist leaders had filed a complaint with the Supreme Court alleging that the municipal ordinance was unconstitutional.

ECONOMY

Determination of a foreign exchange rate for Japanese yen -- said to be expected "within a week" -- was reported as the day's principal economic development. The new rate reportedly would be about 270 yen to the dollar, although it was said that "a number of rates might be set for different kinds of transactions." Several papers also announced the Price Board's decision to launch a nation-wide price stabilization campaign. With the contemplated assistance of labor unions, industrial bodies, and news services, the Board planned measures "to crack down on blackmarketeers and to disseminate information about official prices."

FOOD AND AGRICULTURE

Designation of the Central Agricultural Bank as liquidator of the agricultural associations -- whose dissolution was said to be effective today -- was announced by several journals. Some coverage also was given to the Agriculture-Forestry Ministry prediction that it may be impossible to increase the staple food ration in October, "even if food imports are favorable." Increased rations assertedly were planned as a wage stabilization measure.

An ASAHI editorial hailed "the dissolution of the agricultural associations, together with the land reform, as an epochal event for the farmers of our country." The writer declared that "the peaceful progress of this drastic program would have been impossible without the support of Occupation officials." Organization of cooperative unions was encouraged, and farmers were cautioned against "activities of bosses, which reportedly have been witnessed in the formation of the prefectural federations of cooperative unions."

PEACE TREATY

A signed article in AKAHATA claimed that "the desire for an early peace treaty is daily growing stronger among the general public." Recalling mention last year of a "separate peace treaty," the writer charged that this was no longer desired by "the ruling class of Japan" who preferred the continuance of present conditions under the Occupation. Peace was believed to be out of the question under "a Government that overlooks acts of terrorism against free speech, that uses ordinances to deprive workers of their rights, and that arrests and imprisons laborers. Therefore, the early peace movement is also a movement in defense of democracy." On the one hand, Britain, China, Australia, and the Soviet Union were said to "strongly urge" the early conclusion of the treaty, while "indefinite postponement . . . is being advocated on the other." In regard to the Russian attitude, "propaganda was spread last year that 'the Soviet Union was opposed to a peace treaty,' but the USSR has continued to advocate that a treaty be drafted by the four or five great powers. * * * Even in the United States, demands for immediate treaties with Japan and Germany are growing stronger." The new Progressive Party's platform in this connection ("supported by all progressive elements") was considered of "great significance."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

AUG 20 1948

PRESS ANALYSIS, 13 August 1948 No. 856

POLITICS

Socialist Chairman Katayama's declaration of non-cooperation with the Democratic-Liberal Party drew lead position in a majority of Tokyo morning editions. At an interview yesterday in Hokkaido, the former Premier also reiterated his demands for Diet dissolution after the passage of the revised National Public Service Law, and indicated that the Socialist Party had no intention of withdrawing its Ministers from the Cabinet prior to the holding of a new election. Katayama's opposition to a Democratic-Liberal regime was interpreted generally as an indication that the Socialists would consider favorably a three-party coalition along the lines of the present Cabinet in order to keep the conservative Democratic-Liberals out of power. At the same time, the intention of the Democratic-Liberals to form a single-party Administration, as stated by Party Adviser Kijuro Shidehara, also was widely reported.

Commentaries in connection with the Katayama and Shidehara statements, together with evaluations of observations made earlier this week by left-wing Socialist Mosaburo Suzuki (Press Analysis No. 854), dominated political editorials in metropolitan papers. Suzuki's recommendation that Socialist Cabinet members withdraw from the Ashida Government before the holding of the special Diet session was considered by JIJI SHIMPO as another indication of the split between left- and right-wing Socialists. Moreover, the journal asserted, if the Socialist Party does not become the dominant party as the result of the next election, the offensive between the two extremes of the Socialists will increase.

Talk of Diet dissolution has once more increased as a result of Katayama's continued insistence on the necessity of a general election, NIPPON KEIZAI's political commentator remarked. The writer saw a growing trend in support of withdrawal from the present Cabinet among Socialist Party members. Chances that the Democratic-Liberal Party would gain in any forthcoming election were strong, according to the NIPPON KEIZAI writer who, however, considered it doubtful that the conservative party would gain a dominant majority. Continuation of a Democratic-Socialist coalition in the face of a strengthened Democratic-Liberal Party was considered by the journal a debatable question. At the same time, various journals quoted Shidehara as saying a conservative merger was difficult of realization, and to be sharply distinguished from creation of a centrist party, the meaning of which was held by the Democratic-Liberal Party leader to be "incomprehensible."

SOCIAL PROBLEMS

Reporting on PTA and Teachers Union activities in connection with recent scandals in Tokyo primary schools (Press Analysis No. 855), AKAHATA claimed that a Union investigation "affirmed the fact that . . . all other reports (except the first-noted incident) were found to be a plot of bosses who misused the press." A Union representative was quoted as charging PTA officials and the newspaper YOMIURI with exaggerating the affair. The officials were accused of using the scandals to draw publicity to themselves in preparation for the election of schools boards in October, and articles in YOMIURI were labeled as "sheer fabrications."

PUBLIC HEALTH

Poor living conditions and public laxity toward sanitation share the blame for the prevalence of encephalitis, editorialists believed. Too few people made efforts to eliminate mosquitoes, ASAHI said, believing that eradication campaigns must be on a city-wide scale to be effective. "People seem no more concerned with public hygiene in postwar than in prewar days," MAINICHI complained, also scoring Government officials for not taking preventive measures well in advance. The problem was considered a national one which could not be met by local measures alone. Japan should realize, the writer warned, that an "epidemic-stricken nation cannot hope for an influx of foreign tourists and traders."

LABOR

Work stoppages in apparent defiance of the Administration ordinance banning strikes and collective bargaining by public servants reportedly were conducted by government railway workers in Hokkaido yesterday. A SEKAI NIPPO editorial noted that some unions were striking in violation of the ordinance, and recommended that labor organizations engaged in political action "should be denied recognition and deprived of all legal safeguards." It was reported also that Tokyo electric workers had decided to stage a 4-hour walkout on 15 August.

NPSL Revision

A TOKYO MINPO editorial noted that the SCAP message proposing revision of the National Public Service Law suggested that the Government take adequate measures to protect the interests of its employees. Charging the Administration with "laxity" and "irresponsibility" toward the welfare of State employees, the writer requested Government officials to seek settlement of disputes by "interpreting the ordinance to the workers' advantage so far as possible." The journal concluded that "if the Government maintains its present attitude, we regretfully assert that it is to be held responsible for any consequences."

Addressing itself to the controversy in labor circles concerning the interpretation of the SCAP letter, SEINEN SHIMBUN urged Government officials and labor leaders to seek clarification of this question directly from Occupation authorities. Meantime, JIJI SHIMPO and AKAHATA voiced disapproval of a municipal ordinance said to have been issued in Osaka, which would regulate public assemblies and demonstrations.

ECONOMY

Price Board decision to raise official prices of goods whose transactions are taxable under the newly instituted sales levy -- excepting principal food items and key materials -- was reported extensively. Scheduled to become effective 1 September, increases were expected to range from four to ten percent. Also accorded wide coverage were the Cabinet's deliberation on the 10-point economic rehabilitation program and US plans to send machinery to Japan and other nations participating in the American global aid program.

Socialist Anti-inflation Plan

Three journals were of the opinion that although the tentative draft of the Socialist anti-inflation plan -- stressing the need for currency adjustment as a basis for economic rehabilitation -- included some pertinent features, it also contained various weaknesses. YOMIURI thought the plan was "noticeably removed from reality" and "too inclined toward a monetary policy." Judging from the realities of today, it was impossible to hope for the final currency adjustment in the course of the next year, according to the journal, which warned that any forcible measure would only be accompanied by undesirable results. The writer believed that the situation would assume a different aspect only in the event that foreign aid proved to be greater than expected.

NIPPON KEIZAI felt that because "great pains were taken to add a socialist tinge to the plan," certain weaknesses resulted, notably ambiguity regarding policies on inflation. Also, the draft allegedly failed to clarify the Socialist attitude toward national finance and banking measures. MAINICHI believed that the Socialist plan should be more concrete and concise inasmuch as the Socialists assertedly had committed themselves to curbing inflation. Any discussion over whether a currency reform should be instituted was "meaningless" unless certain conditions -- particularly extensive foreign aid -- were met, the writer insisted. Meanwhile, an AKAHATA article noted that the Socialist draft was "only a composition on previously announced policies."

FOREIGN

The political situation in China was observed by commentators in ASAHI, CHUKA NIPPO, and AKAHATA, following the reports that anti-Nationalist elements were prepared to form a coalition government with the Communists. The first two papers saw no improvement for the present condition of China if the movement were carried out, and CHUKA NIPPO believed the plan would effectuate a partition of the country such as that existing in Korea and leading to "direct entry in the cold war." Opposing this view, the Communist Party organ showed approval of the idea, praising the administration in Communist "emancipated" areas as "a government for peace, democracy and racial independence called for by all the Chinese people."

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PRESS ANALYSIS, 12 August 1948 No. 855

LABOR

Official interpretation of the Administration ordinance prohibiting public employees from strike action and engaging in collective bargaining was accorded prominent attention in most metropolitan journals today. The Government reportedly would permit public servants "to present their grievances, opinions, or suggestions," even though collective bargaining was banned. The interpretation also indicated that salaries would no longer be paid to government employees occupied principally in union activities, and that all actions "detrimental to administrative efficiency" would be punished. Meantime, five journals noted that Major General Kislenko reportedly had asked revocation of the Administration ordinance, because it allegedly violated the Potsdam Declaration.

Heavy coverage also was given to Labor Minister Kato's views on the proposed Personnel Authority. The Minister was said to be opposed to granting the Authority "broad powers" on the ground that the new agency "may seriously interfere with the smooth operation of the government." Attention was called to the revision draft of the National Public Service Law, which "stipulates that in the event the budget of the proposed Personnel Authority is disapproved by the Cabinet, both Government and Authority plans will be submitted to the Diet."

Some papers reported that Matsuyama railway workers had returned to work after a brief stoppage, while Osaka postal employees and Hokkaido coal miners were said to have called off scheduled strikes. Continued opposition to the Administration ordinance was seen in the reported mass absenteeism of Asahigawa members of the Government Railway Workers Union, who were expected to be prosecuted by Sapporo judicial authorities. In addition, decisions favoring strike action were said to have been reached by the Gumma chapter of the National Communications Workers Union, and by a conference of chairmen of 10 GRWU locals.

Demonstration Restrictions Scored

Possible restrictions on labor demonstrations and assemblies -- such as those enacted in Osaka (Press Analysis No. 853) -- were attacked by three journals. Although gratified that the Cabinet had not imposed such regulations, MAINICHI warned that the nation should not ignore future attempts in this direction. It would be "outrageous," the editorial asserted, to place a ban on all labor disputes, but it was acknowledged that the activities of "those whose purpose is destructive" should be controlled. Suppression of labor under the pretext of maintaining order would only encourage "mass movements," the journal stated, adding that authorities should avoid "a cure worse than the illness."

In a similar commentary, TOKYO MINPO charged that "conservative influences" were taking advantage of the Administration ordinance (see above) to establish restrictive rules throughout the nation. The new Constitution guarantees labor freedom of speech, political activity, and the right to organize peaceful demonstrations, parades, and assemblies, the editorial said, and "we must resolutely oppose . . . the forces of reaction." Although less outspoken, YUKAN MIYAKO believed that unions deserved considerable credit for the democratization of Japan, and cautioned the Government against using "coercion."

FOOD AND AGRICULTURE

The recent price drop in vegetables, together with predictions of increased food importation due to the favorable world crop situation, was causing uncertainty among Japanese farmers, SHIN YUKAN believed. The writer further claimed that because of rising taxes some farmers were "seeking to dispose of land they took such great pains to acquire." To level periods of scarcity and abundance a long-range agricultural plan was called for, aimed at adjusting Japan's food program to the international food supply.

ECONOMY

Cabinet decision to enact a Credit Guarantee Association Law to alleviate shortage of funds among industrial concerns was reported extensively. Plans were said to call for speedier disbursement by the Government and special financing to small and medium enterprises. Papers also noted the start of cotton purchases in the US under the $60,000,000 cotton loan program, the appointment of a new SCAP textile section chief, and upward revision of 14 processed marine products and abolition of price controls on eight others.

Relaxation of Trade Controls

Three journals thought the lifting of controls (Press Analysis No. 854) would contribute greatly to the rehabilitation of Japan's foreign trade. Declaring that the nation's trade was still far short of the maximum goal set in the 5-year reconstruction program, JIJI SHIMPO noted that the crux of the issue lay not only in complex export procedures and lack of freedom in communications, but in the instability of South Seas areas which are expected to become markets of Japanese products, in lack of an exchange rate, and in failure of quality and prices to meet buyers' demands. The commentator thought that the basic need was rationalization of industries to enable the quality and prices of export commodities to cope with international competition.

Agreeing that there were many difficulties to overcome, ASAHI was concerned that textile goods reportedly were to comprise 63 percent of the export trade for the coming year. The anticipated development of the textile industry in India, China, and the Philippines should cause reflection on the advisability of placing major emphasis on textile fabrics, maintained the writer, who urged concentration on the production of chemicals and machinery. Characterizing the SCAP directive as a challenge to Japanese exporters, SEKAI NIPPO also mentioned the urgency of reconstructing domestic economy to meet competition of nations whose industries were gradually being restored.

POLITICS

Political developments included the possibility of indictment of Communist leader Sanzo Nozaka by the Fukui Military Government Team, and statements by Kihachiro Kimura indicating that members of the "orthodox Socialist group" might rejoin the main branch of the Party. The latter report, noted only in ASAHI, quoted dissident Socialist Kimura as saying that public opinion had not supported the secession of the leftist members from the Party, while the dissidents themselves had come to the conclusion that efforts should be made to regenerate the Socialist organization from within. Reported in at least nine morning editions was the possibility that action might be taken against Nozaka for allegedly slanderous charges following the recent earthquake disaster.

Editorial comment dealt with various aspects of the political situation. An editorial in TOKYO SHIMBUN appeared to offer support to a conservative merger under the leadership of Democrats Ken Inukai and Wataru Narahashi. Criticism of excessive issuance of local regulations was voiced in the columns of JIJI SHIMPO, while AKAHATA charged the Ashida Cabinet with "following the path of fascism." Accusing the Socialists of being the "worst criminals," the Communist organ asserted that the Socialist Party's only contribution in the present Government had been "to strengthen reactionary and conservative power."

SOCIAL PROBLEMS

Scandals recently reported in certain Tokyo primary schools drew editorials from SHIN TOKYO and YOMIURI, which agreed that sex education for children was needed. Punishment of those allegedly involved in the crimes would not settle the basic problem, the latter journal believed, and an inquiry into preventive measures was suggested. A cause of the situation was seen in what the writer observed as postwar "lowering of the level of teachers," which was attributed to the lack of personnel.

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PRESS ANALYSIS, 11 August 1948 No. 854

ECONOMY

A SCAP directive ordering removal of Japanese government controls over export trade beginning 15 August won lead position in four major journals and featured attention in others. Papers reported that under the new procedure, Japanese producers and foreign buyers will be authorized to conclude trade agreements directly, but all contracts will be subject to review and validation by SCAP officials. Sole editorial comment appeared in TOKYO SHIMBUN, which believed that lifting of controls would promote development of foreign trade, and urged intensified efforts to "remove remaining obstacles." The commentator noted that the SCAP directive was opportune because many foreign traders reportedly had complained at the "painful delays in negotiations caused by red tape."

Rehabilitation Program

Tokyo dailies also accorded considerable coverage to the Economic Recovery Planning Committee's approval of the basic plan for rehabilitation and revision of three points -- emphasis on telegraphic communications in the first half of the program, top priority to land conservation measures, and increased efforts to spur employment. An ASAHI editorial endorsed the recently revised draft of the 5-year rehabilitation plan (Press Analysis No. 846), declaring that it remedied the shortcomings of the original project by "coordinating production recovery and checks on inflation into a single plan." If the production and currency phases were treated separately, increase in production and curbing of inflationary trends could not be expected, maintained the journal. The writer expressed concern, however, over the ability of the Economic Recovery Planning Committee to execute the policies, and warned that it would be "senseless" to attempt implementation of the program unless there were complete understanding and cooperation.

Meanwhile, YOMIURI sounded a warning against undue optimism over the nation's economic reconstruction. Such favorable conditions as the temporary lull in inflation, prospects of foreign aid, and the expected bumper rice crop were more than counter-balanced by lowered production, difficulties in recovering foreign markets, and the absence of a unilateral exchange rate, the journal observed. On the other hand, JIJI SHIMPO thought that the allegedly increasing supply of goods due to accelerated imports and domestic production warranted gradual lifting of economic controls. A planned economy was necessary for a period after the war, the commentator conceded, but this "unnatural form of economy should be eliminated as soon as possible."

LABOR

Cabinet agreement on a uniform interpretation of the ordinance prohibiting strikes of government workers received prominent attention, as did the Government's listing of doubtful points regarding revision of the National Public Service Law -- on which it reportedly intended to confer with SCAP authorities. The Cabinet also was said to regard as "excessive" the action of Osaka in imposing a penalty unless a permit was obtained five days in advance of a labor demonstration or assembly.

An editorial in SHAKAI SHIMBUN, Socialist Party organ, was sharply critical of the Communist stand that the administrative ordinance against public servant strikes was unconstitutional. This attitude, the paper said, completely disregarded the fact that, in accepting surrender, Japan placed itself under the control of SCAP. The writer also accused extreme left-wing leaders of trying to divert attention from their responsibility in creating a situation which prompted General MacArthur to issue the 22 July letter, and advised unions to strengthen their organization to prevent actions from being dictated by the Communist element.

TOKYO TIMES warned that success of the Personnel Authority depended entirely on the fairness and competency with which it exercised power, and that poor administration might reduce efficiency in public offices because of workers' unrest. Another eventuality foreseen was that an inefficient Authority might delay "the cleanup of feudalism in government offices."

FOREIGN

Pessimistic reports on the success of the Moscow negotiations between the Western nations and Russia highlighted foreign news coverage. In the sole commentary on the European situation today, SHIN TOKYO warned against a hasty conclusion based on "one-sided reports," and noted the stories of Eastern Germany food riots carried in German newspapers in the western zones. Surprise was registered at such reports, since the areas of the supposed disturbances were said to be large food producing centers, and the writer suggested that the demonstrations were held to express opposition to "efforts to supply food for Berlin."

Chinese-operated CHUKA NIPPO professed to see a trend toward creation of a breach in Sino-Japanese relations. Japanese misunderstanding of the Chinese people was attributed partially to US policy toward aid for Japan, which assertedly caused major Japanese newspapers to "eliminate China from the Allied Powers" (i.e., from its status as a victor nation). "In reality almost all of the people of Japan do not think much of the Chinese people," the journal said. Conditions of local Chinese residents would improve, the writer believed, if China developed into a stronger nation, and prosperity of the two peoples was envisioned through this and through the "complete democratization" of Japan.

POLITICS

Recommendation of the Socialist Party's Political Research Committee that the Party withdraw from the present coalition Cabinet before convocation of the extraordinary Diet session was accorded front-page space. The suggestion was contained in a statement by Committee Chairman Mosaburo Suzuki, who also predicted that the Diet would be dissolved. TOKYO SHIMBUN said that the Committee's conclusions would be approved "in all probability" by the Socialist Central Executive Committee, and suggested that the Socialists would face a general election as an opposition party.

SEKAI NIPPO viewed the Socialist Party as "unsocialistic," and expected intra-organization reform to lead the Party more toward the left. However, the editorialist warned, if reform brought about "blind following of the radical or extreme leftist leaders of labor unions," the Party would fail in its duty to the nation and would fall into the position of a permanent opposition party "as poor as the Communists."

SOCIAL PROBLEMS

Criticizing the "blind adoration" of the Japanese for Europe and America, SENI SANGYO SHIMBUN, a bi-weekly trade journal, recommended that imported ideas -- from the East, as well as West -- should be "cautiously digested and assimilated." In addition, the writer attacked an alleged tendency of the Japanese to "underestimate" themselves and to regard themselves as "the most inferior race in the world." It was acknowledged that Japan should atone for barbarous wartime acts, but the commentator contended that these crimes had resulted from orders by a small minority. At a time when the Japanese should be striving to become a "cultural nation," the paper opposed the condemnation of all Japanese customs and habits as "vulgar," and the praising of everything foreign.

SPORTS

TOKYO MINPO predicted that record-breaking swimming feats by a Japanese would have a "profound significance in awakening the Japanese people to their abilities," but stressed the need for a physical education program that would be available to more people.

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PRESS ANALYSIS, 10 August 1948 No. 853

LABOR

Possibility that large cities might ban union demonstrations and unscheduled meetings was prominently reported today, as the Tokyo press continued to focus attention on current and contemplated opposition to the government ordinance forbidding strikes by public servants. Osaka authorities were said to have adopted this policy, apparently because of an anticipated walkout by communications workers. Meanwhile, Chairman Dobashi of the All-Japan Communications Workers Union announced that "the workers' fight will continue," and YOMIURI said that the railway strike situation in Hokkaido was "going from bad to worse."

Headlines also noted that the Administration had begun to draft a revision of the National Public Service Law, and papers said that officials were of the opinion that "everything possible should be done to promote the welfare of government workers." However, there was disagreement over revision of labor laws, according to ASAHI, which explained that Democrats favored such action and that Socialists were opposed.

Condemning defiance of the ordinance, four journals urged unionists to realize that their tactics were costing public support. One of the papers, TOKYO MINPO, admonished unions not to resort to strikes or slow-down tactics, but instead to concentrate on "favorable" revision of the NPSL. However, the leftist journal argued that the Administration should assume responsibility for the situation, and ASAHI foresaw a "seriously aggravated" problem should the Government attempt forcible measures. But the last-named paper emphasized that unions should "use discretion and refrain from acts which would constitute a head-on collision with the law and end in disaster to their cause."

In agreement, SEIJI SHIMBUN reminded unionists that the basis of the strike ban was the SCAP letter of 22 July. It was "absurd," the commentator maintained, to question the constitutionality of the government ordinance when it was known that such ordinances were based upon the Potsdam Declaration and took precedence over Japanese law. Violators of the ban will bring misery to themselves and their families, the editorialist asserted, the general public "will be thrown into confusion, and the Japanese people will lose the confidence of the world." In the opinion of CHUKA NIPPO, capital and labor should cooperate to hasten economic recovery, and should seek "peaceful and rational" means to settle differences.

ECONOMY

Expected conclusion of a 81,000,000,000-yen trade agreement between Japan and the sterling area countries was accorded extensive coverage in today's editior of the metropolitan press. Also noted was the Finance Ministry disclosure of the sum of 44,000,000,000 yen in unpaid taxes.

Major journals reported Government efforts to assure strict enforcement of the 10-point economic stabilization program by requesting ministries concerned to present plans now under consideration or in practice. The Cabinet was expected to discuss these reports on 14 August. Chief Cabinet Secretary Tomabechi was quoted by several papers as urging early realization of the 10-point project since it was the "sole means left for Japan to reconstruct its economy and regain foreign confidence."

Sole comment on the economic principles appeared in TOKYO SHIMBUN, which declared that no matter what the political situation might be as a result of the special Diet session, the 10-point policy must be enforced in all events, because the project will form the foundation of present and future reconstruction measures. Its implementation, however, will require "more than ordinary political power," insisted the editorialist. Doubting that the present Administration was capable of wielding sufficient power, the journal called for combining of political forces to execute the program. But as a prerequisite for joint action, various political groups must first clarify their stand on the stabilization principles, the writer concluded.

Other Editorial Comment

Criticizing the various forms of taxation instituted by Government officials in a "desperate attempt to increase revenues," JIJI SHIMPO suggested elimination of deficits by limiting expenses, and urged "well-directed efforts to curtail expenditures." NIPPON KEIZAI attributed the reported decline in purchasing power to the tight money situation and amount of currency in circulation, and declared that the decline should be considered as "progress in the task of checking inflation."

FOREIGN

Prominent coverage continued to be given to the secret negotiations in Moscow, and press interest was stirred by reports of a possible rapprochement between Chinese political elements.

In an editorial reviewing the new group's platform, AKAHATA called the activites of the US Progressive Party "a great hope for democratic elements aiming at world peace." American Communists' support of the Wallace organization was justified because "the platform . . . is in nearly perfect accordance with that of the Communist Party." The Progressives' goal was said to be "a frontal fight against the Democrats and Republicans for the maintenance of US democracy and the prevention of world war."

POLITICS

Initial moves by the Government in preparation for the September Diet session were noted by Tokyo papers in both news and editorial columns, while possible dissolution of the Diet after passage of the National Public Service Law revision brought comment from SHIN YUKAN and SHIN TOKYO. Administration indifference in hastening preparations for the special session was charged by a SHIN HOCHI editorialist who accused Cabinet Ministers of being absorbed in party politics while neglecting "grave affairs of state."

Anticipation of a general election in the not distant future was noted by ASAHI in connection with the internal dissensions of the Socialist Party. The cabinet which would be formed as a result of such an election probably would be much the same as the present Government, the editorialist believed, and quoted reports that Tetsu Katayama's insistence on Diet dissolution was to settle disputes within the Socialist Party, and to break Socialist relations with the Democratic Party. A different view was taken by SHIN TOKYO, which felt that the Socialists should not concede to the demands of the conservative parties for continued coalition. "The laboring masses hope that the Socialist Party will restore its genuine character as a party of the laboring class, even if this involves yielding temporarily to a more reactionary cabinet," the journal maintained, urging that "a political party of the laborers should never remain neutral."

Criticism of the Communist Party was observed in MAINICHI and in CHUO YORON SHIMBUN, with the latter urging that the opportunity offered by the SCAP letter regarding revision of the National Public Service Law be used to suppress Communist influence. Communists should regain "calmness and intellect" for the sake of their party as well as the nation, MAINICHI urged, accusing the Communists of behaving "as if they are surrounded by enemies," and adding that "disputes are not always the means of expanding one's power."

WAR CRIMES

Remarking that the day for the sentencing of major war criminals was only a few weeks away, TOKYO TIMES said that the Japanese people must share the guilt of the militarists. While conceding that the people had been misled and oppressed, the writer censured them for their passive and uncritical acceptance of the situation. The public was charged with taking a complacent attitude toward pacifism, and the people were told that "to establish pacifism, intelligence, exertion, and sometimes strenuous courage are necessary."

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PRESS ANALYSIS, 8 and 9 August 1948 No. 852

LABOR

Arrest of 10 members of the Ehime Prefecture branch of the Government Railway Workers Union for alleged violation of a Cabinet ordinance forbidding strikes by public employees won prominent headlines in weekend editions of the Tokyo press. A similar situation also existed in Hokkaido, according to ASAHI, which noted the possibility of the arrest of GRWU members in that area who were absent from their posts. News stories emphasized the determination of the Administration to demand compliance with the ordinance despite opposition.

Comment on latest developments appeared only in TOKYO SHIMBUN and MAINICHI, both of which were critical of unions which opposed the ordinance. Quoting two labor leaders as saying that government and private unions were making preparations for widespread strikes, the first-named journal declared that "this is a good opportunity for the government workers' union to dissolve the extreme leftist crisis by ignoring this strike instruction." Unions which "foolishly prefer death to dishonor" were urged to exercise prudence or "they will dig their own graves." Similarly, MAINICHI asked why workers continued a "hopeless and unreasonable campaign," but the writer also criticized the Government for alleged failure to act prior to the SCAP letter of 22 July. "Lack of confidence in the Administration is intensifying the dispute," the morning daily added. Meanwhile, AKAHATA said that the Ehime Communist Party had called for assistance to those on strike because "if labor remains indifferent to this struggle, the working class will continue to taste defeat."

Commentaries on projected revision of the National Public Service Law and related subjects appeared in five journals. TOKYO TIMES welcomed what was regarded as an opportunity to remove the "privileged class of bureaucrats"; SHIN HOCHI warned against giving the new Personnel Authority too much power, and TOKYO MINPO contended that labor law revision designed primarily to weaken Communist strength would not solve labor problems. A warning against prohibiting strikes by public utility employees was contained in a YOMIURI editorial which argued that "fundamental human rights should not be ignored under the cloak of public welfare." Observing the cleavage between right- and left-wing labor groups, ASAHI saw no objection to such a division unless unionists were influenced by outsiders to make a choice between the factions.

ECONOMY

Statements by ESB Director-General Kurusu and Finance Minister Kitamura to the effect that no emergency currency measures would be undertaken highlighted economic developments. Kurusu reportedly stated that efforts should be made to increase production of materials for industrial reconstruction, rather than enforcing currency plans, while Kitamura asserted that the Government had no intentions to devaluate the yen at present.

