EDITORIALS

Major editorial interest was concentrated on wage stabilization and prices, while other comments covered topics ranging from the increased 2.7-Go staple food ration to discussion of the Tokyo trials.

Wages

With the completion of the power dispute mediation plan, YOMIURI wanted both the Government and the union to acquiesce to its terms. Because the proposed wage scale is slightly higher than the average level in private industries, the journal noted that the Government's prime concern is how to meet the wage boost. The logical method it suggested would be through government loans and subsidies followed later by other sources of income rather than by hiking electric rates. Since there are many other wage controversies, the daily thought the Government should balance the wages of power workers with those of other workers and also prevent any boost in prices. If the Government can halt rising prices, the paper declared that price-wage stabilization can be gradually realized.

Wage stabilization and supplementary budget compilations are problems handed down from the past regime, according to NIHON KEIZAI, which advised the Cabinet to effect a thorough-going administrative adjustment and asked enterprisers to consider rationalization to improve their present financial condition. To prevent similar issues from cropping up in the future, the paper asserted that the Yoshida Cabinet should do everything in its power to arrive at a fundamental solution instead of resorting to makeshift measures which would neither contribute to wage stabilization nor help curb inflation.

Prices

ASAHI stated that measures to curb intermediate costs should have been taken by the Government in line with the new food rationing increases. Instead, the paper continued, the price revision is again based on pool accounting--with consumers bearing all costs from the farm to their doors--and includes a quantity of food control expenses, some of them hard to justify. With the relationship of consumer prices to prices in general left unclarified, it was observed that the people have reason to be disgruntled over the situation. AKAHATA accused the Government of deliberate, ruthless exploitation of the masses with respect to the new rice price and explained that the consumer price includes the deficits caused by incompetent bureaucratic control as well as foodstuff administration costs that should logically come out of taxes. Co-operative struggle for reasonable prices, sufficient wages, and supportable taxes, it concluded, are the only means for overthrowing this corrupt Government so that all-out efforts for JAPAN's rehabilitation can be made.

Miscellaneous

JIJI SHIMPO, pointing out that the 2.7-Go staple food ration is still inadequate for consumers, urged above-quota rice deliveries. It is up to the authorities to rationalize and systematize the distribution of substitute foods as well as encourage quota-plus deliveries, the paper stressed. Since farmers are skeptical of selling their surplus rice fearing a boost in next year's delivery quotas and taxes, the paper emphasized the importance of adequate measures necessary to ensure the 2.7 Go ration.

In a signed DAI ICHI editorial, the writer agreed with ASAHI's treatment of the Honjo boss scandal, deeming the presence of such gangs as detrimental to JAPAN's democratization. The truth may have been distorted by Communist elements but the stand taken by YOMIURI, which considered the case as a trifling affair, is deplorable, the writer observed. The desire of Chief Prosecutor TABE to clean up corruption clarified the significance of the Honjo case: therefore, the writer believed that more newspaper space should be devoted to such affairs to uncover more scandals.

MAINICHI acknowledged the important mission of Culture Day in directing public attention to raising JAPAN's cultural level, but said that this improvement should not be looked upon as a government project depending on a bureaucratic setup to succeed. Rather, the paper explained, national culture depends only upon popular will to create it. Exposure of the weaknesses in JAPAN's political system that led to Army domination and eventual collapse was one of the most significant features of the Tokyo trials, according to TOKYO TIMES. The paper said further that this analysis made possible better popular appreciation of democratic principles, an understanding that must be retained or freedom will be long delayed.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Military Intelligence Section, General Staff
Allied Translator and Interpreter Section

PRESS ANALYSIS
Tokyo Newspapers Today

Number 923

2 November 1948

The US presidential election today overshadowed domestic news developments in all the papers though MAINICHI, YOMIURI, and NIHON KEIZAI led off with the new rice price. Diet dissolution rumors also received considerable space.

POLITICS

The Democratic Liberal Political Research Committee petitioned the Government yesterday to dissolve the Diet when it reconvenes Monday. The four-point representation also censured Bank of Japan President ICHIMADA's interference in government financial policy, demanded immediate reopening of restaurants, and recommended speedy lifting of government controls. After making the proposal to Chief Cabinet Secretary SATO, PRC Chairman AOKI declared that dissolution was the only logical course for the Cabinet. Meanwhile, Premier YOSHIDA reportedly has two speeches prepared for Diet reopening--one calling for immediate dissolution, and the other deferring dissolution until clarification of the opposition attitude. The Cabinet will discuss the contents of the Premier's address today. (YOMIURI:1)

The Socialist attitude is still hazy though it is generally believed the party supports dissolution after enactment of NPSL revision. However, the party would cast a no-confidence vote if the Government should introduce a confidence motion to the Diet. (TOKYO MIMPO:4)

ECONOMY

The new consumer price for cleaned rice announced by the Price Board and the Agriculture-Forestry Ministry will be 51.4 yen per Sho, 13.1 yen higher than the old price. New prices for sweet potatoes, wheat, and other rationed cereals were also made public yesterday. (TOKYO SHIMBUN:2) Water transportation is being utilized to ship new rice stockpiles from NIIGATA which leads the nation with 66 percent of its rice quota delivered as of Sunday. This step had to be taken by the Agriculture-Forestry Ministry since railroads are swamped hauling sweet potatoes. (TOKYO SHIMBUN:9)

The Holding Company Liquidation Commission will meet in special session Thursday to cancel designation of the Nihon Soda and the Nissan Kagaku Companies which were previously ordered to reorganize under the Economic Deconcentration Law. (NIHON KEIZAI:12)

SOCIAL

The Central Labor Committee will present its mediation plan on the electric workers' dispute to the Government and the Japan Electric Power Workers Union today. CLC wage recommendations are expected to be about 7,000 yen per month for the July-September period and 7,500 yen for October-December. These figures are slightly higher than those suggested by CLC Chairman SUEHIRO in his interim report last month. (YOMIURI:3)

The Japan League of Management Organizations' Unemployment Measures Committee completed a draft of an unemployment policy yesterday asking the Government and private enterprises to create new fields of employment and inaugurate job training for the unemployed. (KOGYO SHIMBUN:11)

To co-ordinate CLC and district labor committees, the Labor Ministry will present to the Cabinet today a total of five additions to the government ordinance implementing the Labor Union Law. The amendments would give the CLC closer supervision over local committees. (NIHON KEIZAI:13)

Investigations

KUHARA Fusanosuke testified yesterday that giving 500,000 yen to his son-in-law, a former cabinet minister, did not constitute a violation of the purge ordinance since the money was not for political purposes. KUHARA's trial opened yesterday at the Tokyo District Court. (ASAHI:17)

Kobe prosecution authorities questioned ex-Agriculture-Forestry Minister NAGAE yesterday for the third time, but NAGAE denied taking a bribe for expediting an RFB loan to the Toyo Flour Mills Company. (ASAHI:18)

EDITORIALS

Editorials were centered on homefront issues though two dailies followed up their news stories on the US presidential election today with related comments. The Government's wage stabilization policy was taken up by NIHON KEIZAI and TOKYO SHIMBUN, while neither YUKAN MIYAKO nor AKAHATA were satisfied with the Democratic Liberal Cabinet.

Yoshida Cabinet

Wage stabilization depends upon fixing wages at a proper level on the basis of the enterprise's financial capacity, NIHON KEIZAI asserted. Though this system may work with private concerns, government enterprises cannot maintain the level of wage stability without exceeding their financial capacity, but the journal noted that the wage standard revision for public employees and the wage boost for power and coal workers will be the main point in stabilizing wages. In settling the power workers' dispute, TOKYO SHIMBUN advised the CLC and the Government to reconsider their compulsory arbitration plan. Though NPSL revision will clean up the labor offensive, the daily observed that wage disputes will exist as long as inflation continues. Instead of trying to settle individual labor disputes, the journal advised the Yoshida Cabinet to take a definite stand toward wage stabilization in formulating its labor policy.

A signed YUKAN MIYAKO editorial pointed out that though the Democratic Liberal Party has gained popular support, its administrative retrenchment policy defending the interests of capitalists is worse than what the Democrats might enforce. The people will not be satisfied until they find a party that will represent their true interests, the writer stated. AKAHATA flayed the DLP for trying to win over the laboring masses with its plan to dissolve the Diet, establish a new wage base, and abolish the transactions tax, when it is incapable of fooling the people. Since corruption and ineptitude dominate the bourgeois political parties, the journal urged the workers, farmers, and city dwellers to unite under Communist leadership "to overthrow reactionary influences and to establish a people's government."

International

In comment upon the US presidential election, TOKYO MIMPO stated that the Truman Administration and the Republican Party have veered together until they now have few points at issue while the left-wing New Deal Democrats, emerging as the Progressive Party, constitute the real opposition to both the major parties. The newspaper suggested that this situation may point to a significant change in American two-party politics, as happened not so long ago in England. DAI ICHI remarked that the only distinctions between the two big US political parties are in their domestic platforms not in their policies toward RUSSIA.

With Red armies swarming over MANCHURIA, the Communist programs in other parts of ASIA will be immeasurably strengthened, commented MAINICHI, adding that JAPAN, to a large extend dependent on Chinese assistance, will certainly feel the pressure of such a development. The paper said further that the only hope for the Chinese Government today is to hold on to its gold standard and that this cannot be done without considerable US aid. Any change in this dangerous Asiatic situation, it concluded, is a matter of great concern to JAPAN.

Miscellaneous

JIJI SHIMPO realized that smooth banking procedure requires the necessary amount of funds at the proper time, but if banking authorities stick to balancing the supply and demand of funds they have an "unrealistic and bureau bureaucratic conception of banking." In breaking the tight money situation, the paper desired government agencies to recognize the importance of preventing delays in banking relations. In another vein, ASAHI saw the need for a public opinion survey on political affairs and outlined a setup for a National Public Opinion Institute, but since such a state organization will be limited in its functions, the daily thought that a private institute could handle the task more efficiently.

YOMIURI said that the purpose of the National Culture Festival is to stimulate production of a new, indigenous Japanese culture as well as analytical study of the past. In discussing the imminent judgment of TOJO and 24 others, SEIJI SHIMBUN stated that the Tokyo Trials have clearly shown the superiority of democracy, adding that it cost JAPAN 80 years of achievements plus millions of lives to get this understanding and that it must now be protected from the onslaughts of subversive elements.

CIC INFORMATION OFFICER

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Military Intelligence Section, General Staff
Allied Translator and Interpreter Section

PRESS ANALYSIS
Tokyo Newspapers Today and Yesterday

1 November 1948

Number 922

POLITICS

Premier YOSHIDA's advocacy of NPSL revision before Diet dissolution highlighted week-end domestic developments. ASAHI and TOKYO SHIMBUN gave his statement top play yesterday, while two other major papers--YOMIURI and JIJI --subordinated it only to the SCAP reply to the Russian demand on repatriation.

Yoshida Opposed Immediate Dissolution

Premier YOSHIDA advised Democratic Liberal leaders Saturday to put off Diet dissolution until every effort has been made to enact the National Public Service Law revision. His statement followed sharpened demands among Democratic Liberals for an early breakup of the Diet. The party stand was said to be based on the belief that an early dissolution would spur a merger with rightwing Democratic elements and give the party enough Diet strength to break the present policy deadlock and override any opposition filibuster on the NPSL issue. (TOKYO SHIMBUN: 1 yesterday)

While Democratic Liberals solicited campaign funds and made other preparations for the next general election, the opposition parties intensified their efforts to forestall a showdown. The Socialists, Democrats, and Peoples Co-operatives were reported seeking a deferral of the election until at least next February. By then they hoped to erase some of the unpopularity resulting from their implication in a series of bribery scandals. (YOMIURI: 1 today)

Democratic Liberal Adviser SAITO, advocating that the Diet be dissolved as soon as the special session resumes, asserted Saturday that it is "not absolutely necessary to wind up the NPSL revision at the special session since the Government has already issued an ordinance." (TOKYO SHIMBUN: 3 today) Construction Minister MASUTANI, on the other hand, emphasized dissolution is "inconceivable" at a time when such vital measures as the NPSL revision and the new wage standard are still pending. (MAINICHI: 4 today)

ECONOMY

City-bank lending to industries will show a marked increase during the October-December quarter as a result of stricter control on Reconstruction Finance Bank Loans. It is believed that RFB financing will revert exclusively to loans as long-range equipment funds if the trend toward increased savings continues, enabling private banks to lend more. This favorable financial development will spur industrial rationalization and hasten the return of industrial financing to normalcy. (NIHON KEIZAI: 7 today)

September consumer price indices published Saturday by the Statistics Bureau registered a decrease for the first time this year. The 0.6-percent drop over August can be attributed to the 10.6 percent decrease in rice prices. Nonstaple food prices remained unchanged, while clothing, gas, fuel, electricity, and housing rose slightly. (NIHON KEIZAI: 12 today)

SOCIAL

The Central Labor Committee was reported to have agreed on a before-tax sliding wage standard of 5,353 yen for the electric workers yesterday. Further discussions will be held today on the electric dispute, and formal announcement of the mediation formula is expected tomorrow. (MAINICHI: 8 today). Kanto power workers were ordered by their local chapters of the Japan Electric Power Workers Union to continue their strike tactics. (NIHON KEIZAI: 9 today)

The National Congress of Industrial Unions presented a three-point demand to the CLC Saturday asking the committee to safeguard government employees' livelihood, conform power dispute arbitration to the March agreement, and oppose the cabinet plan to subordinate local labor committees to the central Government. (TOKYO MIMPO: 10 today)

The Worker-Farmer Party has decided to back the 7,300-yen wage scale demanded by the National Liaison Council of Government and Public Office Employees Unions. (TOKYO MIMPO: 11 today)

EDITORIALS

Week-end editorial comment was focused mainly on advice to the Government though the ASAHI-YOMIURI feud flared anew over the Honjo case. Some journals were also concerned with international relations in the ORIENT.

Government

The Cabinet is under obligation to fulfill promises made by the Democratic Liberal Party, NIHON KEIZAI declared yesterday. Chief among these, the paper said, is the elimination of administrative red tape, which will boost cabinet prestige and contribute greatly to the enforcement of official discipline. Yesterday's TOKYO SHIMBUN favored the cabinet-proposed Discipline Enforcement Board but felt that its efforts would be fruitless unless it is backed by the entire Government, the administrative structure is simplified, and democracy is not abused by going to the extreme.

The YOMIURI editorial yesterday, written by BABA Tsunego, asserted that the "Japanese are now red-hot with indignation at the way politics have been run" after the exposure of widespread graft. "JAPAN is now given the chance to resuscitate by the boiling enthusiasm of the people. To catch the ball when it bounces is the duty of the Yoshida Cabinet. The ball can be caught by dissolving the Diet as quickly as possible," BABA concluded.

DLP members want Diet dissolution now while their party's reputation is high, today's MAINICHI pointed out, while the opposition camp hopes to stave off an election until cabinet popularity is at a low ebb. The paper accused both of placing the people's interests and welfare secondary. Dissolution should be carried out regardless of partisan interests, the daily emphasized, after the NPSL has been revised and the new wage level set.

TOKYO MIMPO today charged the Government with lacking principle since it hesitated to push its NPSL plans fearing possible US intervention. However, the Government has finally announced its intention to push through the revision as originally planned, the paper said, even though it is seeking ways to soften it in order to avert labor unrest.

Honjo Case

ASAHI yesterday deplored the deliberate attempts by some circles to hush up the Honjo boss scandal which "shows how deeply rooted this feudalistic evil is and how difficult it is to remove its basic causes." The daily urged the people to wipe out such malpractices to promote democratization. Today's YOMIURI, on the other hand, saw no such irregularities after investigation, but believed that ASAHI's misreporting should be submitted to "strong public criticism." YOMIURI advised that such false reporting is a far greater cause for hampering JAPAN's democratization. The journal blamed the recent clean-up drive in HONJO upon Communist-led elements which are preventing the townspeople from voicing their opinion toward the present case. It further emphasized that the basis for democratization depends upon individual liberty, free from the influences of the press, the radio, the Government, and political parties.

International

Noting the psychological advantage of the Communists over the Chinese Nationalist forces, ASAHI today predicted a vigorous Red offensive on all fronts, with immediate emphasis on labor incitement. Large-scale increase in US aid to CHINA was advocated by the paper since that nation's fate is linked so closely with her neighbors'. Illustrating this point, JIJI SHIMPO said yesterday the Chinese Communist Army in MANCHURIA has obviously given material aid to Korean Communists. Red progress in the ORIENT was blamed on the lack of sufficient, timely assistance from the US and other democracies. Widespread communization of ASIA would endanger JAPAN because her recovery depends largely on Far Eastern trade, the journal stated. JIJI SHIMPO today marked the new Japan-Netherlands trade agreement as a step toward restoration of normal commerce, the success of which will rest on JAPAN's ability to supply the export market and prepare for needed import items.

Miscellaneous

On the publication of its 26,000th issue, yesterday's MAINICHI, JAPAN's oldest daily, pledged untiring efforts to promoting a democratic, cultural nation. Today's TOKYO SHIMBUN pinned great hopes on the moves of the Public Food Rationing Corporation in fulfilling the new ration quota by equalizing the rationing of various types of food and improving transportation, storage, and delivery facilities.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

NOV 8

No. 920

PRESS ANALYSIS, 29 October 1948

ECONOMY

The Finance Ministry's draft of the supplementary budget fixing the new basic wage for government workers at 6,140 yen was reported extensively by the metropolitan press. The projected wage increase was said to call for an estimated 31,800,000,000 yen, the largest expenditure item in the financial program. Expenditures in the budget were expected to total 114,000,000,000 yen, while revenue sources were set at 123,500,000,000 yen. To counter-balance the loss of income from the proposed abolition of the sales tax, the Administration reportedly planned to increase railway passenger fares, postal rates, and tobacco prices. In addition, reopening of restaurants and issuance of construction bonds were expected to produce other funds.

Although it was considered difficult to discover new sources of revenue for the supplementary budget, a NIPPON KEIZAI editorial advised against executing unsound measures to raise additional funds. The journal felt, however, that it would be possible to increase revenue through closer apprehension of tax evaders. The shortest way to sound finance, according to the writer, was strengthening and rationalization of the tax collection system. Contending that numerous small enterprisers were unjustly taxed, the writer called for discretion in attempts to revise the tax structure. Public finance could be established only on the basis of a tax system which saved conscientious taxpayers from being victimized, concluded the editorialist.

Expressing concern over the Cabinet's ability to find sufficient funds to balance the budget, a commentary in the same journal criticized the new Administration's reported intention to issue construction bonds as a source of revenue, and predicted that other "bottlenecks" -- notably the wage issue -- would render compilation of the budget difficult. Since the nation's economic crisis was deep-rooted, only courage and foresight could solve the problem, the writer declared.

LABOR

Undersecretary of State Lovett's announcement that the State and Army Departments soon would inform General MacArthur of their views on the proposed revision of the National Public Service Law was reported prominently in today's metropolitan journals. Considerable coverage also was accorded a wire service dispatch stating that the Far Eastern Commission was expected to wait until the Japanese Government acts on NPSL revision before taking a stand on the question of regulating State employees' union activities. Meantime, several labor organizations were said to have instituted legal action in the Tokyo District Court against the Administration on the ground that the ordinance prohibiting work stoppages by government employees was unconstitutional.

In a JIJI SHIMPO editorial, public servants were asked to "abandon the idea of winning demands with strike action as their only weapon." The writer believed that NPSL revision would not affect "the right to submit reasonable demands through collective negotiations."

JEPWU Dispute

Major papers reported cancellation of the "non-maintenance strike" staged by the Tokyo chapter of the Japan Electric Power Workers Union, as employment of unregulated transmission tactics spread to various parts of the country. The Tokyo chapter reportedly said that it was "preparing to resort to a more effective strike tactic pending the outcome of current arbitration proceedings conducted by the Central Labor Relations Board."

OCCUPATION

Commenting on wire service reports that the US might reduce Occupation Forces, DIAMOND NIPPO believed that if the plan materialized, the saving in taxes to the Japanese people would make funds available for industrial rehabilitation. "The heavy pressure" of Occupation costs was described as a "fetter" which had become an important political problem. "Politicians have avoided taking a stand on the subject," the journal added, "because they could not advocate what they should have advocated." Although grateful for the "sound judgment" behind the reported proposal, the writer hoped that peace and order would not be jeopardized by a US troop withdrawal because no country "except the US can protect defenseless Japan."

FOREIGN

The Chinese civil war again held the attention of Tokyo papers. Contemplating whether the Communists would be able to make headway in Central China, MAINICHI asserted that "the existence of the Nationalist Government without Manchuria and North China is meaningless," but felt that it might not be easy for the Communists to break through the Central China defense of the Nationalist forces. The writer pointed out that one of the Communists' big problems now would be to carry out a "simultaneous reconstruction of the liberated regions."

POLITICS

The question of dissolution of the Diet again was raised in news and editorial columns, with JIJI SHIMPO reporting that "influential leaders" of the Democratic-Liberal Party were favoring dispersion of the assembly immediately before its scheduled reopening. Reason for favoring such a course was said to be the result of the Democratic-Liberals' fear that their position as a minority Party in the Diet would result in the blocking of legislation. Meantime, TOKYO SHIMBUN reported Democratic Party Secretary Tomabechi as scoring such a move on the part of the new Cabinet as a mere "dodge."

Editorially, YOMIURI and AKAHATA called for dissolution of the Diet. It is apparent that the Opposition Parties will use their power to prevent the Cabinet from realizing its policies, the former observed. In addition, the journal pointed out, it is important that the political field of the nation be cleared by holding a new election, and for these reasons dissolution of the Diet, even before passage of urgent legislation, was favored. The Communist Party organ, on the other hand, favored dissolution as a means of removing the Yoshida Cabinet from office.

ASAHI and JIJI SHIMPO once more considered the composition of the new Administration. "It cannot be said that a nation is in a healthy condition when its best citizens, including learned men, do not like to assume portfolios in the government," ASAHI remarked in a general discussion of Cabinet formation. JIJI SHIMPO, on the other hand, recalling that the present Government had been characterized as a Cabinet of "former secretaries," felt that this in itself was not undesirable, but hoped for effective policies.

SPORTS

Significance of the third National Athletic Meet (in Kyushu) was commented upon by TOKYO TIMES, YUKAN MIYAKO, and SEIJI SHIMBUN. Contrasting the democratic, free spirit of present-day sports with former military-controlled athletics, it was agreed that the development of fair play and good sportmanship should occupy an important part in the reconstruction of Japan. However, the latter journal warned against boss elements said to be "deeply rooted in sports circles today." TOKYO TIMES looked toward the re-entry of Japan in world Olympics competition. It was thought that utmost efforts should be made in the athletic world to retrieve Japan's losses on an international level.

GOVERNMENT

Reaction to the questioning of ex-Agriculture-Forestry Minister Nagae on suspicion of bribery appeared in MAINICHI and DAI ICHI SHIMBUN, the former observing that for such an able man to be involved in scandal was a blow for the Socialist Party. DAI ICHI SHIMBUN remarked that Nagae was the second Ashida Cabinet member to become implicated in such a case, and predicted that continuing investigations would "engulf" numerous politicians of various parties.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

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PRESS ANALYSIS, 30 October 1948 No. 921

ECONOMY

The Temporary Personnel Commission's tentative decision to fix the new wage base for government workers at 6,300 yen was accorded prominent coverage in metropolitan dailies. The new level reportedly was based on the minimum cost of living and on standards applied by private industry. The new salary schedule was expected to be completed in time for presentation to the Diet when it reconvenes on 9 November. No editorial comment was forthcoming.

Construction Bonds

JIJI SHIMPO and NIPPON KEIZAI warned that the "reckless" issue of construction bonds -- as a means of raising revenue for the supplementary budget -- would aggravate inflation. The JIJI SHIMPO editorialist declared that the question of whether the bonds could be absorbed by the securities market was a matter that should be given careful consideration, and called on the Administration to clarify "important points" which reportedly were causing the public much concern. NIPPON KEIZAI felt that unless Finance Minister Izumiyama was adequately prepared to meet the difficulties that were expected to arise in connection with the issuance of bonds, there was danger that the bonds would encourage inflation "just as previous deficit-covering bonds did." The commentator thought that the Administration would float bonds to secure revenue for public works and for relief of calamity-stricken areas, but these expenditures "could not be considered unconditionally constructive." The only sound way to issue bonds, according to the writer, was to have the Bank of Japan underwrite them or to strengthen regulations governing loans by banking institutions.

Other Editorial Comment

Contending that sound public finance was the key to the control of inflation, MAINICHI called on the Government to institute definite policies to improve the nation's economy and to regulate federal finance, and admonished the Administration not to resort to "Diet tactics or election strategy." The Yoshida Cabinet has the responsibility of indicating to the public a fundamental change in economic, financial, and monetary policies, the writer insisted. YUKAN MIYAKO urged the Government to "give up its impure motive of drawing up its election policy" and to concentrate solely on a program which conformed rationally to the state of the international situation. The objective factor that determined Japan's prevailing politics and economy was said to be the world situation, according to the writer, and unless the Administration was capable of keeping pace with international developments its policies could not be recognized as being rational.

In an editorial deploring the Government's delay in making disbursements to private enterprises, HOCHI SHIMBUN demanded immediate streamlining of the federal payment system in order to ease the "distress" among industrial firms. Since the bulk of income taxes -- which allegedly constituted the major portion of annual revenue -- was collected during the latter part of the fiscal year, the journal suggested earlier collection of taxes to preclude delayed payments. Simultaneously, effort must be exerted to elevate the efficiency of government finance offices by reorganizing the entire administrative structure, the writer declared. Contending that the sales tax was the "worst tax the world had ever experienced" because it imposed a heavy burden on the masses and was difficult to collect, TOKYO TIMES said it was "natural that all parties should agree upon its immediate abolition." However, the commentator was critical of the "turn-about" attitude of those political parties which had previously voted to put the transactions levy into force.

FOREIGN

Soviet Premier Stalin's criticism of the Western Powers as "war instigators" took lead position in foreign news reports today, while editorial comment again centered around the war in China.

Major Tokyo dailies urged the Japanese people to take a more realistic attitude of their position in relation to world politics. With Communist gains in the Chinese civil war, and possible collapse of the Nationalist government in that country, an all-Communist Asia was considered possible by some, including DAI ICHI SHIMBUN, which felt that "the cold war in Asia will be converted to a hot war" if US military aid to China should be strengthened. Pessimism toward possible survival of the Nationalist Government was evidenced also by YOMIURI, whose writer indicated that the one hope of Chiang Kai-shek was increased military aid from the US, which was believed not likely to materialize in the near future.

A TOKYO SHIMBUN editorial discussed the seriousness of the Communist advances in China and the need for action on the part of Japanese statesmen. An Un-Japanese Activities Committee -- as well as "legislative, administrative, and judicial measures" aimed toward curbing of Communism in Japan -- was recommended for immediate attention of Japanese government officials. "Otherwise, the great freedom of democracy and the rehabilitation of our country will be subjugated by the loss of freedom through the subversive activities of Communists and their followers."

POLITICS

Speculation on dissolution of the Diet continued to attract press notice, abetted by reports of a meeting of Democratic-Liberal Party members yesterday at which election measures were studied. In a statement following the gathering, Democratic-Liberal Secretary-General Hirokawa announced that the legislature would be dismissed and a popular vote called "if the situation demands." The Party official asserted that in the next general election the organization would raise campaign funds through public contributions so as to remove any suspicion of the source of Party funds.

While several papers noted that leading figures in the Government party were favoring dispersion of the assembly, Chief Cabinet Secretary Sato denied rumors of this intention on the part of the Cabinet, and voiced the conviction that the Administration could survive the forthcoming Diet session. TOKYO SHIMBUN observed that opposition political groups would not support dissolution at present since they allegedly did not want to face the voters in an election. Editorially, JIJI SHIMPO called upon the Democratic-Liberals to state a definite attitude and adhere to it. The writer contended that there was "no conceivable reason" for delaying elections.

GOVERNMENT

Premier Yoshida's difficulty in filling the post of Economic Stabilization Board Director-General was noted by journals, following refusal of the portfolio by Morotake Yukawa, Agriculture-Forestry Central Bank Managing Director. Meanwhile, the Cabinet was said to have reached decisions on presentation of over 60 bills to the special Diet session, among which was the Public Enterprisers Labor Relations Act, which was expected to strictly supervise strike activity.

In the field of investigations, Ex-Agriculture-Forestry Minister Nagao reportedly denied having accepted a 300,000 yen bribe for facilitating a Reconstruction Finance Bank loan to the Toyo Flour Mills Company, although he admitted having "offered his good offices" for the transaction. Another indictment in the Showa Denko case was announced, that of former Chief Cabinet Secretary Sakomizu in the Suzuki Ministry, who was charged with bribery.

EDUCATION

Sponsorship by the Japan Private School Federation of a bill to provide means for private schools to raise funds was the subject of a TOKYO SHIMBUN editorial. The writer pointed to the danger of some schools operating only for commercial profit ("under the signboard of education"), and feared that this might mean the exploitation of students as a source of labor.

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NOV 8 1948

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

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PRESS ANALYSIS, 28 October 1948 No. 919

LABOR

Official denial of a news dispatch suggesting that possible modification would be required oi policies relating to public servants' union activities was reported extensively in the metropolitan press today (Press Analysis No. 918). Simultaneously, considerable coverage was accorded the scheduled meeting of Prime Minister Yoshida with General MacArthur to discuss revision of the National Public Service Law. Meanwhile, Central Liaison Office Director-General Koichiro Asakai announced that the Japanese Government's attitude toward the projected amendment of the NPSL has remained unchanged. The CLO executive assertedly explained that "the Yoshida Administration will proceed with NPSL revision along the lines determined by the previous Cabinet."

A KOKUSAI NICHINICHI editorial asserted that the dispatch relating to possible modification of Occupation labor policy demonstrated Japanese officials' lack of political acumen. The journal also charged the present and preceding Administration with misinterpretation of the SCAP message on regulation of government employees' union activities so as to include an assertedly proposed ban on collective bargaining in addition to a reported recommendation to prohibit work stoppages.

JEPWU Dispute Spreads

As the Central Labor Relations Board sought settlement of the Japan Electric Power Workers Union's wage controversy, "non-maintenance strikes" recently initiated by the Tokyo chapter were said to have been scheduled by other chapters throughout the country. The unregulated transmission tactics were expected to cripple production in various industries, journals declared.

TOKYO SHIMBUN thought that "the JEPWU dispute will serve as a touchstone for the administration policies of the new Cabinet." The editorial advised the Government to cooperate with the Central Labor Relations Board in the effectuation of a provisional sliding-scale wage agreement said to have been signed last March. The union, on the other hand, was asked to desist from actions which might cause public inconvenience, and "to take into account wages prevailing in other industries when wage demands are made."

ECONOMY

Finance Minister Izumiyama's proposal to issue construction bonds as a revenue source for the supplementary budget was featured prominently. It was expected that the plan -- in addition to a contemplated increase in the wine tax revenue -- would provide the funds necessary for abolition of the sales tax, establishment of a new wage standard, and relief for calamity-stricken areas. Also noted was Bank of Japan President Ichimada's statement emphasizing that deficit-covering loans should be avoided, and underlining the need for enforcing a sound wage stabilization program.

The reported tight money situation claimed the attention of several journals. Contending that inflation was the major problem confronting the Yoshida Cabinet, ASAHI declared that increased production and control of currency issue were the principal measures for its solution. However, although operating funds were needed to accelerate production, caution must be exercised against sharp increases in currency issues, insisted the writer, and only funds definitely earmarked for industrial purposes should be released. YUKAN MIYAKO said it was an "undeniable fact" that the people were in straitened circumstances due to money shortage, and that the public was "greatly provoked" because it was "indiscriminately taxed." The alleged refusal of numerous citizens to pay taxes was regarded as a serious problem which should not be viewed by the Government as a "mere example of moral decadence." The existing "political sluggishness," the writer declared, could not be eradicated by setting up economic committees, but

by exertion of "persistent political energy on the part of Yoshida." In this way only could the people's confidence in politics be restored, concluded the writer.

In a similar vein, JIJI SHIMPO remarked that the people's capacity to bear taxes due to expansion of State finance had been reached, and claimed that, in addition, the public was suffering from increased local tax burdens. The writer urged adjustment of local and national taxation to reduce the tax load, and, at the same time, advocated economy in local and federal budgets.

GOVERNMENT

Papers reported that Nagai, Socialist Diet member and former Agriculture-Forestry Minister in the Ashida Cabinet, was questioned by the Kobe procurator's office, and was suspected of receiving a bribe for help in securing for a company an 8 million yen loan from the Reconstruction Finance Bank.

Editorially, TOKYO TIMES attributed official laxity chiefly to postwar demoralization, but believed that the most effective immediate measure would be simplification of administrative organization. The paper maintained that in order to "retain their dignity and privileges," officials demanded too much red tape, and implied that this encouraged "backdoor" dealings. In addition to creating truly democratic procedures, steps should be taken to obtain a certain livelihood for responsible and conscientious public servants, it was recommended. The Yoshida Cabinet was praised for establishing an official discipline committee, because "that is just what the people wanted," but was warned that obtaining its objective would be no easy task. Doubts as to the effectiveness of the "precarious" Yoshida Government were voiced by TOKYO MINPO, which said that the Cabinet "could be called an accidental Administration born before its time as a result of the Showa Denko case."

POLITICS

Democratic-Liberal activities highlighted political developments in today's papers. At a meeting of Government officials, it was decided to carry out such Democratic-Liberal platforms as abolition of the transactions tax, removal of controls on perishables, reopening of restaurants, and simplification of administrative machinery. Meantime, Party officials also decided to prepare for a general election, and, in this connection, to launch nation-wide speaking tours.

Examining the Ministerial Party, SHIN TOKYO contended that, in reality, the Democratic-Liberals were a minority group and that some of their officials were deeply involved in current scandals. Therefore, the writer asked, "How can they enforce official discipline?" TOKYO MINPO noted that Premier Yoshida's Party occupied only approximately one-third of the Diet seats, and, consequently, foresaw difficulties in enforcing policies.

FOREIGN

While foreign news reports divided emphasis between the Berlin crisis in Europe and the Chinese Civil War, editorialists concentrated attention on the latter.

YOMIURI likened the withdrawal of Chiang Kai-shek's forces from Manchuria to "the tragedy of Dunkirk," and forecast a campaign to establish a "Chinese People's Government to include Manchuria, Inner Mongolia, North China, and the northwestern territory." Seriousness of the situation to the United States, as well as to all of Asia, was indicated, and close attention was advised.

SHIN YUKAN pointed to a growing food shortage, failure of the currency reform and to high prices, all of which allegedly have caused the Chinese people to lose confidence in their government. It was believed that the Kuomintang had no apparent plan to overcome any of its problems except to look to more aid from the United States.

EDUCATION

Education Minister Shimojo was reported to have requested the resignation of Vice-Minister Arimitsu and TOKYO SHIMBUN considered the development as a first step in an extensive reform in education policy. Scattered comment continued on recent student movements. Although opposed to the trend, DAI ICHI SHIMBUN was not susprised at the social and political aspects of the movement, considering social and living conditions of students. Education Ministry and school authorities were counseled to understand the students' difficulties and to take proper measures based on good sense."

DECLASSIFIED - Authority NND 963218 By [illegible] NARS, Date 12/16/75

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

OCT 28 1948

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PRESS ANALYSIS, 23 October 1948 No. 915

POLITICS

Abolition of the sales tax and revision of labor laws were expected to be advocated by Premier Yoshida in an address before the extraordinary session of the Diet which was scheduled to be reconvened on 8 November. Featured reports in metropolitan journals disclosed that the Cabinet had asked the new Administration Leader to "call for closer cooperation between capital and labor, creation of a new wage scale, and enhancement of workers' real wages."

Extensive coverage also was accorded the Democratic Party's request for discontinuance of excise levies and amendment of the National Public Service Law. Simultaneously, differences of opinion concerning repeal of sales taxes were said to have developed within the Cabinet, as Finance Minister Izumiyama proposed that increasing the wine output and allowing restaurants to operate would provide substitute revenue sources. Similarly, the Democratic-Liberal Party's Political Affairs Research Committee was reported to have suggested to the Yoshida Administration that "sales levies be lifted in 1949 from all commodities except luxury items." The Finance Minister also was quoted as saying that the Administration would take certain "provisional steps in regard to government employee's wage demands, if formulation of a new salary standard by the Temporary Personnel Commission should be further delayed."

Editorial Comment

Editorials appearing in five Tokyo journals -- SHIN YUKAN, YOMIURI, NIPPON KEIZAI, TOKYO SHIMBUN, and ASAHI -- requested that the Yoshida Government clarify its policies and implement Democratic-Liberal Party pledges. SHIN YUKAN welcomed the establishment of the Discipline Enforcement Board (Press Analysis No. 913) as an agency to eliminate "a mighty bureaucratic structure built upon deep-rooted privilege and long-standing tradition," but YOMIURI felt that the "mere investigation of corrupt officials is insufficient to complete the political clean-up" which was expected to commence with the resignation of the Ashida Cabinet. In order to achieve "honest government," political parties were asked to solicit financial aid from the common people, rather than accept large contributions from vested interests.

NIPPON KEIZAI criticized the new Administration for stating "abstract objectives" without taking concrete steps to execute official policies. It was acknowledged that the Yoshida Cabinet would have difficulties -- primarily because of lack of support in the Diet -- in the effectuation of the free economy program advocated by the Democratic-Liberal Party, but the financial journal thought that "inasmuch as the new Cabinet already has resolved to dissolve the Diet, it should not hesitate to carry out long-proposed policies and doctrines." Loss of confidence in the Government Party was predicted if the Cabinet -- despite its aim "to establish sound democratic politics" -- should fail to assume its avowed responsibilities. In a similar vein, TOKYO SHIMBUN urged the Government to fulfill its public pledges, and pondered whether the Cabinet's declared intention to abolish transaction levies would be accomplished.

The new Administration was charged with failure to submit a food distribution program in an ASAHI editorial which recalled that the "Democratic-Liberals have insisted on the abolition of controls on perishable foodstuff and on the free sale of over-quota rice." The writer believed that total removal of controls was not feasible at this time, but advocated "flexible measures" in the light of the improved food situation. The Government was asked to "formulate concrete plans promptly," so that it could be considered "faithful to its public commitments."

OCCUPATION

Forecasts of a new US policy toward Japan encouraged considerable editorial discussion in major papers. Indication that political as well as economic independence might be considered in the program aroused enthusiasm, but writers also admonished the Japanese to examine the part that their own efforts should play in the achievement of economic rehabilitation.

Questioning the "long-standing evil of relying upon others and resorting to outside help," YUKAN MIYAKO pointed to the present political situation as an example of the lack of Japanese progress in the field of political reconstruction. Attainment of an estimated 40 percent of prewar production was cited as an indication of the extent of successful economic strides, and, finally, the writer pointed to the asserted desire on the part of many Japanese that US troops remain in this country (even after conclusion of a peace treaty) as proof of social unrest.

MAINICHI also regretted the lack of satisfactory progress, and gave as reasons: overpopulation, lack of essential resources, inflation, labor problems, and the unstable world political situation which had forestalled development of foreign trade. The journal cautioned that even the new US policy might not be enough to assure full realization of the 5-year plan already adopted, and emphasized that "before Japan can attain the stability required to enable her to make real recovery, she needs extensive factors to stimulate industry."

FOREIGN

Korean rebellion again dominated foreign news reports. Recognizing the position of South Korea as a "bulwark against the onrushing tide of communism," editorials suggested that unification of Korea could not be achieved "pending stabilization of the political situation in Asia," since the immediate problem was closely linked with the world policy of America and Russia. The importance to Japan of Korean political stability and consequent economic expansion, was considered by SEKAI KEIZAI in a statement that Korea accounted for more than 10 per cent of Japan's total exports, or over 1.6 billion yen during the first half of the current fiscal year.

ECONOMY

Finance Minister Izumiyama's plans for abolition of the sales tax (see above) dominated economic news in Tokyo journals. Because it will be necessary for the Government to find other forms of revenue, writers were not certain whether the Bill could be introduced before the regular Diet session. The Cabinet's readiness to revise the Reconstruction Finance Bank Reform Bill and expected decentralization of 175 enterprises also recieved wide coverage.

The worth of the new Cabinet would be decided as much by its handling of enterprise and administrative adjustments as by anti-inflation steps, in the opinion of ASAHI. However, "considering the difficult economic conditions of today," the writer doubted that the present Cabinet would be able to accomplish such plans as abolition of economic controls. Apprehension was expressed over Finance Minister Izumiyama's opposition to "red-ink" loans, since there were said to be serious fund shortages in financial circles.