Foreign Trade

Approach of the first anniversary of the re-opening of private foreign trade evoked commentaries from three journals. Noting steadily increasing growth in trade since its revival last August, papers envisaged further progress as a result of the Government's reported plans to simplify trade procedures, the expected establishment of an exchange rate, and the introduction of foreign capital. However, all commentators warned against over-optimism, and stressed the need for intensified efforts to attain export goals. Editorialists also urged reorganization of the nation's export industries in order that Japan might serve as an integral link in world economy.

Declaring that it was essential to build a solid industrial foundation to permit Japan's entry into international trade, DAI ICHI SHIMBUN called for improved efficiency in the production of high-quality goods to compete with other countries. In a similar vein, JIJI SHIMPO said that Japan's economic policies must be slanted toward development of foreign trade, and advised that trade be conducted on the basis of mutuality. In line with this opinion, SEKAI NIPPO observed that although textile fabrics should rank high in current exports, more consideration should be accorded to products that were expected to figure prominently in future commerce, such as chemicals and machinery. The journal also remarked that trade relations would not be so easy to maintain as in prewar days, but warned against becoming involved in "trade warfare."

Other Editorial Comment

Contending that it was "foolhardy" for the Government to attempt to rebuild the nation's crippled economy by such an "artificial measure as a drastic deflation policy which was bound to create an economic crisis," YOMIURI advised adherence to current anti-inflation measures. Noting increasing reports of currency measures to check inflation (Press Analysis No. 851), SHIN HOCHI hoped for "further study of the practical conditions involved and public discussions of the various related issues." YUKAN MIYAKO remarked that although increased production was a vital factor in checking inflation, consumers could help the situation considerably by determined boycotting of blackmarket dealers.

POLITICS

Weekend news reports emphasized party leaders' remarks regarding the future political situation. Among the statements was that by Democratic-Liberal President Yoshida indicating that his group was not interested in joining with the Democratic Party to form a coalition cabinet when the present Government was dissolved. Also noted were Tetsu Katayama's repeated demand for Diet dissolution after revision of the National Public Service Law, and Wataru Narahashi's recommendation of a "fresh start" for political parties, with the Democratic Party following a middle-of-the-road policy. Chozaburo Mizutani, Minister of Commerce and Industry, was said to consider Cabinet resignation a more likely eventuality than Diet dissolution.

TOKYO TIMES and ASAHI stressed the difficulties involved in formation of the proposed centrist organization. The Democrats and Peoples Cooperatives agreed in desiring a middle-of-the-road policy, but differed in the means to achieve it, according to TOKYO TIMES. Peoples Cooperative Chairman Miki would not join the centrist party if it showed a tendency toward becoming excessively conservative, the journal thought, while it was considered difficult for the centrists to attract enough liberal members from the Democratic-Liberal Party to gain a majority over the Yoshida organization. The key to success of the centrist party lies in Socialist cooperation, according to ASAHI, which emphasized the disagreement between Peoples Cooperative and Democratic leaders. A commentary in SHIN YUKAN, on the other hand, considered it impossible for the Socialists to join the centrist organization unless there was a distinct change in the policies of the former, and warned against the danger of introducing "arbitrary trends" by formation of coalition parties.

HIROSHIMA

Four papers gave brief notice to the Hiroshima and Nagasaki "peace festivals" in observance of the atom bomb anniversary. In addition, ASAHI reviewed the progress of rehabilitation in the two cities, and MAINICHI hoped for peaceful utilization of scientific advances so that the Japanese would be "the first and the last people who knew the power of the atom bomb on the battlefield."

EDUCATION

ASAHI and SHIN HOCHI directed attention to a nation-wide survey of reading and writing ability sponsored by the Ministry of Education, and concurred in the need for simplifying and standardizing Japanese language. ASAHI cautioned that since this was the first survey of its kind the results might not be conclusive, but due to the importance of the project the journal recommended that the public give full cooperation.

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Civil Information and Education Section
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PRESS ANALYSIS, 7 August 1948 No. 851

LABOR

Official statements admonishing government employees to obey the administrative ordinance concerning strikes dominated news in major papers. Chief Cabinet Secretary Tomabechi, referring to charges that the ordinance was unconstitutional, declared that "there is no doubt as to its validity. Should anyone resort to strikes . . . he will be drastically dealt with." A similar warning came from Prosecutor-General Fukui.

YOMIURI reported that the Osaka Post Office Chapter of the All-Japan Communications Workers Union had decided to strike for one hour on 13 August "to urge the Government to reconsider the revision of the National Public Service Law," and this action was condemned by Communications Minister Tomiyoshi as a "reckless underground movement." NIPPON KEIZAI emphasized the reported decision of Democratic-Liberal leaders to ask cooperation of other parties in revising not only the National Public Service Law, but labor regulations in general. An opposing view was taken by Labor Minister Kato, who said that while the Socialist Party had not decided upon a revision plan, "we intend to avoid over-all revision of legislation related to the labor problem." Commerce-Industry Minister Mizutani, according to the same paper, corrected an earlier statement in which he implied that coal mines might be considered public utilities. "The National Public Service Law will never be applied to private enterprises," he said, "and naturally not to coal mines."

Editorially, MAINICHI dwelt on the wide authority reposing in the temporary Personnel Affairs Committee and hoped that it would maintain the non-political character intended for it. An AKAHATA column attacked the ordinance calling for revision of the Public Service Law as a "fascist action defying the Constitution and the Diet," claimed that without the right to strike unions would be forced "to submit to unilateral policies of the Government," and said that labor would fight rather than "yield to power at the risk of destruction." On the other hand, the leftist TOKYO MINPO criticized labor leaders for not having made plans to meet the present situation, maintaining it should have been anticipated by SCAP's order halting the strike of government workers last year. This paper believed that unions should strive to gain their ends through greater activity by the Socialist and Communist Parties in the Diet.

TOKYO SHIMBUN, speaking of the opposition of the All-Japan Communications Workers Union and the Government Railway Workers Union -- the largest labor unions of Japan -- doubted that they would be able to agree on joint action. A contributor to YUKAN MIYAKO sharply reproved both labor for its opposition tactics and the Administration for debating at first whether SCAP's letter was an advice or an order, contending that both acted as though "Japan had already become independent as a democratic country," rather than an occupied nation. The writer advised both factions "to judge the whole situation of the country, for dispute impedes reconstruction."

POLITICS

Premier Ashida's remarks concerning the forthcoming special legislative session and the question of Diet dissolution -- made on a northern speaking tour -- received wide coverage in metropolitan dailies. The Cabinet head was reported as predicting that little time would be needed for revision of the National Public Service Law, but anticipated greater difficulty for the measure to reform the structure of the Communications Ministry. As to the future of the present Administration, the Premier said, "Though I have no excessive attachment to the reins of government, I cannot resign irresponsibly" (SEIJI SHIMBUN). The subject of a centrist political federation, advocated by his advisor Wataru Narahashi (Press Analysis No. 850), was not touched upon, though the Democratic Party chief was said to have reiterated his stand in favor of a coalition cabinet.

Political commentaries again concentrated on the legislation to enforce the restriction of government workers' labor activities, and four writers studied the proposed strengthening of the Diet Personnel Affairs Committee into a civil service policy-making body. Some apprehension was expressed over the wide powers recommended for the organization, which would receive complaints of public employees and would decide on all questions including wages. KOKUSAI TIMES felt that the proposal was a Government attempt to "augment bureaucratic authority," describing it as "incompatible with Occupation policy."

SHIN TOKYO viewed the centrist movement as an expedient on the part of the Democratic Party -- with aid from Peoples Cooperative Chairman Miki -- to hold the interest of the electorate and divert attention from activities of the Democratic-Liberals. The plan was taken up when the Ashida group was "near drowning," the journal declared, but was subsequently treated with indifference when "help came from other directions." SHIN YUKAN saw strong possibilities of a conservative merger to lead the next administration, in view of the Socialists' advancement toward an "opposite party course" and what was considered a narrowing of the gap between the Democrats and the Democratic-Liberals.

A contributed article in AKAHATA urged unification of the people in pursuit of the "Democratic People's Offensive," and suggested that minor differences of opinion be put aside for this purpose. Cooperation was expected from "pure leftists" and "rational Socialists," the latter group being identified as the anti-Government members who bolted the Socialist Party on the budget issue. The writer suggested the argument that the "offensive" was for the advantage of the workers and that the Communists were acting only as a "guide party."

ECONOMY

Announcement of new prices for raw silk and rubber was accorded prominent reportage in today's editions of the Tokyo press. The price of a 15-kan bale of silk was set at 120,120 yen, while the cost of a kilogram of rubber was raised to 60 yen. Also given featured attention was the Cabinet endorsement of the 10-point economic rehabilitation policy (Press Analysis No. 846). All ministries concerned with the reconstruction program reportedly were requested to speed formulation of measures for submission to the Cabinet by 15 September.

Currency Measures

JIJI SHIMPO and NIPPON KEIZAI took issue with proponents of the theory that inflation could be checked by currency measures, and advised advocates of such measures to exercise discretion lest they mislead the public into believing that inflation could be easily controlled. The first-named journal characterized currency adjustment proposals as "simple desk plans that lacked positiveness," and admonished that the policy of compulsory retrenchment of currency "tended to precipitate inflation by inciting unrest and non-confidence in currency." In a similar vein, NIPPON KEIZAI stressed that currency measures would accelerate inflation psychologically, instead of checking it. Such measures cannot be considered a panacea for inflation because many conditions must be satisfied first, insisted the commentator, who added that plans such as those advanced by the Socialists allegedly overestimated the effectiveness of currency policies to counteract inflationary trends.

Other Editorial Comment

Citing the necessity for simplication of trade procedures (Press Analysis No. 850), TOKYO SHIMBUN called for a definite decision on the establishment of an exchange rate and elimination of formalities that required clearance of all transactions with central authorities in Tokyo. Further, the writer urged rationalization of enterprises and production of goods of high quality. Althoug trade assertedly was progressing smoothly, over-optimistic views must be avoided and efforts should be made to spur trade relations even further, concluded the paper. Terming the inauguration of the Economic Investigation Board a "great stride in the campaign to exterminate blackmarketing," KOGYO SHIMBUN stressed the importance of public cooperation and support of Board officials to achieve satisfactory results. In addition, controls on price and distribution must be strictly enforced, maintained the writer, who urged special efforts to expose all concealed and hoarded materials.

HIROSHIMA

The "Peace Festival" marking the third anniversary of the bombing of Hiroshima received prominent notice, and journals headlined General MacArthur's message in connection with the occasion.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

AUG 16 1948

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PRESS ANALYSIS, 6 August 1948 No. 850

ECONOMY

Favorable prospects for foreign trade -- as disclosed by ESB Foreign Trade Bureau Director Fujisawa at a press conference yesterday -- won lead position in four major journals and featured attention in others. Exports for the current year were expected to reach $350,000,000 and imports $800,000,000, and it was anticipated that the nation's foreign trade would change from Government hands to private traders "in the very near future." In addition, the ESB official indicated that plans were being formulated to reform the foreign trade system and to simplify trade procedures. Measures to accelerate commerce were expected to include establishment of more direct buyer-producer contact, extension of increased financial facilities to traders, assistance to export industries, and reorganization of control corporations for textiles, food, mining, and raw materials. Editorial comment was not immediately forthcoming.

Disagreeing with journals reporting improved trade conditions during the past year, TOKYO MINPO maintained that results of private foreign trade were "unsatisfactory," and cited as reasons for this contention the problem of the exchange rate, "international economic circumstances," shortage of materials for export industries, and the "complexity of trade procedures." Unless these conditions were alleviated, expansion of trade relations would be impossible, the left-wing journal warned.

Necessity for establishment of a unilateral foreign exchange rate to promote trade was emphasized by several papers, among them NIPPON KEIZAI, which noted that absence of a rate had "disqualified Japan's participation in world economy." The commentator blamed the "perpetual menace of labor disputes and deficit finance," and insisted that despite various difficulties Japan must establish a single exchange rate at all costs. Among the fundamental measures that should be considered for this purpose, the financial organ concluded, were rationalization of enterprises and elevation of labor efficiency.

Economic Rehabilitation

The recovery program drafted by the Economic Rehabilitation Planning Committee (Press Analysis No. 846) was criticized by a NIPPON KEIZAI commentary for "making but a slight improvement" over the original 5-year plan formulated by the ESB. The writer charged that the ERPC program "offered no direction for economic reconstruction," failed to place sufficient emphasis on the labor question, and provided no definite plan to curb inflation. Furthermore, the project assertedly failed to suggest measures for interim stabilization, rationalization of enterprises, and industrial loans. Meanwhile, TOKYO TIMES attributed the reported decline in production of staple goods partly to restriction of electric power and labor disputes, but claimed that the fundamental reason was lack of industrial funds. The journal urged the Government to "abolish the evils of cash transactions" and establish a credit system to enable producers to maintain and boost operations.

HIROSHIMA

Interest in the third anniversary of the bombing of Hiroshima has been confined primarily to comments on a three-day "Peace Festival" to be held in that city. However, YOMIURI recently included an article by Dr. Nishina, a foremost atom scientist, in which he weighed the question of whether atomic power would bring peace or misery to the world. Science can contribute to the culture of mankind or can destroy it, he said, and since the advance of science cannot be checked, its application to weapons of warfare can be controlled only by the attitude of men toward war. Only when all peoples believed that war was a crime could atomic energy be devoted entirely to peaceful purposes, Dr. Nishina said.

POLITICS

Views of Wataru Narahashi, Democratic Party adviser, on a new centrist party were noted by several papers, while political stories in other journals reported moves prior to possible Diet dissolution. While acknowledging that he and Chairman Miki of the Peoples Cooperative Party were in partial agreement on the proposed group, Narahashi nevertheless indicated that important differences still remained.

The base of the new party should be broad enough to attract Socialists and Democratic-Liberals, the Democratic leader reportedly said, but added that he did not think organization would be completed until the Diet convened. Discord among Democrats over the necessity for dissolution was cited by DAI ICHI SHIMBUN, but ASAHI believed that dissolution would take place the latter part of October or immediately following the Diet session. At that time, the journal believed that an improved food situation and importation of foreign funds would favor the Administration.

Belief that Japan would receive foreign financial aid only in case there was a middle-of-the-road government was assailed by SHIN TOKYO, which argued that moderate policies would not bring economic recovery. Granting that US assistance was essential, the commentator nevertheless deplored the idea of a government of "convenience," and maintained that the people must decide what type of administration and what policies were "most appropriate" for Japan.

Communist Secretary-General Tokuda's return to Tokyo from Kyushu -- where he was wounded in an assassination attempt -- received prominent notice in AKAHATA. Tokuda reportedly told a mass meeting that principles of the US Progressive Party were "in accord with the emancipation of Japan," and that failure to deal "monopolistic capitalists a fatal blow" would lead to a third world war. Editorially, the Communist organ said that the Japanese laboring class possessed the strength to halt "bad laws and regulations," and reiterated a cry for "democracy and racial independence." An article in SHIN TOKYO said that the Attorney-General's office planned to disband the chapter of the anti-communist organization to which Tokuda's assailant belonged.

LABOR

Communications Minister Tomiyoshi's appeal to employees under his jurisdiction to respect the Administrative ordinance prohibiting strikes and collective bargaining was reported in major metropolitan journals. The Cabinet official assured government workers that the Provisional Personnel Affairs Committee would take the necessary steps to provide improved conditions. Meantime, ASAHI said that employees of the Teikoku Petroleum Company -- reportedly responsible for 90 percent of the nation's oil output -- would strike today "in protest against the dismissal of more than 3,000 workers."

Criticism of the organization of the Personnel Authority -- the projected successor to the Provisional Personnel Affairs Committee -- appeared in three papers. Both MAINICHI and YOMIURI warned against granting the new agency unlimited powers, with the former noting that "the livelihood of civil servants would be subject to the Authority's decisions." Apprehension was expressed lest the agency's projected control over matters relating to government salaries would cause conflict of authority within the administrative, legislative, and judicial branches. The commentator suggested that the new body be subordinated to the Prime Minister's office.

YOMIURI warned against "going to extremes" in the establishment of the Personnel Authority as an independent agency. The writer questioned the Authority's projected power to determine government wage scales, and felt that the provision exempting the agency from application of the Administrative Organic Law was "inappropriate." TOKYO SHIMBUN also expressed fear that the Authority might become a "powerful bureaucratic force, like the former Privy Council, inasmuch as the agency's regulations require no approval on the part of the Prime Minister."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
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PRESS ANALYSIS, 5 August 1948 No. 849

POLITICS

The question of Diet dissolution again won prominent headlines, as major papers reported Premier Ashida's determination to avoid dissolution until conditions make the step necessary. Contradicting earlier reports that he regarded dissolution as inevitable after passage of Public Service Law revision (Press Analysis No. 847), the Premier also told newsmen at Ichinoseki that Democratic-Socialist collaboration would continue during the forthcoming Diet session.

Speculative stories and commentaries were at variance with the Premier's views. YOMIURI, for instance, said that "brisk campaigns" were in progress as a result of general belief that the legislature would be dissolved, and reiterated that Democratic Party leaders -- including Ashida -- shared this opinion. Officials were said to disagree, however, as to whether collaboration with the Democratic-Liberals would be possible in the event that Party should form a new government.

Representative of the majority view, a MAINICHI commentary maintained that it was a mistake to think that the life of the present Coalition had been prolonged by the SCAP recommendations. Instead, the commentator contended, there was increasing reason to believe that the Socialists might withdraw from the Cabinet. Stumping tours by Democratic leaders, and the recent affiliation of Wataru Narahashi and Ken Inukai with that Party, were regarded as evidence that preparations were being made for a general election.

Also remarking that parties were focusing their attention on voters, SHIN YUKAN said that observers were watching the Socialists with special interest. That Party stands at the cross-roads, the paper believed, and must act to forestall a serious split. Socialist leftists were urged to make their demands "reasonable," and the Party as a whole was told to adopt "systematic" economic policies. A signed article on Socialist problems also appeared in usually conservative SEIJI SHIMBUN. Rehabilitation of Japan can be achieved only through socialism, the writer declared, but this doctrine must conform to the country's special needs and conditions. Drastic changes were advocated in the program of the Socialist Party ("which was formed hastily after the war"), and the article emphasized the need for complete severance of relations with Communists.

LABOR

Continued developments relating to the SCAP message on the Public Service Law included Prime Minister Ashida's published statement that he favored a revision of existing labor legislation only insofar as it applied to public servants, and Chief Cabinet Secretary Tomabechi's asserted request that wage deliberations of the Provisional Personnel Affairs Committee be completed by the end of August -- because the Government was expected to call a special Diet session soon thereafter.

Despite the Prime Minister's reported declaration to the contrary, SHIN TOKYO believed that "the Government will not be content with revision of the National Public Service Law alone, but plans to amend labor regulations in general." Apparently reflecting the opinion of leftist labor groups, the writer maintained that "if the Administration had been faithful to the spirit of democracy and the new Constitution, it should have convened the Diet prior to determining its position regarding General MacArthur's letter." The editorial claimed that labor unions in private industry, as well as those associated with State enterprises, were facing a crisis, and "a united front" of all workers' organizations was advocated "in order to protect presently endangered fundamental rights."

Five metropolitan journals reported a SCAP spokesman's comments upon a statement previously released by the former Chief of the Labor Division, and AKAHATA also quoted from the statement itself.

ECONOMY

Stabilization of the nation's economy claimed the attention of three journals today. MAINICHI emphasized the importance of foreign trade in stabilizing Japan's economic position because the Japanese "must depend on import of materials to manufacture commodities for export." Despite long-range foreign aid made possible through SCAP assistance, many obstacles were expected since the nation's trade recovery hinged on economic conditions in countries to which Japanese exports were directed. With Japan's rehabilitation conceivable only in connection with world recovery, the writer said that the people must strive to stabilize economic conditions in order to increase exportable goods, and thus aid in bringing about stability in world economy.

NIPPON KEIZAI contended that the interim stabilization program constituted an integral part of the over-all stabilization plan inasmuch as it was aimed at subjugating inflationary trends, which was seen as the objective of the first 2-year period of the 5-year recovery project. Since the rehabilitation goal could not be achieved without checking inflation, positive policies must be invoked to halt the inflationary spiral, concluded the journal. The anti-inflation plan of the orthodox Socialists -- which was said to include currency reform on the basis of the gold standard, increased production, and eradication of blackmarketing -- was considered a "fairly substantial measure against rising prices," but was not applicable at present because gold was under Occupation control, according to TOKYO MINPO. Opposition to the plan assertedly stemmed from the fear that it might cause a "severe form of stabilization panic," which might wreck the entire economic structure, the commentator observed.

Other Editorial Comment

Endorsing the SCAP recommendation to reorganize certain government industries into public corporations -- a portion of the 22 July letter not emphasized heretofore in the metropolitan press -- TOKYO SHIMBUN urged the Administration, political parties, and private business groups to extend careful consideration to reorganization measures. In an editorial discussing the ESB supply and demand program (Press Analysis No. 837), SHIN HOCHI declared that materialization of the plan would elevate the standard of living, but cautioned that failure to realize any one of the three conditions -- increased production, import of adequate foodstuffs, and stabilization of currency -- would cause the entire program to collapse.

SOCIAL PROBLEMS

A protest against the alleged subservience of the Japanese, and the tendency "to submissively consider Japan blameworthy in everything" was voiced by the minor economic journal NIKKAN KEIZAI. Since the end of the war the trend toward self-contempt in relation to other peoples has increased to an appalling extent, the writer felt, and expressed fear "lest Japan fail to keep its independence in view of the presence of Japanese with such ideas." Apprehending danger of ideological aggression leading to colonization, the journal advocated "determined resistance against the aggression of thought."

Sharp criticism of the Japanese for lack of discipline in boarding trains was voiced by today's ASAHI which expanded this idea into an analysis of present-day Japanese society. Democracy is important in Japan "only formally and politically, and the people who form the base of democracy hold ideas exactly opposite to it," the journal thought, warning that attention to small details of personal behavior and attitudes was important for realization of a democratic nation.

FOREIGN

Prominent attention again was given to dispatches on Big Power negotiations in Moscow. Speculation as to the character of the consultations included the suggestion that Far Eastern problems might be placed on the agenda. Editorials in JIJI SHIMPO and YOMIURI treated the talks as profoundly significant, believing that adjustment of East-West differences would be difficult, but finding satisfaction in the fact that a diplomatic opening had been made. The first-named journal justified an optimistic view with the belief that the USSR had no power to engage in war and that it was doubtful whether the Western Powers were able to resort to military force against the Berlin blockade. The YOMIURI writer, after pointing out the unilateral moves of the two camps since the breakdown of the London Foreign Ministers Conference last year, declared, "It is unthinkable, as history shows, that diplomacy can survive on the basis of accomplished facts."

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GENERAL HEADQUARTERS
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Civil Information and Education Section
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PRESS ANALYSIS, 4 August 1948 No. 848

FOREIGN

Emphasis was placed on foreign dispatches in the Tokyo press today, as news of the two-hour conference between Western representatives and Soviet Premier Stalin claimed lead position in nine papers and prominent position in others. Significance also was attached to the 11-nation Danubian conference in Belgrade, which was generally reported just below the Moscow stories. Commentaries on the Big Power negotiations appeared in ASAHI and DAI ICHI SHIMBUN.

The ASAHI writer cautioned that optimism over the prospect of a 4-nation conference was not necessarily justified,but added, "If the fundamental solution of the Berlin problem is difficult of realization, even a temporary regional solution would be a blessing to the people of the world, who still suffer from war anxiety." Eagerness for settlement was observed in the fact that Stalin received the envoys and in concessions made by the Western Powers. The paper held that success of the negotiations depended on "broader viewpoints of the global disagreement" and a relaxation of the former attitudes on the disposition of Germany.

The Moscow talks indicated a "swing back to normal" in handling the international situation, according to DAI ICHI SHIMBUN, which hoped that a European settlement would hasten consideration of a Japanese peace treaty. Arguing that discussion of the German issues would essentially include the question of a treaty with that country, the journal believed that peace talks on Japan would naturally follow.

French Government Workers' Strike

The status of civil servants in France -- where resumption of the strike which was discontinued after downfall of the Schuman Cabinet was reportedly threatening -- drew the attention of TOKYO MINPO. Observing that labor activities of national employees were subject to government pressure in most countries, the leftist journal noted that the French law recognized the right of public employees to bargain collectively and to strike. "However progressive this law may be," the writer declared, "it cannot prevent the declining value of real wages, caused by the French Government's rehabilitation program at the expense of workers." If the situation became more aggravated, it was predicted that the French Government would have to exert pressure on public workers.

LABOR

State Minister Nomizo's criticism of the projected Personnel Authority -- which was expected to replace the Provisional Personnel Affairs Committee (Press Analysis No. 847) -- and the Central Labor Relations Committee's decision to discontinue arbitration of the civil service dispute were accorded extensive coverage. The left-wing Socialist Minister assertedly believed that the proposed agency's determination of government wage scales would "conflict with the powers vested in the Finance Ministry by the provisions of the Constitution." Meantime, continued labor opposition to the Administration ordinance banning strikes and collective bargaining by public servants was manifested, as the Farm-Labor Liaison Council and the National Council of Government and Public Office Workers Unions reportedly maintained that the Government action was "unconstitutional" and not required by the SCAP letter recommending revision of the National Public Service Law. The FLCC assertedly declared that the Cabinet was pursuing "the road to fascism," whereas the NCGPOWU was said to have decided to continue its struggle to attain a 5,200-yen wage standard, to unseat the Ashida Administration, and "to maintain the fundamental rights of workers."

A JIJI SHIMPO editorial thought that "public opinion overwhelmingly supports revision of the National Public Service Law," because "the Government Railway Workers Union and the National Communications Workers Union repeatedly have indulged in strikes and sabotage." The writer chided the Administration for not having taken effective measures to curb labor excesses, and added that "there is no way of knowing to what extremes the workers would have gone but for the General's opportune instructions." The need for issuance of the Administrative ordinance was blamed on "the extremist minority groups" who allegedly misguided public employees' unions. Similarly, CHUKA NIPPO declared that labor had alienated "the sympathy and support of the entire community," because "some unions are under absolute control of the Japan Communist Party, while others are dominated by bosses and racketeers." In contrast, a TOKYO MINPO editorial encouraged government employees to secure their demands through political action, in view of the prohibition of dispute tactics. The writer favored "Diet dissolution and the immediate resignation of the Ashida Cabinet," and unions were urged "to send workers' representatives to the Diet."

POLITICS

The Democratic Party's proposals for revision of the National Public Service Law, and the Party's renewed determination to remain in power as long as possible were reported in a number of journals. Possibility that the leftist Socialists might withdraw from the Cabinet over issues connected with revision of the National Public Service Law was noted by ASAHI, although reports indicated that Labor Minister Kato would not give up his position for the time being. A temporary lull in the political situation was seen by a reporter in YUKAN MIYAKO who observed, however, that this situation was not expected to continue long, since it was thought that the Democratic Party would make an effort to consolidate its influence when discussion of the National Public Service Law began.

Editorials in SEIJI SHIMBUN and SHIN HOCHI dealt, respectively, with the composition of the Democratic and Socialist Parties. Evaluating the Democrats' determination to remain in power, the SEIJI SHIMBUN editorialist expressed "astonishment" at the Party's persistence. Recalling that the Party had been a Ministerial group since its formation, SEIJI SHIMBUN expressed admiration for the capability of many of its leaders, but believed that renovation of the Party, by abandonment of its "high-handed tactics" and creation of new policies, was in order. Somewhat similarly, SHIN HOCHI called on the Socialist Party to take a definite stand on such issues as Diet dissolution, continuance of the coalition Cabinet, and formation of a centrist party. If the Cabinet can survive the current "crisis," a centrist party will not be necessary at this time, the paper added.

Also commenting on the centrist party movement, SHIN YUKAN expressed belief that activity in this direction was decreasing. The centrist organization was advocated by those who favored a moderate program, but also by those who sought merely to perpetuate their political influence, the commentator said. These two standpoints are closely related, the paper conceded, but added that stress on selfish political advantages had lost the people's sympathy for the centrist movement.

ECONOMY

Economic news received secondary attention in most papers, although JIJI SHIMPO gave prominent space to Finance Minister Kitamura's support of the 3,791-yen wage base. The same journal also reported that 108.2 percent of estimated tax receipts for the 1947 fiscal year had been collected. Success in collecting the earned income tax was attributed to provisions which made evasion difficult and to the publicity given the tax-filing system.

Commenting on establishment of a new section in the Finance Ministry to combat tax evasion, SEKAI NIPPO foresaw the possibility that collections from evaders would enable the Government to reduce the earned income tax rate. Observing that "it will not be easy to assess elusive blackmarketeers," the paper urged taxation office employees to make every effort, adding that increased revenues would make personal reduction unnecessary. A charge that tax evaders were in collusion with government officials or political bosses appeared in MAINICHI, which attributed the situation to the people's failure to understand the taxation system. Government revenue also was discussed in a SHIN HOCHI editorial, which claimed that Administration plans to raise funds through higher railway rates had failed.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

PRESS ANALYSIS, 3 August 1948 No. 847

GOVERNMENT

Belief of Administration leaders that the Diet would be dissolved -- perhaps in October, after revision of the National Public Service Law -- was prominently headlined in major papers. Developments related to the revision and to the Government's issuance of an interim ordinance forbidding strikes by public servants received secondary consideration in news columns, although editorialists continued to comment on various phases of the matter.