LABOR

Work stoppages in the electric power industry reportedly were becoming more serious daily, especially in Hokkaido and Kyushu, as Labor Minister Masuda was expected to expedite Central Labor Relations Board arbitration of the Japan Electric Power Workers Union's wage demands. Immediate cessation of "blackout strikes" was sought by DAI ICHI SHIMBUN, which declared that compulsory arbitration would not be possible unless arrested union members were released. Meanwhile, AKAHATA charged that CLRB Chairman Suehiro's interim report on the JEPWU dispute was "tantamount to a preparatory effort on the part of the capitalist class for propagandizing that the union demands for higher wages are unreasonable and that the boost in household electricity rates is due to demands for increased earnings."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

OCT 28 1948

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No. 914

PRESS ANALYSIS, 22 October 1948

OCCUPATION

Wire service reports that the US State and Army Departments were considering a "new policy toward Japan" received prominent attention in major papers today. Quoting from a magazine article, the reports indicated that American authorities were working toward increased Japanese political and economic self-sufficiency -- "the next best thing to a peace treaty." No editorial comment was forthcoming.

POLITICS

A meeting of Democratic-Liberal members of the Diet at which policies for the new Administration were decided highlighted political developments. Papers also noted that the House of Representatives Steering Committee had decided to reopen the extraordinary Diet session (now in recess) on 8 November, and that a Cabinet decision on legislation was expected within a few days.

Assertedly unfavorable foreign reaction to the second Yoshida Cabinet was examined by SEIJI SHIMBUN and TOKYO SHIMBUN. The latter indicated that inadequat understanding of Japanese affairs was responsible for fears that a conservative administration might encourage a resurgence of fascism. Nonetheless, the writer warned the new Premier that the attitude abroad could be a "fatal blow," and was, perhaps, the most serious problem confronting the Government. Both journals insisted that "renovation" of the Democratic-Liberal Party was necessary to win foreign confidence.

Commenting on Yoshida's praise of Japanese newspapers for supporting his selection, SHIN TOKYO believed that the Premier's recognition of the "dignity of the press" was evidence that he had "progressed considerably." Claiming that Yoshida had been arrogant in previous dealings with reporters, the commentator hoped that he would continue to acknowledge the "authority" of the press. Another leftist paper, TOKYO MINPO, maintained that since "the mission of the Democratic-Liberals was to protect the capitalists," a conflict with labor would become increasingly serious.

ECONOMY

Decision by Democratic-Liberal Diet members to abolish the sales tax, to lift economic restrictions, and to ease monetary controls were noted in the metro politan press. Finance Minister Izumiyama was quoted by ASAHI, however, as urging that the transactions levy issue be carefully studied since its abolition would have a serious effect on the budget. Papers also reported Economic Stabilization Board measures to accelerate export trade, and the Administration request to all ministries to re-examine appropriations drafted by their predecessors for the supplementary budget.

Concern over the economic policies of the Yoshida Administration continued to be voiced by editorialists. A warning against relaxing monetary controls was sounded by NIPPON KEIZAI, which urged the Yoshida Cabinet to resist attempts by industrialists to revise existing fiscal policies. Admittedly, the tempo of inflation had slackened, the writer said, but it was not due to stabilization of economy, and any relaxation of controls might generate an unhealthy situation. Instead of blaming tight financing measures for "industrial stagnation," management would do well to stabilize conditions through rationalization, the commentator advised. Calling for a clarification of economic policies, NIKKAN TOYO KEIZA urged the new Cabinet to concern itself with enforcing measures that "conform to present realities . . . and not be preoccupied by prejudices and politics." The journal warned that scandals similar to the Showa Denko case would result if "bureaucrats and a financial capitalist minority assumed control of industry."

LABOR

A SCAP spokesman's message to the third national convention of the Japan Federation of Labor was reported by most Tokyo journals. Labor was urged to avoid domination by political parties, employer groups, and government officials, and to vest union control in the membership through a "vigorous program of workers' education, simplification of union structure, and holding meetings at regular intervals." Meanwhile, the Administration was said to have rejected the demands of the Government and Public Office Workers Union for a 7,300-yen basic wage and a monthly supplementary allowance for April to August.

Delayed solution of the electric power industry dispute would hamper economic rehabilitation, an ASAHI editorial feared. Cause of the dispute was believed to be the the "sliding-scale wage system which the Central Labor Rolations Board authorized last autumn." The writer proposed that the union "set aside the struggle-first principle," and that the Government investigate the feasibility of raising wages by means of increased electric charges, deficit loans, or State subsidies. In contrast, an ASAHI commentary suggested that the Yoshida Cabinet disapprove of projected cost-of-living wage adjustments for electric power workers because of expected inflationary disturbances in the commodity price structure.

GOVERNMENT

No major developments were reported in current investigations, although papers devoted attention to yesterday's session of the Illegal Property Transactions Committee at which five government and business witnesses testified in the arms disposal case. Differences found among their testimony left the real situation "cloaked in mystery," MAINICHI observed. AKAHATA reviewed Wednesday's meeting, and emphasized the questioning of ex-Premier Higashikuni by the Communist member of the Committee. This paper concluded that Higashikuni had been merely a tool of "militarists, bureaucrats, and zaibatsu," and stated that his testimony proved that the "cause of all the irregularities after the Surrender lay with the Emperor system." Also generally mentioned in the news was the indictment of Fusanosuke Kuhara, former Diet member, on charges of violating the purge ordinance

Editorial comment focused on the establishment of a board to enforce official discipline, as announced by Premier Yoshida. Papers generally commended the action, but differed in their opinion of its probable effectiveness. Much depended on whether the board chairman, State Minister Ueda, could fulfill his duties in a non-partisan and unprejudiced manner. It was feared that the board might become a center of political wrangles and that each party would tend to be lenient with itself and severe with others. JIJI SHIMPO and SEKAI KEIZAI blamed corruption in government circles on the economic control system, and believed that the only fundamental remedy was abolition of controls as soon as possible. When authority is concentrated, the former paper argued, there is greater temptation to abuse it. Since officials were in position to control interests of private enterprisers, they were under constant pressure from business, the writer contended. Viewed in the same light, SEKAI KEIZAI said the method of "cleaning up" must be thoroughly studied since it would not be an easy task. TOKYO MINPO directed attention to the relation of contractors to the various scandals, saying that contractors who had profited by inflation were using their money to make catspaws of Diet members. In the opinion of YUKAN MIYAKO, the "purification" measure proposed by Yoshida was "too belated to redress the political condition," and dissolution of the Diet was seen as the only solution.

FOREIGN

Tokyo journals reported prominently the rebellion in South Korea and headlines noted that the disturbances had occurred simultaneously with the beginning of Soviet military evacuation from the northern part of the country. Describing the revolt as the "first critical situation facing the South Korean government since its establishment," editorialists foresaw increased international tension. YOMIURI thought it was "quite likely" that the Soviet Union and her satellites would insist upon allowing the Korean people themselves to find a solution to their problems, and would attempt to "arouse the Korean masses' opposition against American occupation of the peninsula." SEKAI KEIZAI cited dissatisfaction "among powerful right-wing leaders" with the present government, and indicated belief that knowledge of this disunity was the basis for the Communists' decision to schedule rebellion for this time. The writer quoted an unnamed "powerful Korean in Japan" as urging a "drastic purge within government circles."

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PRESS ANALYSIS, 21 October 1948 No. 913

POLITICS

Developments connected with the new Administration again dominated news and editorial columns. Although insisting that the Diet would not be dissolved until after completing action on urgent legislation, Premier Yoshida was reported to believe that dissolution was not only inevitable, but desirable from the standpoint of conservative unification. In the course of a press conference at which he expressed his views on dispersion of the assembly, the Premier also announced that a State Minister would head a Discipline Enforcement Board to be charged with maintaining vigilance over official conduct.

Journals also continued to focus attention on the situation within the Democratic Party, which was said to have decided on reorganization preparatory to becoming an opposition group. Anticipating important changes in the Party, YOMIURI predicted that all officers, including President Ashida, would resign.

Yoshida's three-point program (Press Analysis No. 912) was discussed by several papers, most of which offered no objection to the general outline. At the same time, there was agreement with ASAHI's contention that although the program could be expected to win popular acceptance as "an abstract theory," implementation -- through introduction of concrete measures -- was more important Describing the Premier's statement as "hackneyed," DAI ICHI SHIMBUN considered th Cabinet's future "hopeless," and YUKAN MIYAKO maintained that Yoshida was attempting to shift responsibility to the people.

Dissolution of the Diet and a general election were advocated by a number of journals, and, in this connection, HOSHI SHIMBUN warned the Government against "delaying maneuvers" in opposition to the nation's will. Commentaries on the new Administration also appeared in TOKYO SHIMBUN and SHIN YUKAN, both of which indicated that Yoshida's task would be made less difficult because all Party members in the Cabinet were Democratic-Liberals.

Communist Principles Explained

"Principles of the Education of Communist Leaders," as laid down by the Political Section of the Communist Party's Central Executive Committee, were published recently in AKAHATA. Apparently intended to correct shortcomings in local leaders, the outline listed as an objective the "intensification of reliance upon Party headquarters," to achieve greater unity and understanding of Communist policy. The way to raise the standard of Communist theory was "not through reading many books, but by unifying theory and practice," according to the statement. At the same time, Party leaders were urged to "resort to flexible tactics" in order to adapt their "struggle" methods to local situations. Leaders also should study the character and ability of Party members, the report said, for by "placing the right man in the right place, Party activities shall be controlled effectively." To effect the educational program, both old and new staff leaders were advised to engage in two hours of individual study daily -- using AKAHATA among other source materials.

ECONOMY

Journals accorded prominent coverage to a statement by Bank of Japan Presiden Ichimada urging Premier Yoshida to stop all deficit financing by the Reconstructior Finance Bank and to cover by national bonds such loans as are held "necessary in the light of government price and financial policies." Also noted were discussions between SCAP officials and the Indonesian and Netherlands trade delegation on the purchase of 200,000,000 yards of cotton goods from Japan in exchange for rubber, copra, palm oil, and other raw materials.

Editorially, the economic policies of the Yoshida Cabinet again claimed attention. Although the advent of a predominantly Democratic-Liberal Administration allegedly had inspired hopes that controlled economy would be replaced by a free economy, NIPPON KEIZAI cautioned that under present conditions it would not be sound to abolish controls entirely. Instead, adjustment or abolition of those controls which have become "irrational or even harmful" should be undertaken after complete investigation, the commentator advised. Cabinet policymakers were urged to take "full cognizance of the great changes that have taken place" and act accordingly. SEIJI SHIMBUN believed that it would not be difficult for the Yoshida Administration to realize its economic policies "if substantial cooperation were extended by other conservative elements in the Diet." However, it was feared that "antipathy of workers and the re-opening of labor offensives would present serious obstacles to complete implementation of the economic program, particularly in view of the "increasing opposition of labor unions to the Yoshida Cabinet." In calling for adjustment of national economy, SEKAI KEIZAI declared that the "increasing deflation panic" made tightening of finance imperative. Industrial production should not be curtailed, asserted the writer, who contended that the Reconstruction Finance Bank would be a useful instrument for industrial expansion if its "bureaucrats" were removed.

GOVERNMENT

Most papers recorded the arrest of Hisatsune Sakomizu (a former chief cabine secretary) and Ikutaro Nakauchi (president of a trading company), both of whom were suspected of bribing former ESB Chief Kurusu to use his influence in securin loans. Also widely noted was ex-Premier Higashikuni's testimony yesterday before the Illegal Property Transactions Committee, in which he disclaimed any part in releasing munitions for sale and placed the responsibility on the preceding Suzuki Cabinet.

Editorially, MAINICHI and TOKYO TIMES applauded Premier Yoshida's announced establishment of a board to enforce official discipline (see above), and declared that the entire nation desired that all irregularities be investigated, no matter "how extensively cases may develop or how many people may be affected." If the present situation continued, MAINICHI believed that Japan could not win international confidence; public willingness to pay taxes would decrease; and the people would become indifferent to politics, thus threatening the development of a democratic state. The editorialist proposed an increase in the salaries of Diet members, in the hope that this would partially alleviate present conditions "which cause (officials) frantically to seek money." Observing that there had been few instances in Japan's history when the law was so "disdained and disregarded," TOKYO TIMES stated its intention of watching the policies of the new Cabinet "to see that Yoshida's words do not turn out to be a mere prayer." TOKYO MINPO also made favorable mention of Yoshida's stated intention to discipline official circles, but said that the predominantly Democratic-Liberal Cabine could "shake off the impurities of the past" only by dissolving the Diet immediat ly.

LABOR

Resumption of walkout tactics by the Japan Electric Power Workers Tokyo local were expected soon, metropolitan journals reported. A YOMIURI editorial defended the workers' right to strike "since they have waited for the period of arbitration to elapse," but cautioned that work stoppages "would only incur publi antagonism, place labor unions in an unfavorable light . . . and probably lead to prohibition of all strikes." The writer maintained that "the financial situation of the company does not permit acceptance of the workers' demands," which asserted ly would necessitate increased electric charges or government loans.

FOREIGN

Soviet withdrawal of troops from North Korea led foreign news coverage today, but editorial comment was limited to JIJI SHIMPO's speculation regarding a US alliance with Spain and with Norway, Sweden, and Denmark in the event of war between America and Russia. Speaking of increased US-Soviet tension, the journal indicated belief that "the United States now hopes for a close connection with the Franco regime," although America was expected to abide by the UN resolution to deny the Franco Government membership in that organization.

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LABOR

Termination of the 195-day-old Toho dispute was accorded extensive coverage in the metropolitan press, as the Japan Screen and Theater Workers Union reportedly agreed that a group of alleged Communist strike leaders should resign their union positions. The compromise settlement was said to include acceptance of personnel retrenchment and prohibition of ultra-leftist fractional activities. Several papers also announced Labor Minister Masuda's statement that the new Administration would adopt "a cautious policy" which would not provide for immediate revision of labor laws and regulations.

In identical commentaries, SHIN YUKAN and YUKAN MIYAKO noted that labor unions were preparing to oppose the new Government on the ground that the program of the Democratic-Liberal Party was "incompatible with the interests of organized workers." Leftist groups were expected to clash with the Administration on the issue of National Public Service Law revision, while right-wing unions assertedly would express hostility toward efforts to amend the existing labor code. In a similar vein, ASAHI declared that "labor circles already are planning new offensives" which assertedly would be launched as soon as the Yoshida Cabinet announced its labor policies.

ECONOMY

Economic policies the Yoshida Cabinet was expected to enforce claimed the attention of several journals. YOMIURI called on the Administration to fulfill its pledge to effect fundamental readjustment of economic controls and administrative retrenchment. Existing controls should be drastically overhauled, and controls that were really necessary should be stringently enforced to prevent dishonest practices, the writer urged. Contending that the reportedly expanding administrative structure was an "insupportable burden on the people," the commentator demanded that the Cabinet carry out immediate personnel retrenchment. Both objectives were considered difficult of attainment, but the Democratic-Liberals were committed to these policies, the writer insisted, and they were expected to implement them in spite of predicted obstacles. MAINICHI cautioned the Cabinet to guard against elements which were supporting it "in hopes of advancing their own ends," particularly groups which wanted inflation to continue.

An ASAHI commentator thought that establishment of a wage base for government workers would be one of the major problems confronting the Administration because of the difficulty in finding sources of revenue for any salary increase. NIPPON KAIJI SHIMBUN believed that the Cabinet should establish economic policies "based on fundamental principles of industrial competition for conversion to peacetime economy." Unless controls were carried out from this standpoint, the writer declared, they would not be a "tool for peace nor would they conform to the hopes of the public."

GOVERNMENT

Major papers reported that questions at the Diet hearing on the disposal of munitions brought little information from former members of the Suzuki and Higashikuni Cabinets. Meanwhile, prosecution authorities established a Special Coal Control Bill Investigation headquarters and began a large-scale probe into the case, according to YOMIURI. The journal predicted that the "smoldering coal case apparently will be ignited."

MAINICHI interpreted current political scandals as a reaction to freedom from suppression, which gave rise to "extreme selfishness and corruption," while SHIN YUKAN took the view that the controlled economy was a contributing factor. Both papers commended the work of the procuratorial authorities.

FOREIGN

Arrival of President Syngman Rhee of the Republic of South Korea was accorded coverage in Tokyo journals with the exception of AKAHATA and YUKAN MIYAKO. Discussing the significance of the visits of President Rhee and of former Chinese Premier Chang Chun, TOKYO SHIMBUN thought that they might contribute to the increasing consciousness that Japanese were Asiatics. Need was seen for the mutual friendship and economic cooperation of China, Korea, and Japan as a basis for rebuilding Asia, as well as for rehabilitating the individual countries.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

OCT 2 8 1948

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PRESS ANALYSIS, 19 October 1948 No. 911

POLITICS

Tokyo papers today featured the names of the men appointed to ministerial positions in Shigeru Yoshida's second cabinet. Described as "Diet freshmen" or "new faces on the political scene," appointees included 11 Democratic-Liberals, one Social Reformist, one member of the Ryokufu-kai, House of Councillors group, and a professor and a lawyer of independent political leanings. In addition to the premiership, Yoshida assumed the Foreign Ministry portfolio and the position of Attorney-General, but it was expected that he would hold the latter post only temporarily.

Absence in the new cabinet of veteran conservatives such as Kijuro Shidehara was remarked upon, as was Yoshida's announced intention not to appoint a Deputy Premier. YOMIURI said that ex-Premier Shidehara had been scheduled to become a State Minister because Yoshida regarded his cooperation as "essential," but objections reportedly were raised by other Democratic-Liberals. MAINICHI added that the Premier had sought "new men of high caliber" in order to carry out a program of discipline in political, financial, and industrial circles, readjustment of labor relations for the attainment of economic reconstruction, and elevation of moral standards.

Praise for the speed with which Yoshida had formed his cabinet and for the "fresh nature" of his appointments appeared in several papers. ASAHI, for instance, expressed gratitude that the new Premier had not selected "old and decrepit persons . . . or those rumored to be involved in scandals," and MAINICHI thought that none of the appointees could be identified with the extreme right. Most journals continued to urge dissolution of the Diet and a general election, and ASAHI and YOMIURI voiced belief that Yoshida's appointments indicated a desire to "change the colors" of his Party, probably with an eye to a conservative merger. The last-named paper added, however, that inexperienced ministers would be at a disadvantage in Diet bargaining, and DAI ICHI SHIMBUN charged that "relatives and petty officials" had influenced Yoshida.

Commentators offered various opinions as to the most pressing problem confronting the new government. According to JIJI SHIMPO and CHUKA NIPPO, economic and financial matters should receive primary consideration, with the former urging drastic personnel reduction and easing of controls. Observing that financial circles feared increased labor unrest, NIPPON KEIZAI asked unions to take an "unbiased view," while management was requested to re-examine its policies. Press reports of unfavorable foreign reaction to Yoshida's election aroused attention in MAINICHI and ASAHI, with the former expressing confidence that the Japanese people would not permit a conservative administration to restore power to "the privileged classes."

GOVERNMENT

Testimony of high officials in the Suzuki, Higashikuni, and Shidehara Cabinets before the Diet's Illegal Property Transactions Committee was noted in major papers. As reported by YOMIURI, proceedings in the arms disposal case showed that post-Surrender confusion provided opportunity for dishonest dealings. TOKYO SHIMBUN observed that the textile industry scandal was spreading, and reported the current rumor that this investigation might involve leading Commerce-Industry and Agriculture-Forestry officials, as well as former cabinet ministers. Most papers carried news of the release on bail of Banboku Ono, former executive in the Democratic-Liberal Party, who had been held since 19 September on suspicion of bribery in the Showa Denko affair.

ECONOMY

Comment on economic subjects, appearing in minor journals, was diversified. Stating that several countries had not been permitted to join the International Monetary Fund due to the "currency unrest and lack of economic stability," KAGAKU KOGYO NIPPO admonished that when the time came for Japan to become affiliated with the Fund, this nation would not be allowed to join if its economic condition were not improved. The journal thought that if the nation's economy were stabilized, the US would "help Japan participate in international economy." Another editorial in the same paper regarded the recent authorization to foreign concerns to establish branches in Japan as a "stimulant to private export" since most of Japan's trading companies lacked ships and facilities. The writer hoped, however, that foreign firms would be judicious in selecting export and import goods so that the needs of both the buyer nations and the Japanese would be satisfied.

In connection with export commodities, NIKKAN TOYO KEIZAI said that unless emphasis were placed on quality rather than quantity the future of Japan's industries would be precarious. NIHON FUJIN SHIMBUN blamed the government's "irrational policy of artificial inflation" -- raising commodity prices, but not revising the wage scale -- for straitened household economy. The journal urged the people to take full cognizance of the relation between politics and the family budget and "act accordingly with a strong will."

LABOR

Metropolitan journals gave considerable attention to news reports that electric power workers and Toho Theater employees were threatening strike action. The Japan Electric Power Workers Union assertedly issued a directive ordering all locals to prepare for work stoppages, while the Supreme Procurator's Office was said to have reiterated its "determination to crack down on all strikes which jeopardize public welfare." Meantime, ASAHI employees reportedly appealed to the Central Labor Relations Board for arbitration of their wage demands.

EDUCATION

Commenting on the preponderance of conservatives and teachers' union representatives elected to the Boards of Education, Korean-operated KOKUSAI TIMES hoped the members would deal impartially with local education problems by disregarding their previous affiliations. Success of women candidates was interpreted as reflecting the voters' belief that women would not become "evil-doers or bosses." Because of the wide scope and complicated tasks of the boards, FUJIN MINSHU SHIMBUN (women's weekly newspaper) reminded voters to keep watch over education activities and to take advantage of the fact that board meetings were open to the public. It was believed that effectiveness of the boards would depend largely on the judgment displayed in selecting school executives to administer their policies.

Recent Education Ministry instruction to presidents of universities and colleges to restrain student political activities drew criticism from TOKYO MINPO. The editorial declared that the relationship between learning and politics was inseparable, because students were members of society and the schools "will never cease to function as social entities." It was considered natural for students, with their "love for justice and their indignation over social evils," to become concerned in political movements. Referring to the student protest campaign against increased tuition fees, the paper condemned the allegation that it was a movement led by extreme leftists. If the campaign had assumed political tendencies, the corruption of present politics was to blame, not the students, the writer contended.

FOREIGN

Editorialists in today's Tokyo papers considered the seriousness of the spread of communism in Asia, while foreign news reports centered around UN activities in Paris. SHIN YUKAN asserted that in Asia a "world crisis is being engendered," and the writer saw the riots in southeastern Asia as the result and a continuing part of the world policy of the Soviet Union.

WELFARE

Satisfactory response to the community chest drive was reported, and -- compared to last year -- it was said to have made important gains in public approval. However, SEKAI KEIZAI disapproved a house-to-house campaign which was said to designate the sum of money to be donated and to request a report of the reason from those who do not contribute.

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GENERAL HEADQUARTERS
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Media Analysis Branch

OCT 2 8 1948

PRESS ANALYSIS, 17 and 18 October 1948 No. 910

POLITICS

Formation of a new cabinet dominated weekend editions of the Tokyo press, with most journals predicting that selection of ministers would be completed by Tuesday. The new Chief Cabinet Secretary, Eisaku Sato, was reported to be negotiating with prospective cabinet members, and several papers speculated on Premier Yoshida's final choices. According to MAINICHI, all appointments were certain except four -- Ministries of Labor and Education, the Attorney-General, and the Director-General of the ESB.

Corollary developments also received prominent attention. ASAHI featured an account of serious discord in Democratic ranks as a consequence of differences over the election of Yoshida, and several papers seemed to attach importance to a scheduled meeting of the Socialist Central Executive Committee at which the Party's policy for "struggle outside the Diet" was expected to be adopted.

Observing that the new government would control only about one-third of the Diet, a majority of commenting papers expressed pessimism over Yoshida's ability to do little more than supervise a general election. This course continued to gain support, although commentators differed as to whether the Diet should be dissolved before or after action on National Public Service Law revision and on the new wage scale. A strong advocate of immediate dissolution, TOKYO MINPO argued that the bills scheduled for introduction at the present special session were "far too important to be discussed by the present corrupt Diet."

Two other topics of interest to editorialists were the composition of the incoming administration and its financial and economic policies. Claiming that the Democratic-Liberals suffered from a dearth of "capable persons," SHIN TOKYO predicted that "senior bureaucrats" would occupy two-thirds of the cabinet portfolios, leaving the rest to Party members. In partial agreement, MAINICHI believed that there were too few Democratic-Liberals who would oppose Yoshida's "obstinacy," and TOKYO SHIMBUN declared, "The new cabinet will be weak, so we do not expect much from it." Also fearing that the administration would be "unstable," ASAHI nevertheless felt that Yoshida had decided to rid himself of a "reactionary label" and that his election had helped to unify conservative elements.

ECONOMY

Commentaries in five journals urged the new cabinet to give primary attention to economic affairs. "Japan's economy is now at a crucial turning point," declared DAI ICHI SHIMBUN, which warned that the present may be the "last chance" for recovery. Opposing views as to whether controls should be retained or relaxed were presented by JIJI SHIMPO and SHIN YUKAN. Calling for "liquidation of the controlled economy formula," JIJI SHIMPO contended that such a step was favored because "the people . . . have led suffocated lives ever since the war." The other paper argued, however, that a free economy could not be permitted until conditions were stabilized and productive power recovered.

Other economic coverage was scattered, with no single development attracting general attention. SEKAI KEIZAI commented on the US foreign aid program, noting that the rate of Japan's rehabilitation was a powerful factor in America's determination of the amount of support it would supply. In another editorial, the same paper emphasized the necessity of eliminating "red ink" export-import financing. Economic collapse of the nation was said to have been prevented by US relief and reconstruction funds, but warning was given that this help could not be expected to continue indefinitely. Thus, "superhuman efforts" were called for to raise exports and to decrease imports by stepping-up production of indigenous goods. NIPPON KEIZAI observed that concrete steps for easing of deconcentration rules were expected soon, with the re-examination of certain major companies originally marked for division, and the original policy was expected to become "drastically lightened."

GOVERNMENT

Hearings by the Illegal Property Transactions Committee on the arms disposal issue were scheduled to start Monday, according to weekend editions. Journals reported the Committee's plan to summon ex-Premier Higashikuni and other high officials and members of the Suzuki, Higashikuni, and Shidehara Cabinets during the current week. Seventy-two persons already have been indicted in connection with the case, the Supreme Procurator's Office was said to have announced. Meantime, it was reported that Ichiro Hatoyama had presented himself for questioning in connection with the Showa Denko issue, and further investigations of individuals implicated in the scandal were noted.

Former Showa Denko President Hinohara continued to exhibit his "genius" for bribery even in jail, SHIN TOKYO observed, adding that prison officials were surprised at his "skillfulness" in this respect. Accusing the fertilizer company's former head of corrupting others, the columnist hoped that Hinohara would "be sent to his just deserts as soon as possible." Also commenting on the Showa Denko case, YOMIURI's editorialist noted that the scandal had raised such questions as the fixing of political responsibility, the operation of the Reconstruction Finance Bank, the procedures of political parties, the organization of the bureaucracy, and the nature of Japanese society. The latter was of particular importance, the writer thought, and reminded the public that they must change their way of thinking about politics. The relation between the blackmarket and the need for political contributions was a major cause for bribery, YOMIURI suggested, while a writer in MAINICHI believed that Japan's transitional stage of development at this point might account in part for the spread of political corruption.

LABOR

The Japan Electric Power Workers Union reportedly adopted a directive ordering local strikes "in accordance with actual conditions" and calling for the release of arrested union members. Kyushu district headquarters of the JEPWU launched strikes throughout Kyushu yesterday, journals stated. In anticipation of the movement, national police headquarters directed prefectural police throughout the country to prepare to make arrests in case local JEPWU chapters should break the law. Meanwhile -- at the end of the 30-day "cooling off" period in the electric workers' dispute -- the chairman of the Central Labor Committee broadcast a statement that no mediation agreement had been reached due to management's refusal to meet union wage demands.

With revision of the National Public Service Law close at hand, TOKYO SHIMBUN commented that public workers' unions were intensifying their opposition to the Yoshida cabinet. The main issue in the revision, the paper believed, was the degree to which wages were raised. This was considered not only a matter of finding additional sources of revenue, but was viewed as vitally affecting the whole economic situation because of its possibly inflationary result.

FOOD

While the increase of staple food rations -- to begin 1 November -- was conceded to brighten the food situation, commentators urged the government to assure overall efficiency and prompt deliveries. A year ago, ASAHI recalled, the government promised enforcement of the home-delivery system, but this program was not yet carried out. Discussing probable effects of increased official food prices, SHIN HOCHI thought that advances would not affect the national livelihood because higher prices probably would offset the costs of food previously purchased in blackmarkets. ASAHI stressed the need for intermediate handling costs -- between producer and consumer -- to be reduced to a minimum.

FOREIGN

Foreign news reports were varied, with several papers stressing the importance of devaluation of the franc and others devoting editorial attention to the current British Commonwealth conference. Discussing the latter, MAINICHI noted the possibility that India might leave the Commonwealth, and remarked upon British fears that Communism would spread throughout India if that nation were to become a republic. Of equal importance, the writer added, was England's need for cooperation on the part of other members of the Commonwealth to support her part of the Marshall Plan.

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OCT 2 8 1948

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PRESS ANALYSIS, 16 October 1948 No. 909

POLITICS

Premier Yoshida's efforts to form a Cabinet following his formal investiture highlighted political developments, as the metropolitan press offered speculation on the composition of the new Democratic-Liberal administration. Writers believed that the incoming government -- which was expected to include financiers and university professors -- would be completed by 20 October, and that it would be a single-party administration supported by the Social Reform Party. Yoshida was said to have been accorded free rein in selecting his Chief Cabinet Secretary, Labor Minister, Education Minister, and Attorney General, while appointments to remaining posts were expected to be based on recommendations of Party leaders. Papers stated that although no formal approach would be made to Democrats and Peoples Cooperatives, "recalcitrants" in those groups might be asked to join the administration. So far, Eisaku Sato, as Chief Cabinet Secretary, was the only definite appointee, but "most likely" choices for other portfolios included Seita Fukui as Attorney General, Hideo Sudo as Agriculture-Forestry Minister, and Yoshida himself as Foreign Minister.

The Cabinet Leader's announcement of policy -- placing cooperation with the Occupation as the primary objective -- was accorded prominent attention. Yoshida also was said to have stressed enforcement of discipline among government and political officials "to remove public suspicion so that democracy can be firmly established," as well as "consistent measures to achieve Japan's recovery." The new Premier reportedly declared at a press conference that he would avoid dissolution of the Diet if possible, and that he desired speedy revision of the National Public Service Law and adoption of relief measures for stricken areas.

Journals also noted the stand of the Democrats and Socialists. The former were expected to pursue an "impartial and unprejudiced" attitude toward the new government's policies, while the latter decided at a meeting yesterday to withhold their position until after declaration of Cabinet policies. Meanwhile, the advent of the Democratic-Liberal administration reportedly was endorsed by business and commercial circles because "Yoshida is well-known abroad," but labor -- spearheaded by the NCIO and the JFL -- was said to be preparing to oppose the new Cabinet.

Editorial Comment on the New Administration

Various aspects of the political situation were discussed, but the major emphasis fell on the "mission" of the new administration, with commentators agreeing that Yoshida should give primary consideration to "purifying political circles" and to dissolving the Diet as soon as pressing legislation had been passed. MAINICHI hoped that the new Cabinet would "display good sense" in order to break down "low-toned politics," while TOKYO SHIMBUN urged that public sentiment be fully respected and that an election be held immediately after dissolution.

Predicting that Yoshida would be confronted by strong opposition, YOMIURI and SHIN TOKYO advised dispersion of the legislature in order to ascertain the will of the people. The leftist journal felt that such a step was necessary to prevent "aggravation of the existing political confusion." Calling for appointment of competent Cabinet Ministers, SEKAI KEIZAI demanded that the Premier "break through the political crisis . . . and renovate the psychology of those suffering from poverty of politics."

GOVERNMENT

Formal indictment of ex-Deputy Premier Nishio in connection with the Showa Denko scandal was reported on front pages of all major metropolitan papers. The former Socialist right wing leader -- who has been in custody since 6 October -- was charged with having accepted a million yen in bribes from Showa Denko President Hinohara in return for efforts to "hush up" the affair. Indictments also were issued against Hinohara's younger brother and Tokyo Jail Warden Ito for alleged conspiracy to grant special prison privileges to the incarcerated fertilizer company head, and the possible complicity of a prison guard was being investigated. Meanwhile, another suspect in the bribery case (President Sato of the Goi Industrial Company) was released pending further investigation.

Editorial Comment

Daily papers were filled with comment on the new Cabinet to the virtual exclusion of other matters. But minor journals of less frequent publication discussed political corruption extensively. The new Constitution outlawed the ties between political parties and the zaibatsu, NIPPON FUJIN SHIMBUN noted, but because of public indifference this rule was said to have been violated. Accordingly, it was argued, the people bore at least partial responsibility for the current scandals, and a new attitude on the part of the citizenry was deemed necessary. A thorough probing of the Showa Denko case was demanded by NIPPON NOGYO SHIMBUN, which also emphasized the need for examination of Reconstruction Finance Bank loan procedures.

Weakening of religious ties and a new behavior on the part of women were believed to be partially responsible for widespread illegal activities, in the opinion of JOSEI SHIMBUN (organ of the Japanese YWCA). The phrase "Money is the key that opens all doors," was considered especially applicable to present-day Japan, and the journal observed that corruption was not limited to high personages alone but existed in all strata of society.

ECONOMY

Reports of US plans to treble the $75 million grant to Japan were accorded considerable coverage. Dispatches indicated that regardless of the outcome of the American presidential elections, Congress would be asked to act on a record-breaking foreign aid program, under which allocations to China, Korea, and Japan would be increased in view of the Communist threat in Asia.

An editorial in TOKYO SHIMBUN stated that "a sort of panic is now affecting home production and currency." Commenting on the decrease in proposed distribution of critical materials during the third quarter, the expected 50-billion yen increase in currency issue, and the possible curtailment of imports, the writer considered the possibility of the import of foreign capital as "quite hopeless." Confusion in financial circles, restrictions on business operations, labor unrest, and lack of an exchange rate were seen as deterrent to the introduction of funds from abroad, and since it was considered apparent that foreign capital was a requisite to economic revival, the writer urged that these obstacles be removed as soon as possible.

FOOD

Announcement that the 2.7 go food ration would go into effect beginning 1 November was accorded featured attention. Sole noted editorial comment appeared in TOKYO TIMES, which declared that even with increased rations the straitened household livelihood would not be alleviated due to an expected rise in food prices. Further, the journal anticipated that consumers would be faced with delays in distribution, which was expected to force them to continue purchasing food through illegal channels.

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ECONOMY

Beginning of Economic Stabilization Board discussions to formulate an economic policy stressing promotion of export industries was reported extensively in major dailies. The talks -- which were expected to continue to 21 October -- will concern rationalization of enterprises, revision of the export price structure, effective utilization of production funds, and restriction of domestic consumption of basic materials.

Policy of New Cabinet

Discussion of the new cabinet economic policy appeared in two journals. NIPPON KEIZAI hoped that the incoming administration would exercise wisdom and farsightedness in formulating and enforcing measures to stabilize the nation's economy. The policies of the new cabinet on financial and economic problems, the commentator believed, would be the "major factor in determining its life span." One of the most serious obstacles was said to be the wage standard for government workers, which, the writer thought, called for "considerable political resolution" since there "seems to be no measure capable of satisfying all quarters."

Observing that economic circles anticipated relaxation of controls under a cabinet led by Democratic-Liberals, TOKYO TIMES warned that "sudden and drastic mitigation of controls" was dangerous, and insisted that the main issue was "not one of economic ideology, but a situation based on economic facts." Under existing objective conditions, a "thoughtless free economy" should not be enforced "even if the Democratic-Liberals insist," concluded the journal.

Other Economic Comment

Opposition to further strengthening of existing controls and nationalization of industries was expressed by UNYU SHIMBUN, which maintained that bureaucrats flourished under a system of controls and that such a system gave rise to a "number of undesirable incidents." The current series of scandals, the journal contended, "all involve bribery stemming from the official control setup." YUKAN MIYAKO deplored the "public's habit of viewing the trend of inflation primarily in the light of changes in blackmarket prices," and concluding that the recent decline of those prices indicated that inflation had been checked. Actually, the commentator noted, official prices were "getting higher and higher" and the cost of living was said to be rising steadily, thus permitting no grounds for over-optimism.

GOVERNMENT

The Illegal Property Transactions Committee's simultaneous investigation of various cases was widely reported in Tokyo journals, with particular emphasis being given to the detention yesterday of Yosuke Takeda, president of a contracting company. Takeda was said to have bribed Economic Stabilization Board Director-General Kurusu, in order to facilitate loans to his company. Apparently as a result of the questioning of Takeda and Naoki Oka (Press Analysis No. 907), YOMIURI observed that the "Showa Denko storm seems to have shifted its direction, and on the basis of rumors regarding Reconstruction Finance Bank loans is now striking at contractors."

It was anticipated that Suehiro Nishio would be indicted today -- with the expiration of his detention term -- on charges of receiving bribes from the president of Showa Denko. In connection with the scandals allegedly involved in the passage of the State Coal Control Bill, ASAHI reported that Democratic-Liberal Party Adviser Etsujiro Uehara had denied the accusation that he had accepted bribes from coal mine operators. Developments in the textile and flour milling industry scandals, and the illegal arms disposal case also were reported, but no outstanding changes were noted.

Editorial comment was light, with SHIN TOKYO expressing the plea voiced earlier this week by KOGYO SHIMBUN for thorough investigation of the Showa Denko issue. Of interest also was RODO SENSEN's contention that this was the time to eliminate those "capitalists, landowners, bureaucrats, and conservatives" who might prove to be responsible for cases similar to the Showa Denko scandal.

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PRESS ANALYSIS, 14 October 1948

No. 907

POLITICS

Election of Shigeru Yoshida as premier was assured, according to a special edition of MAINICHI, when Democratic-Liberal Secretary-General Yamazaki resigned from the Diet for "personal reasons." Supported by many Democrats and Peoples Cooperatives -- and regarded as the only serious obstacle to Yoshida's leadership -- Yamazaki was quoted earlier as stating that he would not accept the premiership even if he should be selected. But efforts on his behalf reportedly continued, thereby contributing to delay of Diet action on the designation of a new premier.

Comment on the political situation again dominated editorial columns, as seven journals scored the delay allegedly caused by the refusal of the Democrats and Peoples Cooperatives to support Yoshida unless he formed a national coalition Especially outspoken, ASAHI was "at a loss" to explain the logic of the two Parties' argument. Maintaining that a national coalition was justified only in time of emergency, the morning daily declared that if the present was considered an emergency, Japan would require some form of national coalition for years to come, thereby retarding the development of democratic government. "To be frank," the journal added, "we do not support the character or policies of the Democratic-Liberals, and we intend to continue criticizing them. But from the standpoint of parliamentary government, we urge that Yoshida -- as leader of the opposition -- be designated premier, and, when the legislature has acted on important legislation, he should dissolve the Diet."

Support for this view appeared in JIJI SHIMPO, NIPPON KEIZAI, YOMIURI, TOKYO SHIMBUN, SEIJI SHIMBUN, and SHIN TOKYO, and indicated unusual unanimity. In opposition, TOKYO MINPO asked, "Must we give the reins of government to criminal political parties just to follow what is called 'normal constitutional politics?'" The people were said to be vigorously opposed to a Democratic-Liberal administration for fear that such a cabinet would "hush up" current investigations of corruption.

GOVERNMENT

Probe by the lower house Illegal Property Transactions Committee into alleged bribery of Diet members by coal mine operators in an attempt to prevent passage of the State Coal Control Bill continued to receive wide coverage. Yesterday's proceedings were highlighted by testimony of three legislators, although no conclusive disclosures were made.

Considerable notice also was given to the Tokyo Procurator's Office appeal to the Superior Court for another trial of Susumu Hara (former Liberal Party general-manager) who was acquitted last week by the Tokyo District Court on fraud charges in connection with the "calico scandal." YOMIURI observed that this affair had spread into the Agriculture Ministry and the Economic Stabilization Board, with arrests of two officials from those offices. Meantime, the Hara incident raised the question of Diet members' immunity to arrest during the current session. Chief Procurator Fukui was quoted as being confident that Hara ultimately would be found guilty, and expressed determination to seek detention of suspected legislators. Lower House Speaker Matsuoka was said to have replied to this with a prediction of Diet cooperation, but warned that members should guard against "political motives" on the part of the Procurator's Office.