Reports agreed that Premier Ashida had revised his opinion after meeting with Socialist Chairman Katayama and that the Premier was now convinced of the inevitability of dissolution. Although Ashida was not quoted, Chief Cabinet Secretary Tomabechi reportedly admitted that the next special session would be convened primarily for dissolution. Democratic Party developments also were emphasized, including Tomabechi's appointment as the group's Chief Secretary and the naming of two men recently released from purge categories -- Wataru Narahashi and Ken Inukai -- to a new committee designed to cope with the "tumultuous political situation" (MAINICHI).

Commenting on reported defiance by some unionists of the Cabinet ordinance forbidding strikes by government employees, SHIN HOCHI warned that such a campaign stood little hope of success and believed that labor leaders were aware of this. The protests were described as "suicidal tactics by a Communist fraction." In agreement, MAINICHI said that there had been a tendency to underestimate the power of Occupation Forces, and reminded "certain quarters" that SCAP directives superseded Japanese law. In contrast, SHIN TOKYO criticized the Administration for its "arbitrary" interpretation of the SCAP letter, and AKAHATA charged that the Cabinet ordinance violated the Potsdam Declaration, the labor policy of the FEC, and the Japanese Constitution. The Communist organ also prominently displayed a request for clarification which was said to have been submitted to SCAP by the National Liaison Council of Government and Public Office Employees Unions.

A reaction to the current labor issue not noted previously appeared in NIPPON KEIZAI, which contended that management should consider its own shortcomings "before it asks labor to behave itself." Management, the financial journal claimed, lacked a "strong, independent character," and was guilty of conspiring with bureaucrats; therefore, it was believed that capital, too, should reflect on the significance of the SCAP letter.

ECONOMY

Department of the Army concern over the revival of Japanese industry was accorded considerable coverage in Tuesday's editions of the Tokyo press. Army authorities, together with SCAP authorities now in Washington, were said to be holding a pessimistic view on the success of the $60,000,000 cotton loan and the $150,000,000 revolving fund, and were reported to have stressed the need for additional recovery funds. Also noted extensively was the announcement that trade agreements between Japan and the sterling-area nations were expected to be signed this month. Meanwhile, NIPPON KEIZAI asserted that a survey of 204 firms conducted by the Japan Industrial Council allegedly disclosed that "most companies favored restricted introduction of foreign capital" on the ground that "free inflow of funds would worsen the complicated Japanese economy."

Foreign Trade

YOMIURI and JIJI SHIMPO urged practical measures to promote development of foreign trade, since Japan's recovery could not be achieved without close relationship with the international economy. The first-named paper pointed out that although exports had increased considerably, the total was still only

20 percent of the 1934 figure. The writer noted that revival of the textile industry and the demand for silk goods -- despite competition from nylon products -- gave encouragement to the export trade. The JIJI SHIMPO commentator emphasized the need for establishment of a single exchange rate as a prerequisite for resumption of normal commerce.

Economic Rehabilitation

Concern over the success of the economic stabilization program was voiced by TOKYO MINPO and TOKYO TIMES, with the left-wing journal charging that the 5-year reconstruction plan "offered nothing effectual," and instead only caused the masses to entertain false hopes. Denouncing the program for not instituting "State management of key industries and a democratic system of control," the writer accused the Administration of considering the "black-market economy as an ideal state and the starting point for rehabilitation." More restrained in its criticism, TOKYO TIMES questioned the Government's confidence in its ability to effect recovery measures, and urged that substantial efforts be exerted to strengthen the nation's credit and to boost production.

LABOR

Decision of the Democratization League to establish a new labor body composed of NCIO unions devoid of Communist elements was announced today. The League assertedly blamed the present leadership of the National Congress of Industrial Organizations for creating a situation which necessitated the SCAP message on revision of the National Public Service Law. Meanwhile, the Government Railway Workers Union's Central Dispute Committee released "an emergency declaration" which voiced opposition to the Administration ordinance prohibiting strikes and collective bargaining by government employees (Press Analysis No. 846).

Endorsing the establishment of the Provisional Personnel Affairs Committee, SEIJI SHIMBUN declared that wage stabilization was an essential measure for promotion of government workers' efficiency. Whether direct or indirect controls were utilized, the writer thought that stabilization could not be achieved without maintenance of the value of real wages through a greater distribution of livelihood necessities. Simultaneously, TOKYO MINPO asked the Committee to take public opinion into account in the determination of government wage scales. The editorial insisted that freedom of public servants to express their views on wages should not be restricted, so that "the public might judge whether or not the Committee was acting fairly and democratically."

POLITICS

Political parties were urged by SEKAI NIPPO to devise acceptable measures to counteract inflation. Alleged lack of constructive interest by the Diet up to this time was regarded as "incomprehensible" by the journal, which hoped that political parties would not face future general elections with "hastily assembled platforms," but would "deliberate fully on definite measures and policies to check inflation."

Communist attempts to recruit repatriates as members of the Party were criticized by TOKYO SHIMBUN, which claimed distortion of conditions in Japan by Communist Party representatives. Efforts by the Communists to gain members for the Party from among repatriates on their debarkation were regarded as "strange" by the paper, which concluded, however, that if the Communists were aiming only to collect membership fees "we need say nothing."

FOREIGN

Dispatches from Moscow on developments in connection with the Western proposal for direct 4-power negotiation claimed prominent space in Tokyo dailies and lead position in JIJI SHIMPO and TOKYO SHIMBUN. Editorial comment was limited to MAINICHI, which considered the democracies' suggestion a "remarkable concession," because the US and Western European nations were thought to hold a favorable position by adhering to the present status and evading discussions.

Continued comment on the Olympic Games was presented in ASAHI, which said, "Our hearts are full when we think that our country has not been authorized to enter the Games and has not been able to do anything more than wish an American athelete's victory through sending him a bamboo pole."

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Left-wing press comment included TOKYO MINPO's belief that union statements had "deep significance" and might develop into a larger fight for "the defense of unions and of democracy." The journal also attacked the Cabinet's "dogmatic attitude," and hoped that revision of the Public Service Law would not prohibit political activities by public servants. AKAHATA, after announcing that an "anti-fascist convention" would be held in Tokyo 15 August, asserted, "We also must strike and carry out slow-down strikes . . . as the Italian laborers did. Everything depends on speed; delay means death."

ECONOMY

Drafting by the Economic Rehabilitation Planning Committee of basic principles of the 5-year reconstruction program highlighted economic developments over the weekend. MAINICHI declared that the new long-range recovery plan was "more reasonable" than past programs, and, because it was said to have been framed in accordance with the recommendations of the Strike and Johnston reports, the project was considered "practical." The journal thought the most significant aspect of the program was that "it outlined for the first time a way to control inflation." A NIPPON KEIZAI commentary observed that success hinged on subjugating inflation during the first two years of the proposed plan, and stressed that judicious implementation was imperative to prevent the project from becoming a "mere desk plan."

Tax Collection

Emphasizing the urgency of complete and prompt collection of taxes for smooth implementation of budget measures, JIJI SHIMPO and SHIN YUKAN approved the establishment of inspection sections at local tax offices and noted the intent to deal sternly with all evaders. The first-named paper deplored the necessity of stringent punitive measures, contending that the "people should discharge this important duty without compulsion." The writer felt, however, that "tax-dodging trends" were due not so much to taxpayors' negligence as to the heavy tax burden. Agreeing, SHIN YUKAN urged the Government to improve collection methods, and cautioned against discriminatory methods in imposition or collection of revenue.

POLITICS

Direct comment on political party maneuvers was relatively light over the weekend. Absence of a real party system of government in Japan was deplored by a contributor to ASAHI, who called for parties to act "according to the basic theories of democracy and constitutional government, and always to bear in mind promotion of the welfare and good of the public."

Hiroo Wada's affiliation with the Socialists was considered by an editorial in SHIN YUKAN to be at least partially the result of Suehiro Nishio's attempt to recruit a strong political and economic theorist to the Party organization. Comparing the alleged use of Wada to reformulate Socialist ideas with the Democratic-Liberals' recent recruitment of 30 former bureaucrats, the writer believed the Socialists should make a more serious attempt to meet their problems.

CENSUS

In an editorial on the subject of the national census, TOKYO SHIMBUN urged that efforts be made to employ the information for practical purposes, because the census "as it applies to the daily life of the people will become meaningful only when the results are applied to State administration" -- particularly in such matters as housing and food rationing. The paper believed that data should be compiled as rapidly as possible lest the "statistics be left behind by the actual situation," and felt that continuing surveys should be made for the purpose of keeping information up to date. In the past, the editorial added, census information was regarded with some distrust because people "did not always give information honestly," but this was expected to be corrected by the new Statistics Law, which provided that information gathered would be used only for announced official purposes.

WAR CRIMES

TOKYO SHIMBUN noted that opinions of the eleven Justices of the International Military Tribunal for the Far East were to go to translators on Monday, with announcement of verdicts expected in mid-September. The writer declared that the Court's judgment would have "unprecedented historical meaning."

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ECONOMY

Tentative decision to provide Japan with a 387 million dollar relief fund for food and fertilizer purchases -- in addition to a 75 million dollar allotment for reconstruction goods -- received heavy coverage in most metropolitan journals. Estimates were based on the 1,300,000,000 dollar Congressional appropriation for feeding and equipping occupied areas. No pertinent editorial comment was immediately forthcoming in Tokyo newspapers.

Other foreign developments relating to the Japanese economy included a report that 350,000 tons of iron ore were to be imported from Hainan and Malaya, and an announcement that "Japanese products such as silk and poplin would appear in sizeable quantities on the Australian market as a result of the trade parleys now being conducted in Tokyo." A spokesman of the Australian Ministry of Commerce was said to believe that wool exports to Japan would be increased, and to have expressed confidence that difficulties regarding financial arrangements would be overcome. Meantime, ASAHI quoted Vice Minister of Finance Noda to the effect that "the Government will bypass the previously predicted multiple exchange rate system for export goods and enforce a single rate system earlier than generally expected."

Deconcentration

The Holding Company Liquidation Commission was reported as having decided to exempt banks from reorganization under the Economic Deconcentration Law, because existing legislation was held to be adequate to assure the sound development of financial institutions. The HCLC claimed that "all banks are completely freed from Zaibatsu control, now that stocks formerly held by Zaibatsu and other holding companies have been transferred to the Commission." Economic observers were said to view the HCLC decision as "a stimulus to national reconstruction, since the previously existing uncertainty will have been removed." Continued surveillance of banks under anti-monopoly law was expected to prevent the re-establishment of "the vicious and monopolistic financial and industrial combines which formed a major component of the prewar militaristic autocracy." Meantime, a NIPPON KEIZAI article noted that "now that the banks have been exempted from the Economic Deconcentration Law, the matter of increasing the capital of the leading monetary institutions has become a concrete issue." The financial journal noted that, at a meeting of major bank representatives, Director Aichi of the Finance Ministry's Banking Bureau urged capital increases amounting to at least 5 percent of uncertain assets.

Price Control

A MAINICHI editorial expressed approval of the Government plan "to exclude some specified items from the framework of price control." However, the writer regretted that "the Administration, heretofore, has been too cautious about lifting controls," and thought that enforcement of absolutely necessary regulations would be possible "only when the Government is courageous enough to abolish or modify the formalistic controls carried over from wartime." The editorial acknowledged that "controls on essential commodities must be strengthened to as great an extent as possible."

FOREIGN

Two editorials dealt with United Nations problems. TOKYO MINPO reviewed events leading to the "deadlock" in the Indonesian situation and speculated as to the outcome of the Security Council's discussion of the subject by "France which sympathizes with Holland, Russia which supports Indonesia, America which is cautiously watching the rise of leftist power infiltration of the Republic, and England which is much troubled by race movements in Malaya." SEIJI SHIMBUN referred to the report that the UN subcommittee on disarmament had stopped discussion on the ground that "world disarmament would be possible only when international confidence is restored." While regretting this step, the paper said it "probably was inevitable in view of the present-day international situation."

The convention of the Yugoslavian Communist Party was noted by TOKYO SHIMBUN, which considered it highly significant that Tito's adherents declined to yield to the pressure of criticism by the Cominform. AKAHATA repeated its previous condemnation of Yugoslavian action, declaring that "in order to produce a revolution which will command popular support by strictly maintaining a correct policy, the Party should carry on activities with a solid unity."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 30 July 1948 No. 844

GOVERNMENT

Cabinet consideration of means to effectuate the SCAP recommendations on National Public Service Law revision received primary attention in Tokyo papers. Journals said that two drafts were discussed at an extraordinary meeting of Ministers -- one relating to the actual revision to be submitted to the Diet, and the other to an ordinance which would have the force of law during the interim. Corollary developments also won front-page space.

Union protests against the Government's attitude were noted prominently, and included a NCIO charge that the Administration was "undermining democracy" and was violating Constitutional guarantees. The National Liaison Council of Government and Public Office Employees Unions also claimed that the Administration had "distorted" the intent of the SCAP letter, a view with which the Central Dispute Committee of the Government Railway Workers Union reportedly was in accord. There were conflicting accounts, however, of the plans of Socialist Labor Minister Kato, who previously had voiced opposition to changes in the Law. YOMIURI said that Kato had formally announced his intention to resign; ASAHI quoted an announcement that Kato saw no reason for resigning immediately; MAINICHI suggested that the Minister would leave the Cabinet after completing work on the proposed ordinance, and NIPPON KEIZAI believed that he would leave the decision to his Party. The last-named paper stated that Kato's views were made known after a conference with the Chief of SCAP's Labor Division. (Press service dispatches suggesting the possible resignation of the latter official were included without comment in six papers today).

Effect of Letter on Labor and Politics

Comment on the letter and its implications continued to dominate editorial columns, as writers attempted to assess the effects upon labor and political groups. In the latter connection, KOKUSAI NICHINICHI and SEIJI SHIMBUN agreed that the position of the Socialists had been weakened at the expense of the Democrats. A scheduled meeting between Premier Ashida and Socialist Chairman Katayama has been postponed, papers reported, but Socialist Cabinet members and other Party leaders were expected to confer 1 August.

Belief that the SCAP suggestions would result in a realignment in labor ranks was expressed by YUKAN MIYAKO and SEIJI SHIMBUN, with the latter anticipating increased influence by right-wing leaders. Other journals reiterated the opinion that union excesses had retarded recovery, but warned against the Government "taking advantage" of public employees. SHIN HOCHI, for instance, cautioned against permitting bureaucrats to draft legislation which would benefit those "who are attempting to utilize the SCAP letter for their own interests."

Left-wing Comment

Editorial comment in three left-wing papers was highlighted by AKAHATA's declaration that the Japanese union movement faced a "serious crisis." To "protect" government employees from the Administration's interpretation of the letter, the Communist organ asserted, was to "protect all laboring class organizations, as well as Japanese industry, which is on the verge of collapse." SHIN TOKYO said that "oppression" would lessen the enthusiasm of workers to strive for industrial rehabilitation, and TOKYO MINPO called upon the nation's press to present union views in greater detail.

ECONOMY

MAINICHI urged judicious policies in collecting an estimated 30,000,000,000 yen in unpaid taxes for last year, lest national finance -- assertedly "facing a crisis" -- be "gravely affected." Haphazard collection methods would only "confirm the adage of 'profit to the cunning and loss to the honest,'" the writer observed. Since it was considered "almost impossible" to impose new forms of levies on the masses, intensification of efforts to collect unpaid revenues was said to be the only alternative. Collectors should be firm but fair, concluded the journal, because unfamiliarity with the new system "probably accounted for a number of delinquencies." A TOKYO SHIMBUN editorial called for action against "new-yen millionaires," who allegedly were among the heaviest tax evaders. As these individuals were difficult to apprehend, considerable courage and political power must be exerted to produce results, the commentator maintained.

Endorsing the Eighth Army Military Government decision to station coal-production teams permanently in mining areas to encourage greater output (Press Analysis No. 843), MAINICHI hoped for "full and positive display of will to produce and cooperation between labor and capital." The journal attributed the recent drop in coal production to "reaction to continuous full-scale operations," frequent strikes and sabotage resulting from wage disagreements, and a sharp decline in per capita production capacity. The commentator considered the last factor as the most serious.

FOOD

Concern over the consequences of the current surplus of vegetables and the resultant drop in prices was expressed by JIJI SHIMPO and SHIN YUKAN. Both papers agreed that the seriousness of the unprecedented situation -- in which produce allegedly could be purchased below official prices -- lay in the danger that it might lead to another period of vegetable shortage. JIJI SHIMPO observed that both shortage and surplus caused difficulties, and thus regarded the present situation as indication that the control policy had been "stretched to the limit." Price control, the writer insisted, had no effect on the free market; only the relationship between supply, consumption, and production could determine prices. The SHIN YUKAN writer likewise declared that both excess and shortage "were bound to cause dissatisfaction and hardships."

FOREIGN

The proposal for a 4-power conference -- delivered by the Western Governments' representatives in Moscow -- was accorded prominent space, and particular attention was given to the reported shelving of the plan to set up a Western German government. Also noted was the statement of Australian Foreign Affairs Minister Evatt in London that a Japanese peace treaty -- described as a "matter of urgency" -- could not be negotiated so long as European problems remained unsolved.

In the only editorial comment on these developments, SEKAI NIPPO reasserted the Australian Minister's view, and concluded that the Berlin dispute had a direct bearing on Japan. Hope for a solution of the present situation was seen in the avowal of US Military Governor General Clay that the utmost effort would be made for that purpose.

Yugoslavia

The Soviet stand in the case of Yugoslavia was echoed in an AKAHATA editorial denouncing the Balkan nation's Communist Party Convention in Belgrade. Referring to the drafting of a reply to Cominform criticism, the organ of the Japan Communist Party declared, "It is not the attitude to be taken by Communists to flatly reject criticisms raised by comrades in other countries without expressing gratitude or carrying out self-reflection." The atmosphere of the Convention, in supporting Chairman Tito and unanimously accepting his reports, was said to make it doubtful "whether it was convened democratically."

OCCUPATION

Lt. Gen. Robert L. Eichelberger's interview with Japanese newspapermen evoked expressions of appreciation for the retiring Eighth Army Commander's "understanding and deep sympathy for the Japanese people" (MAINICHI). The General's remark on the people's "smiles and optimism" was noted particularly, and this attitude was credited as a potent force in the nation's rehabilitation.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 29 July 1948 No. 843

LABOR

Cabinet decision to issue an ordinance providing for the immediate effectuation of recommendations embodied in the SCAP message concerning revision of the National Public Service Law was accorded extensive coverage in today's metropolitan journals. The ordinance reportedly would be enforced pending Diet amendment of the National Public Service Law, and would apply to teachers and prefectural employees as well as to employees of the central government.

Papers also noted the Administration statement announcing discontinuance of collective bargaining with the Government Railway Workers Union. (GRWU locals, however, were said to be still engaged in work stoppages.) Meantime, the National Congress of Industrial Organizations and the Japan Teachers Union were reported to have criticized the proposed ordinance as "unconstitutional," and TOKYO MINPO said that the All-Japan Communications Workers Union had decided to file suit with the Supreme Court charging the Prime Minister and Cabinet members with Constitutional violations.

Editorial Comment

Unqualified endorsement of the SCAP message was expressed in TOKYO SHIMBUN and SEKAI NIPPO editorials, both of which attributed the need for restrictive governmental action to recent labor excesses. Stabilized industrial relations were demanded "as an absolute prerequisite for the introduction of foreign capital," and the journal agreed that -- in the interest of national reconstruction -- restrictive measures also should be made applicable to "labor unions in public utilities and in private enterprises." TOKYO SHIMBUN declared that "to admire and respect labor unions does not mean to permit them . . . to fall prey to Communist influences, because this would make it impossible to rehabilitate the nation," while SEKAI NIPPO predicted that -- with the revision of the National Public Service Law -- "extreme left-wing elements" might seek "to paralyze the national economy" by shifting their forces from government workers' organizations to crucial unions in private industry. A DAI ICHI SHIMBUN commentary asserted that public employees have obstructed Japan's reconstruction with strike tactics, and a TOKYO MINPO editorial demanded the resignation of the Ashida Cabinet as a necessary condition for "establishment of a democratic, efficient civil service system."

POLITICS

Government interpretation of the SCAP letter to Prime Minister Ashida continued to be the most important development in government as well as labor news (see above). Elsewhere on the political front, journals reported the trial of former Cabinet Minister Rikizo Hirano, and gave editorial space to Socialist Party problems.

Responsibility of political parties toward the people was stressed in a MAINICHI editorial, which asserted that if the parties had acted in accordance with popular will, the present trend toward labor excesses would have been less marked. "In this country political parties have tried to maneuver for power and private interests instead of for the good of the people," the paper charged, and expressed the opinion that there had been too great a tendency to convert every labor issue into a political one. With revision of the National Public Service Law to prevent government employees from striking, it will be essential for the Diet, and specifically for the political parties, to take the initiative in protecting the livelihood of government employees, MAINICHI thought. Although suitable governmental machinery to make the necessary inquiries into rising costs of living should be established, the Diet must also maintain a constant interest in the matter, the journal recommended. Political parties were already indicating their reactions to the SCAP letter, the writer concluded, recalling the Socialist determination to withstand attempts at imposing extreme

controls over government employees, as well as Shigeru Yoshida's warning to the Government against assuming that it has SCAP support for a swing to the right, or to serve the purposes other than those intended would be an improper response to the spirit of the recommendations, the editorial concluded.

In the same connection, an editorial criticism of "irresponsible officialdom" for squandering tax money was sounded by TOKYO MINPO. Noting a SCAP official's remark that it was unreasonable to demand efficient and faithful service from underpaid employees, the TOKYO MINPO writer accused higher government officials of trying to lay the blame for wage controversies wholly at the door of the lesser employees, and of attempting to restrict the workers' freedom by arbitrary revision of laws in order to hide governmental inefficiency.

Socialist Party Position

The Socialist Party's position with regard to the issues of Diet dissolution, revision of the National Public Service Law, and suspension of mediation between the Government and public service workers drew the attention of reporters and commentators. With reference to the internal organization of the Party, YUKAN MIYAKO and SEIJI SHIMBUN agreed that a "hard blow" had been dealt to its unity by the demands for "purification" from the youth section of the organization. Further troubles were anticipated with the forthcoming conference of the Japan Farmers Union, the journals thought, while the factionalism incited by Tetsu Katayama's continued insistence on dissolution of the Diet, and by the left-wing Socialists' support of him in this demand were noted by YOMIURI. Although Katayama wishes to postpone his demand for Diet dissolution until after the National Public Service Law is revised, a DAI ICHI SHIMBUN editorial remarked, the revision of the Law and the question of dissolution are closely united. If the Socialists try to stabilize the political situation temporarily by cooperating in revision of the Law they will miss the cue to demanding Diet dissolution, the paper believed.

ECONOMY

Announcement that Eighth Army Military Government coal production teams would be stationed at coal-mining districts on a full-time basis was accorded prominent coverage. Decision to dispatch the teams assertedly was due to declines in production following withdrawal of temporary teams in March. No editorial comment was forthcoming.

Industrial Rationalization

Declaring that development of key industries -- such as steel, mining, and chemical firms -- might be hampered due to difficulties in raising funds, JIJI SHIMPO urged that more attention be directed toward aiding these enterprises. Continued dependence on Reconstruction Finance Bank loans for necessary funds was said to be placing them in an increasingly precarious position. The journal suggested that positive steps be taken to rationalize management and improve the condition of all assets. Makeshift methods to sustain prices of shares should be resolutely rejected, warned the writer.

OLYMPIC GAMES

Opening of the 14th Olympiad in London was reported extensively and evoked comment from TOKYO TIMES, JIJI SHIMPO, and YUKAN MIYAKO. Regretting Japan's inability to participate -- even though the International Olympic Committee "held no hostile attitude toward Japan" -- TOKYO TIMES remarked that non-participation offered all Japanese an opportunity for deep reflection on the nation's "misdirected war." The writer maintained that this was one of the "heaviest sanctions dealt against Japan." Hopeful of an invitation to the next Olympic Games, the journal urged Japanese athletes to train in earnest. JIJI SHIMPO said that the Olympics were a "fine and radiant event" founded on "high levels of peace and physical training," while the YUKAN MIYAKO article lauded resumption of Olympic sports "only three years after the end of the war." However, the latter journal regretted the absence of Russians from the games, since it assertedly indicated that "two worlds" existed even in the realm of sports.

FOREIGN

In foreign news reporting, President Truman's speech to the special session of Congress superseded the decision of the Western Powers to propose a high-level conference with Russia. A few papers gave minor attention to Ambassador Stuart's denial that the US was contemplating a separate peace treaty with Japan.

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AUG 5 1948

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 28 July 1948 No. 842

GOVERNMENT

Government interpretation of the SCAP letter of 22 July as equivalent to a directive won lead position in seven Tokyo papers and was prominently featured by others. The decision was reportedly reached at a Cabinet meeting which discussed General MacArthur's recommendations for revision of the National Public Service Law. Socialist Party discussion of its position, and the Central Labor Relations Board's expected clarification of its stand on mediation now under discussion also were widely reported. Commentaries directly relating to the governmental aspects of the case were, however, relatively few in number.

"Idleness" of the Japanese Government in allegedly failing to consider seriously the labor offensive or the National Public Service Law was thought by ASAHI to have "forced" issuance of the SCAP letter. Both ASAHI and MAINICHI felt that the Ashida Cabinet's existence might be prolonged by the recommendations, and the desirability of preserving the present Government at least until revision of the Law was completed. The first-named journal warned against the possibility that politicians might concentrate on political advantages to be derived from the situation, to the neglect of the spirit of the SCAP communication. Higher ranks of government officials were pleased at the prospect of revision, according to SHIN HOCHI, which foresaw possible oppression of less important employees by the former group.

LABOR

Cabinet view of the SCAP letter (see above) could be regarded as a violation of the Constitution, according to a published statement by Chairman Dobashi of the All-Japan Communications Workers Union. Other members of the National Council of Government and Public Workers Unions reportedly criticized the Administration for withdrawing from Central Labor Relations Committee arbitration proceedings, declaring that "positive measures must be put into practice to enforce General MacArthur's letter." Meanwhile, the Democratization League of the National Congress of Industrial Organizations issued a statement which claimed that the reported impasse in industrial relations was attributable to "the reactionary attitude and incompetence of the Government and of management," as well as to "the costly blunders and distorted principles of the Communist Party."

A YOMIURI editorial maintained that amendment of the National Public Service Law would not involve Constitutional violations. The writer pointed out that "the Constitution clearly stipulates that state officials are employees of the people," and, for that reason, their status was believed to be distinguishable from workers enjoying collective bargaining. On the other hand, the editorial declared that "the Government and the people have the obligation to give special consideration to public employees' living conditions," especially in view of the projected revision of the National Public Service Law. It was noted that establishment of a Government Personnel Welfare Improvement Council was contemplated, but the proposed Council was severely criticized because no provision allegedly was made for the inclusion of public representatives. The writer asserted that the Law "is to be revised precisely in accordance with the doctrine that the people are the employer of state officials, and, consequently, the will of the people must be reflected without fail in any decision regarding the treatment of government workers." SEKAI NIPPO viewed anticipated revision of the Law as "a golden opportunity for establishment of industrial peace." Under leftist guidance, the labor movement was said to have "overreached itself, both in government enterprises and in private industry."

As a whole, the people welcomed General MacArthur's letter, a SEIJI SHIMBUN editorial believed, and emphasized that labor groups both in public and private enterprises should work for "national reconstruction and industrial rehabilitation." The paper pointed to the Constitutional provision prohibiting abuse of individual rights, and imposing responsibility for exercising such rights. "At a time when no industry is allowed to relax efforts for increasing production, a dispute which would result in hampering production and which would affect the introduction of foreign capital is nothing less than an action ruinous to public welfare," the writer observed.

ECONOMY

Finance Ministry plans to strengthen tax collection measures were reported by several journals. The Ministry hoped to collect 60 percent of the total estimated tax revenue of 267,000,000,000 yen this year and the remainder by the end of the fourth quarter of the fiscal year. Measures were said to include an installment system of payment and mobilization of more investigators to apprehend blackmarket tax evaders.

Editorial comment on economic subjects was varied. NIPPON KEIZAI felt that although a unilateral foreign exchange rate was desirable to stabilize the nation's economy, it would be more advisable to adopt a multilateral rate in view of prevailing unstable conditions. However, the writer urged that efforts be made to transform it into a single exchange rate in conformity with changing domestic circumstances.