News regarding the Showa Denko case was limited to the arrest of an associate of Naoki Oka, construction firm president previously taken into custody. However, an exclusive MAINICHI story revealed evidence that Oka was an assumed name, assertedly belonging to a dead school friend of the person, and claiming that his real name was Tadayasu Tominaga. The question was raised as to whether the alias had been taken to hide a crime, and the investigation was expected to prove of interest in revealing the suspect's motive.

ECONOMY

Japan Industrial Association announcement of its views on the projected revision of the banking system was accorded extensive coverage. The Association upheld the severance of State finance from the banking business, favored a policy of government approval of the funds supply program, and supported the plan for placing the projected Banking Board under the supervision of the Finance Minister. In addition, the group was said to desire establishment of a Banking Advisory Committee and to oppose the Banking Board's determination of the limit on the issue of currency.

In the only noted editorial comment on economic issues, MAINICHI criticized national authorities for allegedly failing to institute necessary measures to prevent sales tax evasion. The reported indifference of financial officials to businessmen's opposition to the transactions levy was said to be due to the former's attitude that such opposition was "designed to conceal the real income of merchants." As a result, the paper feared that honest dealers would suffer from the heavy burden of the income tax, while tax evaders continued to defraud the government.

LABOR

In protest against the arrest of strike leaders in Kyushu and Hokkaido, local chapters of the Japan Electric Power Workers Union were said to have scheduled a series of "blackout strikes" and job desertions. Union representatives assertedly demanded that the Central Labor Relations Board take immediate steps for the release of arrested workers. Meanwhile, the Yawata Iron Works Employees Union reportedly called a strike for 16 October because of dissatisfaction with current wage negotiations.

An Economic Stabilization Board investigation of labor conditions in machine and tool factories assertedly revealed that worn-out mechanical facilities, power shortages, and inadequacy of production materials had lowered workers' productivity. Scarcity of food, clothing, and shelter also was believed to have reduced production efficiency. As a consequence of mass dismissals and continued resignations, the ESB survey found that most factories did not have "a marked surplus of employees."

EDUCATION

The real criterion of the success of the Boards of Education elections was in how the Boards would fulfill their mission, a MAINICHI editorialist believed. Some doubt was expressed that the members could be entirely unprejudiced, since "many are conservatives, many are backed by organizations; those connected with education make up the majority, and nearly all women candidates were elected." To adapt educational policies to the actual situation in each district, the Boards were advised to keep in close touch with local government offices and PTA's.

FOREIGN

Foreign news reports emphasized the US-Soviet disagreement on disarmament policies in UN meetings in Paris. Other coverage included stories concerning strikes in France and the forthcoming US presidential election, but editorial comment was limited.

DAI ICHI SHIMBUN noted recent consideration of an early peace treaty for Japan. Discussing attitudes of the Big Powers, the writer believed that Russia desired "international control of Japanese industry," while "the US intends to facilitate rehabilitation of Japan . . . and will conclude a peace treaty only when the international situation takes a favorable turn."

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PRESS ANALYSIS, 13 October 1948 No. 906

POLITICS

The Tokyo press again featured political news, as journals expected Diet action today on the selection of a new premier. Despite indications that he would receive little support from the present Ministerial Parties, Democratic-Liberal President Yoshida continued to be regarded as an almost certain choice. Headlines emphasized, however, that the Democrats and Peoples Cooperatives would not support a second Yoshida administration unless it were a national coalition.

Several papers noted that there was some support for Democratic-Liberal Secretary-General Yamazaki and ASAHI reported that many Peoples Cooperatives would vote for Party Chairman Miki. However, writers generally minimized the chances of these candidates and of Socialist Chairman Katayama, and appeared to agree with TOKYO SHIMBUN that "the premiership ultimately will go to Yoshida." ASAHI added that although a majority of the Democratic-Liberals were "deeply concerned over the attitude of the Democrats and Peoples Cooperatives," Yoshida was determined to "let things take their course."

Reiterating that "constitutional procedure entitled Yoshida to the premiership" (Press Analyses Nos. 904, 905), commentators also contended that dissolution of the Diet and a general election should follow passage of such urgent legislation as revision of the National Public Service Law. MAINICHI denounced attempts to deprive Yoshida of the premiership as "underhanded" -- an opinion which was shared by ASAHI JIJI SHIMPO, MAINICHI, YUKAN MIYAKO, and SEIJI SHIMBUN. Acknowledging that the D-L leader was "haughty . . . and inclined to favor the bureaucrats," ASAHI nonetheless maintained that the political situation would become only more confused if power were not transferred to the principal opposition. NIPPON KEIZAI appeared to differ, however, in an editorial which made no reference to Yoshida, but which insisted that a general election should determine the party to head the next administration. AKAHATA, meanwhile, called upon the Socialists to "stop preaching anti-communism" and to join the Communist Party in "a courageous battle for a democratic racial front."

GOVERNMENT

A new development in the Showa Denko scandal was reported with the arrest of Naoki Oka, president of a large construction firm, on suspicion of bribing ex-ESB Director-General Kurusu for alleged aid in obtaining loans. Oka was identified as having been friendly with Premier Ashida, which was emphasized in AKAHATA's lead story. The Communist Party organ quoted a rumor that the construction firm head contributed a portion of the borrowed funds to Ashida, who was then Foreign Minister in the Katayama Cabinet. Continued attention was devoted to the lower house Illegal Property Transactions Committee probe of the State Coal Control Bill case, in which conflicting testimony of Diet members was heard regarding a purported 50,000-yen transaction involving the representatives.

In an interview with a SHIN TOKYO reporter, Shigeko Hirano, Socialist member of the House of Councillors and wife of the purged former Agriculture and Forestry Minister, asserted that the ouster of her husband was a maneuver engineered by persons implicated in the Showa Denko affair. Ex-Deputy Premier Nishio was said to have offered Hirano money which the latter refused, and Shizue Kato, Socialist member of the House of Representatives, was accused of having received 300,000 yen from Nishio for her part in instituting purge action. In reply, Mrs. Kato reportedly accused Mrs. Hirano of slander.

SEKAI KEIZAI and SHIN YUKAN called for political donations to be made properly, with the former insisting that contributions to individuals should not be allowed. YUKAN MIYAKO, noting that disclosures of corruption "might well enrage the public to cry for abolition of the Reconstruction Finance Bank," urged that the public appreciate that scandals were being brought to light.

ECONOMY

Improved economic conditions were noted by TOKYO SHIMBUN, which thought that "the opportunity for economic stabilization was now at hand" despite alleged corruption in "political, official, and financial circles." The writer observed that blackmarket prices rose only 35 percent from 1 January 1948 to 30 September 1948, as compared with 115 percent during the corresponding period of 1947. Other favorable trends were said to include decreased note issue, greater industrial production, and increased food rations scheduled to begin next month. On the other hand, "the dark side of the picture" was depicted, as the editorial alluded to unchecked inflation, lagging production, and restive labor relations. To assure economic recovery, the journal advocated a comprehensive program which would include "increased production by workers, boycott of the blackmarket by housewives, fulfillment of allotment quotas by farmers, and inauguration of a stabilization movement by the Price Board."

FOREIGN

Foreign news commentaries dealt with a variety of subjects. Discussing the Chinese civil war, TOKYO SHIMBUN and MAINICHI attached great significance to the possibility that Manchuria might fall imminently to the Communists. The seige of Mukden is now so serious that it is thought the city cannot be held long, the former reported, adding that the Kuomintang troops in nearby areas might surrender to the Communists because of lack of provisions. Should the Nationalists be compelled to abandon Manchuria, not only China, but the Far East as a whole would be gravely affected, MAINICHI observed. In this connection, the journal reported moves among certain Chinese to create an Asiatic Union to utilize US assistance under the Marshall Plan for the rehabilitation of all Asia.

Developments elsewhere in the Far East also were touched on by ASAHI, which saw the current British Commonwealth Conference as being largely concerned with the problems of Communist activities in Southeast Asia and the Japanese peace treaty, and with the possible reorganization of the British Commonwealth structure. TOKYO MINPO was critical of the Philippine Government's manner of dealing with the Hukbalahap, and asserted that "the people's strife aiming at land reform and emancipation. may develop into over-all internal war throughout the Philippines."

CIVIL RIGHTS

A DAI ICHI SHIMBUN article reviewing the Teikoku Bank murder case stated that in view of earlier police practices, the public was warranted in its concern over protection of the rights of the prisoner. However, popular criticism that the suspect was arrested without sufficient grounds was considered unjustified, as the writer believed that the police had conducted the affair with a "prudent" regard for the new Constitution. SEIJI SHIMBUN also thought that the issue of human rights accounted largely for public interest in the matter, but regretted that less concern was shown in the Showa Denko scandal. This allegedly passive reaction to the behavior of government officials -- who "sacrificed their dignity for money" -- was viewed as reflecting the long suppression of the Japanese people by feudal lords.

FOOD

Official forecast of a bumper rice crop -- estimated by the Agriculture-Forestry Ministry to be 62,797,167 koku -- was extensively reported in metropolitan journals. The figure was said to represent a 4 million koku increase over last year. At the same time the sweet potato crop was estimated to be 1,519,089,000 kan and that of wheat and barley, 19,471,624 koku. No editorial comment was forthcoming.

EDUCATION

The Education Ministry's announced restriction on students' political activities was approved in editorials appearing in YOMIURI, JIJI SHIMPO, and SHIN YUKAN. The first-named journal charged that a small number of Communists have directed recent student movements, and feared that "if this trend should be left unchecked . . . our schools may become hotbeds of extreme elements."

PRESS

The purpose of the ASAHI and MAINICHI in "reviving" the Honjo case, "which had practically been settled," was questioned by SHIN TOKYO. Although ASAHI's "democratic stand" was thought to have contributed to the democratization of local administration, it was charged that the two major journals wasted space that should have been used to report such issues as the Showa Denko case and ensuing political changes.

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OCT 18 1948

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
Media Analysis Branch

No. 905

PRESS ANALYSIS, 12 October 1948

POLITICS

Political developments again dominated news and editorial columns, as journals anticipated Diet action today on the designation of the new premier. Belief was widespread that Democratic-Liberal President Yoshida would be selected to form a second cabinet, although there were conflicting reports as to the attitude of the various parties. YOMIURI, for instance, said that Democratic leaders had decided to vote for Yoshida, while ASAHI maintained that the same group had agreed to join the opposition if the Democratic-Liberals rejected a demand for a national coalition. YOMIURI also quoted Socialist Chairman Katayama as declaring that his Party would become an opposition, but JIJI SHIMPO thought it significant that certain Socialist leftists favored the Democratic-Liberal leaders.

With the exception of DAI ICHI SHIMBUN and AKAHATA, commenting papers felt that Yoshida should be permitted to organize a new administration and that discussion of the composition of his government should not delay the formation. "The Diet should designate a new premier immediately," declared MAINICHI, which urged rapid action on important legislation so that dissolution could follow as soon as possible. Three other major papers -- YOMIURI, JIJI SHIMPO, and ASAHI -- also indicated that the present Ministerial Parties should not impede the selection of Yoshida, but the commentators believed that an administration headed by the Democratic-Liberals would be regarded as only temporary. The JIJI SHIMPO writer warned that if Government Parties "meddled" in the selection of Yoshida they would be ignoring public opinion.

Arguments on the behalf of Yoshida also were presented by TOKYO SHIMBUN and HOCHI SHIMBUN, but the latter, in a second commentary, thought that there were obstacles in Yoshida's path and that Diet dissolution was inevitable. Charging that Yoshida once described unionists as "scoundrels," DAI ICHI SHIMBUN suggested that the Japanese had short memories, and contended that a second Yoshida government probably would be no improvement over the Ashida Cabinet. AKAHATA also saw no difference between Democratic-Liberal policies and those of the Ashida Administration "which tried to invite foreign capital by offering the nation as a whole as security. * * * We demand that the helm of government be handed over to the masses and that the Diet be dissolved immediately."

GOVERNMENT

Concurrent with convocation of the Diet, secondary attention was given to the reopening of activities by the lower house Illegal Property Transactions Committee. The reorganized group voted for continuance of Socialist Muto's chairmanship until a new premier was designated, and a schedule was drawn up for hearings on the State Coal Control Bill and arms disposal cases, in which prominent government and financial leaders reportedly would be called for testimony. Meantime, procuratorial authorities announced the indictment of Takashi Komatsu, former Chairman of the Arms Disposal Committee, for countering Occupation objectives and breach of trust, and thirteen officials of prefectural food corporations were listed for prosecution on charges of illegal disbursements.

NIPPON KEIZAI suggested that, as a result of recent scandals, some people already were "looking askance" at the merits of democratic politics. Confidence should not be lost, the writer maintained; instead the disclosures should be considered as clarifying the "true meaning" of democratic politics. Public backing was credited with encouraging the prosecution of investigations, and downfall of the Ashida Cabinet was given as "eloquent proof" that public opinion could not be ignored. On the other hand, a TOKYO MINPO commentary charged that "the people's voice of righteous indignation" against the Showa Denko case was very low. HOCHI SHIMBUN, meantime, showed concern over the question of where campaigning funds for forthcoming elections might be obtained, and observed that the parties apparently were unable to operate by donations and other normal financial sources.

LABOR

Several metropolitan journals reported the arrest of electric power workers and government communications employees. The former were said to have conducted "blackout strikes" in violation of existing legislation, while the latter assertedly were charged with staging a demonstration in the vicinity of a district court. The Japan Electric Power Workers Union was accused of "capitalizing upon the confused political situation which has ensued since the en masse resignation of the Ashida Cabinet" by launching regional work stoppages at various places throughout the country.

Other labor developments included the Yawata Steel Workers Union's refusal to work overtime until current wage negotiations have been completed, and the establishment of a national metal workers' union -- reportedly composed of three organizations formerly affiliated with the NCIO.

ECONOMY

Agreement yesterday on basic principles for revision of the nation's banking system was reported extensively. Major points of accord were said to include establishment of a Banking Board on a smaller scale than the US Federal Reserve Board, continuation of bond-issuing banks to facilitate long-term funds accommodation, and continuation of the Reconstruction Finance Bank on a temporary basis.

Criticism of RFB

Criticism of the Reconstruction Finance Bank continued to appear in editorial columns, as writers in two papers censured the "irresponsibility" of the organization's loan policy. Charging that the Bank had "degraded itself into a common-place market where loans could be easily secured through politicians," SHIN YUKAN declared that it would have been strange if "bribery did not flourish under such circumstances." Existence of the RFB as an agent to make funds available for national reconstruction was significant, the writer believed, but the problem concerned its "irresponsible" officials. Since RFB funds were "blood taxes paid by the people," KAGAKU KOGYO NIPPO contended that the Bank should exercise utmost care in advancing loans, and insisted, at the same time, that firms which secured funds should use them judiciously.

FOREIGN

UN developments dominated foreign news coverage, but editorial comment was limited. While anticipating continued efforts to avert a final European crisis, SEIJI SHIMBUN foresaw growing unification of the Western Powers as illustrated by the naming of Field Marshal Montgomery as supreme military commander. TOKYO MINPO felt that solution of the Berlin problem would become increasingly difficult unless the United States and Russia conferred directly.

Noting the fall of Changchun, Korean-operated KOKUSAI TIMES attributed the Communist success largely to miscalculation by the Nationalists in regarding the Communist campaign at first as merely a drive to loot crops rather than as the "real autumn offensive." The editorialist remarked that the Communist forces, which hitherto had organized only "farming villages," now controlled large cities (Changchun and Tsinan) with an industrial potential.

FOOD

The single word "Edible?" captioned AKAHATA's report of an Australian wheat shipment to Japan. Australian authorities were quoted as having said that the grain was of inferior quality, of a type "mostly used to feed livestock."

SEIJI SHIMBUN favored the new ration program as a means of improving the national diet. In addition, as a direct result of less dependence upon the black-market for food, a drop in prices was foreseen. But the government was cautioned that there must be no delay in distribution of rations, and better quality rice, wheat, and bread was called for.

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

OCT 18 1948

PRESS ANALYSIS, 10 and 11 October 1948 No. 904

POLITICS

Steps toward establishment of a second Yoshida Cabinet were taken over the weekend, as journals reported that a five-party conference had called upon the Democratic-Liberal President to take the initiative in stabilizing the political situation. A motion to this effect was made by Premier Ashida, papers said, and was seconded by two other leaders of the outgoing Coalition -- Socialist Chairman Katayama and Peoples Cooperative Chairman Miki. Although reportedly desirous of assuming the premiership, Yoshida was said to have objected to the five-party meeting, apparently on the ground that selection of a new prime minister was the responsibility of the Diet.

Possibility was seen that the Democratic-Liberals would request the Diet (which convened today in special session) to vote on a new head of government Tuesday or Wednesday. News stories avoided speculation as to the results of such balloting, but YOMIURI reported that Socialists generally were opposed to Yoshida and that the Peoples Cooperatives probably would join the opposition if the Democratic-Liberal leader organized a "unified conservative regime." Elsewhere it was said that the Democrats were divided on the question. Yoshida, meanwhile, was represented as favoring dissolution of the Diet after passage of urgent legislation. This move would be followed by a general election, which, he believed would unite conservative elements. According to polls appearing in TOKYO SHIMBUN and TOKYO TIMES, Yoshida was a strong favorite to head the next administration.

Support for the theory that leadership logically should pass to the opposition appeared in most commentaries, but a few editorials mentioned the involvement of Banboku Ono, prominent Democratic-Liberal, in the Showa Denko scandal. Yoshida's "right" to the premiership was remarked upon by some papers, in commentaries reminiscent of those at the time of the Katayama Cabinet's resignation (Press Analysis No. 705). Especially outspoken, JIJI SHIMPO attacked suggestions that any present Ministerial group should participate in the next administration, and indicated that Japan should emulate the British method of shifting political power.

MAINICHI foresaw the emergence of a conservative coalition, but contended that "the fewer the partners, the stronger the cabinet." At the same time, the writer noted that the Democratic-Liberals were having a difficult time in winning the premiership because the sudden collapse had left them unprepared. HOCHI SHIMBUN favored Yoshida as premier, as did SEKAI KEIZAI, but YUKAN MIYAKO assailed the record of all parties, and SHIN YUKAN predicted that a Yoshida administration would not last as long as the Ashida Government.

GOVERNMENT

Formal indictment of former Economic Stabilization Board Director-General Kurusu for accepting bribes to facilitate government loans to the Showa Denko Company was prominently noted in major papers. Attention also was directed to the Illegal Property Transactions Committee of the lower house, which was expected to continue investigation on the State Coal Control Bill case, and predictions were current that another political upheaval would result from a full-scale probe into the alleged bribes offered by coal operators to block Diet passage of the control measure.

Commentators delved into the basic causes of the corruption of public officials, and it was suggested that the financial difficulties of newly formed political parties might have led to such activities. Supporting this view, ASAHI observed that three outstanding individuals involved in the Showa Denko affair were "fund-raisers" for their respective organizations. YUKAN MIYAKO took an individual stand by declaring that the uncovering of scandals was a "welcome phenomenon," and a TOKYO SHIMBUN round-table conference on the Showa Denko case included the opinion that "leading women of society" were active in the background of the affair.

ECONOMY

Effects of the current political upheaval on the economic situation evoked comment from three journals. ASAHI hoped that the confused political condition would not be allowed to interfere with the formulation and enforcement of measures to stabilize prices. The importance of price stability -- especially in relation to wage stabilization -- necessitated primary consideration even during the crisis resulting from a change in administration, insisted the paper. HOCHI SHIMBUN attributed stockmarket activity to the upsurge of the Democratic-Liberals following the resignation of the Ashida Administration, and declared that "future moves of the market would be determined by the exact composition of the forthcoming cabinet." A Democratic-Liberal administration or a conservative coalition would stimulate market activities, the journal contended, whereas a national coalition was expected to have the opposite effect.

Another editorial in HOCHI SHIMBUN suggested that although the Democratic-Liberals allegedly favored abolition of the sales tax, "the most that could be expected would be its revision" in the event of a conservative coalition. The Democratic Party's opposition to abolition of the levy and the absence of a substitute source of revenue were cited as reasons for the Democratic-Liberals' expected difficulty in abolishing the tax. Meanwhile, YOMIURI maintained that recent scandals in financial and political circles underscored the urgency of reorganizing the Reconstruction Finance Bank, instead of waiting for institution of the revised banking system. Unless the Bank's structure and loan policy were revised, the "possibility of irregularities" would remain, the commentator believed.

EDUCATION

Remarking on the Board of Education elections, TOKYO SHIMBUN regretted the proportion of teachers elected, and viewed this as partly nullifying the objective of placing educational administration in the hands of the people. Reminding voters that their responsibilities did not end with the election, the journal urged citizens to "keep watch" on the activities of the Boards and to "defend their autonomy against pressure" by special interests. The Boards were cautioned not to "fall into complacency because of their powerful jurisdiction," and were advised to give special heed to finances, which were seen as the key to success or failure of the 6:3:3 school system. The rate of abstention from voting was interpreted by TOKYO MINPO as an indication of the people's "distrust of politics." This attitude was thought to have been intensified by developments in connection with the Showa Denko case.

FOREIGN

UN activities again took the spotlight in foreign news reports. Editorialist speculated on possibilities of Security Council success in settling the Berlin issue, and expressed hope and confidence that amicable agreement would be reached between the United States and the Soviet Union.

Communist-led work stoppages in France were noted in the metropolitan press, and both SHIN TOKYO and TOKYO MINPO attributed the strike movement to personnel readjustment plans, increased commodity prices, and the imposition of new taxes. Leftist TOKYO MINPO blamed the French Government for the walkouts, asserting that "Premier Queuille's policies put the burden of curbing inflation upon the working classes." The writer indicated sympathy with Communist opposition to "the middle-of-the-road Cabinet," and declared that continued French dependence upon foreign aid inevitably would lead to "the rise of a de Gaullist dictatorship."

FIRE PREVENTION WEEK

Focusing attention on Fire Prevention Week, ASAHI asserted that loss of property and production facilities by fire was obstructing Japan's rehabilitation. Despite the Fire Board program and fire-prevention regulations, 546,600 buildings and extensive forest areas were damaged during the first seven months of 1948, according to a recent survey. Since large sums for fire-fighting equipment were not available, it was considered essential that the public be educated to its role in fire-prevention. It was noted that only 10 percent of the Japanese population carried fire insurance, as compared to 80 percent in America.

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OCT 18 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, 9 October 1948 No. 903

GOVERNMENT

Efforts by Lower House Speaker Matsuoka to bring about a five-party meeting to discuss formation of a new cabinet dominated Tokyo press reports and commentaries. Also prominently noted -- although receiving secondary emphasis to the political crisis -- was the questioning of Ichiro Hatoyama and the search of his residence as the result of his alleged participation in politics after being purged (see below). Delay in holding the five-party meeting -- originally scheduled for yesterday -- was said to have been caused by failure of the Democratic-Liberals to give a definite reply to the proposal. According to metropolitan papers, Democratic-Liberal President Yoshida favored a one-party administration under his Party's leadership, but he was said to be agreeable to a conservative coalition government. The Socialists also were reported to be firm in their decision to act as an opposition party. A proposal for a four-party coalition was attributed to a group within the Peoples Cooperatives, but appeared to have little support in other quarters.

Editorial Comment

As was the case yesterday, the editorial columns of virtually all major Tokyo papers discussed various aspects of the Cabinet crisis. General opinion was that the Democratic-Liberal Party should have a free hand in assembling the next Cabinet, which, it was stressed, should be formed without delay. All of the parties which participated in the present Government must share in the Ashida Cabinet's responsibility, TOKYO MINPO maintained, adding that it would be "very imprudent" of them to attempt to form a cabinet simply because they might hold the majority in the Diet. Similarly, JIJI SHIMPO contended that the Ashida Government should have no say regarding the composition of the next cabinet, while YOMIURI objected to Speaker Matsuoka's attempts to arrange a five-party meeting to discuss the composition of the new administration. The issue of which party should come into power next is simple and clear, YOMIURI observed in an editorial expressing the general attitude of Tokyo papers, and MAINICHI asserted that the public supports the view that the Democratic-Liberal Party, "which is the party with the largest membership in the Diet and which has been out of power" should take over the government.

A strictly one-party administration was favored by TOKYO SHIMBUN, while MAINICHI praised the Socialist Party decision to assume the position of an opposition party, asserting that this announcement had to a certain extent clarified the character of the next cabinet by eliminating the likelihood of either a four-party coalition cabinet or a second Katayama Cabinet. Like JIJI SHIMPO, MAINICHI saw danger in the lack of a strong opposition, and felt that the Socialists should be charged with watching and criticising the moves of the new cabinet.

Journals appeared to feel that any cabinet formed at this time would be primarily an interim government whose responsibilities would be to conduct a general election for the Diet and, if possible, effect a clean-up in political circles. Typical was the view of ASAHI, which contended that the Diet should be dissolved immediately following revision of the National Public Service Law, and an election called for. Need for political housecleaning was seen by SEKAI KEIZAI in connection with the change of cabinets; CHUKA NIPPO felt that reforms in political circles were an important duty of the next administration; and NIPPON KEIZAI urged the people themselves to work to eliminate political corruption.

Only one journal--TOKYO MINPO--was noted as favoring immediate dissolution of the Diet in preference to an "interim cabinet." Questioning whether the "corrupt" Democratic-Liberals were capable of carrying out an honest election, the leftist journal maintained that the most important issue at this time was finding the means of enabling political parties to administer democratic politics properly.

Hatoyama Residences Searched

Major papers reported that agents of the Tokyo District Procurator's Office had searched the homes of Ichiro Hatoyama, purged ex-president of the defunct Liberal Party. Documents were seized and Hatoyama was questioned at his villa in Karuizawa, journals stated. According to YOMIURI, authorities indicated that the search was made to gather evidence of Hatoyama's suspected violation of the purge directive by engaging in political activities, and denied that the move concerned the Showa Denko scandal. Hatoyama also allegedly denied that the investigation was connected with the State coal mine control issue. He said that he was suspected of having "maneuvered to have Kotaro Bando appointed as vice-speaker of the lower house at the time of the Yoshida Cabinet," but disclaimed any connection with the matter.

LABOR

Several metropolitan journals reported the 24-hour work stoppage conducted by approximately 13,000 employees of the Hitachi Machine Tools Company, and attention also was devoted to the Japan Electric Power Workers Union decision to suspend power supply to large factories and government offices which have not paid their electricity bills. The Hitachi workers -- whose present earnings reportedly averaged 4,500 yen -- were said to be demanding a 12,000-yen monthly standard. Meanwhile, the Administration announced plans to investigate wage scales in mining, manufacturing, transportation public utilities and in other industries. The investigation was expected to have a direct bearing upon the Government's wage stabilization program.

EDUCATION

The success of women candidates in the Board of Education elections was viewed with favor by SEIJI SHIMBUN, but the journal regretted the high rate of abstention from voting in certain localities. A KOKUSAI TIMES editorial felt that the election was "a barometer of Japan's democratization," and emphasized that only education of the younger generation could assure a prosperous future for the entire nation.

ECONOMY

Proposed development of 18 new coal mines, approved by the Commerce and Industry Ministry, was accorded extensive coverage. Editorial comment on economic matters included HOCHI SHIMBUN's discussion of the basis for the new rice price and suggestion that the parity system adopted by the Agriculture-Forestry Ministry should be re-investigated. An overall rational and scientific basis could not be used for computing farmers' purchased articles and agricultural products, the writer argued, because agricultural statistics in Japan were considered incomplete. Differences in production costs in various prefectures also were noted.

TOKYO SHIMBUN indicated dissatisfaction with the removal of official prices on certain items (Press Analysis No. 902) and predicted that merchants would raise their prices and thus increase livelihood hardships. The writer believed that only "plentiful goods" and items of poorer quality should have been removed from the price control list.

FOREIGN

Korea's demands for reparations from Japan and for participation in the Japanese peace conference should not be disregarded, an editorial in the Korean-operated KOKUSAI TIMES asserted. Even though the nation "was not directly engaged in the war against Japan," it was felt that the demands were justified in view of 36 years' resistance to Japanese rule. The writer believed that "drastic democratization of Japan" was necessary for the security of Korea and other Asiatic countries, but cautioned against excessive reparations which assertedly might hamper reconstruction of the Japanese economy.

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OCT 18 1948

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

PRESS ANALYSIS, 8 October 1948 No. 902

GOVERNMENT

En bloc resignation of the Cabinet was announced yesterday afternoon with a statement by Premier Ashida that he felt a "moral responsibility" for the situation resulting from the Showa Denko issue. The formal decision came five days following the arrest of Economic Stabilization Board Director-General Kurusu and one day after the detention of former Deputy Premier Suehiro Nishio in connection with the case.

Reports of negotiations among political leaders and speculations as to the makeup of an administration to replace the seven-months-old tri-party coalition filled the news columns of Tokyo papers. Leadership was expected to be taken by the Democratic-Liberals (currently in opposition), but predictions varied as to whether that Party would assume sole control of the new government or would invite other political groups into the cabinet. The consensus seemed to favor Democratic-Liberal President (and former Premier) Yoshida for the premiership, and he was quoted as being opposed to a four-party or "national" coalition. Also mentioned for the post was Democratic-Liberal Secretary General Takeshi Yamazaki.

Meanwhile, policy makers of the three out-going Ministerial Parties were said to be undecided on their next moves. A clarification of attitude was expected from the Socialists today, when their Central Committee votes on a non-confidence motion against Party executives. Left-wing Socialists reportedly were demanding the motion on the issue of expelling Nishio from the organization. In any event, according to a majority of opinions, establishment of a new government would require considerable time, and a Diet recess was expected soon after the legislature's convocation on 11 October.

Prominence also was given to Nishio's alleged admission under cross-examination that he accepted a million-yen bribe from the Showa Denko Company "because of my weak will" (MAINICHI). The former Minister was said to have pointed out, however, that he had refused to use his influence to call off the probe when approached by Company representatives. At the same time, press stories indicated that other well-known figures might become involved in the separate investigation of an eight-million yen Reconstruction Finance Bank loan to the Toyo Flour Mills. Two Agriculture-Forestry Ministry officials already have been arrested in the case, and Kobe procuratorial agents were said to have entrained for Tokyo to conduct further inquiries in regard to still unaccounted funds.

Editorial comment on the fall of the Cabinet appeared in at least 16 major metropolitan journals. Most papers were united in expressing hostility to the Ashida Government and satisfaction that its allegedly unpopular career had been brought to a close, but the conditions under which the resignation took place were deplored as a national disgrace. A number of journals were of the opinion that the Ashida Administration's downfall was the natural result of political maneuvers which had taken place at the time of its formation.

Leadership of the next Cabinet was expected to fall to the Democratic-Liberal Party, more by default of the other parties than by reason of its popularity or ability. A four-party coalition government generally was dismissed as impractical, and the Socialists were called on by several papers to stand as an "absolute opposition." The leadership of the Democratic-Liberal Party was questioned by several journals which seemed to anticipate that Yoshida rather than Yamazaki would act as the next premier. But formation of a Democratic-Liberal Cabinet was thought by ASAHI and MAINICHI to be a second-best expedient to dissolution of the Diet and the holdings of a new election. Inasmuch as this was not feasible at the present time, most journals felt that the forthcoming administration should dissolve the Diet as soon as possible. However, a contrasting point of view was expressed by TOKYO MINPO which thought that the left-wing Socialists should take the lead in Cabinet formation at this time.

ECONOMY

Price Board announcement of the release of 111 commodities -- approximately 10 percent of all items under control -- from official price restrictions received widespread attention. Main items affected were fruit beverages, seaweed, starch, soft drinks, chicken, and lamb. Also accorded featured attention was the Government's five-year hydro-electric development plan, which reportedly called for exploitation of 36 hydro-electric sites.

Comment on economic affairs was sparse. SHIN YUKAN and SEIJI SHIMBUN published a press service commentary describing the "serious effects" which suspension of electric power -- as a result of the electric industry workers' dispute -- would have on industrial production. The journals stressed that stoppage of power would have an especially grave effect on the coal, steel, and chemical industries, where suspension of electricity not only would endanger workers but would cause "extensive damage to equipment." Meanwhile, KOGYO SHIMBUN noted that the chief obstacle to raising government workers' wages was lack of revenue sources, but suggested that the Administration, in the absence of sufficient funds, should increase food rations to federal employees to stabilize their salaries.

LABOR

The Attorney General's Office announced the completed draft of a bill to regulate labor relations in government railway and monopoly enterprises subsequent to their expected reorganization. But the Labor Ministry assertedly opposed provisions which would prohibit public corporation employees from conducting work stoppages, although it was believed that "denial of the right to strike may not be unreasonable in the case of public servants." Meanwhile, the Government authorized rationing agencies to reduce or suspend incentive goods distribution to coal miners working at places where efforts to maximize output have not been made. Continuance of distribution despite work sabotage was considered "to have undermined production morale."

EDUCATION

Both HOCHI SHIMBUN and YUKAN MIYAKO called attention to the low rate of voter participation in the recent election of Boards of Education. In the Tokyo area, the proportion of eligible voters who went to the polls reportedly constituted only 24 percent -- said to be the lowest figure for the entire country. Both journals indicated that failure to understand the significance of the election accounted for the abstention of a large number of people. HOCHI SHIMBUN, nonetheless, urged the new agencies "to strive for the democratic renovation of the educational system."

FOREIGN

The Chinese civil war dominated foreign news reports and editorials. SEKAI KEIZAI described the abandonment of Changchun by Kuomintang troops as a move to "sacrifice the arm to protect the body," while MAINICHI expressed belief that abandonment of Changchun by Government forces meant the virtual abandonment of Manchuria.

Reports of UN activities and the Berlin issue, together with possible US military aid to Europe, received routine coverage, but no editorial comment.

Atomic Warfare

Fearing the devastating effects of atomic warfare on civilization, DIAMOND NIPPO expressed hope that the UN would devise a sound plan to "solve the international crisis." For countries such as Japan, which has neither arms nor defense, there was said to be "no alternative but to hope for peace." The writer thought it was useless for small nations to endeavor to undertake atomic experiments because they lacked sufficient territory required for testing.

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OCT 18 1948

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

to all

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PRESS ANALYSIS, 7 October 1948 No. 901

GOVERNMENT

Formal resignation of the Ashida Administration was expected today, following agreement by Government Parties late Wednesday that developments stemming from the Showa Denko bribery scandal made it impossible for the tripartite Coalition to remain in power. Completely dominating news and editorial columns, the political crisis did not appear to be a surprise, although as recently as 5 October press indications were widespread that the seven-month-old Government probably would survive at least the forthcoming special Diet session.

Immediate cause of the Administration's collapse was the decision of the Socialist Central Executive Committee to withdraw from the Cabinet. Shortly thereafter, journals reported, the two other Ministerial groups -- Democrats and Peoples Cooperatives -- decided in favor of resignation. The Socialists' action followed the arrest of Suehiro Nishio (Party right-wing leader and former Deputy Premier) in connection with the same scandal which had involved ex-ESB Director-General Kurusu. YOMIURI and DAI ICHI SHIMBUN said that Nishio was suspected of having accepted a 10 million yen bribe to "hush-up" the Showa Denko case.

Considerable space was devoted to speculation as to the composition of the next government. Lower House Speaker Matsuoka -- who was said to favor a four-party coalition led by Socialist Chairman Katayama -- will begin negotiations to form a new cabinet during the recess immediately following the opening of the special session on Monday, according to ASAHI. The Peoples Cooperatives were represented as sharing Matsuoka's opinion in regard to the next administration, but with the qualification that such a government should remain in power long enough to supervise a general election. The Socialists were said to be undecided as to their future course; "certain" Democrats reportedly favored a Democratic-Liberal regime, while the Democratic-Liberals were said to advocate a conservative coalition. In event of the latter, there were predictions that Party Secretary-General Yamazaki, not President Yoshida, might become Premier.

Comment on the political situation resulting from the Showa Denko disclosures appeared in 11 journals, several of which (written before the Administration's decision) demanded resignation as the price for the Cabinet's responsibility in the affair. Among papers which called for this step were NIPPON KEIZAI, YOMIURI, and JIJI SHIMPO. "Granting that there is room for discussion over its political responsibility," the financial journal maintained, "the Cabinet -- taking into account its moral responsibility -- should resign." The commentator acknowledged the urgency of acting on the Administration's legislative program, but argued that continued existence of the Coalition would bring more harm to the country than would a "political vacuum." Other journals which were in agreement included SHIN YUKAN, SEKAI KEIZAI, HOCHI SHIMBUN, and CHUKA NIPPO.

Comment in other papers dealt with various phases of the Showa Denko case and with political ramifications. ASAHI declared that it was the duty of the people, as well as of the prosecutors, to "remove all poisonous blood from political, financial, and industrial circles." MAINICHI contended that Nishio's arrest disqualified the Socialists from participating in the next government. "We did not dream," the morning daily said, "that the Showa Denko scandal would affect the Socialists. * * * We must have overestimated the Party's role in purifying the corrupt political world."

EDUCATION

Most articles on the Board of Education elections stressed the fact that winning candidates were predominantly conservative and noted the rate of balloting (reportedly 29.3 percent in Tokyo, 59.5 percent average for the nation as a whole). According to YOMIURI, throughout the country 66 active teachers and 47 former teachers were elected, but no active teacher gained membership on the Tokyo board. Also remarked upon was the victory of 29 women, and journals reported the success of 10 Democratic-Liberals, 8 Socialists, 3 Peoples Cooperatives, 2 Communists, and 177 independents "strongly tinged with conservatism."

Editorial comment was limited. MAINICHI deplored the election, in Toyama Prefecture, of a man with an alleged criminal record of six offenses, and saw the occurrence as a phase of a national political situation exemplified by the Showa Denko scandal. Considering lack of public interest in the elections, AKAHATA disagreed with the frequently expressed theory that inadequate preparation was responsible. Instead, the paper declared that people had grown tired of "hearing coarse criticisms or false rumors about the candidates of the Communist Party and the Teachers Union." A YOMIURI columnist observed that success of the new education system would hinge largely on the quality of superintendents named to execute the policies of the Boards.

ECONOMY

Comment on economic subjects was varied. To achieve economic reconstruction, SEIJI SHIMBUN urged the Government to democratize the structure of controls and to establish fair capital-labor relationships. The commentator said that it was evident in view of the Showa Denko case and other scandals that "halfway economic democratization caused corruption and illegal practices."

Satisfaction over the progress of recovery reportedly being made by the shipbuilding industry was voiced by JIJI SHIMPO, which approved of the "healthy development" of the shipworkers' union and the "promise of substantial profits" to the industry. Meanwhile, KOGYO SHIMBUN called for the early materialization of the Administration's plan to increase coal production under which the Government, the coal industry, and consumers would "share equally the financial burdens to overcome deficits of mines." Coal operators were told to rationalize their management and to cease relying on the Government for assistance.

FOREIGN

There was little editorial comment on foreign matters, but news stories continued to emphasize the UN Security Council and the Berlin issue. Secretary of State Marshall's call to Washington for a conference with President Truman also received wide coverage, along with the statement of Chairman Gurney of the Senate Armed Services Committee that he would ask Congress to approve a plan for US military alliance with Western Europe.

PRESS

The importance of access to information and the right to report freely was stressed by TOKYO MINPO today in connection with the observance of National Newspaper Week. Recalling the restrictive wartime organization of Japanese correspondents' clubs, the journal cited the strides that had been made in liberalizing these organizations, but at the same time noted that "the past tendency still remains in certain quarters." Under various pretexts, new admission to correspondents' clubs is made difficult, the journal asserted, and "there have been cases in which a certain amount of speech control for the convenience of government offices has been brought about as the result of collaboration between the clubs and such government offices."

LABOR

Projected revision of the National Public Service Law was intended not only to regulate labor relations in government agencies, but also to eliminate bureaucratic practices, YUKAN MIYAKO declared. The writer claimed that new employees were being hired "while the present over-staffed personnel structures are left intact." Although administrative adjustment was conceded to be a difficult problem with which no postwar cabinet had made appreciable headway, the editorial demanded renewed efforts to unseat "the Japanese bureaucracy, notorious throughout the entire world for its arrogance, dogmatism, and inefficiency."

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this was MAINICHI's report that "unexpectedly good results were seen in local districts," and that the 75 percent rate in Saga Prefecture would probably be the highest in the country. At most polls the counting of ballots began this morning, and, with few exceptions, was expected to be completed by evening.

In the only editorial comment, SHIN YUKAN accounted in part for the "negligence" of the electorate by saying that "people who were feudalistic until yesterday could not become democratic in a single night," and that the process of building a democratic educational system must be achieved by "laying one stone on another." In part, the low voting percentage was believed due to the "unskilfull" methods employed to "enlighten" the public. Declaring the authorities would blame this on lack of funds, the paper criticized the Government and the Diet for what was considered a general unwillingness to provide adequate funds for education.