Charging that the Bank of Japan was a bureaucratic organization whose "complacency and audacity" were ascribable to its "autocratic domination" by its president, SHIN HOCHI called for measures to reform the Bank. Particularly subject to criticism was the Bank's alleged efforts to rationalize enterprises and to curb inflation through loan restriction. These, the commentator felt, went beyond the proper functions of the institution, which should "confine itself mainly to adjusting currency."

TOKYO SHIMBUN thought that various plans proposed for reorganizing Japan's electrical industry were "lackadaisical and too inclined to adhere to the status quo." The journal hoped that a reorganization plan could be formulated that would permit "freedom of operation, enjoyment of employment by workers, and reasonable profits for investors."

FOREIGN

Tokyo editors again considered developments in Berlin as top foreign news. Prominently featured were the reported agreement of the Western nations on a new note to Moscow and Anglo-American stoppage of Russian rail shipments through the jointly controlled German zone. Fairly prominent attention also was accorded the success of French Premier Andre Marie in forming a coalition cabinet. Editorials on the latter appeared in JIJI SHIMPO and SEKAI NIPPO.

The JIJI SHIMPO commentary saw possible significance in the fact that the former French regime was overthrown on the issue of cutting national defense expenditures -- while the present tenseness in Europe called for close cooperation of the Western Allies. Considering another subject, the journal declared that, despite a seeming similarity between the political patterns of France and Japan, there were actually wide discrepancies. These were enumerated as: 1) France's economic productive capacity has been restored to nearly 90 percent of pre-war level; 2) full State police forces and the Army are available to protect the public interests, and 3) the Communist Party is the number one party in the National Assembly.

EDUCATION

Predicting that the new educational system would produce a great number of university graduates who might not be able to find the "white collar" jobs they seek, a writer in DAI ICHI SHIMBUN urged that such persons realize the limitations imposed by Japan's recovery effort. Past standards must be forgotten, the article contended, and "intellectuals" should be willing to enter workshops. By applying their training to "actual production instead of management," university graduates will help themselves as well as the nation, the writer indicated. Higher education was also discussed by TOKYO TIMES, which voiced concern over the number of persons who -- because of the war -- began careers unprepared, due to shortened courses. "Those who have gone out into the world from technical, medical, and pharmaceutical schools, as well as other graduates, are aware of their inadequate education," the journal said. Fearing that "social problems" might result, the commentator recommended "compulsory [illegible]-education."

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AUG 5 1948

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 27 July 1948 No. 841

GOVERNMENT

Events relating to the SCAP letter recommending immediate revision of the National Public Service Law (Press Analysis No. 839, drew lead position in a majority of Tokyo papers, while commentaries exploring the implications of the recommendation continued to appear in a number of journals. Given especial prominence today were interviews on the subject of the GHQ statement with two SCAP representatives, one of whom was quoted as saying that the rights of government employees to conduct collective bargaining and to engage in dispute tactics were to be considered invalidated by the letter. Need for development of a healthy civil service system in Japan was stressed by another SCAP spokesman whose remarks were quoted widely in metropolitan dailies.

A decision by the Government regarding the methods for revision of the Public Service Law was expected to be reached this week. In view of the probability of imminent reconvention of the Diet to revise the Law, the scheduled meeting between Premier Ashida and Socialist leader Katayama was considered by MAINICHI to have lost its importance. However, the Socialist leader again was quoted as recommending Diet dissolution after passage of the revised Public Service Law (Press Analysis No. 840).

Although journals were agreed that Katayama's demand for immediate dissolution of the Diet would not be met now even if he should persist, a number of commentators pointed out the inevitability of political maneuvering during the course of the special session. A major question was the anticipated position of the Socialists, particularly with reference to the Democratic-led coalition Cabinet. "How and when will the limit of Socialist and Democratic cooperation come?" questioned TOKYO TIMES, while a JIJI SHIMPO editorial believed that whether or not the Ashida Cabinet could fulfill its "present duty" depended on the Socialist Party. Katayama's demand for immediate dissolution of the Diet and Labor Minister Kato's statement that he would resign if the labor legislation were revised were considered by the latter journal to be invalid as a result of the changed situation, and a restatement of the Socialist position was called for. Reports that Kato had altered his determination and would remain in his post won approval from SHIN YUKAN. On the other hand, the journal warned that Ashida was "taking too much for granted if he considered the revision problem as a lucky development for his Cabinet."

The keynote of reconstruction of government enterprises should be "democratization and socialization," according to YOMIURI's editorial which believed this would be possible if bureaucratic controls over such government-controlled enterprises as transportation and communication were relaxed, and the recommendations of the SCAP letter adhered to.

POLITICS

Affiliation of approximately 30 "bureaucrats" with the Democratic-Liberals prompted two papers to claim that such policies discouraged widespread popular support. Fearing that the new adherents would become a "gangrenous evil," thereby retarding democratic growth, TOKYO TIMES appeared to place responsibility on Party President Yoshida "who was once a bureaucrat." Equally critical of the new members, SHIN YUKAN thought that the Democratic-Liberal Political Affairs Research Committee had shown "lack of intellect" in permitting the veteran government officials to join. The evening journal recommended that the Committee develop new leadership by encouraging young Party members.

Commenting on the resignation of 10 leftists from the Socialist Party following the expulsion of six others, TOKYO MINPO "understood" the attitude of those who left voluntarily, but believed they had made a mistake. Without suggesting that the dissidents attempt to regain Socialist membership, the paper nevertheless recommended that they "resolve to clean up the Party."

LABOR

Cabinet intention to implement the SCAP letter concerning revision of the National Public Service Law through issuance of an administrative ordinance reportedly was expected in the event unions do not recognize the Government's interpretation (see above). The Administration was said to have taken the position that the National Council of Government and Public Office Workers Unions' rights to collective bargaining and work stoppages were nullified by the SCAP message, whereas the NCGPOWU assertedly believed that discontinuance of Central Labor Relations Committee arbitration of its demands was not required. Meantime, the Wage Bureau of the Finance Ministry was expected to devise welfare measures for public employees, which would provide for housing, hospitalization, clothing, and other needs.

A NIPPON KEIZAI editorial declared that revision of the National Public Service Law was necessitated by labor excesses. The writer claimed that "goverment employees often have resorted to strikes and sabotage measures in open defiance of legal provisions forbidding dispute tactics, and the Government, on the other hand, has done nothing to remedy such practices." Excessive actions on the part of unions also have obstructed private industry, the writer charged. Repercussions of the SCAP letter in non-governmental labor relations were predicted by YUKAN MIYAKO. Meanwhile, AKAHATA maintained that immediate effectuation of the new policies "should be condemned as violating the basic principles of the Constitution, since (Diet) deliberations have not yet been started relative to revision of the National Public Service Law." The leftist journal sounded "an appeal to all workers, farmers, and the general public to form a mass defense organization -- together with the Japan Communist Party -- for the protection of the nation . . . through the development of an active democratic racial front."

ECONOMY

Board of Trade decision to purchase 50,000 bales of raw cotton -- marking initial application of the US $60,000,000 cotton loan -- was reported in virtuall all Tokyo dailies. Manufactured textile goods will be sold to sterling area nations on a pound sterling basis. Also noted were accounts of the Board's program to ease trade restrictions and promote exports. With a goal set at $360,000,000 -- twice last year's export total -- the Board hoped to encourage direct transactions between buyers and Japanese producers, and to confine its own functions to administering trade contracts and to examination of export products. No editorial comment was forthcoming.

Stock Transactions

Democratization of Japan's stock market has made considerable progress since the organization of the Security Adjustment Disposal Council a year ago, TOKYO SHIMBUN observed. However, the journal felt that security popularization had just begun, and that if "various problems were solved" and if the Bank of Japan and the Finance Ministry showed more enthusiasm, economic democratization could be advanced further. Although favorable stock market factors -- such as the Johnston Report, introduction of foreign capital, and increased production -- had appeared, activity allegedly had not been stimulated to any marked degree. The writer attributed this mainly to shortage of funds and to "lack of active support" by the Bank of Japan and the Finance Ministry.

FOREIGN

Announcement that a 4-power diplomatic conference would be held on the Berlin question was widely reported today. News of the Progressive Party Convention in Philadelphia appeared in only a few papers, and TOKYO MINPO alone headlined the plank calling for an immediate peace treaty for Japan.

A TOKYO SHIMBUN foreign affairs columnist described candidate Henry Wallace as a moderate, asserting that "he does not exceed a step beyond the line of progressive revised capitalism." "Inasmuch as the Progressive Party is represented by Wallace," the writer continued, "interweaving of a communistic color in its platform will be rigidly prohibited." The new group's foreign policy was said to show "progressive features" in its program to eliminate friction between the US and Soviet Russia.

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Ejection of Communist Party members from Fukui Prefecture was attracting attention, TOKYO SHIMBUN noted in an editorial essentially sympathetic to the ejection measures. Noting the current discussion over the constitutionality of the move, the journal asserted that it was "not proper to judge individually whether or not the regulation was an 'illegal oppression' and 'contrary to the Constitution'" since this should be determined by the Supreme Court. Simultaneously, the Communist Party was urged to refrain from utilizing the confusion to expand its influence.

ECONOMY

Revision of the over-all currency agreement between Japan and sterling area countries (Press Analysis No. 796) to permit Japanese cotton textile exports on a 100-percent sterling basis was reported by the Tokyo press. Changes in the pact -- which heretofore stipulated that half of Japanese cotton goods exports must be paid for in pound sterling -- resulted from negotiations between SCAP authorities and representatives of sterling area nations. No editorial comment was forthcoming.

Supply and Demand Program

The ESB supply and demand program (Press Analysis No. 837) was significant in that it set a goal for increasing rations, but the Administration should have published a plan it was sure of realizing, JIJI SHIMPO maintained. The writer thought that announcement of the program should have been postponed until the quantity of food imports was more definitely ascertained and until domestic food production was more clearly determined. Noting that the Government had formulated various recovery projects, the journal suggested that it would be more effective to concentrate on one policy rather than on many.

FOREIGN

The Berlin situation continued to lead foreign topics in both news coverage and editorials, while Henry Wallace's nomination as presidential candidate for the new Progressive Party was less prominently noted. Sole commentary on the US third party appeared in TOKYO TIMES, which compared the organization with Britain's Labor Party.

The reported intensification of Communist activities in Southeast Asia was the subject of Monday's lead editorial in MAINICHI. The "racial front" facet of these movements was likened to that of Japan's Communist Party, and the failure of aid from foreign capital in neighboring countries was attributed to internal instability and ambiguous foreign policies. "Exclusionism," the writer declared, "is apt to cause confusion."

Considerable space was devoted to other interpretations of foreign affairs, with especial attention to the problem stemming from the Soviet blockade of Berlin's western zones. Secretary of State Marshall's statement that a solution would be sought through diplomatic negotiations drew wide expressions of optimism, and a conciliatory character was predicted for the note now being prepared by the Western governments for delivery to Moscow. SEIJI SHIMBUN believed the Marshall statement showed that the US "is firmly determined to solve the problem through peaceful means," and JIJI SHIMPO lauded the State Department's chief as "a protector of peace."

Meantime, other writers were attracted by the influence France's cabinet troubles might bear on the international scene, with ASAHI observing that the concord of the Western Allies undeniably had been disturbed. A comparison between French and Japanese politics was drawn by KOKUSAI TIMES, which noted in Franco's experience a lesson on the difficulties of a "neutral character" government.

EARTHQUAKE

JIJI SHIMPO and YOMIURI discussed a Japanese scientist's prediction of an earthquake in the Kanto region in late August or early September, and made particular reference to the action of the Earthquake Forecast Research Liaison Committee in declaring the theory practically groundless. YOMIURI questioned the wisdom of the Committee's stand, saying that forecasts, even if inaccurate, should be made whenever there was the slightest possibility of a tremor. "We attach more importance to the disastrous results due to the sudden occurrences of an earthquake than to any social panic that may be caused by forecasts," the writer concluded.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

AUG 5 1948

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PRESS ANALYSIS, 24 July 1948

No. 839

The Supreme Commander's letter to Prime Minister Ashida on the subject of the Japanese public service was accorded the dominant news position in 15 major Tokyo papers. Warning against the use of strike tactics by government employees, the letter urged comprehensive revision of the National Public Service Law. In addition to detailed press coverage -- which included the full text of the message -- the volume of editorial comment was much greater than is usually the case on the first day of an important news development.

Publication of General MacArthur's recommendations generated action in Administration quarters and evoked several statements from party leaders. At a Cabinet meeting on Friday, decision was made to begin immediate formulation of a bill revised in conformity with the SCAP suggestions, which would be introduced at a forthcoming extraordinary Diet session. Chief Cabinet Secretary Tomabechi was quoted as stating that in view of the urgency of the issue, Socialist Chairman Katayama's earlier demand for dissolution of the Diet immediately after convocation could not be accepted. The "delicate" situation in which the Socialists had been placed was noted, and the Party's attitude was expected to be decided next week.

Labor Minister Kato's intimation that he would resign because government workers would lose collective bargaining rights won headlines in several journals, together with the statement of Chairman Yonekubo of the Socialist Diet Policy Committee that if Kato resigned "all Socialist Cabinet members would tender their resignations." On the other hand, Katayama reportedly declared in Tsuruoka that withdrawal of Socialists from the Cabinet was "impossible," and that consideration of amendments to the Law should receive primary attention. Meanwhile, the Democratic-Liberal Party went on record as "favoring the message in full."

General MacArthur's recommendations were expected to have "far-reaching effects" on the labor situation, especially on the government unions' preparations for strike action against the 3,791-yen wage base. MAINICHI asserted that the dispute between the Government and its employees "would see new action," and felt that SCAP's letter had exerted a "great political influence on the controversy." Opposition to revision of the Law came from the Government and Public Office Workers Union, the All-Japan Communications Workers, and the Government Railways Workers Union.

Editorial Comment

Commentators in seven journals uniformly endorsed the Supreme Commander's letter, and agreed that revision of the National Public Service Law was necessary to correct labor excesses. Commentators regretted, however, that SCAP intervention had been necessary to avert a domestic crisis. Most journals admitted that government salaries were low, and urged appropriate consideration of the workers' welfare and treatment.

Criticism of labor tactics was widespread, with writers charging that unions had failed to recognize the "public-servant" status of government employees and instead had considered federal workers in the same category as workers in private firms. ASAHI felt that the "illegitimacy of workers' demand over the 5,200-yen wage issue" indicated the unions' disregard of the relations which exist between them and the people. Noting that government employees owed "unconditional allegiance to the public trust," SEKAI NIPPO called for "constructive self-reflection." MAINICHI accused unions of failing to make efforts to settle their differences with the Administration, and scored both the Government and its employees for "not having awakened to their own positions in the

labor union movement." Declaring that there could be no sound growth of the movement "apart from national interests," YOMIURI urged union development "along healthy lines," and retreat from "service to political party of special interests."

In a similar vein, a TOKYO SHIMBUN editorial censured union leaders for "deliberately ignoring their rights and directing activities along destructive lines," while NIPPON KEIZAI observed that labor organizations -- through wildcat strikes and slow-down measures -- had only themselves to blame. Although critical of labor's "political demands" in wage disputes, JIJI SHIMPO felt that public "lack of initiative to act according to convictions" was largely responsible for the workers' unrest and attendant problems.

POLITICS

Influence of the SCAP statement on the political situation was awaited, while editorialists continued to discuss maneuvers of the various parties for advantageous positions in anticipation of a government change -- whether through Diet dissolution, as recommended by Socialist Chairman Katayama, or through reorganization of the present coalition cabinet.

Efforts of the Democratic Party to establish a centrist federation brought prominent mention of purge-cleared Ken Inukai, who was reported to have scheduled a conference with Peoples Cooperative Leader Miki on the proposed middle-of-the-road formation. Writers were skeptical of the movement's success, and TOKYO SHIMBUN warned that "a policy halfway between capitalism and socialism is necessarily fraught with weakness." To SEIJI SHIMBUN and SHIN YUKAN, the idea was interpreted as a tactic on the part of the Ashida group to maintain political power.

The role of the Socialists and the Democratic-Liberals was the subject of editorials in TOKYO MINPO, SEIJI SHIMBUN, ASAHI, and a commentary in SHIN YUKAN. The latter journal saw no solution in Katayama's proposal to dissolve the Diet, and asserted that the attitude the Socialists assumed on joint ministerial control would decide the nature of the next government. This question would be decided when the struggle between rightist and leftist elements of the Party was climaxed in the Central Executive Committee's deliberations, TOKYO MINPO predicted. Democratic-Liberal announcement that several ex-government officials were to join that body drew an ASAHI charge that the organization had come to deserve the name of "Bureaucrats' Party."

ECONOMY

Reduction of advance delivery quotas on wheat, barley and potatoes -- announced at the conference of prefectural governors yesterday -- received considerable attention in metropolitan papers, although editorial comment was not yet forthcoming. On the food front, TOKYO MINPO criticized the Government's plan for increasing basic food rations, and expressed doubt that the program could be materialized. The Agriculture-Forestry Ministry was said to have laid half of the responsibility for realization of higher allotments on the public, and this was interpreted by the editorialist as an evasive position. According to the writer, the Administration's plan was an attempt to obtain endorsement of the 3,791-yen wage base, and the people were cautioned not to be deceived.

Interim Stabilization

Failure of the Economic Stabilization Board's interim stabilization plan was claimed in a SHIN HOCHI editorial, which asserted that the formula of "overcoming inflation through increased production" had been reversed. Administration pressure was said to have prevented publicizing of this view in an attempt to prolong the Cabinet's political life, the writer declared.

WAR CRIMES

Eight papers featured human interest articles on the daily lives of the 25 major war criminal suspects awaiting the judgment of the International Military Tribunal for the Far East. The stories apparently were based on observations made by a Japanese defense attorney who visited the prisoners at Sugamo Prison. With the exception of two who were hospital patients, the defendants were described as "extremely healthy" and reportedly were spending their time in religious meditation and games. Discussions among the wartime leaders centered on current international affairs, it was said, while domestic problems assertedly failed to claim their attention.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 23 July 1948 No. 838

POLITICS

Announcement that Premier Ashida would issue an important statement at today's Cabinet meeting won headlines in several journals and front-page coverage in others. The statement was expected to clarify the position of the Cabinet with reference to such issues as reconvening the Diet. Journals commenting on the possibilities of reconvention regarded Tetsu Katayama's earlier demand for prompt convocation and dissolution of the legislature as a "bombshell," which, in the words of SHIN TOKYO, might be "thought of as a divorce (of the Socialists) from the Cabinet." The latter journal felt that Katayama had taken the "honest" step in frankly requesting dissolution, and criticized other Socialist Party members for attempting to prolong an allegedly profitless coalition. The Socialist leader's demand was considered by MAINICHI to be "inconsistent" with the avowed interests of right-wing Socialists, and therefore "astonishing" to political circles.

Evidences of disunity within the Socialist camp led three journals to speculate on the Party's future influence. Questioning whether the main branch or the recently formed, left-wing "orthodox" group would get more support from the general public, SHIN TOKYO suggested that Socialist factionalism might give opportunities to the conservatives to reassert themselves. On the other hand, while TOKYO MINPO thought it possible that the Socialists might align with the conservatives after an election, TOKYO TIMES thought it "only natural" that the various ideological groups in the Socialist Party were splitting off, but believed that a general election to clarify the position of the Socialists was desirable.

MAINICHI and JIJI SHIMPO agreed that the Democrats were intent upon maneuvers to postpone Diet dissolution, the latter attributing this to the prospective formation of a new centrist party. In the event an election is called, the Democratic-Liberals would be dependent on the support of such a centrist group, TOKYO SHIMBUN thought, inasmuch as it was believed that the Democratic-Liberals could not gain a majority in the Diet at this time.

Tokuda Incident

Interest in the attempted assassination of Communist Party Secretary-General Tokuda declined sharply, although a few papers noted the "sympathy" extended by the Russian Communist Party, and AKAHATA headlines insisted that "the people are outraged." Editorially, the Communist organ charged that Premier Ashida seemed to approve the act of violence, and that the assailant's political views were similar to those of the Premier's Democratic Party. A SEIJI SHIMBUN commentator recalled that terrorists formerly had been regarded as heroes in Japan, and deplored the number of "tough gangs" allegedly still in existence. "Brute force is an enemy of democracy," the paper added.

GOVERNMENT

Noting that the Administration had decided to eliminate the practice of half-holidays in government offices during the summer months, SEIJI SHIMBUN and ASAHI took issue with government workers who reportedly were demanding extra pay for working in the afternoon. Other projects of government workers might be reasonable, the last-named journal said, but the latest demand was considered "laughable." What would happen "if banks, coal mines, steel mills, and newspaper offices took a half-holiday during the summer?" the writer asked.

ECONOMY

Price Board announcement of regional coal prices -- computed on the producer's basic schedule of 2,388.53 yen per ton -- won lead position in NIPPON KEIZAI and featured space in other papers. The revised rates reportedly were put into effect to cut down production costs through rationalization of management, to improve the quality of output, and to reduce the number of mines suffering from deficit production. Mine operators in certain areas were said to be opposed to the new levels, charging that the Government emphasized the quality of coal in defiance of production costs.

Editorial comment on the Price Board's action was not forthcoming, but AKAHATA -- in an editorial charging that the general price revision undermined the people's livelihood -- asserted that the Administration intended to alleviate the financial burden of subsidizing mines by raising coal prices. The Communist organ contended that the Government was prompted to revise commodity prices by the need of boosting the coal price, and claimed, therefore, that the revision could be regarded as a means to establish the monopolistic control system. Insisting that the workers' purchasing power could not keep apace with the new prices, the editorialist urged the people to "resist the system to the last."

Supply and Demand Program

Four journals welcomed the Government's intention to increase rations (Press Analysis No. 837), but cautioned that hopes should not be raised too high. Commentators agreed that while imports were an essential factor in attaining the goal, the Japanese people themselves must strive to boost production to the limit. MAINICHI thought that increased rations were "within the bounds of possibility," but TOKYO SHIMBUN and YOMIURI believed that so long as success of the program was dependent on domestic production, "too many unknown factors" were present. The TOKYO SHIMBUN writer feared that labor unrest and blackmarketing would make materialization impossible, while YOMIURI felt that the plan should have been drawn up when objective circumstances -- such as the condition of the rice crop -- were more clear. DAI ICHI SHIMBUN questioned the sincerity of the Administration, declaring that if the program were being used as "an election tactic," concrete efforts toward its realization could not be expected.

Aid for Industries

In considering the functions of the proposed organization to extend guidance to small and medium enterprises, JIJI SHIMPO urged utmost care in solving the problems of these industries. Unless the nature of the assistance were sound and appropriate, the paper feared that such a board might complicate affairs rather than provide positive aid. The agency should operate strictly as an economic organ, the commentator said, and "socialistic or charitable considerations" should not enter into the scheme.

LABOR

Adoption by the National Congress of Industrial Organizations of a regional disputes policy and Labor Minister Kato's statement expressing determined opposition to wage control measures highlighted labor developments today. Assertedly led by the National Council of Government and Public Office Workers Unions, NCIO groups were expected to execute work stoppages in protest against "mass taxation, establishment of conciliation agencies, and institution of a minimum wage system." Conflicting opinion was said to be evident among Government Parties concerning the wage stabilization issue, as the Labor Minister emphasized Socialist rejection of wage control -- because "it involves the danger of aggravating inflation and labor unrest."

Both ASAHI and TOKYO SHIMBUN attached political significance to the predicted labor offensive, and charged that leftist forces were seeking to unseat the Ashida Administration. The former journal noted "radical influence" in recent national conventions of electric workers, and government railway and communications employees, and expressed belief that the projected work stoppage campaign did not meet with the approval of anti-Communist labor groups. Similarly, TOKYO SHIMBUN asserted that "there is no doubt that certain leftist elements with special political objectives are attempting to convert general labor unrest into a labor offensive by taking advantage of existing political and economic instability." The editorial specifically pointed to the Communist Party, which was said to be creating distrust in the nation's political leadership by propagandizing official disclosures of illegal property transactions.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

No. 837

PRESS ANALYSIS, 22 July 1948

ECONOMY

ESB announcement of the basic supply and demand program for livelihood commodities won lead position in four major Tokyo dailies and was featured in virtually all others. Under the new plan the normal ration of staple foodstuffs would be raised 10 percent to 2.7 go from November, and, in addition, laborers would receive a 0.6 go increase in supplementary rations.

Sole editorial reaction to the program appeared in MAINICHI, which commended the ESB for the "frank and honest" tone of the announcement, and termed the project a "plan the people can understand." Government pronouncements in the past were unilateral and arbitrary, according to the writer, with the result that when projects failed, Administration prestige suffered. The new ESB program assertedly did not "promise too much, and, therefore, did not arouse public suspicion." Nevertheless, the editorialist stressed the need for utmost efforts to increase rations on the ground that such an accomplishment would improve the "enjoyment of wages by laborers, and thus possibly check labor trouble."

Meantime, in an editorial emphasizing the urgency for stabilizing the farm economy, YOMIURI contended that the ability to increase rations would be determined principally by the success of the rice crop. Only when the agrarian economy became secure could food production be boosted and "a way opened to check inflation," according to the writer, who urged the Government to establish fair prices for rice and to ease the farmers' tax burdens.

Other Editorial Comment

TOKYO SHIMBUN approved the unfreezing of blocked yen deposits (Press Analysis No. 836), and contended that the nation's economic recovery had been "seriously interfered with by the existence of both free yen and blocked yen." The journal regretted that decontrol required approximately 30 months, particularly in view of the reported original intention to unfreeze accounts after six months. Fear that release of 200,000,000,000 yen in blocked deposits might aggravate inflation could be cited as a plausible reason, according to the commentator, but inflation was said to be a "composite economic phenomenon which financial measures alone could not halt."

NIPPON KEIZAI warned against haphazard implementation of the 10 principles for economic rehabilitation (Press Analyses Nos. 834, 836), and called for rearrangement of policies in the order of priority, and for appropriate measures to meet their requirements. The Administration must clarify which of the 10 principles demand immediate and intensified consideration, and facilitate the program accordingly, insisted the writer.

POLITICS

Today's political news was highlighted by the demand of Democratic-Liberal Party President Yoshida for the immediate resignation of the Ashida Cabinet. Following Tetsu Katayama's request for prompt dissolution of the Diet (Press Analysis No. 834), the conservative leader's statement drew wide attention, although no immediate comment was noted. Instead, political writers continued to discuss the effect which clearance of Ken Inukai from the purge list would have on Democratic Party policies, the proposed meeting of the heads of the Government Parties, and the attempted assassination of Communist Party Secretary-General Tokuda (see below).

Re-emergence of Ken Inukai into public life would give impetus to the formation of a centrist party, Premier Ashida was quoted as saying, while three papers (TOKYO SHIMBUN, DAI ICHI SHIMBUN, and SHIN YUKAN) speculated on the effects of Inukai's renewed participation in politics. Inukai's ideas seemed to have remained unchanged, while the times were changing constantly, DAI ICHI SHIMBUN commented in connection with the leader's reaffirmation of

a middle-of-the-road policy. Doubt was expressed by TOKYO SHIMBUN as to whether the plan to form a centrist party would be accelerated by Inukai's return. A major difficulty, the journal pointed out, was the rivalry for leadership among the conservative parties. On the other hand, quoting Kyodo's political review of the internal policies of the Democratic Party, SHIN YUKAN observed that a number of Democratic Party members who had separated from the Party were showing signs of returning as a result of Inukai's clearance.

A conference of leaders of the three Government Parties -- scheduled to be held some time after 26 July -- was expected to precipitate large-scale political activity, according to several papers. The results of this conference were considered more important by SHIN HOCHI than either the movement for formation of a centrist party or the conservative merger movement. The intention of the Ashida Cabinet to survive in spite of the possible resignation of Socialist members was seen by SHIN YUKAN and SHIN TOKYO, with the former also emphasizing the danger to the Democratic Party offered by the Democratic-Liberals' offensive. Regarding the latter, YOMIURI reported admission of 30 former bureaucrats to the Democratic-Liberal organization, but thought that while the recruits would certainly bolster the Party, there was danger that they might eventually constitute a strong faction within it.

Attempted Assassination of Tokuda

Six journals of varying political shades joined in condemning the attempted assassination of Kyuichi Tokuda, Secretary-General of the Communist Party and a member of the Diet. Most vocal was AKAHATA, which devoted most of its front page to the incident, in which Tokuda was slightly injured by a bomb. In different columns, the Communist organ variously blamed the Government, "terrorists," "bureaucrats," and "capitalists," demanded an investigation, reviewed other developments having an alleged "military tinge," and charged that the attack was directed toward the working class as a whole. "In the name of the working masses of Japan," the paper announced, "the Communist Party hereby launches a positive attack upon all dictatorial policies of the governing class, and, at the same time, demands that the Government eliminate all such reactionary elements in accordance with the terms of the Potsdam Declaration."

Three other more moderate editorials observed that the Tokuda attack had occurred shortly after the attempted assassination of Italian Communist Leader Palmiro Togliatti. To leftist SHIN TOKYO, this indicated that fear of the "democratic revolution" was not confined to Japan, and JIJI SHIMPO suggested that Tokuda's assailant might have been "excited" by the Italian incident. SHIN HOCHI, however, was unable to detect any connection between the two attempts. Although deploring the resort to violence, the last-named journal took occasion to charge that Communism was impeding Japan's recovery, and contended that left-wing groups also were responsible for terroristic acts. Similarly, SHIN YUKAN reaffirmed its opposition to Communism, and expressed belief that the Japanese people were indifferent to assaults upon public figures. In this connection, several writers noted that these attacks had become less frequent since the end of the war, but ASAHI maintained that recent disturbances in the Diet had set a bad example. Only two papers -- JIJI SHIMPO and SEKAI NIPPO -- published a wire service story that the Soviet Communist Party had express its "friendly sympathy" to the Japan Communist Party.

EDUCATION

Revisions in the Board of Education Law were made as a result of pressure from the Japan Teachers Union, ASAHI suggested. Cited as evidence was the provision permitting teachers in active service to run for membership on the new school boards, whereas in the original draft of the bill teachers were eligible for candidacy only if they left their teaching posts. In the writer's opinion, this raised the possibility that if many teachers were elected, "the Education Boards will be put under the control of the Teachers Union." Implying hasty action by legislators, the paper observed that after being considered for a year and a half by the Education Ministry, the bill was revised and passed during the last days of the session after only 10 days deliberation.

LABOR

The Administration reply to the Central Labor Relations Committee in the dispute with the National Council of Government and Public Office Workers Unions dominated labor developments. The announcement was described as a formal statement of the Government's position, which was opposed to mediation of the NCGPOWU's six conditions on the ground that they were political problems.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 21 July 1948 No. 836

POLITICS

Creation of a centrist party was believed to have been given impetus by the clearance from the purge list of Ken Inukai, a founder of the Democratic Party. Permission for Inukai to participate again in politics was linked with the deteriorating relations between Socialist and Democratic Cabinet members and with Socialist Chairman Katayama's call for early dissolution of the Diet. The attempted assassination of Kyuichi Tokuda, Communist Party Secretary-General and a member of the Diet, also won prominent headlines.

The Japanese public believes that the Diet will be dissolved in September, according to ASAHI, which devoted its lead story to the political situation resulting from Inukai's release. With the support of the latter, plus the aid of Wataru Narahashi, who also was cleared from the purge list recently, it was believed that "favorable conditions" had been created for the proposed centrist party. The same paper felt that Inukai and Narahashi -- together with Peoples Cooperative Chairman Miki -- would be leaders of the new group. Participation of Premier Ashida also was indicated in the report that he had "sent out feelers" in regard to a new middle-of-the-road party.

Belief that Inukai's return to the political world would not "save" the Ashida Administration was expressed by MAINICHI, which felt, nonetheless, that Inukai would "cause anxiety" to the Democratic-Liberals. Other comment on Inukai was lacking, but commentators agreed that relations between the Government Parties had reached a point which made further cooperation difficult.

SEKAI NIPPO, for instance, welcomed dissolution of the legislature because "we want a better Diet and a better cabinet." Advising right- and left-wing Socialists to separate, the writer recommended a merger of Democrats and Democratic-Liberals in order to stabilize the political situation. TOKYO MINPO observed that labor had lost confidence in the Socialists, and SHIN YUKAN urged that the Socialists become "a good non-government Party," but SHAKAI SHIMBUN -- the official Socialist organ -- maintained that the majority of workers still supported the Party. Acknowledging that the "situation is difficult," the paper nevertheless defended the recent ouster of leftists, and pledged that the Socialists would continue their program. MAINICHI, however, felt that it was premature for the Socialists to have become a Ministerial Party and recommended that they become an opposition because "they have disappointed not only the Socialists, but the general electorate."

ECONOMY

Announcement of the release of blocked yen accounts, effective today, was given prominent attention, while considerable coverage also was accorded the reported formulation of a 10-point economic policy and the consideration of a plan to make national treasury payments on a conditional basis.

Release of the savings, frozen since February, 1946, was said by TOKYO SHIMBUN to place the nation on a completely "new yen" basis, as these funds represented wealth under the old currency. Sole editorial comment on the decontrol move appeared in YUKAN MIYAKO, which maintained that the course of the country's economy in the past two years and five months had proved that "a single currency measure cannot check the spiral of inflation." The paper pointed out that during this time note deposits of the Bank of Japan had increased from

15 billion yen to 230 billion yen. News stories also incorporated the promulgation of a measure revising part of the Financial Institutions Rehabilitation and Adjustment Law, a salient feature of which was hiking of the maximum limit on government compensations for financial agencies from the present 10 billion yen to 16,300,000,000 yen.

Several journals reported announcement at yesterday's Cabinet meeting of an Economic Stabilization Board program embodying 10 basic principles for national recovery, which ASAHI condensed into wage stabilization, foreign exchange control, and punishment of tax evaders. Consideration of the plan was postponed until the Friday Ministerial meeting. MAINICHI said the Administration's so-called "Interim Stabilization Program," which had been highly publicized, had dissipated into "nothing but a desk plan."

Price Revision

Government labeling of recent price revisions as a "temporary adjustment" was described as a falsehood by SHIN HOCHI, which contended that no effort was made to retain a balance by offsetting cost increases on commodities with decreases. The editorialist declared that it was the Administration's duty to invoke anti-inflation measures and charged that there was no sign of such an intention on the part of the Administration. A contrast was drawn between the attitude of the Katayama Cabinet and the present group, by which it was asserted that the former had attempted -- although unsuccessfully -- to stabilize the relationship between prices and wages. Current policy, the writer concluded, was "more than the people could bear," but public crimination was called useless in face of the Government's attitude.

GOVERNMENT

For the second consecutive day TOKYO MINPO's editorial column was devoted to a discussion of the trial of Suehiro Nishio. Rumors that Nishio would be judged "not guilty" and reported statements by Government officials to this effect were deplored by the leftist journal which, while believing that the court would judge the case fairly, questioned whether a verdict of "not guilty" might not give the people the impression that this decision had been reached in accordance with the wishes of the Premier and the Chief Cabinet Secretary. Editorial comment in JIJI SHIMPO concentrated on Attorney-General Suzuki's reported acceptance of a part of the funds given to Nishio by a contracting company. If Mr. Nishio's testimony regarding the Attorney-General's acceptance of the funds is correct, the journal observed, the person responsible for prosecuting Nishio received one-fifth of the money which was the cause for the prosecution. "People concerned with the judicature can never be too fastidious where official business is concerned."

LABOR

Cabinet decision to discontinue summer half-holidays in government offices was accorded reportage in several metropolitan journals. Attention also was given to Transportation Minister Okada's proposal to the headquarters of the Government Railway Workers Union that "sporadic local strikes be halted and disputes settled through collective bargaining between the Ministry and the GRWU's national office." The union assertedly replied that "to the extent that strikes are authorized by local union by-laws, they cannot be controlled by GRWU's top leadership."

Labor Disputes Increase

Gradual increase in labor disputes was noted in a SEKAI NIPPO article. Citing Labor Ministry statistics for the month of May, the writer attributed the greater frequency of walkouts, industrial sabotage, and "business control" principally to controversies involving wage demands, employee dismissals, and retirement allowance requests. "A dangerous trend" was discerned in the alleged practice of discharging workers "on the pretext of enterprise adjustment."

FOREIGN

Prominent notice was given to the election of Dr. Syngman Rhee as president of the new Korean Republic, and wire dispatches on the Berlin situation continued to draw headlines. Editorials on the divided state of Korea appeared in MAINICHI and JIJI SHIMPO, and stressed the legitimacy of the Southern Government in opposition to the Soviet-sponsored regime. MAINICHI saw this problem as one which would be decided only with the solution of US-Soviet relations, as both papers expressed hope that the neighboring country eventually would achieve unification.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 20 July 1948 No. 835

POLITICS

Repercussions to Socialist Chairman Katayama's advocacy of early Diet dissolution won lead position today in six Tokyo papers. Described by MAINICHI as "a bombshell which has shaken the Government to its foundations," the Socialist leader's statement (Press Analysis No. 834) prompted widespread press discussion and speculation. Most writers felt that if dissolution took place at the proposed extraordinary session, a general election would be held by October.

Prominently headlined was Premier Ashida's reaction to Katayama's views. "If there should be a cleavage between the Democrats and Socialists, they should part," the Prime Minister was quoted as saying. Meanwhile, Chief Cabinet Secretary Tomabechi (Democrat) and Speaker Matsuoka (Socialist) reportedly agreed that dissolution was unavoidable, but journals noted that another Socialist leader, Commerce-Industry Minister Mizutani, had suggested that the Diet should first consider the wage and war bond interest problems. YOMIURI reported that, in anticipation of a general election, the Democrats planned to strengthen Party organization by filling vacancies in key positions.

The views of "3,500 representatives of various walks of life" were assigned a featured position in ASAHI. According to a public opinion survey conducted by that journal, 28 percent of those questioned favored dissolution, 23 percent favored resignation of the Cabinet, and 16 percent favored reorganization of the Administration. Only 16 percent supported the Ashida Government, as compared with 30 percent in March, the paper reported.

In one of two commentaries on Katayama's declaration, MAINICHI charged that the Socialists were motivated by political considerations, and discerned "a spirit of irresponsibility in regard to government." The allegation was based upon the belief that the Socialists -- as a Ministerial Party -- desired to "side-step" the anticipated labor offensive. As the largest group in the present Coalition, and as one founded with labor's support, the Socialists should formulate legislation to cope with labor's demands, the editorialist contended. DAI ICHI SHIMBUN also was critical of the Socialist Chairman and thought that he had "created a commotion in vain." In another column, the same paper stated that the Socialists were resigned to becoming an opposition group, whereas both the Democrats and Democratic-Liberals were said to have hopes of gaining control of the next government.

ASAHI, JIJI SHIMPO, and SEKAI NIPPO commented on the split in the youth section of the Socialist Party, which was believed to be as serious an issue as that in the parent organization (Press Analysis No. 834). In other editorials, JIJI SHIMPO denounced the formation of new parties through "transactions," and SHIN YUKAN warned all parties that "anti-Communism is meaningless unless backed up with concrete policies."

LABOR

Possible prohibition of the expected August labor offensive was suggested in the widely-published statements of Chairman Dobashi of the All-Japan Communications Workers Union. Referring to a recent interview with a SCAP official, the labor leader said that unions were advised to cancel strike plans, and to "take into consideration the present situation of Japan, which has received large amounts of imported foodstuffs." Also accorded considerable coverage was a SCAP spokesman's recommendation that labor organizations discontinue the "pyramid system" by which top-ranking leaders in many unions were elected by full-time paid officials rather than by the membership as a whole. No editorial comment was forthcoming.

GOVERNMENT

Suehiro Nishio's trial for allegedly falsifying evidence presented before the Diet's Illegal Property Transactions Committee again drew the attention of the metropolitan press. Reaffirming his innocence of the charges, the former Deputy Premier asserted that since he had believed the funds given to him by a contracting company were entrusted to him in "an individual capacity," he had not been guilty of any breach of law in failing to report the matter. Implication of other members of the Socialist Party as recipients of part of the funds also was brought out in yesterday's testimony. Comment appeared in three journals, with AKAHATA scoring the alleged prevalence of bribery in Japan, and TOKYO MINPO declaring that "whether Nishio is guilty or not, he is dead as a statesman representing the laborers." The latter journal felt that the contractors had given the money to Nishio as an anti-labor member of the Socialist Party, and concluded that "it is those in opposition to the laboring class who may support his political activities in the future." A different approach was taken by a YUKAN MIYAKO commentator who felt that the best way to avoid dealings in regard to political funds was to guarantee inexpensive elections under public management.

ECONOMY

Return of Japanese delegates from the International Silk Industry Conference in France was accorded extensive coverage, and several headlines showed optimism concerning prospects for the nation's silk industry.

In an editorial on the new official prices for silk cocoons, TOKYO SHIMBUN declared that although the demand for silk was now at low ebb, Japan's producers must not become dissatisfied with the recently-instituted prices, but should continue to strive for the development of the industry. When world conditions improve and the desire for luxury goods grows, the demand for silk will increase proportionately, the writer predicted. Even with the rapid development of the chemical fiber industry during the war years, the journal was hopeful that raw silk would be able to hold its own.

Enterprisers Organization Law

NIPPON KEIZAI stressed the need for careful enforcement of the Enterprisers Organization Law -- major aim of which was to prohibit monopolies and thus encourage fair and free competition -- since its objectives were extensive and its interpretations "dubious." The paper regretted that the Law assertedly had been rushed through the closing sessions of the Diet without adequate deliberation. If revisions in the Law were necessary, they must be made promptly in order to facilitate its implementation, advised the writer.

FOREIGN

Dispatches from abroad again figured prominently, with attention divided between the Berlin situation and a Washington report that the Economic Cooperation Administration was considering the purchase of Japanese goods for direct shipment to Europe. Sole commentary on the dispute in the German capital appeared in DAI ICHI SHIMBUN, which said that the problem was one for all nations "placed in the position of having to participate in either the Marshall Plan or the Molotov Plan."

The new South Korean parliament's election of a president -- scheduled for today -- and the forthcoming selection of executives by the Soviet-sponsored Pyongyang government drew editorials from SHIN HOCHI and from the Korean-operated KOKUSAI NICHINICHI. The latter journal called efforts of the Northern group to claim authority over the whole nation "sinful and self-ruining."

PRESS

With the discontinuance of pre-publication censorship, the SCAP Press Code of September 1945 will remain the standard for post-publication censorship, AKAHATA observed. "Inasmuch as the various articles of the Code can be interpreted broadly, however, prudence is requested in its actual use," the journal concluded.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 18 and 19 July 1948 No. 834

POLITICS

Prominently reported by the metropolitan press was Socialist Chairman Katayama's announcement that his Party planned to submit a resolution to dissolve the Diet when it is reconvened in extraordinary session later this summer. Interviewed yesterday in Sendai, the one-time Premier was quoted as saying that a coalition government, though ideally desirable, had not proved feasible, while creation of a centrist party was felt to be "superfluous" inasmuch as the Socialist Party itself could be considered as following a middle-of-the-road policy Also receiving considerable attention was the two-day youths' session of the Socialist Party. A resolution protesting the ouster of Hisao Kuroda and other leftist Party members was passed by the young Socialists by a margin of 215 to 213 votes, and elsewhere, discussions reportedly emphasized the same group's dissatisfaction with retention of Suehiro Nishio within the Party.

Commentaries on plans for a centrist party voiced general disapproval. The Peoples Cooperative Party was accustomed to "keep its back to a tree" and turn whichever way was advantageous, SHIN YUKAN remarked, while maintaining that it was "natural" for the Democratic Party to join with the Peoples Cooperatives at this time because of fear that the political power might be taken over by the Democratic-Liberals. However, creation of a center political group was meaningless if its organizers aimed only at achieving large numbers, the writer thought. In a similar vein, SHIN HOCHI and YOMIURI saw the centrist party as designed solely to prolong the power of the Democrats and Peoples Cooperatives.

Absence of a real conception of a centrist party was emphasized by the YOMIURI writer as well as by a MAINICHI commentary. The present center party drive was not middle-of-the-road politics, but a selfish makeshift, YOMIURI insisted, adding that it was clear that the people were not generally supporting the movement. No sign of a central party actually has emerged as yet because of the antagonism regarding leadership, MAINICHI hazarded, while YOMIURI emphasized the stalemate in which the coalition middle-of-the-road governments of Katayama and Ashida had resulted.

Hope for speedy convocation and dissolution of the Diet was expressed by a TOKYO TIMES editorial which regarded longer delay in dissolving the current session as productive of only "a blank" in the political situation. Other journals, however, discussed the issues which presumably would be raised before an extraordinary Diet session. Among these the major problem of raising the basic wage scale drew the attention of ASAHI's editorialists. It was desirable that both the Government Parties and the Opposition clarify in advance their respective stands on the issue, ASAHI felt, but urged that such determination of policy should not be based on the mere desire to achieve political popularity.

ECONOMY

ESB draft of a 10-point policy for stabilization highlighted economic developments over the weekend. Principles were said to stress the attainment of economic self-sufficiency through removal of labor unrest, increase in production, and enlistment of foreign aid. TOKYO SHIMBUN and ASAHI thought that "firm and speedy enforcement" was urgent in order to receive continued aid from the US and to establish a self-supporting economy. JIJI SHIMPO remarked that successful implementation of the program depended on the Government's "political ability."

Reaction to the stabilization plan was limited to a MAINICHI editorial, which observed that although the policy was similar to last year's economic emergency program, there were two notable differences -- 1) that Japan's economy had attained a condition where measures were considered stabilizing policies, rather than emergency projects, and 2) that whereas the Katayama Cabinet assertedly emphasized price stabilization, the Ashida Administration was concerned more with wage stabilization. The writer cautioned that with heated controversies already developing over the 3,791-yen wage base, the Government must "show concrete policies" in enforcing the new plan. Furthermore, the journal hoped that sound finance would be established and that the tax situation would be improved, particularly in regard to securing levies from blackmarket businessmen.

Price Revision

Fourth round of the new price revision -- effective from 18 July -- also received prominent attention in Tokyo news columns. Under this latest in the series of price changes, items affected were said to include silk cocoons, textile goods, chemical products, and building materials.

Commenting on the financial situation following price revision, SEKAI NIPPO thought that the Administration policy of promoting interim stabilization through checking currency issue and the price-wage cycle "by force" would give rise to serious problems. Such a stringent measure would place enterprises in straitened circumstances and stimulate labor offensives, according to the journal. Meanwhile, TOKYO SHIMBUN criticized the revised prices for staple foods (Press Analysis No. 828), contending that the public's hardships would increase because even at former official prices, many people were unable to buy rations. The paper urged immediate reconsideration of price revision and the wage structure in order to remove "existing contradictions."

FOREIGN

The Berlin dispute claimed lead position in several Tokyo papers, as attention was drawn to the stiffening attitudes of the Western Powers and Russia. In addition, commentaries appeared in JIJI SHIMPO, TOKYO MINPO, and TOKYO TIMES.

Blame for the tense European situation was attributed by JIJI SHIMPO to Russian "obstinancy, which utterly disregards diplomatic common sense, totally wrecking the international family of nations." The blockade was described as "grossly inhumane," and this tactic plus the USSR program of making heavy reparation removals were seen as incurring German antipathy, possibly resulting in an eventual set-back for the Soviet. TOKYO TIMES predicted that the present issue would not develop into war, and noted that the Moscow note refusing the Western Allies' demands was not final. TOKYO MINPO, picturing conditions in Germany, referred to large-scale strikes in the Western occupied zones and to promulgation by the East German "People's Assembly" of a 2-year economic rehabilitation program.

LABOR

Forecasts of Government deliberation on a general wage stabilization program dominated labor news, as arbitration of the Government dispute with the National Council of Government and Public Office Workers Unions continued to receive attention. Leaders of the NCIO were said to have launched a campaign to seek fixing of minimum wages on a regional basis in private industry, announcing this move "in cooperation" with the civil service dispute. Transportation Minister Seiichi Okada was quoted in several journals as stating that the 3,791-yen wage base was "unreasonable," and proposing that local railway strikes be stopped with institution of collective bargaining negotiations. AKAHATA reported the Cabinet member asked the railway workers' union for a reply by 20 July.

The Ministry's attitude that the NCGPOWU's 6-point demands contained "political issues" was criticized by SHIN YUKAN and DAI ICHI SHIMBUN on the ground that the wage issue was inseparable from politics. The latter paper took the stand that labor's economic problems were not confined to wages, referring to the issues of price revision and taxation. Equal responsibility for a logical solution of the problems was placed on the Government, the Union, and the CLRC.

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market lending by regular banks is much larger than the value of transactions of unauthorized groups and individuals." Meantime, a NIPPON KEIZAI editorial claimed that the Government's restrictive monetary policy -- said to be designed to control deficit financing following general price revision -- was causing "added pressure on industrial management," and, consequently, hampering efforts to increase production.

Cost of Living

A continued increase in living costs during recent months was disclosed by statistics published in Tokyo journals. A family of five residing in the metropolitan area assertedly required a budget of 10,130 yen in June to meet minimum needs of food, clothing, and shelter -- as compared with 9,364 yen in April of this year.

LABOR

The Government's formal acceptance of Central Labor Relations Board arbitration of the civil service dispute -- involving the controversial 5,200 yen wage demand -- highlighted labor news today. The Administration had objected to consideration of six collateral conditions stipulated by the National Council of Government and Public Office Workers Unions on the ground that they were "political issues" (Press Analysis No. 825), but later conceded that "it is unavoidable that such conditions be discussed in relation to the wage demand." Several papers also said that the Cabinet favored establishment of a six-man Ministerial council to cope with public employees' wage requests.

ASAHI quoted Finance Minister Kitamura as saying that wage control was not feasible at this time because of the general scarcity of commodities. The Cabinet official also was said to have charged the CLRB with partiality toward labor and with "disregard of State finance." Although the Minister acknowledged the CLRB's authority, he felt that Board decisions "cannot be taken at face value," but should be considered within the framework of budgetary limitations.

Editorial Comment

A TOKYO SHIMBUN editorial, discussing the government employees' demands, agreed with the Administration that labor was encroaching upon the political domain when collective bargaining was made the instrument to express opposition to price revision, mass taxation, and proposed wage ceilings. The writer feared, however, that "the attitudes both of the Administration and the CLRB lack clearness" as to whether these issues were within the scope of arbitration. The decision reached in the civil service dispute was expected to "exert a great influence upon the labor offensive which is anticipated in the near future," and the Board was asked to conduct fair proceedings, for the sake of retaining its prestige.

Work Stoppages

Latest strike developments included accounts of a prolonged "vacation walkout" staged by the Agriculture-Forestry's Food Control Bureau employees, and a 24-hour walkout conducted by members of the Japan Teachers Union who were demanding increased salaries from 20 higher educational institutions in the Tokyo metropolitan district. Meantime, JIJI SHIMPO noted a leftward shift in the political orientation of major labor unions, as various groups were observed to be committing themselves in favor of Communists and left-wing Socialists.

FOREIGN

Three commentaries on the US presidential contest agreed that the coming election bore significance for all the world. SEIJI SHIMBUN, for example, observed that selection of the best talent to meet the international situation would be the chief concern of American voters.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

No. 832

PRESS ANALYSIS, 16 July 1948

FOREIGN

The American political scene took precedence over domestic news today, as nomination of President Truman and Senator Barkley drew prominent positions in major Tokyo papers. However, compared to the unusually heavy coverage given the Republican selection of Governor Dewey (Press Analysis 816), interest in the Democratic Convention was almost secondary.

According to YOMIURI, the second Philadelphia meeting "did not create so much of a sensation at home and abroad as did the Dewey nomination." Explanation for this was seen in the opinion that the President's convention victory was generally anticipated, and in the belief that "the election is as good as settled as a result of Dewey's nomination." In support of this view, NIPPON KEIZAI contrasted the two conventions by pointing out the number of candidates in the Republican contest, the unanimous ballot for Dewey, and the political harmony evidenced in writing the Republican platform.

Headlines emphasized the dissatisfaction of Southern Democrats as a result of adoption of a civil rights program and gave similar attention to the reported desire for an early treaty with Japan. Specific mention of the latter was absent from commentaries, which considered the split within the Party a decisive blow to Democratic chances. The platform was considered an attempt to draw votes from leftist elements, but since leadership was entrusted to Truman -- who was thought to follow a middle-of-the-road policy essentially unopposed to that of Dewey -- this tactic was believed ineffectual. Noting the similarity between the candidates, MAINICHI predicted there would be no unexpected change in policy, regardless of which group might take the government reins.

In the face of intra-Party strife and the apparent popularity of the Republican Party, MAINICHI commended President Truman for his determination to run as "revelation of his courage and confidence, characteristic of a great politician." Other writers, comparing him with the late President Roosevelt, found Truman a weaker executive, and a SEIJI SHIMBUN profile described him as "more of a businessman . . . and not necessarily gifted with broad vision."

POLITICS

Statements by Prime Minister Ashida and Peoples Cooperative Party Chairman Miki on the proposed formation of a new centrist group were widely reported, and the Premier was quoted as saying that he would give all possible assistance to the movement. Also emphasized in headlines dealing with the Ashida interview was his statement that the Government would dissolve the Diet rather than resign if the Cabinet should reach a deadlock.

The Cabinet faces a serious crisis, despite the denials of the Democratic Ministers, SHIN HOCHI insisted, adducing as proof the rebellious attitude of the Socialists toward Administration policies. Socialist demand for convocation of an extraordinary Diet to discuss the war bond interest issue was primarily a "strategic political move" to force an end to the coalition, the paper thought, adding that if the Socialists expected to stand as a "party of the working masses," a Cabinet split was inevitable. Another cause for the political crisis was the decreased membership of the Government Parties, and the tendency toward fractionalism, according to SHIN HOCHI.

Papers reported many local Socialist organizations as siding with the 16 leftists who have separated from the Party since the end of the Diet session last week. The 16 men have won considerable popularity for their opposition to the budget bill, SHIN TOKYO remarked, but cautioned them against allowing themselves to be influenced by "selfish anxiety for the general elections." On the other hand, TOKYO SHIMBUN criticized the leftist faction for seceding from the Party without demanding a complete hearing. Noting charges that the left-wingers were Communists, the paper felt that if the dissident Socialists actually supported the Communists they should ally with them outright.

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ECONOMY

ESB Director-General Kurusu's statement envisaging bright prospects for industrial and agricultural production -- in view of increased output by coal and chemical fertilizer industries -- was accorded considerable reportage in most journals. Papers also noted the Commerce-Industry report which disclosed over-all decreases in exports and imports for May, but a 27-percent gain in exports over the previous month by private businesses.

Editorial comment on edonomic developments was found in SEKAI NIPPO's approval of the Franco-Japanese financial agreement (Press Analysis No. 831), TOKYO TIMES' appeal for removal of obstacles hindering introduction of foreign capital, and TOKYO MINPO's criticism of Administration banking policies.

Voicing gratitude for the Franco-Japanese pact, SEKAI NIPPO hoped that the agreement would be utilized as an "opportunity to aid in the democratic rebuilding of Japan." As business was to be based on the dollar standard, trading was expected to be "facilitated immeasurably," since the problem of dealing in other currencies assertedly has been a major obstacle to Japan's controlled commerce.

Declaring that the "power of foreign capital and the strong spirit of self-support" were essential to the nation's reconstruction, TOKYO TIMES called for the early removal of all obstructions to the introduction of outside assistance and for the development of the people's self-reliance. Foreign investments could not be expected, according to the journal, unless a single exchange rate was established, capital levies reduced, and labor unrest eliminated. In connection with the latter, the editorialist felt that labor -- by "abusing its right to strike" -- not only had lost more than it had gained, but was blocking introduction of foreign aid.

TOKYO MINPO charged that Government measures to curb inflation and to put industrial banking on a firm footing were "nothing more than a plan to protect the interests of monopoly capital." To safeguard industrial loans, banking institutions must be democratized by "forcing them to suspend illegal and improper lending," according to the journal. Since "scandalous facts" concernin the Reconstruction Finance Bank's loan policies allegedly had been disclosed, the commentator urged strict supervision of all banking organs, but felt this would not be done because the "Ashida Cabinet is closely connected with monopol. capital."

PRESS

The reported suicide of Viscount Takagi, father of Princess Mikasa, received unusual attention, as four journals commented on the changed conditions which presumably led to his decision. Expressing "deep sympathy," ASAHI said that the case reflected the social situation resulting from developments since the war. The paper agreed with JIJI SHIMPO and YUKAN MIYAKO that the former peerage had suffered especially, but the last-named journal deplored what was called "a defeatist trend."

OCCUPATION

SCAP announcement that pre-publication censorship will be ended soon received prominent space in most Tokyo dailies, and was the subject of an editorial in MAINICHI. In view of the fact that a peace conference has not been held, the latter thought it "probably unprecedented that this type of freedom has been granted." The policy will exert a significant and favorable influence on the Japanese press, the journal predicted, adding that MAINICHI would do its best to meet the "heavier responsibilities."

LABOR

Protests to the Administration regarding the alleged suppression of a farm-labor organization in the quake-devastated Ishikawa district were reporte by JIJI SHIMPO. The group was said to have claimed that "the order covering maintenance of public peace during a disaster, recently issued by the Mayor of Fukui, violated the Potsdam Declaration and the new Constitution." No explanation of the charge was published.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

PRESS ANALYSIS, 15 July 1948 No. 831

POLITICS

Movements toward realignment of major and minor political parties drew primary attention on the political front. Speculative reports on the date for an extraordinary Diet session and on withdrawal of Socialist Ministers from the Cabinet also appeared in several papers, together with accounts of the formation of a minor coalition of conservatives under the leadership of Senshichiro Ozawa and Koichi Seko.