LABOR

Calling attention to the non-confidence vote of the Government Railway Workers Union convention in the organization's "central struggle committee" -- which was said to have been "under direct control of extreme leftists" -- YOMIURI thought that the underlying causes of the turn to the right were "the objective situation brought about by the SCAP letter of 22 July," and rank-and-file dissatisfaction with leftist-instigated job desertions and work stoppages which resulted in arrest and dismissal of many government railway employees The majority of union members were said to have learned through personal experience that their interests were being subjugated to the advancement of the Communist Party program. The writer hoped that the Democratization League would be instrumental in reconstruction of the labor movement along moderate lines, and would not permit the present anti-Communist trend to degenerate into a disruptive internecine struggle.

A MAINICHI editorial cautioned the Japan Electric Power Workers Union that power-suspension tactics were not acceptable to the public, and declared that "many labor unions have suffered defeat because of popular condemnation." The writer referred to opinions of Administration officials who reportedly held that the union could be prosecuted for staging "blackout strikes." The electric power workers also were reminded that hundreds of government railway and communications employees have made "useless sacrifices" in response to "professional agitation."

ECONOMY

Papers accorded considerable attention to a SCAP spokesman's statement that Japan's industrial level had reached 55 percent of the prewar standard and that, under the present rate of reconstruction, full recovery -- based on the 1930-34 level -- would be reached sometime in 1953. Also reported extensively was a Coal Board announcement that coal output for September was 102 percent of the goal for the month. Production for the first half of the fiscal year, however, was said to be 95.6 percent of the quota.

Because its present term of existence expires 1 January 1949, the question of whether the Reconstruction Finance Bank will carry on or dissolve must be decided soon, ASAHI pointed out. The writer maintained that the Bank's structure should be changed so that the public could ascertain the person responsible for its success or failure. It was suggested that the Reconstruction Finance Committee be composed of a few members who would be directly in charge, and that these officials should be responsible for loans, thus "clarifying the limits of responsibility of the Committee and the Bank." The journal also urged that the present system of Bank of Japan underwriting be abolished in favor of government financing or public subscription to RFB bonds.

PRESS

Observance of National Newspaper Week was highlighted in metropolitan papers by extensive reporting of the Emperor and Empress' meeting with journalists at a press exhibit. Considerable space continued to be devoted to features, special articles, and editorials on the observance. Meantime, ASAHI belatedly reported the incident in which one of its newsmen was assaulted (Press Analysis No. 899). AKAHATA criticized ASAHI for publishing a photograph of the Teikoku Bank murders suspect re-enacting the crime. The Communist Party organ believed that such publicity "at this moment" did not show fairness in regard to protection of human rights, and concluded that "such a partial attitude . . . reveals the . . . spirit of commercial newspapers."

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

PRESS ANALYSIS, 5 October 1948 No. 899

GOVERNMENT

Failure of leaders of the three Ministerial Parties to agree on a course of action was reported prominently, as news and editorial columns continued to emphasize the ramifications of the Showa Denko case. Although Government leaders delayed until 9 October a decision on the political crisis resulting from the arrest and resignation of ESB Director-General Kurusu, Premier Ashida was represented as determined to remain in power. Reportedly encouraged by directors of his Party and by "a report from the Central Liaison Office" (MAINICHI), the Prime Minister was said to be planning appointment of a new ESB chief and introduction of the Administration's legislative program at the forthcoming special Diet session.

Activity within the Socialist Party also received considerable attention. Unable to agree on the Party's official view yesterday, Socialist Cabinet Ministers and other Party leaders were expected to refer the issue to the Central Executive Committee tomorrow. Meanwhile, it was reported that Mosaburo Suzuki, Socialist left-wing leader and Chairman of the Party's Political Affairs Committee, had declined to accept a Cabinet portfolio.

Commentaries in 12 journals examined various phases of the Showa Denko case, and writers continued to call for assumption of responsibility, either by the Cabinet as a whole or by a particular party. Accountability of the Socialists in the present political situation was the theme of editorials in YOMIURI and SHIN YUKAN, with the former contending that Kurusu's involvement provided an opportunity for the Party to clarify its position in relation to its Coalition partners. The position of Socialist leftists -- "whose attitude does not differ from that of the conservatives" -- was described as "incomprehensible." Criticism of the Socialists also appeared in ASAHI, which charged that the Party was trying to capitalize on Kurusu's arrest. The morning daily added that the Ashida Administration's evasion of responsibility would contribute to the "degeneration" of politics.

Continuation of the investigation was urged by SEIJI SHIMBUN, and YUKAN MIYAKO declared that "from the standpoint of establishing the dignity of the law, we ardently hope that the authorities are fully aware that 80 million Japanese stand behind them." Three left-wing journals -- AKAHATA, TOKYO MINPO, and SHIN TOKYO -- reiterated demands for Cabinet resignation, with the latter claiming that this was the desire of the people, and that "those who disregard the press and public opinion are despots."

EDUCATION

Election day for the Boards of Education was noted in the news, but editorial comment was limited in comparison with yesterday's extensive coverage. All editorialists stressed the importance of individual balloting, and TOKYO SHIMBUN observed that since special opportunities were afforded voters, any reason for absence from the polls "should be a good one." Failure to take the elections seriously in many cases reflected "an unconscious reaction against something new," YUKAN MIYAKO believed. Some writers noted that if people thought of their children first, they could not ignore the elections, while JIJI SHIMPO took the broader view that the elections not only affected those with children in school but were vital to the country as a whole. ASAHI, stating that educational administration since the Meiji Era had been ruled by "clannism, bureaucracy, and militarism," declared that the Boards were aimed at giving the "new generation a peaceful, democratic education."

ECONOMY

Announcement of tentative plans for a trade pact between Pakistan and Japan was accorded featured attention in most dailies. Details of the agreement were expected to be worked out in early November, but indications were that Japan would receive such raw materials as jute and cotton in exchange for textiles, machinery, rolling stock, and other capital goods. No editorial comment was forthcoming.

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LABOR

Most major papers announced the decision of the Japan Electric Power Workers Union to send representatives to meetings of the committee appointed by the Central Labor Relations Board to arbitrate the union's wage demands. Simultaneously, papers reported that the JEPWU had made formal protest against the Attorney General' asserted pronouncement that the union's right to strike was abrogated with the conclusion of provisional agreement last March.

Three Tokyo journals -- ASAHI, YOMIURI, and MAINICHI -- commented that the anti-Communist Democratization League's triumph over leftist opposition at the recently concluded Government Railway Workers Union convention represented a new trend not only for that organization, but for the entire labor movement as well. The last-named paper, however, thought that the GRWU's turn to the right may be "only for the time being." Recalling that the Democratization League won some elections by bare majority, the writer observed that "certain local unions are threatening to resort to moves independent of headquarters, and, therefore, it is difficult to believe that convention decisions will be translated directly into practice."

FOOD

The producer rice price continued to attract editorial attention. TOKYO SHIMBUN thought that the parity computation system was a step in the right direction, but doubted whether the correct basic figure was used in determining the price. Admitting that economic instability made price fixing difficult, the editorialist emphasized that the interests of both producers and consumers should be fully considered, especially the former, whose will to produce must not be lowered. NIPPON KEIZAI also believed it was difficult to set a price that would be satisfactory to both farmer and consumer, since high prices would bring pressure on the masses, while low prices would threaten the farm economy. The fundamental solution to the problem, the commentator thought, was to increase agricultural productivity. Producers should be satisfied with the new price, declared JIJI SHIMPO, because they were to be paid three times the basic price for over-quota production, in addition to a bonus payment for rice delivered before November.

WAR CRIMES

In a recent series of articles on the International Military Tribunal for the Far East, SHIN YUKAN drew attention to the lessons Japan might obtain from the proceedings. The paper said that democratic principles were displayed in the examinations -- especially in the respect shown for "individual character" -- and that a picture was drawn of prewar Japan by which the need for a reformed State was made evident. The concluding article emphasized that the trials also proved that the Emperor "was not absolutely responsible for the war, since according to the constitutional custom . . . there was no other way (for him to act)."

PRESS

An incident in which an ASAHI reporter was assaulted by a released suspect about whom the journalist had written was noted in YOMIURI. No mention of the affair was made by ASAHI, however, nor by any other journal.

FOREIGN

With the beginning of UN Security Council deliberation of the Berlin issue, foreign news reports continued to emphasize US-Soviet controversies. Soviet talk of outlawing atomic weapons and the first quarterly report of Marshall Plan aid received special coverage, but editorial comment was restricted to domestic issues.

WELFARE

Directing public attention to the current Community Chest campaign, several editorials exhorted individual Japanese to do their part in contributing as responsible members of society. NIPPON FUJIN SHIMBUN underscored the present urgency, and asserted that the livelihood of war-victims, widows and orphans, old people, and families of unrepatriated prisoners of war was becoming increasingly difficult. SHIN YUKAN estimated the goal of 80,000,000 yen could be reached with street collections of an average of 10 to 20 yen per capita -- or about the price of a cup of coffee. However, the writer thought the public should be told the specific allocation of the money collected.

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

PRESS ANALYSIS, 3 and 4 October 1948 No. 898

GOVERNMENT

Political consequences of ESB Director-General Kurusu's arrest and resignation dominated weekend editions of the Tokyo press. Agreeing that the Cabinet faced a grave situation, journals anticipated clarification at Monday's meeting of leaders of the three Ministerial Parties. Meanwhile, Premier Ashida's assumption of the ESB portfolio and his declaration that neither he nor other Ministers were involved in the Showa Denko scandal were interpreted as signifying intention to remain in power. At the same time, the opposition Democratic Liberals were said to have discussed plans for formation of a new administration.

Despite Ashida's defense of himself and other Cabinet members, TOKYO SHIMBUN quoted a member of the Diet Illegal Property Transactions Committee as stating that the Premier and ex-Deputy Premier Nishio would be summoned to testify. An article in the same journal claimed that President Hinohara of Showa Denko (now under arrest) had spent 200 million yen for "curios," and that he had built a special meeting place where "parties were held night after night."

Four of 11 commenting papers demanded resignation of the Government, dissolution of the Diet, or both, while virtually all editorials insisted that the Cabinet should assume responsibility for Kurusu's actions. Most outspoken of the four was TOKYO SHIMBUN, which asserted that the ineptness of the Ashida Administration was "almost unparallelled in Japanese history," and added that corruption in government was similar to "a state of anarchy." YUKAN MIYAKO argued that Diet dissolution was necessary to determine the will of the nation; SHIN TOKYO maintained that resignation, not reshuffling of the Cabinet, was the only way to preserve "national morality," and AKAHATA announced that its call for resignation was "the first shot in a full dress campaign to overthrow the Cabinet."

Representative of the average reaction of editorialists was a MAINICHI commentator's assertion that the urgency for legislation concerning wage standards and the national public service was all that prolonged the life of the Administration. The Cabinet should demonstrate its willingness to assume responsibility, the writer added, by seeking a vote of confidence at the beginning of the special Diet session. Also emphasizing the question of responsibility, ASAHI denounced as "outrageous" the view that the Showa Denko affair concerned Kurusu only as an individual. The former ESB chief's influence had made him, in effect, a Deputy Premier, the editorial contended. Therefore, his arrest was said to involve the entire Cabinet. This belief was shared by several other papers, but HOCHI SHIMBUN maintained that Kurusu's involvement did not concern his colleagues.

FOOD

Cabinet decision to set the producer price of rice at 3,595 yen per koku and the sweet potato price at 188 yen for 10 kan (82.67 pounds) was accorded extensive coverage. The present price was said to be based on the agricultural parity index as of 30 September, and the final price will be decided next July. As a result of the new producer prices, consumer prices for staple foods were expected to be revised and put into effect on 1 November.

Comment on the rice price appeared in three journals, which agreed that even though farmers assertedly were dissatisfied, the method of computation was an improvement over that of previous years. Although a "greater part of the farmers' demands were not considered," ASAHI thought the new price was not unreasonably low, especially since supplementary payments were expected to be made next July. The journal insisted, however, that since producers were required by law to deliver their allotted quotas at official prices, the Government was responsible for distributing planting materials to the farmers. Another editorial in the same paper felt that farmers should no longer sell rice through illegal channels now that the price had been fixed at 3,595 yen and since they would be paid three times the basic price for their over-quota deliveries.

Although admitting that progress in price computation had been made, MAINICHI believed that the base price used in calculations was low, with the result that the final figure was "far below actual production cost." HOCHI SHIMBUN was of the opinion that the price had not been set higher because the Administration was concerned over the sum it would have to pay for excess rice production.

EDUCATION

Last-minute appeals urging the electorate to vote in the Board of Education elections were made by nine metropolitan papers. Pleas were based chiefly on the "epoch-making" character of the event, the extensive powers to be exercised by the Boards, and the contention that widespread abstention from voting would react to the advantage of candidates sponsored by political and union organizations. To emphasize the reported public disinterest, YOMIURI, MAINICHI, and NIPPON KEIZAI printed pictures of candiates addressing nearly vacant halls.

Writers attributed apathy partly to insufficient time to prepare for the elections and partly to a general tendency to regard the balloting as less important than a "political" election, but stressed particularly that the Japanese people were in the habit of leaving all educational matters to the government. "Unless this tendency is eliminated," said YOMIURI, "a democratic educational structure never will be established." Two papers regretted that the elections came during the busiest season in agricultural communities, which might keep many farmers from the polls. At the same time, some writers conceded that even conscientious voters might have difficulty in making a choice, since in many cases they would have no personal knowledge of the candidates. For instance, MAINICHI observed that "most candidates are not well-known and it is difficult for voters to know just what they stand for."

Several editorialists made a special effort to explain why candidates need not be professionals in education. According to NIPPON KEIZAI, specialists often failed to deal with educational affairs from a "wide social point of view" and a board member who was a teacher would tend to make the school "not an institution for school children, but for teachers." SEIJI SHIMBUN advised patience on the part of the public, counselling that since these were the first Boards of Education to be formed, mistakes were inevitable and that "the system itself should not be blamed."

PRESS

Freedom of the press as an expression of a free people won editorial and reader comments in eight metropolitan papers. Dangers and evils of a controlled press were cited by NIPPON KEIZAI and DAI ICHI SHIMBUN, while ASAHI cautioned that the press must not be "apart from the rank and file of the people . . . lest it degenerate into an organ of the government in power." SHIN TOKYO stressed the function of the press as an educational influence and as a medium to keep the public informed of the problems of the times.

ECONOMY

Concern over Japan's reportedly declining foreign trade was voiced by SEKAI KEIZAI and HOCHI SHIMBUN. The first-named journal thought that the prerequisite for increased production and export was the establishment of a single exchange rate, which would stimulate the flow of foreign capital to improve industrial technique and accelerate productive capacity. According to HOCHI SHIMBUN, stagnation in trade activities was due to the "high price of goods" in comparison to world price levels, and suggested as a remedial measure the establishment of a low exchange rate. However, both the Government and the producers must endeavo to bring down costs without having to fall back on the exchange rate, the writer concluded.

LABOR

Defeat of the leftist faction in the closing sessions of the Government Railway Workers Union convention was extensively reported. The assembly reversed the organization's strife tactics and adopted "policies based on a sound union movement." A majority of Democratization League members were elected to the executive group, and the meeting passed a non-confidence vote in the Central Dispute Committee.

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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, 2 October 1948 No. 897

PRESS

Observance of National Newspaper Week was accorded unusually heavy coverage. The subject received prominent attention in almost all papers, and nine journals published four-page editions in order to print information related to the occasion.

Several editorials made a salient point of the dual responsibility of journalists and the public to support and encourage the press in a democratic society. ASAHI emphasized this view by calling attention to the lack of ethics in news reporting prior to the Surrender, and charged both newspapermen and readers with responsibility for that condition -- which assertedly was "preponderantly responsible for the present predicament of Japan." The freedom attained after the war was not won, but given, the editorialist recalled, but said that "be that as it may, we will under no circumstances . . . repeat our past blunders." The necessity for journalists' recognition of their duty and intelligent criticism by the people were called "the lesson" of National Newspaper Week.

The relationship between the press and politics interested YUKAN MIYAKO, which considered the two indivisible, the former being a "barometer by which to judge the political quality of the times." Since public opinion was influenced by the publishing field, the paper argued, the government of a nation was reflected in the character of its public media. Thus, where there was no press freedom there could be no democratic administration, the writer concluded. Conversely, TOKYO SHIMBUN noted that liberty of the people cultivated liberty for the press, and that the latter would secure the former.

The opinion that newspapers must justify their existence by displaying independence and integrity was enunciated by several writers, and SHIN TOKYO published an interpretation of the major principles of the code accepted by the Press Association. Accuracy and speed in reporting facts were identified by TOKYO MINPO as essentials in the role of the press. Readers were urged to determine whether the reports they read were "true versions," and in that manner decide upon the quality of newspapers. SHIN YUKAN saw the press as a "champion of democracy," and gave as examples the efforts of ASAHI in regard to the Honjo incident, and the widespread editorializing on civil rights in connection with the arrest of suspects for the Teikoku Bank murders. This type of activity was expected to grow with publicizing of matters which currently were arousing attention.

DAI ICHI SHIMBUN viewed the international aspect of free journalism, stressing the importance of the world's peoples being informed of truths outside their local spheres. A signed article in TOKYO MINPO noted the declaration of human rights under consideration by the United Nations General Assembly, and pointed to the principle of free speech and information dissemination. These rights, which were attained by Japan following the war, were said to be losing their importance, and the Japanese press was accused of mistaking its duty by giving prominence to disputes between Big Powers while seldom reporting "facts and conditions of the masses of the world, who are opposed to war." Accuracy was considered lacking in mentioning the ideas of US Presidential Candidate Wallace, and omission was claimed in the case of other personalities identified as "conscientious objectors." Speaker of the Lower House Matsuoka, writing in NIPPON KEIZAI, asserted that the press had treated minor labor activities "with a flourish" without attempting to "waken the workers to fair judgment." Still another contributing writer, in MAINICHI, warned against a pecuniary motive in establishing publication policy, and declared "It is no better for papers to bow to vulgar opinions merely in fear of being labeled 'conservative,' than to yield to militarists for fear of being labeled 'unpatriotic.'"

GOVERNMENT

Failure of the heads of the three Government Parties to agree on measures to settle the political crisis created by Takeo Kurusu's arrest and resignation highlighted developments growing out of the Showa Denko scandal. Another meeting of Administration leaders was scheduled for 4 October. According to ASAHI, views were exchanged on the three possible courses -- general Cabinet resignation, partial reorganization of the Cabinet, and Diet dissolution. Both Premier Ashida and Socialist Chairman Katayama reportedly emphasized at a press conference that "detailed issues had not been discussed." MAINICHI declared that the conferees could reach no conclusion since "none of the Parties had set a definite policy on the case," although the Socialist Party was said to have adopted an "attitude of watchful waiting."

Ashida was said to have announced to the Cabinet yesterday that Kurusu had tendered his resignation on the night of 30 September. If the three Parties agreed on continuation of the present Cabinet, the Premier was expected to decide on Kurusu's successor at today's parley. YOMIURI reported that Finance Minister Kitamura had been "informally named" as temporary ESB chief, while MAINICHI speculated that Chairman Inagaki of the Political Research Committee of the Democratic Party would be appointed full-time director.

Meanwhile, further developments in the case itself included Kurusu's reported admission that he had accepted a "huge sum" last year from the Showa Denko president, and announcement of prosecution authorities' determination to probe the case thoroughly "no matter what high officials might be invloved."

Editorial Comment

Intensified public distrust in the Government as a result of the Showa Denko scandal, the Administration's political responsibility, and the urgency of a thorough investigation were discussed by commentators. YOMIURI declared that the fact that the "business world and burcaucracy had been exposed to be in league" had made the masses "feel infinite distrust in the Administration." Political corruption disclosed by the IPTC had created a national psychology of suspicion which would not only obstruct rehabilitation but would cause the decay of morality, according to the editorialist. MAINICHI contended that it was "unreasonable for a cabinet of which a minister had been arrested to maintain the people's trust." SEKAI KEIZAI thought that scandals such as the Showa Denko case originated from the fact that "government and political officials still retained their feudalistic sense of privilege and forgot their responsibility to the public trust."

LABOR

Most journals reported Attorney-General Suzuki's announcement that strikes by electric power workers were in violation of the Labor Relations Adjustment Law. The official added that "the electric power workers' right to strike expired on 25 March, when the provisional agreement was signed by both union and management and the matter was taken out of the hands of the Labor Committee." Strikers were said to be liable to punishment under Article 39 of the LRA Law and, if power supply blackouts occurred, to Article 33 of the Electric Generation Industry Law.