Most political writers foresaw difficulties in the formation of an effective centrist party, and a DAI ICHI SHIMBUN review went so far as to regard the proposed organization as "premature" at this time. A major problem was whether or not the Democratic Party would be able to act in unison with the Peoples Cooperatives, the paper reported, while JIJI SHIMPO suggested that the greatest difficulty might be the difference in the meaning of the term "middle-of-the-road" to the respective party leaders. Reason for formation of the centrist party was partly to undermine the Democratic-Liberals, SEIJI SHIMBUN thought, and saw cooperation between the Democrats and Democratic-Liberals as well-nigh impossible, despite the similarity of their views. (Elsewhere, Democratic-Liberal Party plans to oppose the centrist organization by working toward an organization of conservatives were noted, and YUKAN MIYAKO said that the Democratic-Liberal leaders expected to take advantage of worsening rolations between the Socialists and Democrats at this time.) The whole issue of formation of a centrist party was clouded by the lack of concrete policies, editorials in SHIN YUKAN and MAINICHI complained. "We want to know the character of the proposed new party soon," SHIN YUKAN insisted, as MAINICHI saw imminent need for clarifying the political situation by calling a general election.

ECONOMY

News of the Franco-Japanese financial agreement -- whereby all trade between the French Union and Japan would be conducted on an open account basis -- drew lead position in NIPPON KEIZAI, MAINICHI, and SEKAI NIPPO, and was accorded prominent mention in other journals.

Commentaries on other economic issues were varied. In an editorial on price revision, JIJI SHIMPO declared that prices could not be stabilized on a certain level without the over-all stabilization of the nation's economy. Efforts to curb price rises alone, therefore, would result in higher blackmarket rates and further confusion of prices, according to the writer. Only when production and currency policies were effective could commodity price modifications be successful, the editorialist insisted, but this was considered difficult of attainment in view of Japan's current situation. However, at least for the present, over-all economic measures covering production, currency, and finance should be enforced, and the objective of price policies should be carefully reconsidered, concluded the journal.

Noting that wage control and industrial adjustment were among the basic measures for attaining interim stabilization, DAI ICHI SHIMBUN urged that the nation's basic enterprises be put on a sound paying basis -- strong enough to compete on an international level. Industrial firms which were on "inflationary status" must be weeded out through strict enforcement of banking and price policies, as well as material allocation programs, maintained the writer.

Commenting on the supply-demand program for essential commodities (Press Analysis No. 829), TOKYO SHIMBUN observed that increased allocations for production "opened the road to industrial expansion," and urged intensive effort to step up the nation's productive capacity. The journal was of the opinion, however, that the industrial objectives would not be easy to attain because stockpiles of iron and steel allegedly were almost exhausted by the end of 1947.

LABOR

Commencement of Central Labor Relations Board arbitration of the civil service dispute was accorded extensive coverage in today's editions of metropolitan papers. Union representatives reportedly were insistent that the 5,200-yen wage demand be considered in conjunction with six collateral conditions stipulated by the National Council of Government and Public Office Workers Unions (Press Analysis No. 825), but Chief Cabinet Secretary Tomabechi assertedly maintained that three of the conditions -- abolition of mass taxation, suspension of the price revision program, and rejection of proposed wage ceilings -- were "political issues" subject to legislative action rather than labor arbitration.

Finance Minister Kitamura lent support to Premier Ashida's re-affirmation of the 3,791-yen basic wage policy (Press Analysis No. 830) in a published statement which claimed that, if the Board should approve the NCGPOWU wage demand, a deficit of 100 billion yen would be created, increased railway rates would be necessary, and, consequently, inflation would be seriously aggravated. Some papers also reported 24-hour walkouts conducted by Food Control Bureau employees, and by the Federation of Fuji Sangyo Workers Unions (18 locals with 10,000 aggregate membership).

Commenting upon the "labor offensive" expected during the next two months, NIPPON KEIZAI asserted that revision of labor legislation would be imperative to safeguard the public interest. While unions were warned that "radical tactics executed under the pretext of opposing restrictive regulations will serve only to stimulate public opinion in favor of suppressing union activities," the writer also declared that "attempts by Government and employers to hamstring the labor movement will intensify its excesses."

Labor Boss System

Complete eradication of the labor boss system was predicted in a SCAP spokesman's statement published in most Tokyo journals. Subsequent to the passage of the Employment Security Act, 8,000 labor contractors were said to have been "ordered out of business," and it was indicated that thus far a total of more than 250,000 workers had been freed. The official reportedly pointed out that control of more than one-fifth of the nation's industrial labor force formerly was exercised by labor bosses, who withheld as much as 30 percent of total wages as a means of amassing personal wealth and political power. Through elimination of labor contract procedures, enhancement of workers' efficiency and productivity was expected.

GOVERNMENT

Governmental reform received consideration in three journals, with one editor presenting arguments for personnel reduction, and two others advocating less drastic changes. Denouncing Democratic Party plans for administrative adjustment as "a makeshift compromise," SEKAI NIPPO maintained that it was unreasonable to keep government offices at wartime strength, and called for the dismissal of from one-fourth to one-third of all national employees. This action would enable the Administration to meet demands for increased salaries, the journal claimed, as well as cover the expenses of consequent unemployment. Anticipating criticism of its proposal, the paper nonetheless declared that government office-holders were public servants, support of whom has "reached the limit."

Recently enacted legislation stipulating that establishment of a department or bureau must be approved by the Diet "smashed a bureaucratic scheme for expanding and strengthening the administrative structure," according to ASAHI. The writer hoped that legislators would continue to guard against bureaucratic growth, and -- in this connection -- opposed provisions enabling Diet members to serve curcurrently as vice ministers or as parliamentary vice ministers. "The fact is," the editorialist stated, "that Diet members have all they can do to discharge their parliamentary and party duties." Also there was seen the added danger that legislative and administrative branches of the government would be mixed. Reviewing the increasing number of commissions in Japanese government since the Surrender, MAINICHI thought it possible that these groups might "renovate Japan's old-style administrative machinery." To eliminate ambiguity over the duties of commissions, the writer suggested, however, that they be classified as boards, thereby clarifying their function as administrative, not advisory, groups.

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PRESS ANALYSIS, 14 July 1948 No. 830

POLITICS

Statements by Government officials concerning the convocation of an extraordinary Diet session later this summer were prominently displayed in morning papers. Particular emphasis was given to Premier Ashida's observation in Kyoto that he hoped to confer with leaders of the other Ministerial Parties immediately on his return to Tokyo, with MAINICHI quoting the Prime Minister's opinion that it would be "rather difficult" to convene the Diet in July or August, and that other questions besides the war bond interest issue should be taken up by an extraordinary session.

Voicing approval of the Socialists' demand for an extraordinary session, TOKYO SHIMBUN felt that the decision on war bond interest payment was of less urgent importance than the question of a revised wage scale, and the anticipated labor offensive. For the most part, however, commentators ignored discussions over the special legislative meeting, and continued to concentrate on relations within and among Government Parties.

Conviction that the Socialist Party must take drastic steps to recoup its position was indicated by a number of writers. SHIN YUKAN thought that rehabilitation of the Party was "inevitable," and urged that the Socialists rebuild, while TOKYO MINPO believed that Socialist defeat in the next election was "almost certain." Reasons given for Socialist difficulties at this time were essentially the same -- the conflict between the left- and right-wing members, and the effect of a Coalition Government on Socialist policy. Disputes in the local branches of the Party were becoming serious, according to SHIN YUKAN, which emphasized contradictions inherent in present Socialist Party policy as the cause of the imminent crisis. A similar view was expressed by SHIN TOKYO, which thought Socialist ability to regain the support of workers was dependent on a break with the Ashida Government. Withdrawal of 10 additional members from the Party earlier this week has shaken the Socialists seriously, SHIN TOKYO thought, and, like SHIN HOCHI, maintained that influential labor support would go to the secessionists from the Party. With the loss of 16 leftist Party members since the close of the second Diet session, the Socialists were becoming a "middle-of-the-road" party, TOKYO MINPO concluded. SHIN HOCHI felt that the Socialist Party could not really be considered socialistic, but rather "a third bourgeois party." Ejection of part of the leftist Socialists was compared by TOKYO TIMES to wartime Japanese politics.

Creation of a centrist party without any real policy was no way to create strong political parties, TOKYO TIMES remarked of the plan to create a "middle-of-the-road" organization, while SHIN TOKYO asserted that the proposed measure was similar to relabeling undesirable goods that had failed to sell. Speculating on the chances for success of the proposed party, TOKYO MINPO expressed the opinion that the minor parties were more likely to side with the conservatives while, in event of an anticipated labor offensive, center parties either would be absorbed by the right or left, or destroyed altogether.

LABOR

Premier Ashida's re-affirmation of the 3,791-yen basic wage policy highlighted today's labor news in metropolitan papers. In a Kyoto press conference, the Premier also was reported to have declared that the 15 percent personnel reduction stipulated in the 1948-49 general budget "is much too small." Meantime, Labor Minister Kato issued a statement which characterized the 5,200-yen salary standard demanded by the National Council of Government and Public Office Workers Unions as "calculated on abstract livelihood expenses." In view of the limited food supply, the Minister assertedly believed that the wage demand was inflationary, as well as unrealistic. Union requests for budget revision and suspension of announced commodity price adjustments, the Minister reportedly added, "are beyond the authorized scope of the labor movement."

Increased wages for minor State officials were advocated by YOMIURI, which felt that present earnings were not commensurate "with the duties and responsibilities of public servants." The Administration was charged with making a political issue of the government workers' wage demand. "Poor treatment of minor officials" -- said to be "the cause of successive labor offensives" -- was attributed to "political designs and feudalistic practices."

A TOKYO SHIMBUN editorial noted that "the Socialist Party was opposed to the Government plan to prohibit non-field workers in civil service from engaging in walkouts and slow-down tactics" (Press Analysis No. 829). The writer feared that national reconstruction would not be fully accomplished if the Socialist policy prevailed. Opponents of projected legislation to restrict labor activities of government employees were asked "to present a counter-plan which will stop sabotage in State offices."

ECONOMY

A Commerce-Industry Ministry survey of factories at the end of 1947 -- which disclosed an over-all increase in the number of factories, but a decrease in basic industrial plants -- shared headlines with the reported refusal of Burma and Pakistan to participate in trade negotiations between Japan and sterling area countries.

Price Revision

Upward revision of prices claimed the attention of three journals. SHIN HOCHI conceded that the method of fixing producer prices of staple foods (Press Analysis No. 828) was an improvement over that of 1947, and expected satisfactory results in future production and delivery. However, the writer censured the Administration for deciding on price modifications without Diet discussion, because prices of staple foodstuffs were "so closely related to the stabilization of the people's livelihood." Moreover, the paper feared that under the new price system the 3,791-yen wage base would be impossible to maintain, and that there would be increased hardships.

Concern over household economy was also voiced by YUKAN MIYAKO, which criticized the Government's reported contention that inflationary trends could be checked, while at the same time, "inflation was aggravated by raising commodity prices and railway and postal rates." Although the Administration assertedly claimed that prices had to be increased to balance national accounts, the journal maintained that the burden fell on the working class, thereby reducing real wages.

The Government estimate that blackmarket prices have increased 3.6 percent -- as an aftermath of the official hike in commodity prices (Press Analysis No. 813) -- was considered by NIPPON KEIZAI as "excessively conservative," and the paper asserted that blackmarket prices of staple foods were climbing rapidly. Such prices could be controlled, according to the journal, if distribution of rations were carried out efficiently and in sufficient quantity, since staple foodstuffs allegedly were the chief determining factors of price fluctuations in general.

Industrial Rationalization

Rationalization of enterprises -- with the principal objective of cutting production costs -- must be accomplished if Japan is to overcome inflation, according to a commentary in DAI ICHI SHIMBUN. Moreover, industrial efficiency was said to be imperative for the nation's participation in international trade, as well as to attract foreign investments. One of the most direct methods of rationalizing enterprises would be to release surplus employees, suggested the writer, who feared, however, that this would give rise to serious labor disputes. Rationalization would create other problems, solution of which would depend primarily on the "political ability of the Cabinet," concluded the commentator.

RELIGION

Elimination of "feudalistic" practices and release of the "dictatorial grasp of a few" were urged in an ASAHI comment on the announced intention of the Nishi Hongwanji Buddhist Sect to undertake structural reforms. Noting that plans for the latter had been disclosed following a warning reportedly issued by Military Government authorities, the writer said that changes would be watched with interest in view of the alleged failure to correct "traditional evils" since the Surrender. Hongwanji Sects have been "impervious to the democratization sweeping other faiths," the editorialist believed, adding that the problem of "how to infuse Buddhism with new life and how to restore the vitality of the religion . . . are the chief issues confronting this faith."

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PRESS ANALYSIS, 13 July 1948 No. 829

POLITICS

The Socialist Party's request for a special session of the Diet prior to 1 September drew lead position in a number of major journals, while formal secession of ten dissident Socialists from the Party was given almost equal prominence. In presenting the Socialist request for early reconvention of the Diet, Party Secretary Asanuma pointed out that inasmuch as the next payment of war bond interest was scheduled for 1 September, it was desirable that a decision on the question of discontinuing interest payments be reached before that time. However, journals reported Gizo Tomabechi, Cabinet Secretary, as saying that a special session probably would not be called for the sole purpose of settling the interest payment dispute. A SHIN TOKYO writer anticipated that the Cabinet was waiting for the Socialists to press for convocation of an extra Diet session before taking action, while AKAHATA felt that the rumored request for a July session was only a gesture, since adequate preparations to discuss additional budget problems could not be made by the time suggested.

Commentaries centered primarily around inter-party relations and the probable dissolution of the Coalition Government. An imminent break between the Socialists and Democrats was thought by SHIN YUKAN to be inevitable. SHIN TOKYO, on the other hand, believed that continued collaboration of the Administration Parties would be dependent on the ability of the Prime Minister. Little likelihood for such continuation was seen, however, as the journal foresaw a fatal split over the question of labor laws. The Ashida Cabinet has been unpopular from the beginning, JIJI SHIMPO maintained, but pointed out that the Socialist and People's Cooperative Parties, as members of the Coalition, ought to share in the responsibility for the Cabinet policies. Elsewhere, JIJI SHIMPO suggested that if the Government Parties reached an impasse before the Diet was reconvened, the Cabinet probably would resign, whereas if a crisis were delayed until a special session should be called it might result in dissolution of the Diet.

A major question was the allegiance of the Democratic Party in a new political line-up. The possibility was noted by TOKYO MINPO and JIJI SHIMPO that the Democrats eventually might ally with the Democratic-Liberals in order to maintain their political hold. It is still questionable, TOKYO MINPO thought, whether the Democratic Party will become a centrist body under the leadership of Ashida, or part of a conservative combination under Shigeru Yoshida's direction. An interesting view of the Socialist position in the coalition was offered by SHIN YUKAN, which remarked that if the Socialists honestly believed a coalition government essential, they must of necessity abandon some of the ideas of socialism.

Socialist Party Difficulties

Separation of sixteen Socialist Diet members from the Party as a result of expulsion and voluntary secession has given the impression that the "righteous faction" has suffered, MAINICHI believed. Conflicts within the Party have brought hopes and disappointments to the public, the paper thought, and considered both right- and left-wings as responsible for the dissensions. Nevertheless, the journal regarded the expelled members as "in a sense the Party conscience," and concluded that if the Socialists wished to exert any influence on organized labor they should cease to advocate a merely anti-Communist line.

FOREIGN

Only slight attention was accorded the Democratic Convention today, as SHIN HOCHI noted that since President Truman was almost certain of nomination this meeting drew less interest than that of the Republicans. However, MAINICHI took the occasion to compare American political parties with Japanese groups, observing that Democratic and GOP leaders were not autocratic bosses, as was said to be the case in Japanese political parties.

ECONOMY

ESB announcement of the supply and demand program for essential commodities was reported widely in today's editions of the Tokyo press. The allocation policy for various industries was said to call for the encouragement of basic industries and the development of foreign trade. Journals also noted the new Government industrial loan policy, which was drawn up to meet the changed situation resulting from price revision.

Anti-Inflationary Measures

Emergency measures which did not first regulate inflation could not be expected to promote reconstruction, according to ASAHI, which claimed that lack of understanding of the urgency of curbing inflationary tendencies was delaying solution of current economic problems. During discussions on the budget all political parties allegedly indicated they had no practicable anti-inflation policies, maintained the writer, who observed that in the offensives to win popular support, no party or labor group could succeed merely through attacking Government policies and not offering concrete plans. To combat inflation, the writer proposed that steps be taken to eliminate deficits in public finances and private enterprises, and to increase productive capacity within a short period.

Foreign Aid

In view of Premier Ashida's alleged optimism on the introduction of foreign capital, SEKAI NIPPO questioned the Premier's reaction to the recent statement by an American industrialist that conditions in Japan were not sufficiently stabilized to permit long-term investments. Although Ashida had insisted that introduction of outside capital was dependent on the stabilization of the yen and relaxation of taxes on industrial investments, the journal maintained that as long as Japan's economy was "tormented by inflation," foreign capital would not be forthcoming. Furthermore, to make investment attractive, a "feeling of assurance" must be engendered, according to the commentator, who criticized Japanese financial and industrial circles for alleged failure to make adequate preparations for receiving foreign capital.

LABOR

Legislation to prohibit walkouts and slowdown tactics by public employees was being studied in Administration circles, according to TOKYO SHIMBUN. A ban on labor activities by police officers, firemen, and prison officials also was said to be under consideration. Labor Minister Kato reportedly was so strongly opposed to such legislation that his resignation was expected if the civil service law should be revised. On the other hand, the Government was said to be taking "a firm stand on production control activities," and factories illegally seized by labor groups were to be denied raw material allocations, special food rations for workers, and State purchases and subsidies.

A NIPPON KEIZAI editorial noted that the National Council of Government and Public Office Workers Unions, upon presentation of its 5,200-yen wage demand, simultaneously requested the Administration not to enforce the announced price revision program. The writer charged labor unions with raising the latter issue "for political reasons," and it was believed that "the NCGPOWU's partisan attitude would alienate farm workers from industrial employees."

GOVERNMENT

An unusual editorial in TOKYO SHIMBUN attacked alleged postwar corruption in management and expressed "heartfelt sympathy" for employees. The observation appeared in a commentary on the Showa Denko Co. case, which was said to involve bribery and violation of price and distribution controls on the part of company officials, government, and banking institutions. If political contributions and illegal loans allegedly made by the Reconstruction Finance Bank in connection with the same case should be disclosed, the paper predicted "an extensive scandal" which would implicate many authorities. Thus, the entire matter was represented not as one of "simple bribery," but as a manifestation of widespread incompetence and dishonesty. Under such circumstances, the journal defended workers who had resorted to strike when they had been unable to secure an adequate living standard. In addition to a thorough investigation by procuratorial officials, the evening paper called for a general reform of enterprise. "Employees will be satisfied," the commentator believed, "if the case serves to purify economic circles."

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PRESS ANALYSIS, 11 and 12 July 1948 No. 828

POLITICS

Decision of ten Socialist Diet members to secede from the Party and join with six leftists ousted last week by the Socialist Central Executive Committee was given extensive coverage by Tokyo papers Sunday and Monday. Vying with this development in importance were press discussions of proposals for formation of a new centrist party, to be composed largely of members of the present Democratic and People's Cooperative groups.

The Socialist Party members' bolt generally was regarded as having serious implications, notably by reducing the number of Government Party representatives in the Diet. As a result of the split, MAINICHI thought that the Socialist Party either would break entirely with the Cabinet, or would work more closely with the other Government Parties, and JIJI SHIMPO suggested that other Socialist Party Diet members might follow the lead taken by the ten secessionists. Expulsion of the original six leftist Socialists (under the leadership of Hisao Kuroda) was regarded as an inevitable step by ASAHI, which editorially asserted "certainty" that the "real reason" for the expulsion was not the budget dispute, but the previous political action of the six men. Left-wingers within the Party have always opposed coalition with conservative parties, and this was the reason why the Socialists often were completely deadlocked, ASAHI said. On the other hand, the responsibility of minor groups within any party is to restrain boss rule, DAI ICHI SHIMBUN declared in an evaluation of the significance of the Socialist break, and indicated that the division in the Party might only enable the conservatives to gain influence.

The implications for Socialist Party policy were variously evaluated. SHIN TOKYO remarked that the Socialists could no longer be called truly socialistic because of the departure of sixteen of the most leftist members. The Socialist Party as the party of the working class was standing at the crossroads, and expulsion of the leftist members did not decide the basic issues, an ASAHI writer observed. Alienated from its true function by political maneuvers in the Diet, the Party was subject to censure for failure to keep in close relation with the masses save at election time, ASAHI asserted, concluding that the crisis in the Party could not be resolved until a more positive stand was taken. Other journals also saw the position of the Socialists with regard to the working masses as "unclear" (DAI ICHI SHIMBUN), or as an attempt to regain popularity in this class.

Nishio Issue

A fair decision of Suehiro Nishio's case was called for by TOKYO TIMES, while YOMIURI's Sunday commentary saw the Socialist leader's high reputation as the "greatest cause" of his fall. In his position a small fault would cause a debacle the editorial observed, noting that though the tenure of all men in politics was uncertain, politicians should "consider how to lose their positions in a proper way." From this standpoint, the basis of Nishio's accusation was considered "too petty and ugly" to have been the cause of his fall.

Formation of a Centrist Party

Opinions regarding the formation of a new centrist party were voiced by editorialists in five major journals, most of whom were critical of the proposed venture. Although jointly proposed by Democratic Premier Ashida and People's Cooperative Leader Miki, the objects of the two were quite different, a commentator in YOMIURI believed, attributing to the former a desire to create a basis for another coalition cabinet, and to the latter the wish to form a national party. A similar view of the situation was taken by TOKYO SHIMBUN, which also felt that left-wing Socialists, and farm-labor factions not only would oppose, but would abandon the Socialist Party if it should become merged in a centrist group. Other difficulties inherent in formation of such a party

also were emphasized, with MAINICHI asserting that "similar standpoints do not necessarily make mergers easier." Dissatisfaction with the "incompetence" of the Democratic Party up to this time was voiced by TOKYO TIMES and NIPPON KEIZAI both of which felt that a purely negative move to create a neutral party would have little real significance, while fear that creation of the new body might be designed solely with a view to the coming elections was voiced by several of the journals.

LABOR

Direct proximity to the long-forecast labor offensive was seen by the weekend press in the National Council of Government and Public Office Workers Union's appeal to the Central Labor Committee for arbitration of its dispute with the Government. Editorialists agreed that the Council overstepped its bounds by mixing politics with economics (by raising the issues of price revision, taxes on the masses, and a ceiling wage system), a view already expounded by the Administration. Meanwhile, a press interview with Premier Ashida reported by ASAHI and YOMIURI brought out the Cabinet Leader's assertion that the Administration would take firm action against a "political strike."

Since workers engaged in public enterprises must wait for a 30-day "cooling off" period after submitting complaints to the CLC, it was felt that the date of the labor offensive could be predicted almost exactly. (The arbitration request was scheduled for 7 July.) The so-called political points raised by the NCGPOWU denoted labor's intent to control State policy, according to MAINICHI, while JIJI SHIMPO accused the organization of "playing the role of government . . . and political party" alike.

Serious threat to the life of the Ashida Cabinet was seen in the labor offensive, and DAI ICHI SHIMBUN predicted wide support to the workers' movement. Factors said to favor the NCGPOWU were popular agreement with its anti-price revision policy, significant aid expected from the NCIU, and reported Socialist opposition to the Government's attitude. "To what extent the Administration can restrict the labor movement is the trial and crisis of the present Cabinet and key point of a change in the political situation," the writer concluded.

ECONOMY

Announcement of increased prices for staple foods -- averaging 80 percent -- was accorded extensive coverage in the weekend press. NIPPON KEIZAI noted that labor, through the NCIU and JFTU, opposed price revision with the charge that modifications had been made without securing Diet approval. Several journals headlined the Government belief that the new prices would not cause the collapse of the 3,791-yen wage scale.

Varied reaction to the price revision was noted in four papers. MAINICHI contended that it was improper to leave decisions on staple food prices to the Agriculture Ministry and the Price Board. Price-fixing should be studied and discussed by the people's representatives in the Diet, the writer insisted, and toward this end, proposed that a deliberative committee be created in the Diet to decide on prices "after collecting all possible data and examining all opinion." A YOMIURI commentator predicted that the price raise would "shake the wage system from its very foundation," and ASAHI challenged Administration confidence that the new wage level could be maintained.

JIJI SHIMPO believed that the major question was not that of price, but rather the distribution of sufficient foodstuffs. The writer censured alleged irresponsibility in food release, and claimed that in many instances rations were either delayed or not delivered at all.

FOREIGN

Pessimism over Democratic chances for victory in the American presidential election was expressed in five commentaries on the opening of that Party's convention in Philadelphia. Reasons advanced were varied, and in some instances indicated belief that racial and other voting blocs would play a dominant role in the balloting.

EMPEROR

Concluding a series of articles on the wartime relations of the Emperor with the Tokyo Trials defendants, an AKAHATA writer found that the Tenno system was "inseparably linked with the planning, preparation, beginning, and execution of the war." Because of the resulting loss of life and suffering, the Communist journal felt that the Emperor should be held responsible.

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PRESS ANALYSIS, 10 July 1948

No. 827

OCCUPATION

Announcement of Lieutenant General Robert L. Eichelberger's plans to return to the US drew lead position in six journals and was reported extensively in other major Tokyo dailies. Four papers -- NIPPON KEIZAI, MAINICHI, JIJI SHIMPO, and ASAHI -- said that the announcement was a "complete surprise," and that the Japanese "deeply regretted the General's departure because of his understanding and capability." Commentators also praised the Eighth Army Commander's "universally acknowledged kindness and warm-heartedness," with NIPPON KEIZAI and ASAHI citing the recent Hokuriku disaster, at which time General Eichelberger ordered his forces to undertake the task of emergency relief.

Journals agreed that the "remarkable success" of the Occupation was attributable to a great extent to the"tolerant administration" of the Eighth Army, and that the good discipline of US troops "was due to the personality and ability of their commanding general." The "well-maintained conduct" of US forces "dispelled erroneous notions and fears" which assertedly had been instilled in the Japanese during the war, declared JIJI SHIMPO. The respect and gratitude of the Japanese "will remain forever," according to MAINICHI, which believed that the Occupation of Japan "no doubt will continue a model occupation." The departure of General Eichelberger can be regarded as the result of progress in the Occupation of Japan, "which has now reached the stage where there is no fear of retrogression," in the opinion of the JIJI SHIMPO writer. MAINICHI was confident that his successor would also be a man of "remarkable ability and personality."

POLITICS

Tension within the Socialist Party and speculation over the possible date of a special Diet session again claimed the major part of political comment. Of significance with regard to the Socialists' internal difficulties were the reported decision of the Party's Central Executive Committee to oust Suehiro Nishio from policy-making and administrative posts in the Party, and the expulsion of six of the 16 dissident members who had opposed the budget bill. Elsewhere on the political front, proposals by Democratic Party members to form a centrist party also were noted.

SEIJI SHIMBUN remarked that the need for constant compromises with the more conservative groups had naturally given rise to dissension within the Socialist Party, while SHIN HOCHI expressed the opinion that the conflict between left- and right-wing Socialists was one currently found throughout the world. However, the latter believed that the Japanese Socialist Party organization cannot be solidified merely by eliminating alien elements, and saw the present discussions as valuable if they lead to the clarification of principles for a working people's party. Most critical of the Socialist leaders, perhaps, were today's AKAHATA and an editorial in yesterday's Korean-operated KOKUSAI TIMES. The latter asserted that the past Diet session had revealed that Socialist leaders were "no different from other capitalists" and felt that the "sin" of the Party was doubly great since it had misleadingly "called itself the Party of laborers." Existence of a sound socialistic party was seen by the SEIJI SHIMBUN editorialist as a factor "indispensable for the masses."

Withdrawal of Socialist Kanson Arahata from the Party also was commented on by SEIJI SHIMBUN, which recalled the significantly long association of the leader with his Party. Recognizing that frequent changes were common to the nature of political parties, the writer nevertheless felt that Arahata's severance of connections in spite of being "the only Socialist to deserve the name among the members of the Party" was a peculiarly "oriental" act.

Status of the Ashida Cabinet

Public hostility to the Ashida Cabinet was reported by YOMIURI on the basis of an opinion poll conducted by the newspaper. Editorially evaluating the results of canvassing 3,000 persons, the journal concluded that the people were disappointed with the Ashida Government, and noted a "strong desire" for Cabinet resignation or dissolution of the Diet. Political instability for some time to come was to be expected, SHIN TOKYO believed, and in the light of the major issues of wage adjustment, introduction of foreign capital, provision of adequate staple foods, etc., the writer questioned whether a new cabinet would be any more capable of meeting the situation than the present Government.

LABOR

Government intention to submit a counter-suit to the wage appeal filed with the Central Labor Committee by the National Council of Government and Public Office Workers Union was accorded wide coverage in today's editions of the metropolitan press. Administration action was expected to be taken after ascertaining the CLC's opinion on the adequacy of collective bargaining negotiations between the two parties, the authority of the NCGPOWU to act as the "other party" in the dispute, and the relevancy of "certain union demands." MAINICHI predicted that the Union strike would reach its height in the "latter part of August," and declared that the labor offensive would have a "strong political aspect, with opposition to price revision and mass taxation as the major premise."

Editorial Comment

Contending that the demands by the Union involved "many political implications and went beyond the purely economic limits," ASAHI called on the CLC to "draw a clear line" between the economic and political elements of the Union's requests. The journal doubted as to what degree such demands -- elimination of mass taxation, non-revision of prices, and non-establishment of grievance bodies -- could be "justifiably considered in collective bargaining for higher wages." A distinctive line must be drawn between economic and political demands if the wage problem were to be settled immediately, advised the writer, who suggested that the CLC clarify its position before beginning mediation.

A TOKYO MINPO commentator noted that the NCGPOWU appeal to the CLC was aimed not so much at seeking arbitration as at obtaining the right to strike. Toward this end, the Union was said to be "cultivating strike power," especially through stimulating the support of the working masses by stressing such issues as price revision and increased railway fares. The impending August labor offensive, the writer warned, has a wide front and a "long incubating period"; regional strikes -- "which will characterize all future struggles" -- would form the nucleus of the offensive, and the Union was said to be determined not to "yield an inch."

ECONOMY

Price Board release of the third list of revised prices for 42 commodities, including chemical fertilizers and light metals (Press Analyses Nos. 813, 820), was reported prominently in virtually all journals. The new set of prices became effective with the institution today of the 350-percent increase in freight charges. Editorial comment was not forthcoming.

Yen Stabilization

The Korean-operated KOKUSAI TIMES felt that raising the military currency conversion rate to 270 yen to one dollar was symptomatic of the "ever-worsening situation of Japan's economy," and maintained that as long as the inflationary spiral kept the nation's currency in an unstable condition, the "way can hardly be paved for the normal introduction of foreign capital." The writer contended that the only way to stabilize the value of the yen was to solve the "basic problems arising from price and production adjustments." Moreover, the journal charged that the Administration's viewpoint that foreign capital was a cure-all for Japan's economic difficulties was "frivolous," and urged closer attention to "fundamental issues."

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PRESS ANALYSIS, 9 July 1948 No. 826

POLITICS

Decision of the Socialist Central Executive Committee to expel six leftists who voted against the budget bill and to urge ex-Deputy Premier Nishio to resign from the Committee won headlines in major papers today. The Tokyo press continued to emphasize political developments: the rift within the Socialist ranks received primary attention in news columns, while commentaties again emphasized the deteriorating relations between that Party and the Democrats. MAINICHI summarized the general view in a statement that cooperation between the two Ministerial groups "definitely has ended," and in the prediction that final rupture of the three-party policy agreement "is merely a matter of time."

The immediate conflict between the two Parties was occasioned by the Socialist demand for a special July session of the Diet to consider suspension of war bond interest payment. Possibility of a special legislative meeting next month was noted, but writers called attention to increasing Democratic opposition, assertedly because -- for one reason -- it was anticipated that the war bond interest measure would again fail of passage. In connection with a possible special session, the press featured Chief Cabinet Secretary Tomabechi's opinion that the Diet probably would be dissolved the next time it convenes.

Democratic-Socialist dissension, with consequent effect upon the foundations of the Coalition, belies Premier Ashida's expression of confidence in his Administration (Press Analysis No. 825), three journals believed. A particularly critical commentary appeared in SEIJI SHIMBUN, which described the Premier's optimism as "insane" in the light of the Government's alleged loss of popular support. Attacking the tripartite Cabinet as "a disorderly crowd," the commentator argued that Ashida should submit his "obstinacy" to the test of an election. Less outspoken but also critical, ASAHI found the Premier's remarks "full of excuses," and contended that his grasp of national problems had shown no improvement since his assumption of the Premiership. In agreement, MAINICHI said that the Premier had touched the core of the present political situation "only slightly," adding that Ashida was incapable of compelling the Ministerial Parties to follow a middle-of-the-road course.

Two journals considered the decision to eject the six Socialist leftists "a severe blow" to the Party. "Three years after its formation," SEKAI NIPPO observed, "the Socialist Party has virtually split and has entered a period of adjustment." Belief that right-wingers who supported the expulsion decision might later regret their action was voiced by MAINICHI, which maintained that the leftist element would take considerable support. JIJI SHIMPO carried a lengthy review of the intra-Party dissension, but thought it premature to conclude that there had been a definite split.

ECONOMY

Conference of three of the nation's leading financial figures -- Finance Minister Kitamura, ESB Director-General Kurusu, and President Ichimada of the Bank of Japan -- to discuss enforcement of the commodity price revision was reported in Tokyo dailies. The conferences were said to have recommended discontinuance of deficit financing for industrial enterprises and raising the unrestricted loan limit to 300,000 yen. Other economic developments received only slight attention.

A TOKYO MINPO editorial declared that of various plans advanced for nationalizing the electric power industry, the scheme proposed by the Electric Industry Workers Union was the only one capable of safeguarding the industry against the "autocracy of capitalists and bureaucrats." The situation in government-operated transportation and communications enterprises offered clear evidence of the unsatisfactory nature of "bureaucratic-controlled nationalization," according to the leftist journal.

LABOR

Announcement that Japan Teachers Union members employed by colleges and normal schools have decided to stage a walkout on 15 July highlighted labor developments. Papers also said that the International Labor Organization had adopted a resolution seeking SCAP permission to invite Japanese "observer delegates" to ILO meetings.

Commenting on the National Council of Government and Public Office Workers Unions wage appeal to the Central Labor Relations Board, a NIPPON KEIZAI editorial asked that agency not to apply last year's decision as a guide to the present dispute. The writer felt that "the prevailing economic and financial situation should be taken into account," and believed that the CLRB had a special responsibility to settle labor controversies because of the recognition and support accorded the organization by labor, industry, and the general public alike.

FOOD AND AGRICULTURE

Improved delivery of wheat and potatoes -- as compared with a year ago -- was revealed by Agriculture-Forestry Ministry statistics published in most metropolitan papers. Western Japan was said to have achieved an unusually satisfactory record, with completion of quota allocations in Fukuoka, Miyazaki, and Saga Prefectures. AKAHATA noted that the Provisional Foodstuffs Security Law had "at last" been passed by the Diet, "despite strong objections of farmers and of our party." Purpose of the legislation was interpreted to be "prevention of the collapse of commodity controls, by forcing irrational allocation of planting acreage and advance delivery quotas on the farmers." The writer alleged that "bureaucratic allocation of crop acreage has been carried out by successive Socialist agriculture ministers, in complete disregard of constitutional procedures."

PEACE TREATY

In an unusual treatment of the subject, DIAMOND NIPPO expressed perplexity over deferment of a Japanese peace conference. "We want the fact to be noted that the failure to conclude a . . . treaty has added an enormous burden to the economy of Japan, which is already pressed for material resources," the paper said. Calling attention to budget outlays for "postwar expenses," the economic journal referred the problem to the government, and concluded that the goal of sound finance would be impossible of attainment "so long as these difficulties are not resolved."

Meantime, Korean-operated KOKUSAI TIMES charged that the nation was indifferent to a peace conference and advised the Japanese people to pay stricter attention to their own problem rather than becoming absorbed in international conflicts, "such as the cold war."

GOVERNMENT

"Dishonest dealings" between politicians and businessmen evoked comment from several editorialists. Characterizing such activities as "dregs still remaining from the feudalistic relations of officials and private individuals," YOMIURI held that connections of officials who hold the administrative reins and ex-military personnel had not been fully exposed to the public. Private persons were urged to bring to light all dealings with postwar racketeers, and thus help to assure a period of sound and honest enterprising.

JIJI SHIMPO was of the opinion that the Showa Denko Company case -- involving charges of bribery and "other offenses" -- was important politically and economically because "huge amounts" of Reconstruction Finance Bank loans to the firm "had been used for political purposes." The editorialist believed that loans issued by the Bank "tended to assume the nature of political loans," and suggested that suspicions surrounding such loans could be used by opposition parties for attacks on the Administration.

EDUCATION

Apprehension over the recently enacted Board of Education Law was felt by TOKYO SHIMBUN, which expressed fear that the locally constituted bodies would fall under control of the Japan Teachers Union. Since teachers were not exempted from eligibility as board members and because the JTU was considered the most influential education group, the paper predicted that "overwhelming power" would fall to the union.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

JUL 16 1948

No. 825

PRESS ANALYSIS, 8 July 1948

POLITICS

Premier Ashida's assertion that the Cabinet would not be reorganized in the immediate future, and that a general election should precede any change in administration drew lead position in major papers today. Linked with the Premier's expression of confidence was another front-page story -- the formal indictment of ex-Deputy Premier Nishio on a charge of violating an ordinance governing the oath and testimony of witnesses before the Diet. Belief was widespread that the departure of the Socialist right-wing leader (generally regarded as the principal bond between his Party and the Cabinet) had virtually terminated cooperation between the two main Ministerial groups.

The Socialist Party's demand for a special Diet session to consider the shelved suspension of war bond interest issue was regarded as further evidence of deteriorating relations between the Socialists and Democrats. Although the position of the latter was not officially announced, reports of the Ashida interview emphasized that the bond interest measure would be submitted to the next regular special session. Comment on the Socialist proposal brought agreement from journals of such opposing viewpoints as YOMIURI and AKAHATA that the request was simply a "face-saving" measure. "The bill in question," the first-named paper contended, "has no great bearing on the people's livelihood . . . so that it would be both silly and unseemly for the Socialists (to insist) on a special Diet meeting." Since the bill that was shelved represented "a major compromise," the writer argued that it would be more to the point for the Socialists to "reflect on their own conduct . . . and become a Socialist Party once again."

Although agreeing that the Government's position permitted no optimism, SEIJI SHIMBUN and TOKYO TIMES differed over the proper course of action. In the opinion of the former, the Ashida Cabinet should resign en bloc and turn political power to the principal opposition, the Democratic-Liberals. It was expected that the latter would then dissolve the Diet, and that this procedure would satisfy a majority of voters. TOKYO TIMES, on the other hand, believed that the Socialists should time their withdrawal from the Administration with Nishio's resignation, thereby enabling the Party to "regain its original dignity."

ECONOMY

SCAP warning against abuse of the newly-revised military currency exchange rate -- particularly by raising commodity prices and engaging in speculative activities -- was noted in Tokyo dailies. Japanese financial circles, according to ASAHI, were inclined to regard the upward revision as indication that a single rate for business purposes would be established either this autumn or next spring.

Press reaction to other economic developments was limited to TOKYO SHIMBUN's censure of extreme left-wingers who allegedly attempted to disrupt reconstruction efforts (see below), NIPPON KEIZAI's demand for rationalization of government railway management, and SHIN HOCHI's belief that the price revision plan would collapse. The NIPPON KEIZAI editorial said that government railway fare rates were unreasonable because no attempts had been made to remedy the "inefficient" management, and, therefore, the Ministerial Parties' revision plan was regarded as a politic-l expedient. Increase in rail fares was "pardonable" if management were rationalized, expenditures drastically curtailed, and passenger inconvenience minimized, maintained the writer. The journal blamed negligence and incompetence for the "irrationality and inefficiency" of government railways, and added that the "excessive magnitude" of the railway structure was another factor hampering rationalization efforts.

EMPEROR

The second of a series of signed articles on the wartime relations of the Emperor with the men now awaiting judgment by the International Military Tribunal for the Far East appeared in AKAHATA today. With the time approaching for the verdict, the questions of the Emperor's war responsibility and of his abdication again have been raised both within and without Japan, the writer observed in the introduction to the series. It was proposed that an inquiry be based on the testimony presented at the International Tribunal in order to determine "how closely the Tenno system was linked with the aggressive war." While accusing the Emperor of "selling out" to the militarists and rightists, and of "cleverly maneuvering to support a policy of aggression" from about the time of the signing of the tri-partite pact, the writer's selection of quotations appeared designed to give the impression of the Emperor's weakness, rather than of his active participation in planned aggression.

LABOR

Government workers' appeal to the Central Labor Relations Board for arbitration of a requested 5,200-yen monthly wage standard was reported in most metropolitan papers. In conjunction with the wage demand, eight organizations affiliated with the National Council of Government and Public Office Workers Unions submitted six collateral conditions: 1) the desired basic wage should represent take-home pay as of April 1948; 2) no price revision should be made; 3) the mass taxation system should be abolished; 4) no grievance committees should be established; 5) no administrative readjustment accompanied with dismissals should be carried out, and 6) no ceiling wage system should be adopted. Meanwhile, ASAHI reported that the Nation Labor Union Liaison Council would challenge prefectural governors' appointment of members to represent labor on the regional labor committees. Until last year, the selection of labor representatives was said to be a union prerogative, with only nominal authority vested in the governors.

A MAINICHI editorial pointed to "the impending labor offensive" as the principal source of "the present unrest in political circles." In addition to the 5,200-yen wage standard demand, the offensive assertedly would express opposition to Administration price revision policies. The writer predicted that "this time the struggle will be characterized by tactics designed to avoid friction with the general public, and that it is likely to be more widespread and extensively organized than the regional walkouts in March." To stem the tide of labor disturbances, the editorial proposed that a special Diet session be called at once.

REHABILITATION

A TOKYO SHIMBUN editorial today charged that a leftist minority was pursuing a program intended to check the nation's course toward rehabilitation and called for legislation to "force out the illegal, violent conduct of the Communists." Such action was needed to pave the way for introduction of foreign capital, the paper declared. "US economic aid, and the absorption and advancement of truly democratic ideas" composed the policy recommended as offering the only chance for recovery. Anticipating counter-criticism, the paper spoke out against the type of "democracy" advocated by extremists and asked, "How can we find liberty under a tyrannical minority of Communists?"

CULTURE

Lack of "democratic guidance" of workers' cultural pursuits was deplored by TOKYO MINPO, which warned that unless the present situation could be rectified "feudalistic and reactionary" characteristics might penetrate the movement toward a national culture. Noting that the activities of labor had progressed "remarkably" since the end of the war, the writer observed that without proper direction, "people in general might get the idea that culture is too far above them."

CRIME

The Metropolitan Police Board's drive against gangsters was slowing, ASAHI suggested, because people fearful of reprisals were loath to disclose information about experiences with underworld elements. Meanwhile, TOKYO SHIMBUN observed that various kinds of anti-social activities were increasing in the metropolitan area.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

JUL 16 1948

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PRESS ANALYSIS, 7 July 1948 No. 824

GOVERNMENT

Socialist demand for a special Diet session to consider postponement of war bond interest payment was lead story in four major papers and was featured by other journals. "Greatly angered" (MAINICHI) because the issue was shelved by the House of Councillors toward the end of the recent legislative meeting, the Party was expected to make a formal request for a brief session sometime after 20 July. Although Chief Cabinet Secretary Tomabechi was quoted as believing that it would be "very difficult" to convene the Diet this month, MAINICHI maintained that the Cabinet would have no alternative "in light of present conditions." Front-page attention also was accorded General MacArthur's statement praising legislation enacted by the Diet.

Work of the Illegal Property Transactions Committee was lauded in six editorial reviews of the regular session which closed Monday. To all commentators, the findings of the Committee -- together with the controversy over the budget -- highlighted a meeting which was characterized by disunity among Government Parties. Writers who were critical of the Diet's over-all record appeared to feel that reported lack of cooperation -- especially between the Socialists and Democrats -- had retarded the nation's recovery. SEKAI NIPPO, for instance, claimed that intra-Administration quarrels had caused "a further loss of confidence in politics," and asked what preparations had been made for the introduction of foreign capital. In contrast, NIPPON KEIZAI found in the extended deliberations on the budget evidence that the Diet "is awakening to its mission." Representative of editorial praise for the IPTC was TOKYO MINPO's conclusion that the group had been "progressive" in exposing the source of political funds.

Resignation of Nishio

Resignation of Deputy Premier Nishio, and speculation over the effect this action might have both on the Ashida Cabinet and the Socialist Party highlighted political news. Considerable space was given to an interview held by Nishio on Tuesday in which he reaffirmed innocence of having violated a government ordinance, and asserted that he had relinquished the Cabinet post as the result of intra-party disagreement. Commentators appeared cynical, however, over the Socialist leader's position.

Effect of the resignation on the Cabinet will be to weaken it considerably, according to SHIN TOKYO, while ASAHI believed that the decision would upset, rather than stabilize, the political situation in the immediate future. Examining the causes for the delay in Nishio's resignation, the ASAHI writer questioned whether the postponement was really for the sake of preventing the collapse of the Cabinet until the budget had passed the Diet. Admitting that the Administration might have collapsed if Nishio had quit prior to the passage of the budget, the journal nevertheless believed that the significance of the Nishio issue lay rather in the proof which it offered of the weakness of the Coalition.

Considerable opposition to continuance of the Government was expressed in connection with the case, as SHIN TOKYO expressed the opinion that it would be glad to see the Socialists become the leading party and take over the Cabinet. YOMIURI, too, felt the political situation in need of clarification, and, in this regard, advocated that the Ashida Cabinet either resign or dissolve the Diet. The Socialist Party as a whole was responsible for the resignation of Nishio, YOMIURI asserted, and, like ASAHI, advocated greater efforts on the part of the Socialists toward creation of a definitive policy.

At the same time, current dissension within the Socialist Party was expected by several writers to have far-reaching effects on the future of the Party. It was unlikely that the leftist faction which opposed passage of the budget bill would secede willingly, YUKAN MIYAKO believed, but the paper anticipated formal ouster of the group and formation of a new party. Socialist leftists intended to use the Nishio case as an opportunity to "clean up" Party politics, TOKYO MINPO believed, adding that the Socialists had begun to dissolve as a result of the struggle between the right and left wings.

ECONOMY

The Tokyo press appeared to be awaiting developments expected to follow passage of the budget, the Bank of Japan's increase of interest payment, and revision of the military currency conversion rate. Meantime, the Socialist Party's request for a special Diet session to bring out the shelved war bond interest suspension bill was accorded prominent coverage (see above).

Reaction to the latter move was not yet forthcoming, although a JIJI SHIMPO editorial criticized the pigeon-holed measure as a breach of contract, which would seriously impair prestige of the State. The paper claimed that savings realized by the proposed suspension would amount to a fraction of the budget, while losses to bond holders -- particularly banking institutions -- were predicted as "unfathomable." It was believed that the House of Councillors' failure to act on the bill had "prevented national harm . . . resulting from a political mistake."

Concern over the Government's economic program was voiced by SHIN HOCHI, which said that spiraling prices would bring collapse unless "extraordinary measures" were taken. Expenditures planned in the budget would increase inflation, it was said, with a proportionally increasing amount of money flowing into blackmarketeers' hands. To stop this trend, the writer recommended "rearrangement" of the price structure, and suggested that new tax sources be found in money reserved for speculation.

Though initial reaction to the interest hike was characterized by surprise, NIPPON KEIZAI called the 0.2 sen raise "not so efficacious" in comparing the Bank of Japan's rate with those of private organizations. It was noted that the government Bank's fee was formerly higher than that of the other institutions, which situation has since become reversed, and the increase thus was considered "insignificant."

Revision of the military currency conversion rate was considered to closely approximate actual value of the yen. TOKYO SHIMBUN thought the action signified a speed-up in determination of a provisional exchange rate and -- referring to the increasing enlargement of foreign trade -- observed, "the gradual return to normalcy which is indicated is very gratifying."

FOREIGN

Defeat of the Italian Communist Party in the April elections was the reason for Yugoslavia's expulsion from the Cominform, in the opinion of KOKUSAI NICHINICHI, which believed that Soviet leaders held Yugoslav Communists responsible for failure to gain more territory for the Russian sphere of influence. Meanwhile, SHAKAI SHIMBUN expressed belief that the rift within the ranks of world Communists might spread to such areas as Italy and Greece. KOKUSAI TIMES, however, did not expect cessation of civil conflict in Greece in the near future. The Korean-operated paper also commented upon reported expansion of Communist influence in Asiatic countries, but the writer felt that "it seems too hasty to conclude that the pro-Soviet statement of Burma's Prime Minister necessarily means the imminent communization of that country."

LABOR

Teikoku Company employees decided to appeal to the Central Labor Relations Board in an effort to obtain a 6,000-yen basic salary, rather than resort to strike action, papers reported. Meantime, DAI ICHI SHIMBUN commented that dissatisfaction with the Administration's refusal to grant a 5,200-yen wage standard would manifest itself in "a new labor offensive" designed to unseat the Ashida Cabinet.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

JUL 16 1948

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PRESS ANALYSIS, 4,5, and 6 July 1948 No. 823

GOVERNMENT

The concluding days of the second Diet session -- which adjourned on Monday after prolonged all-night discussions over the 1948 budget -- were reported in detail in the Tokyo press, while evaluations of the accomplishments of the seven-months session appeared throughout the weekend. Critical commentaries of both the Diet and the Cabinet reached a high point on Tuesday as editorials in six metropolitan dailies criticized the session as ineffectual and productive of only "meager results." Singled out for particular disapproval were the unrest within the political parties themselves as well as within the Coalition Cabinet, and the alleged incompetency reflected in the budget deliberations. Findings of the Illegal Property Transactions Committee and the Nishio issue appeared to be regarded by editorialists in MAINICHI and YOMIURI as symptomatic of the corruption of the Government, while creation of the IPTC itself was thought by ASAHI to be the only worthwhile accomplishment of the session just concluded.

What will happen if party interests and political strategy continue to deflect the course of politics, queried the MAINICHI writer, who was joined by an ASAHI editorialist in advocating alteration in the way of thinking on the part of members of the Administration. Politics reflect the confusion of the people as a whole, TOKYO SHIMBUN declared, as well as their reluctance to participate in government, but added that this condition may be considered partly the result of the lack of a political party to which wholehearted support could be given.

Rupture between the Socialists and the Democrats has so far been prevented by the need to pass the budget bill, SEIJI SHIMBUN asserted, but, like other papers, the journal foresaw grave difficulties for the Ashida Cabinet in the future. Thus far the Government has sidestepped rather than overcome a threat to itself, YOMIURI maintained, while JIJI SHIMPO concurred that the weak position of the Cabinet was the result of its composition, rather than of attacks from the Opposition.

Political Developments

Belief that the Ashida Cabinet's days were numbered was evident in news stories and reviews of the past Diet session. YOMIURI and JIJI SHIMPO indicated that the Administration would collapse in September, and front-page reports in nearly all papers -- together with nine editorials on the split within the Socialist Party -- emphasized events which had undermined the strength of the Government. These included the decision of Attorney-General Suzuki to prosecute Deputy Minister Nishio (which Suzuki acknowledged would "create a political storm and chaos"), and renewed activity to consolidate conservative elements. Spearheaded by the Taiyo-kai element of the Democrats, factions of the Democratic-Liberals, People's Cooperatives, and minority groups reportedly were preparing to take over the reins of power. Strength for the movement was forthcoming, papers said, when the Ryokufu-kai -- largest group in the upper house -- elected officers with a Democratic-Liberal "tinge." Meanwhile, the Democratic-Liberals decided to postpone a vote of non-confidence in the Administration until the next session, but issued a statement urging the Ashida-led Coalition to retire.

Comment on the Socialist dissension was varied. Although most writers agreed that a fundamental reorganization of the Party was necessary, the possibility that such an undertaking would be permanent was the subject of widespread speculation. On one hand, DAI ICHI SHIMBUN said that the Socialists "will have to start anew," while SHIN YUKAN predicted that the Party would be divided into three elements "if a house-cleaning is carried out." TOKYO MINPO maintained that the choice was between becoming "a bourgeois Party . . . or an honest Party for laborers," and SEKAI NIPPO recommended that the Socialists

cease collaboration with the Democrats and become "a Party for the masses." A warning that the present offered the "final opportunity for the Socialists . . . to sever relations with the conservatives" appeared in AKAHATA, which renewed appeals for a "democratic racial front" centering around the Communists and Socialists.

Discussion of Socialist difficulties in MAINICHI, JIJI SHIMPO, SHIN HOCHI, and TOKYO SHIMBUN dealt primarily with the causes of the Party's alleged loss of influence among voters. In the opinion of the last-named paper, the split was the consequence of "coalitions and compromises," and of the fact that the Socialist ranks included such widely divergent factions as pro- and anti-Communists.

ECONOMY

Passage of the budget by both Diet houses dominated economic developments, although papers accorded extensive coverage to the expected shelving of the war bond interest payment bill by the House of Councillors, as well as to the Bank of Japan's increase of interest payments, and the revision of military currency conversion rate.

MAINICHI declared that many financial questions still remained, in spite of approval of the budget. The journal urged the Government not to compile any supplementary budget; however, if forced to do so, the Administration was cautioned to "keep it at a minimum." Furthermore, to prevent runaway inflation, harmony between wages and prices should be maintained at all costs, concluded the writer. A SHIN TOKYO commentary contended that the passage of the financial bill was no occasion for joy among Cabinet members, inasmuch as the expected increased cost of living would present many problems, particularly with the wage scale pegged at 3,791 yen.

Raise in Interest Rate

The interest hike of 0.2 sen from 5 July -- second increase by the Bank of Japan since 26 April of this year -- was effected to cope with the "current sharp rise in the market rate of daily interest" and to control intensified demand for funds as a result of the recent price revision, according to a TOKYO SHIMBUN report. Commentaries in NIPPON KEIZAI and YOMIURI agreed that the raise in rates was a blow to private banks, with the first-named journal suggesting that the Bank of Japan's measure would increase the burdens of private banking organs "so much that they may ask for a three-sen daily interest rate." YOMIURI stated that because the Bank's action was unexpected, the private institutions were "hit all the harder." On the other hand, a JIJI SHIMPO editorial defended the Bank's policy, contending that it was "appropriate" not to have the interest rates of the Bank of Japan and private banks -- which raised rates by 0.3 sen on 1 July of this year -- differ to a great extent.

Revised Yen Rate

The new military conversion rate -- effective only in Japan -- was said to approximate present purchasing value of the yen, but blackmarket rates were expected to rise immediately. Noting that the 50-to-1 ratio was not workable, a NIPPON KEIZAI commentator declared that the new value followed the "practical conditions of Japan's economy and was very near the general average of all prices."

LABOR

Administration rejection of the 5,200-yen wage base demanded by the National Council of Government and Public Office Workers Union, highlighted weekend labor developments. Papers also reported that Toho Studio employees were forming an anti-Communist group, with the announced objective of reorganizing the Japan Theatrical and Motion Picture Workers Union "on a more sound basis." Meantime, YOMIURI said that employees of the Teikoku Company -- which was said to produce approximately 90 percent of the nation's petroleum -- might resort to strike action, if a 6,000-yen basic salary demand was not granted.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

JUL 16 1948

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PRESS ANALYSIS, 3 July 1948 No. 822

POLITICS

With final passage of the budget in the lower house and announcement by the Liberal-Democrats that they would submit a non-confidence motion against the Ashida Cabinet Monday, the long-predicted political crisis seemed nearer. Metropolitan papers predicted a split in the Socialist Party as a result of left-wing opposition to the budget, but failed to express any views on the impending attempt to unseat the Government.

The confusion within the Socialist organization again was charged to the Party's extreme leftist element. Three of this group, who had only recently advocated a new farm-labor party, showed their opposition to Party policy by defeating the Administration's budget in committee, although their votes were ineffectual in the main Diet body. There were some predictions that the non-conformists would be expelled from the Party, but most writers felt that the Socialists' problems would not be so easily solved.

Editorialists uniformly criticized the Socialists for alleged failure to follow a clearer pattern, such as that which was offered during the last election campaign when the Party won a majority. Accusing the Socialists of "betraying the public confidence," ASAHI blamed the heterogeneous character of the group and urged rightists and leftists to unite. Unification of party components also was supported by MAINICHI, which insisted that "there is no greater role for the left-wing Socialists than to remain in the Party."

On the other hand, TOKYO SHIMBUN and SHIN HOCHI welcomed the break as bringing about a clarification of political issues. The latter paper said the division had been only a question of time, since the leftists assertedly would not conform to the Katayama principle. TOKYO SHIMBUN called the extremists "revolutionary," and urged them to "make an honest break . . . once and for all." Other leftists in the Party might be able to cooperate with the majority, this editorial continued, but if their ideologies could not be harmonized, they also should part and "strive to attain their respective convictions."

Meantime, downfall of the present leadership through a labor offensive was predicted by both TOKYO MINPO and TOKYO TIMES, as result of the "unrealistic" budget. This action was forecast for the end of the month.

ECONOMY

Lower house passage of the revised general budget for the 1948-49 fiscal year -- despite strong opposition from the extreme left wing of the Socialist Party (see above) -- was reported in lead position in several metropolitan journals today. The financial program assertedly would provide 414,462 million yen -- a net increase of 15,082 million yen as compared with the original draft. No editorial commentaries appeared in today's editions of Tokyo papers.

NIPPON KEIZAI announced that the nation's total exports for the current fiscal year would reach 31,849,520,000 yen. Textiles were expected to constitute approximately two-thirds of the entire yen-volume of exported commodities, followed by canned goods, electrical appliances, agricultural machinery, tea, rubber goods, and hosiery.

IPTC Investigations

A new drive was launched against blackmarket activities with the reported establishment by the Lower House Illegal Property Transactions Committee of a 1-man sub-committee to investigate persons who paid income taxes on more than 5 million yen in 1947. An AKAHATA editorial asserted that the IPTC probes were

exposing "behind-the-scenes deals" of major political parties. "Exposure of collusion among capitalists, bureaucrats, and bosses of political parties," the writer commented, "not only is the best material with which to enlighten the masses, but the best weapon for use in popular struggles." The causes of illegal property transactions were believed to be "the colossal budget and the control structure." The size of the budget allegedly was decided upon "to protect monopolistic capitalists and parasitic landowners," without consideration of "the actual condition of our national income."

Price Revision

A YOMIURI editorial asked the Price Board to "publicize all available data and invite comments and criticism from the people" before making price changes. The journal also proposed that the authorities concentrate on revision of essential commodities, inasmuch as "the present price schedule requires overhauling, and it is meaningless to fix official prices for a thousand and one different items." Price revision had been decided "unilaterally" by officials influenced by the demands of businessmen, the writer charged. Meanwhile, SHIN HOCHI denounced Administration price revision policy because price adjustments assertedly were made relative to an unsound wage standard, and the commentator predicted that additional revisions would be necessary within a few months.

LABOR

Clarification of the Japan Farmers Union directive ordering dissolution of the Kanto District Council was demanded by the latter group, according to press accounts. The directive was said to have been issued because of belief that "the Council is being utilized by Communist fractions." Several papers also noted that the Administration had decided to postpone submission to the Diet of a civil service amendment bill which would prohibit strikes by government clerical employees. Despite Democratic Party Ministers' insistence upon the bill's enactment -- even if an extension of the Diet session should be necessary -- the Cabinet deemed it "undesirable to cause another division of opinion at a time when unity among Government parties has become extremely weak due to the budget and other issues."

A NIPPON KEIZAI editorial -- noting that an official survey had disclosed that the nation's average industrial wage for April was 3,670 yen -- declared that both labor and management were dissatisfied with the projected 3,791-yen wage standard. The Administration was criticized for alleged failure to calculate "appropriate and objective wage standards on an industry basis." Disproportionately high earnings in the electrical and railroad industries were said to illustrate the fact that "wages have not been rationally and scientifically computed according to varying occupations." In the determination of wage schedules, the editorial concluded that "the financial situation of the nation should be considered," as well as the Government's wage base and the labor unions' cost of living standards.

EARTHQUAKE

A SEKAI NIPPO editorial commenting on seismological research suggested that scientists were hesitant to venture earthquake predictions for fear of causing panic. Such an attitude was understandable, the paper said, "for our Government is not the kind to take proper measures of precaution in spite of a quake forecast."

FOOD

A favorable rice harvest was forecast on the basis of a nation-wide survey conducted by YOMIURI. Rice planting was said to have been completed in 2,134,375 chobu, which reportedly comprised 75 percent of the total planned area. At the same time, announcement was made of the authorized release of imported foodstuffs and sealed rice to be used for rationing during July.

COAL

A SCAP spokesman's announcement of the establishment of military government organizations in Hokkaido and Kyushu coal-producing areas "to spur completion of the 36,000,000-ton goal for this year" was given considerable coverage. Several papers also published coal production data indicating that peak output was reached during June.

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JUL 16 1948

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

PRESS ANALYSIS, 2 July 1948 No. 821

POLITICS

Political confusion stemming from continued intra-Administration differences over the budget won prominent attention in major Tokyo journals. Although generally speculative, reports agreed that refusal of three left-wing Socialists to support the compromise financial plan (see below) had created a problem which might determine the fate of the Ashida Cabinet and cause a break in the ranks of the Socialists. An additional complication, writers noted, was the expected resignation of Deputy Premier Nishio -- admittedly a power in the Coalition, as well as a Socialist "strong man."

Threats of the leftists opposed to the budget plan to form a new farmer-labor party prompted a general meeting of the Socialist left wing at which, according to ASAHI, moderates attempted to persuade the "radicals" to abstain from voting, rather than to oppose the measure. A few were said to have been won over, and a decision was expected today. Meanwhile, the moderates (led by Budget Committee Chairman Mosaburo Suzuki) pledged their support of the compromise plan, an action which SHIN HOCHI interpreted as "a separation from the Communist-tinted faction of the Party."

Most commenting papers were in accord with SHIN TOKYO's belief that the Socialist Party "again faces a crisis." Reiterating the opinion that the Party has "deteriorated" (Press Analysis No. 817), YOMIURI believed that recent dissension had not "turned out as the right-wingers wished," but had served the interests of the Democrats -- "who want to divide the Socialists and then the Democratic-Liberals." In a second commentary, the same journal warned that a split in the Socialist Party would cause loss of the people's confidence, and would encourage Ashida to open negotiations with the Democratic-Liberals.

ECONOMY

Continued opposition to the revised budget by three left-wing Socialist members of the Lower House Budget Committee received extensive coverage in Tokyo dailies, with AKAHATA according the topic primary news position. The Communist organ predicted that the financial bill would be voted down, while leftist TOKYO MINPO's headline indicated that optimism over the measure's approval was unwarranted as a result of the "unexpectedly firm" stand of the three Socialists. Defiance of the left-wingers might lead to an Administration defeat in the Lower House Budget Committee, MAINICHI reported, and consequently the Socialist Party was said to be considering replacing the dissidents to insure passage of the bill. Meanwhile, TOKYO MINPO noted that more than 50 unions affiliated with the Farm-Labor Liaison Council were uniting to defeat the amended budget.

ASAHI expressed disappointment over budget deliberations, charging that political factions had been "too party-minded" and had placed party interests over those of the nation. While conceding that all groups had the right to advance viewpoints on all issues, the writer called for more realistic and practical discussions. The journal was relieved that decisions had been reached on key questions, but regretted that "political bargaining" had been used to achieve agreement. A commentary in DAI ICHI SHIMBUN deplored the Socialist-Democratic dispute over "trifling sums" in the budget, and intimated that action by both groups was "slanted toward the next general election."

Foreign Aid

President Truman's signing of the $150,000,000 revolving fund for textile production in US-occupied areas drew lead position in YUKAN MIYAKO and front-page space in other journals. In appraising US foreign aid policy, a SHIN HOCHI editorialist observed that Congressional consideration of the extent of financial assistance hinged on domestic affairs, and -- since the US was not in a position to give aid unconditionally -- it was believed natural and inevitable that certain conditions were necessary to bind recipient nations. Although Republican

isolationism was said to have lessened since the end of the war, the disapproval of the Korean and Japanese rehabilitation fund and the reduction in the total foreign aid by the House of Representatives was thought to suggest that isolationism was still deeply imbedded in the House.

Price Revision

The public viewed the new price structure with misgivings because previous attempts at regulating price-wage relationships had failed, according to TOKYO SHIMBUN, which held that the Administration's firm conviction that its policies would succeed was necessary to dissipate the people's apprehension. Although time and opportunity were admitted to be essential for the success of any policy, the writer urged the Government not to delay release of daily necessities and payment of subsidies and incentive goods as a means of stabilizing wages. The journal feared that frequent recurrence of labor disputes would make difficult the maintenance of the new price system.

LABOR

Conflicting opinions regarding the projected 3,791-yen wage base reportedly were expressed by Premier Ashida and Labor Minister Kato. Whereas the former was said to be opposed unreservedly to revision of the proposed standard, the latter assertedly felt that the 3,791-yen base would be tenable only "if real wages could be guaranteed." Another development relating to the administration of labor policies was the resignation of a Parliamentary Vice Minister, who -- "in sympathy with the National Communications Workers Union and left-wing Socialists" -- objected to proposed raises in postal rates and railway charges. A 24-hour walkout of the Japan Screen and Stage Workers Union also was credited to dissatisfaction with increased communication rates, as well as opposition to higher commodity prices, the imposition of an admission tax, and the discharge of Toho Motion Picture Company employees.

EARTHQUAKE

Reports on the progress of reconstruction and relief activities in the Hokuriku district appeared on the back pages of the metropolitan press today. AKAHATA included a "local Communist leader's" account of the disaster and news of the Communist drive to collect relief funds. Editorial comment was noted in four journals; TOKYO MINPO called for systemized programs to render effective aid in future calamities, and SEIJI SHIMBUN expressed hope that donations secured for relief purposes would be used properly. SHIN YUKAN urged construction of "fire- and quake-proof cities," while SHIN TOKYO attacked the "unscrupulous merchants" who assertedly sold food and water to quake sufferers at "exhorbitant prices."

WAR CRIMES

Seven years ago today, SHIN TOKYO recalled in its lead story, leaders of the Konoye Cabinet met with the Emperor to reaffirm "already established policies." Prosecutors at the Tokyo War Crimes Trials were said to have shown, however, that the real intent of the meeting was to decide on "a program of advance to the south, as a forerunner to Pearl Harbor." The paper added that "this council -- which lasted a mere two hours -- was historically important (because) it plunged 80 million Japanese to the abysmal depths of sorrow and tragedy."

FOREIGN

International reaction to the Yugoslav-Soviet dispute continued to dominate foreign news coverage in Tokyo dailies, as speculation mounted that the Cominform-ousted nation might seek aid from Western democracies. (Except for a previous brief wire service dispatch, AKAHATA today paid first significant notice to the subject by printing the text of the Cominform communique.) Yugoslavia's re-introduction of a proposal for the federation of Balkan states -- already disapproved by Russia -- was seen by commentators as evidence of a "stand firm" policy by Tito's government, and editorialists agreed that the basis for the quarrel was communistic internationalism versus nationalism.

SHIN HOCHI and JIJI SHIMPO placed emphasis on a reported financial agreement between Yugoslavia and the US, and the latter journal suggested that the events might be regarded as "the first US victory in the 'cold war.'" Rumored failure of Yugoslavia's Russian-sponsored 5-year program was attributed to its unpopularity among the people, who were said to feel that their economic reconstruction was impossible without aid under the Marshall Plan.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 1 July 1948 No. 820

ECONOMY

Agreement among Ministerial Parties to increase railway fares by 255 percent -- breaking a 10-day deadlock on the issue -- drew lead position in nine metropolitan dailies and was reported extensively in others. An understanding was reached yesterday among Coalition groups to have the bill passed by the afternoon of 2 July, according to ASAHI. Press estimates of revenue from the revised financial measure ranged from 414 billion yen to 420 billion yen. New passenger rates were to become effective on 18 July, while freight charges -- to be increased by 350 percent -- would be enforced from 10 July. Premier Ashida was quoted by ASAHI as stating that inability of Government Parties to break the deadlock by today "would have forced the Cabinet to resign en bloc." Steering committees of both houses were said to have agreed to extend the current Diet session for five days. Meanwhile, Democratic-Liberals submitted to the Lower House Budget Committee their amended version of the budget -- calling for increases of 200 percent for railway fares, 300 percent for freight charges, and 150 percent for postal fees.

Government announcement of revised prices for nonferrous metals, secondary products of iron and steel, and other key materials was accorded wide coverage. Increases were said to average more than double, and consisted of a dual adjustment system -- similar to the first upward revision (Press Analysis No. 813) -- with provisional prices effective from today, and the secondary group of prices to be enforced with the final Diet decision on railway rates.

Industrial Loans

NIPPON KEIZAI was of the opinion that the projected industrial financing policy -- to be enforced following revision of official prices -- would be instrumental in preventing decrease in production by making available necessary additional funds. However, the writer cautioned the Government not to permit loans that would be used to pay excessive wages, because "no policy would be sufficient to stabilize wages, especially when demands for higher salaries were presented successively owing to the official price adjustments."

EARTHQUAKE

The Hokuriku earthquake again received prominent attention, and rehabilitation measures were emphasized. A steady flow of relief goods from all parts of the country "has put courage and hope in the hearts of the sufferers," MAINICHI reported, and many residents of Fukui City were said to have erected temporary dwellings. Comment on the disaster appeared in seven journals, five of which discussed either the need for improved research into seismic disturbances or the responsibility of the Government in hastening relief. Concerning the latter, TOKYO MINPO thought that the disaster would prove which political party had the greatest concern for the people's welfare. The paper believed, however, that assistance also should be forthcoming from labor unions and other groups "fighting for the reconstruction of Japan." In the only noted observation of its kind, SHIN YUKAN criticized persons who showed no sympathy for Fukui because of that city's comparatively rapid recovery from war damage prior to the earthquake.

GOVERNMENT

Diet investigation of contributions to political parties won front-page space in major papers today, as the Illegal Property Transactions Committee voted to summon Premier Ashida and other Democratic executives. Nature of the questions to be asked the Premier was not reported, but a key figure in the case was said to have committed perjury at a previous hearing. The Committee also announced intention to investigate persons believed to have profiteered since the end of the war.

MAINICHI, meanwhile, speculated on the consequences of the anticipated resignation of Deputy Premier Nishio. Taking advantage of the Opposition's "discouragement" since Nishio survived a non-confidence vote in the Diet, Ashida was believed to be planning an all-out effort to retain power. When Nishio leaves the Administration, the Premier intends to strengthen his position, the paper added, by appealing for the support of follow Democrats who have been opposed to the Socialist Deputy Premier. However, writers believed that the limit of cooperation between the Socialists and Democrats had been reached, and, in this connection, it was widely reported that left-wing Socialists might form a New Farmer-Labor Party. But ASAHI considered it "questionable" whether all Socialist leftists would participate.

LABOR

The Government Railway Workers Union's non-observance order regarding revised train schedules -- subsequently rescinded (Press Analysis No. 819) -- was criticized in JIJI SHIMPO, TOKYO SHIMBUN, and SEIJI SHIMBUN. The first-named paper charged the union with usurpation of a management prerogative, because "it is impossible . . . that an open clash between labor and management could take place concerning matters which have no connection with working conditions." The dispute was believed to be a tactic designed "to consolidate the workers' unity" by encouraging disregard of supervisory authority. TOKYO SHIMBUN, on the other hand, attributed the union action to immature leadership, and the writer feared that transportation would be interrupted by wildcat strikes. Some local unions, the editorial explained, were dissatisfied with the top leadership of the GRWU, because the non-observance order assertedly had been withdrawn without rank-and-file approval. Meantime, SEIJI SHIMBUN warned labor that "union disputes lacking popular support or sympathy were destined to failure."

ELECTRIC POWER

Noting that "nation-wide suspensions of electric power have begun again," a MAINICHI editorial pointed out that "reckless deforestation and careless methods of reforestation are the common causes of large-scale floods in the fall and electric power shortages that commence in early summer." In order to provide an equitable distribution of the available electric supply, the journal proposed the elimination of "power thefts," which assertedly accounted for more than 10 percent of total current. Increased power generation also was urged through the restoration of plants damaged in last year's floods. Unless effective measures were taken, the writer believed that the Administration program to stimulate a 40-percent increase in mining and industrial production would be threatened.

EDUCATION

SHIN TOKYO sympathized editorially with the student strikes, declaring that in the changed economy of postwar Japan, most students were earning school expenses, and, therefore, were justified in protesting against increased tuition fees. Maintaining that many students were semi-laborers with families to support, the writer insisted that it was inevitable that they should "act as individuals claiming their living rights," instead of being content to "remain within an abstract scholastic framework." Criticism that students were using "labor union tactics" missed the mark, according to the writer, who held that Government efforts to suppress objections against the raise in tuition had "caused the subsequent disturbances."

FOREIGN

The Cominform expulsion of Yugoslavia received prominent coverage today in all Tokyo papers except AKAHATA. Reports of the announcement, and the subsequent Yugoslav denial of the Communist organization's charges, brought forth commentaries from six journals.

The development was regarded with surprise and interest, particularly in view of the Balkan nation having been considered on the friendliest of terms with Russia. JIJI SHIMPO, however, noted that Foreign Minister Molotov did not consult Premier Tito on the recently projected Danubian conference, and cited this as indicating a "strained situation." Possibility of the country's joining the Western Bloc was not considered seriously, though a trend in that direction was suggested by writers. Exception to this was taken by SHIN YUKAN, which noted that the Cominform left a way open for the Yugoslav Communists to return. ASAHI marked the danger inherent in the country's geographic position -- its proximity to Trieste and Italy on one side and to Greece on the other.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 30 June 1948 No. 819

EARTHQUAKE

Rehabilitation of Japan suffered a serious setback, the Tokyo press agreed today, as the extent of the Hokuriku earthquake damage became known. In addition to those killed, wounded and 300,000 homeless (MAINICHI), the nation was believed to have lost approximately one-third of its silk and rayon weaving equipment when the city of Fukui was virtually leveled. Thus, the disaster will have a "serious effect" on export trade, according to a published statement by the Director-General of the Board of Trade. Meanwhile, assistance was being rushed, papers reported, with the national government establishing relief headquarters in each Ministry and the Cabinet appropriating one billion yen for reconstruction.

Editorials in seven journals extended sympathy to the victims of the quake, and some commentators warned against permitting "bureaucratic red-tape" to delay relief steps. Belief that Japan had not developed scientific research which would permit more accurate predictions of seismic disturbances was expressed by most writers, and there was unanimous agreement that suffering and damage could be reduced by improved planning and construction of cities. A representative commentary in ASAHI declared that "the materials, money, and energy that the Japanese poured in the past into wars against humanity must now be poured into the great war against the destructive forces of nature," and SEKAI NIPPO warned that "preparation for the next natural calamity must begin today."

ECONOMY

The conference of Ministerial Party leaders to expedite passage of the budget was widely reported in the metropolitan press. Although Democrats and People's Cooperatives were said to have agreed to Chief Cabinet Secretary Tomabechi's plan to set the railway fare increase at 262.5 percent, the Socialists reportedly were still insistent on a 250-percent hike. ASAHI and MAINICHI, however, expected a compromise, with the first-named journal intimating that the measure would pass the lower house today. If the revised bill is approved by the Diet by 3 July, the new fare rate was expected to become effective on 20 July and the freight charge on 10 July. Meanwhile, the Administration asked for a 5-day extension of the Diet to permit full consideration of the financial bill.

A NIPPON KEIZAI editorial was critical of alleged Administration pressure to force passage of the budget without adequate discussion. Declaring that incomplete deliberations assertedly characterized other important measures, the writer called on the Diet to consider all bills in a conscientious manner. If measures were passed hastily merely because the Government demanded their approval, the people's faith in the Diet would be impaired, maintained the commentator. The journal regretted that the Administration's concentration on the financial program allegedly prevented satisfactory consideration of other major bills, and suggested that the Diet carry over to the next session measures that have not been thoroughly discussed.

Meanwhile, a TOKYO MINPO commentary foresaw increasing difficulties for the budget not only in tri-party meetings, but also in both houses of the Diet. Although the alleged obstinancy of left-wing Socialists was said to be responsible for the Coalition deadlock, the movement among farmers and laborers was "becoming more violent," according to the writer, who conjectured that this pressure might have a "strong influence" on the outcome of the bill.

Price Revision

Although the price revision plan instituted by the Katayama Cabinet was said to have failed because of "excessive formalism and lack of calculation," its "reasonableness and preparedness" were appreciated, according to YUKAN MIYAKO. The recent price system, on the other hand, was believed not to contain these characteristics, and furthermore, lacked the "political power of enforcement," the writer charged. As for reaction of the public to the new plan, the editorialist noted an "indifferent attitude," which was attributed to "procrastination in revision . . . immunity to price modifications . . . and lack of a definite Administration stand."

LABOR

Government Railway Workers Union's decision to rescind its non-observance order regarding the projected revision of train schedules (Press Analysis No. 818) was reported in most papers. Less prominent coverage was accorded the 24-hour strike affecting offices and 35 theaters of the Toho company. Another walkout reportedly was planned "unless the management agrees to accept the union's five-point demands including the immediate payment of the special livelihood allowance for April, May, and June."

Commenting upon the proposed timetable revision, a SHIN YUKAN editorial explained that the GRWU felt that it should have been consulted about management's intentions to establish new train schedules. Moreover, the union was said to believe that it would not be feasible, because of the severity of the administrative adjustment program calling for employment of 50,000 to 60,000 new persons -- said to be required as replacements for those dismissed as of 1 July under the Labor Standard Act's prohibition of night work by minors under 18 years of age. The writer claimed that, despite increased personnel, railway service had not appreciably improved. Whether this situation could be attributed to workers' inefficiency or to equipment shortages was "a problem" which the editorial urged "The Diet to investigate thoroughly."

An AKAHATA editorial declared that "the farmers' front is faced with a new crisis," as reference was made to a recent Japan Farmers Union decision in favor of the complete elimination of Communist elements from that organization. The faction led by Socialist State Minister Nomizo within the JFU was held accountable for the new policy, and was charged with betrayal of farmers' interests to a political party. The editorial pledged that "our (Communist) Party will make an all-out effort for the unification of the farmers' front," and the writer demanded that the JFU call a national convention immediately.

POLITICS

A report appearing in YOMIURI stated that Attorney General Suzuki expected Deputy Premier Nishio to be prosecuted after he "resigns following passage of the budget." Action on the Nishio case had been delayed, according to Suzuki, because prosecution of Nishio while in office would deal a serious blow to budget deliberations and the future political situation. Meanwhile, AKAHATA's lead story noted that even though all major political parties were insisting that the financial measure receive preferred consideration over the Nishio issue, the prosecution of the Deputy Premier was "inevitable." If Nishio were forced to resign, in the opinion of the Communist journal, the balance of power in the Socialist Party and the Government "would be greatly changed." Accordingly, the Administration was said to be hoping to strengthen its position by dissolution of the Diet, and not by general resignation.

FOREIGN

A TOKYO MINPO editorial believed that "the real battle" of the US presidential election campaign "will be between Wallace on one side, and Dewey and Truman on the other." The writer thought that there were "no fundamental differences" between the Republican Party platform and Democratic Party policies. Consequently, "even if Dewey is elected, as is expected," the journal felt that "no great changes will take place in American policy."

EDUCATION

In contrast with editorials criticizing student strikes (Press Analyses Nos. 814,815, and 818), YUKAN MIYAKO called for reflection on the reasons underlying the protest movements. The public has a responsibility to "direct students along the right path," and must not regard the strikes as "excitable manifestations," the paper believed.

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JUL 8 1948

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Analysis and Research Division

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PRESS ANALYSIS, 29 June 1948 No. 818

The earthquake in the Hokuriku district was lead story on the front pages of ASAHI, MAINICHI, and YOMIURI and was featured in JIJI SHIMPO and NIPPON KEIZAI. Preliminary reports of the disaster were fragmentary, apparently due to communication difficulties, but an ASAHI correspondent -- who said he extricated himself from the ruins of the paper's Fukui office -- gave that journal an eyewitness account. Most headlines emphasized the reported destruction of the city of Fukui.

ECONOMY

Chief Cabinet Secretary Tomabechi's plan to break the tri-party deadlock over the railway fare issue by fixing the rate at 262.5 percent won featured position in five journals and was reported extensively in others. Editorial comment, however, was not forthcoming. Democrats and People's Cooperatives were said to have indicated agreement on the Tomabechi scheme, but the Socialists allegedly refused to budge from their position -- which called for a 250-percent raise -- contending that their rate (which excludes the tax) "would amount to 262.5 percent including the tax." MAINICHI noted that the Government expected a compromise before Wednesday, since there was "only a difference of 1,000,000,000 yen" between the Socialist and the Tomabechi plans. According to a NIPPON KEIZAI account, Premier Ashida told the Lower House Budget Committee yesterday that the Administration was contemplating compilation of a supplementary budget to cover the loss in revenue due to delayed enforcement of the bill. Meanwhile, a decision on the War Bond Interest Deferral Bill was said to have been postponed by the Lower House Finance and Banking Committee because of "delaying tactics of the Opposition" (YOMIURI).

Reconstruction

TOKYO SHIMBUN deplored the "growing conflict" between those elements -- most of whom allegedly were Communists -- obstructing the introduction of foreign capital and those encouraging outside aid and investments. It was this basic difference of opinion which caused the dissolution of the Economic Rehabilitation Council, according to the journal, which saw the urgency of a similar body today to facilitate Japan's recovery. Such an organization, the writer suggested, should evolve a "new formula for reconstruction that would eliminate the mistakes of the past," and confine its efforts to imminent problems. Unless such a rehabilitation council were formed, according to the editorialist, the nation's industries would lose their productive incentive for lack of a central guiding force.

A NIPPON KEIZAI editorialist declared that unless the Administration improved distribution of food rations, inflation would be intensified and materialization of the interim stabilization program would be impeded. Although realization of US aid was anticipated in November of this year, the journal considered it erroneous to believe that introduction of funds would have immediate effects on Japan's recovery. The only way to forestall runaway inflation, maintained the commentator, was to induce a "preparatory period of stabilization" through adequate distribution of rations.

POLITICS

Subordinated by budgetary considerations, politics received only minor attention in today's press. Perhaps the most important development was the announced intention of five Socialists to seek indictment of the Secretary-General of the former Liberal Party for alleged perjury while testifying at recent hearings of the Illegal Property Transactions Committee. Possibility of the former official's indictment -- noted conspicuously in six journals of representative political shades -- arose when the Committee Board of Directors decided against indicting him for reported inconsistencies in his testimony, and Socialist members declared they would lodge their request with procuratorial authorities.

Elsewhere in the press, YOMIURI, MAINICHI, and TOKYO TIMES reported that a meeting of Democratic-Liberal officials had decided to call for a special session of the Diet -- which would be possible upon a one-fourth vote of the lower house -- to consider pending legislation. In this regard, MAINICHI said that the Cabinet itself might call for a three-day extension of the present session in order to pass the budget and "other important measures" by the end of June.

Editorials -- dealing chiefly with the Nishio case and the possibility of Cabinet changes -- were mostly reiterations of previous commentaries. SHIN YUKAN labeled the Nishio scandal as "a cheap play," and called for the elimination of all suspicious persons in politics, even if IPTC hearings resulted in the ruin of every party. SEIJI SHIMBUN, suspending its attacks on the Deputy Premier, declared that Nishio's action illustrated the need for legislation to control political campaigns, and warned that dispensing with Nishio would not, in itself, solve the problem of corruption.

Two other journals -- SHIN TOKYO and SEKAI NIPPO -- warned that a general election was not necessarily a cure-all for political and economic ills. While both agreed that a Diet dissolution was desirable -- in view of what the second-named journal called a "poverty of statesmanship" -- the writers cautioned that only by the creation of two main parties (conservative and progressive) could Japan hope to progress more rapidly toward fulfilling its aim of a truly democratic government.

LABOR

The Japan Federation of Labor Unions' withdrawal from the All-Japan Liaison Council of Labor Unions was announced in most metropolitan papers. As the reason for secession, the JFL reportedly charged that "the Council has become a tool of the Communist Party." Considerable coverage also was accorded the Cabinet decision to submit to the Diet today a bill providing for establishment of a 3,791-yen wage standard for government employees, despite persistent union demands for a 5,200-yen base.

Meanwhile, several papers reported that the Government Railway Workers Union would ignore new train schedules -- to be effective 1 July -- "as being a menace to safety in view of the personnel shortage resulting from the new Labor Standard Act's prohibition of night work by those under 18 years of age." Both MAINICHI and YOMIURI criticized the GRWU's attitude toward the proposed revision of timetables. Noting that "the controversial point reportedly concerns the shortage of assistant locomotive engineers," the former felt that the problem could be settled through peaceful negotiations, and noted that railway authorities had promised to employ additional personnel within a short time. YOMIURI considered union opposition to improved railway service "incomprehensible," and the writer asked railway management to publish a statement explaining its decision in favor of the revised schedules.

FOREIGN

An AKAHATA "profile" today said that Republican Vice-Presidential Nominee Warren "has a reputation among the American people of a psuedo-liberalist (nitehi-jiyushugisha: mock, sham, or feigned liberalist), who advocates social reform, but does nothing." The Communist Party organ recalled the Point Lobos murder trial -- in which Warren played the role of prosecutor -- and stated that he "completely disregarded the angry voices of the laborers and succeeded in obtaining a verdict of guilty." The article also attributed to the California Governor a reputation for ratsu-wan (variously: formidable ability, great shrewdness, unscrupulous cunning).

EDUCATION

Continued criticism of students' strikes against increased tuition fees (Press Analysis Nos. 814, 815) appeared in a DAI ICHI SHIMBUN editorial and in letters to that journal and to TOKYO SHIMBUN. The strikers were "behaving like children," and have permitted their protests to become "political," the editorialist charged, but added that increases in the cost of schooling might mean an "educational crisis." The letter to DAI ICHI SHIMBUN declared that students were "dancing to the tune played by the Communist Party," and correspondence in TOKYO SHIMBUN asserted that "a few agitators" were responsible for the demonstrations.

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