Reports indicated that revision of the National Public Service Law would be completed early in the week, and that final Cabinet decision on the revised bill was scheduled for 8 October -- in time for presentation to the special Diet session.

ECONOMY

Papers reported that the official producers' price for rice was expected to be set at 3,595 yen per koku. This figure was tentatively agreed upon by authorities yesterday, and it was anticipated that unless the price issue became a matter of "political discussion" for the whole Cabinet, this price would be accepted.

The economic reconstruction program was considered by two journals. HOCHI SHIMBUN demanded that the Government "stop preaching about the significance of the 10-point economic policy" lest public indifference worsen. The 10 principles either should be put into effect with resolution or be re-drafted, the writer declared. TOKYO SHIMBUN believed that "poverty of political leadership" and "unsatisfactory development of economic technique" were largely responsible for unstabilized conditions, but felt that increased effort on the part of the people would improve the situation considerably.

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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 October 1948 No. 896

GOVERNMENT

Reports on the questioning and detention of Takeo Kurusu and his secretary Tsunehiko Mitsumoto in connection with the Showa Denko scandal held lead position in virtually all Tokyo papers. A large proportion of front page space was given to statements by the procurator and representatives of the various political circles, and to speculative reports on the political effects of Kurusu's implication. Government leaders were said to have admitted that the arrest of the Economic Stabilization Board chief was a blow to the Cabinet, but political action was felt to be dependent on further developments in the case.

ASAHI reported that the Democratic-Liberal Party believed Cabinet resignation to be imminent, but rather than exploiting the Kurusu question to precipitate a crisis, the Opposition was expected to let the Cabinet die naturally. The Socialist Party -- the Central Executive Committee of which was meeting today -- was generally thought to be awaiting further developments before taking action. Rumors that Heitaro Inagaki, of the Political Research Committee of the Democratic Party, might replace Kurusu if the latter resigned were also reported, but as of yesterday evening, the ESB Director still retained his post, according to reports.

Editorial columns in six papers carried brief discussions of the scandal, and commentaries appeared in numerous others. Of particular interest was an ASAHI editorial which asserted that Japan's administration in recent months had been characterized by "a series of scandals, combined with politics and shady economic deals." The ultimate victims of such scandals were the people, the journal contended, and cast responsibility on the Government by characterizing Kurusu as being "virtually the deputy premier." MAINICHI similarly felt that the Cabinet should feel responsible if Kurusu were judged guilty, and expressed the opinion that the Government was "in fact on guard against the attack of public opinion."

Explanations of the nature of the Showa Denko Company, its financing and organization also were offered by several journals, which tended to emphasize the importance of the industry. Reporting an interview with the acting president of the company, JIJI SHIMPO quoted the official as saying that with an anticipated decrease in available fuel, and threatened deficits, the organization might be faced with deadlock around the first part of next year. Elsewhere, JIJI SHIMPO expressed the opinion that the Showa Denko case was "in a sense the tragedy caused by the purge of the economic world," and intimated that if the former officers of the company had not been removed by the advice of purge committees, the bribery issue would not have occurred. On the other hand, a signed article in YOMIURI felt that Showa Denko President Hinohara might well have negotiated the loans illegally because of his desire to rehabilitate the whole of Japan's fertilizer industry, regardless of the consequences.

PRESS

Major Tokyo papers heralded the opening of National Newspaper Week with features, statements by newspaper officials, messages from press services, and editorials. Exceptions to the general trend were AKAHATA, which limited itself to editorial observance of its first anniversary as a daily, and TOKYO MINPO, which noted the event in the news but without editorial comment. Common to most discussions were statements on the origin of Newspaper Week in the US, on repression of the Japanese press preceding and during the war, on the close relation between democracy and freedom of the press, and on the fact that press freedom depended upon the attitude of the public as well as upon the newspapers themselves.

Explanation of the purpose of the observance was typified by YOMIURI, which said that the occasion was designed to help readers understand the character and mission of newspapers, and at the same time provided an opportunity for the press to re-examine and re-affirm its ideals of objectivity and impartiality. Characteristic of the emphasis on the vital need of press liberty were the statements that "Freedom of speech is the groundwork of all freedoms" by NIPPON KEIZAI, and that "Democracy and newspaper freedom are connected as closely as the two wheels of a cart" by SEIJI SHIMBUN. So essential was a free press to the liberty of the people that the first move of dictatorships was to throttle newspapers, writers pointed out, and Germany, Italy, and Japan were cited as examples. Several commentators maintained that if Japan had retained its press freedom, the nation would not have plunged into the war. "It is the people's voice which prevents politics from going in the wrong direction," YOMIURI said.

SEKAI NIPPO henceforth will be known as SEKAI KEIZAI (World Economy), the journal announced. "It is our intention," the announcement said, "to publish foreign and domestic news from the standpoint of its importance to economic problems." To this end, the paper said that it had subscribed to additional foreign and Japanese economic news services.

ECONOMY

A statement by Governor Ichimada of the Bank of Japan that the note issue for the third quarter of the fiscal year would be limited to 330,000,000,000 yen was reported by Tokyo dailies. (Total note circulation was said to have reached 260,000,000,000 yen on 28 September.) The figure was said to be based on deceleration of blackmarket price increases, improved food situation, and "comparatively smooth" government disbursements to enterprises.

Sole editorial comment on economic affairs appeared in SEKAI KEIZAI, which echoed the approval of other Tokyo papers of former Chinese Premier Chang Chun's proposal for establishment of an Asiatic economic bloc (Press Analysis No. 895). The journal declared that such a cooperative organization would "enable Japan to contribute to the restoration of Asia as well as to global economy," and emphasized that the nation must henceforth develop its industrial structure from a broader viewpoint and gear it to both Asiatic and international rehabilitation.

LABOR

Election of Democratization League members to top positions in the Government Railway Workers Union, and the electric power workers' boycott of the first meeting of the Central Labor Relations Board's arbitration committee were reported by metropolitan journals. Prior to the commencement of the GRWU convention, the Democratization League was said to have suggested a merger with the Reformist League in an effort to rid the union of Communist elements, but the latter group reportedly declined the proposal. Simultaneously, the Kanazawa chapter of the Japan Electric Power Workers Union reportedly defied "the procurators' decision to clamp down on all future strike tactics" by conducting its second "blackout strike."

The electric power workers' tactics have been ill-advised, in the opinion of SEIJI SHIMBUN, because they have served only to antagonize the entire nation without causing management to yield to the union's wage demands. The writer thought that even if JEPWU strikes were not technically illegal, they could not be approved because industrial recovery would be impeded and the public would be required to finance increased wages by paying higher electric rates. The editorial lent support to Administration officials who assertedly cautioned that continuance of blackout strikes would necessitate "measures to prohibit disputes by public utility employees."

EDUCATION

Agreement by the three Government Parties to select their Board of Education candidates strictly on the basis of qualification drew editorial attention from TOKYO TIMES. The journal felt that the educational policies of all three political groups were practically the same, and urged cooperation in the establishment of measures to improve the nation's schools.

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

OCT 4 1948

PRESS ANALYSIS, 30 September 1948 No. 895

LABOR

A completed draft of the bill to revise the National Public Service Law was assured for the scheduled convocation of the special Diet session on 11 October, as metropolitan journals reported that compromise had been reached on the controversial article relating to the rights and obligations of public servants. Although employee organizations might negotiate concerning working conditions and other "legitimate objectives," they assertedly would not be permitted collective bargaining relationship with government authorities. The Cabinet draft also provided that employees would not be allowed to engage in strikes or other dispute activities which would "lower the efficiency of government service." No editorial comment was forthcoming.

Extensive coverage also was accorded a SCAP spokesman's statement advocating expulsion of Communists from unions and the "formation of a National Labor Party modeled on the British pattern." Extreme leftist union officials were said "to have driven the Japanese labor movement to the brink of disaster," and the Democratization League was commended for its anti-Communist program. Meanwhile, papers announced the appointment of the committee to arbitrate the electric power industry dispute.

PRESS

Opening of National Newspaper Week on 1 October and announcement that the Emperor would hold a press conference in this connection received wide coverage. SEIJI SHIMBUN expressed hope that the event would serve to stimulate public understanding and journalistic responsibility. Mention was made of the need for newspaper companies to secure their economic well-being -- primarily through increased circulation -- and present Government policy in this regard was recommended for re-study. A MAINICHI editorial reviewed the history of the Japanese press, and concluded that wartime loss of freedom was caused by militarists and bureaucrats.

Comment on the assaulting of a YOMIURI reporter in the Metropolitan Police Board building (Press Analysis No. 894) appeared in DAI ICHI SHIMBUN and SHIN TOKYO. The former journal said that ASAHI's omission of the news (a delayed report was carried by that paper on its second page today) created an "unsatisfactory impression," and hope was expressed that the influential morning daily would display "the sense of justice which was shown previously in the Honjo case," SHIN TOKYO urged the press to rise to the occasion, and warned that if newspapers are at constant variance among themselves they would become the objects of ridicule.

ECONOMY

Reports that the supplementary budget might exceed 100,000,000,000 yen were accorded prominent attention in metropolitan dailies. Figures submitted to the Finance Ministry were said to total 80,700,000,000 yen, including appropriations for redemption of Reconstruction Finance Bank loans, increased allocations to ministries due to revised price levels, and expenditures for earthquake rehabilitation. NIPPON KEIZAI stated that the Government was "suffering from acute shortage of revenue sources," and feared that the budget might necessitate an "over-all reform of the price structure." ASAHI also indicated that the Administration faced difficulties in budget compilation due to inadequate sources of funds.

Reconstruction Program Applauded

Former Chinese Premier Chang Chun's proposal for creation of an Asiatic economic bloc, including Japan, was endorsed by four journals. Editorialists emphasized that if the nations of Asia hoped to receive reconstruction funds, especially from the US, they must set up a plan for mutual aid similar to the Western European recovery program. Japan's economic reconstruction was considered inseparable from that of Asia, and papers hoped that the nation would be able to make substantial contributions to the success of the program.

Initial editorial reaction to the Soviet proposal to accelerate Japan's industrial development (Press Analysis No. 892) appeared in TOKYO MINPO, which welcomed the "sympathetic attitude" of the USSR. But the writer maintained that the question was not the industrial level Japan would be permitted to attain but whether the nation's industries would be developed to promote the people's welfare, instead of being made a tool for "reactionary elements." To insure that Japan's reconstruction would be thoroughly democratized, the journal suggested that the industries be placed "in the hands of the working masses."

GOVERNMENT

Warrants for the arrest of Economic Stabilization Board Director Takeo Kurusu and his secretary, Tsunehiko Mitsumoto, were issued Thursday morning on charges of bribery in connection with the Showa Denko case, a special edition of MAINICHI reported. The regular edition of YOMIURI already had reported the Procurators' Office decision to summon Kurusu for questioning as the result of uncovering evidence affecting him, and had noted that the ESB official was "expected" to appear voluntarily. According to the same journal, Premier Ashida had been informed of the plan to summon Kurusu, and his "understanding" had been requested by Attorney-General Suzuki, Reports that Kurusu might be implicated also were noted by AKAHATA, which quoted members of the Illegal Property Transactions Committee who anticipated further investigations.

Commenting on the examination of the case, MAINICHI also had observed that the "uncovering of the rumored connection of high government officials in the case is believed to be a question of hours," while SEIJI SHIMBUN noted that "it is rumored that there are more than fifty important persons -- both in and out of office -- who are under suspicion, and that the most important are still not revealed." Concerning implication of Kurusu, NIKKAN KEIZAI earlier this week expressed the belief that Kurusu and Ashida were not implicated, but was critical of the ESB Director's remark that Takeo Fukuda and Yoshimoto Ninomiya had "committed an error" in connection with the Showa Denko scandal. Until the case was further examined it would not be clear whether or not they were guilty, the journal noted, and "accordingly it may be said that Kurusu was careless in asserting that they were in the wrong."

CRIME

The Japanese police were commended by SHIN YUKAN for bringing about a confession in the Teikoku Bank murder case, but YOMIURI criticized the length of time required, and observed that eight months had elapsed since the crime was committed. Final success was due more to the perseverance of one detective than to the efforts of the police force as a whole, the latter journal believed, and advocated that the police reconsider their crime detection methods. The paper also blamed the police for assertedly treating the suspect as the murderer before all the facts were known. AKAHATA claimed that the "man on the street" still retained doubts as to the means by which the confession was obtained, despite the prisoner's statement that it was made of his own free will. In contrast, YUKAN MIYAKO considered that the authorities had taken "special pains to respect personal rights," but joined other papers in reminding readers that a confession alone could not be regarded as conclusive evidence of guilt.

FOREIGN

Activities of the UN General Assembly continued to lead in foreign news coverage, but there was little editorial comment. TOKYO SHIMBUN -- in two article concerning the possibility of war between Russia and the Western Powers -- stated that none of the Big Powers wanted war. One writer felt Russia would not withdraw from the UN in spite of the referral of the Berlin issue to the General Assembly but would exercise every privilege available there to gain her ends without war. It was stated further that the Western Powers had made every possible compromise and "heated discussion" in the Security Council was expected.

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GENERAL HEADQUARTERS
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Civil Information and Education Section
Analysis and Research Division

OCT 4 1948

PRESS ANALYSIS, 29 September 1948 No. 894

ECONOMY

Reaffirmation of a SCAP decision to increase Japan's staple food ration from 2.5 to 2.7 go a day effective 1 November shared lead position in several papers with the declaration of SCAP spokesmen that increased availability of food at legal prices would help curb inflation. Japanese should take the improved food situation into account when considering demands for higher wages, the spokesmen reportedly added.

NIPPON KEIZAI expressed "heartfelt gratitude for the gracious US aid," which, together with a bumper rice crop, was said to have made the increased ration possible. The financial journal expressed belief that the anticipated improvement in quality, as well as quantity, would prove "beneficial to the State and to the people from the standpoint of nutrition," but hoped for further improvement in the quality of rice and wheat. Meanwhile, SEIJI SHIMBUN argued that the producers' price of rice should be fixed at a level which would enable farmers to "withstand the heavy pressure of taxes and the losses arising from the difference between prices for farm produce and industrial products. We must give up the idea that farmers have enough to eat and to live on."

LABOR

Electric power workers were urged to call off scheduled "blackout strikes" and submit their dispute to arbitration in widely publicized statements issued by Government authorities. The Administration was reported to have declared that "it is not too much to say that the recovery of Japan depends upon the electric power industry," and both labor and management were asked "to trust the authority and sincerity of the Central Labor Relations Board and to cooperate with it in order to attain a prompt settlement."

Simultaneously, the Supreme Procurators' Office asserted that dispute tactics would not be countenanced during the period of arbitration. On the other hand, CLRB labor representatives were said to have expressed opposition to compulsory arbitration, and they assertedly maintained that members of the Japan Electric Power Workers Union should not be denied the right to strike. Other labor developments included the non-confidence vote of the Government Railway Workers Union's national convention in the organization's "central struggle committee," and the invitation to Japanese labor unions to send delegates to the World Federation of Trade Unions' convention in December.

In a TOKYO TIMES editorial demanding cessation of "blackout strikes," the union's tactics were denounced as a threat to public welfare and security. "If the JEPWU continues to stage power-shut-off strikes," the writer thought that "it inevitably will lead to extension of the National Public Service Law to all public utilities."

FOREIGN

Various phases of the Berlin situation were considered by ASAHI, YOMIURI, and MAINICHI, which reviewed the negotiations preceding referral of the matter to the UN Security Council. All three papers feared the issue would widen the rift between the Eastern and Western powers and speculated on the possibility of Russian withdrawal from the UN. Because the Berlin problem was viewed as the severest test so far faced by the UN, there was apprehension that failure to reach a solution might result in the disintegration of the organization.

According to ASAHI, the Western powers turned to the UN after concluding that the issue was not only a technical problem, but constituted a "Soviet drive to gain absolute control over the political, economic, and social life of Berlin through subversive measures." The Western powers, "who have respected the UN and have observed its Charter," were said to be determined to solve the problem in the light of the Charter. Because of winter hazards to the air supply lines,

the paper believed that attempts at settlement must not be delayed. Similarly, YOMIURI felt that Russia apparently anticipated that the Western powers -- because of the difficulty of winter air operations -- would compromise even at the sacrifice of prestige, but added that the latter seemed confident of obtaining a solution through the UN by appealing to the public opinion of the world. Applauding the stand of the US, Britain, and France, the editorialist contended that even if Russia lifted the blockade, the Western nations would have to anticipate a recurrence at any time. By faithful adherence to the UN Charter there was hope that the "worst will be averted," the writer concluded.

MAINICHI viewed the situation as an ideological conflict between American democracy and Russian communism, noting that the differences concerned not only Berlin and Europe, but Asia as well. "The US neither denies the Soviet political form nor thinks that it should be destroyed by arms," the paper observed, "but unless Russia relaxes its policy of tinging with its color all areas with which it has relations, postwar peace will not be stabilized." The main basis for compromise, it was believed, was that neither country wanted war. In discussing the breakdown of negotiations at Moscow and Berlin, JIJI SHIMPO contrasted the reported promises made by Premier Stalin to order cessation of the blockade with the subsequent actions of Marshal Sokolovsky, Soviet military governor of Berlin. Instead of easing the blockade, the Soviet official sought to put new restrictions on air traffic, according to the editorial, which added, "Why Russia and Sokolovsky failed to keep Stalin's promise will go down in history as a riddle."

GOVERNMENT

Most widely reported development in the Showa Denko scandal was the indictment of Banboku Ono, Democratic-Liberal adviser, on charges of having accepted money for helping to suppress discussion of the scandal in Diet circles. Meantime, the Democratic-Liberal Party was reported to have demanded thorough investigation of the Showa Denko case, while re-examination of Party policy was said to be under discussion as a result of Ono's arrest.

Comment on the bribery issue appeared in HOCHI SHIMBUN and AKAHATA, with the former maintaining that such corruption in government was caused by failure to carry out an adequate purge of official, financial, and political circles, and the Communist organ regarding corruption as "deeply rooted in the capitalist system itself." Both journals felt that the relationships existing among the representatives of the various circles were a significant cause for corruption. HOCHI SHIMBUN observed that most of those implicated in the present scandal were graduates of Tokyo University, and felt this to be indicative of a "sort of oyabun-kobun system" existing in the fields of finance, politics, and bureaucracy. AKAHATA further believed that companies other than Showa Denko had received large loans, all of which were said to involve as much irregularity as the Showa Denko case.

PRESS

All major papers -- with the exception of ASAHI -- carried accounts of an assault upon a YOMIURI reporter in the Metropolitan Police Board building. The incident allegedly occurred in the office of a police official, and the captured assailant was identified as a "gangster" who was known to have frequented the building. The press club at the headquarters reportedly lodged a protest, with the demand that a clean-up of criminal elements in the Police Board compounds be initiated. MAINICHI's report included the comment that circumstances which allowed such a happening should not be overlooked, and government authorities were warned to "reflect on themselves."

CRIME

Papers continued to devote considerable space to the Teikoku Bank murders (Press Analysis No. 893), while commentaries stressed that under the new Constitution the confession of Sadamichi Hirasawa could not be adjudged as conclusive evidence of guilt. Possibility that the suspect was mentally unstable was widely discussed, and TOKYO SHIMBUN gave credence to that theory. Hirasawa could not be considered a normal member of Japanese society, the journal said, but TOKYO TIMES felt that the suggestion that Hirasawa should not be declared insane in order to protect the "Japanese people's honor" was "absurd." In another editorial TOKYO SHIMBUN asked for "a way to make the pitiable (Hirasawa) family not feel ashamed," and expressed hope that the public would respect their feelings.

EDUCATION

The general public should not be blamed entirely for its reported disinterest in the Board of Education elections, said ASAHI and SHIN YUKAN, which contended that the people were poorly informed because of "hasty" passage of the law by the Diet, and the short intervening time in which to prepare for the voting.

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

OCT 4 1948

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PRESS ANALYSIS, 28 September 1948 No. 893

CRIME

Confession of Sadamichi Hirasawa, a 57-year-old artist, that he was guilty of the Teikoku Bank murders (Press Analysis No. 690) was accorded extraordinary attention in the Tokyo press. Two journals, YOMIURI and JIJI SHIMPO, published extra pages, and other major papers (with the exception of NIPPON KEIZAI) devoted the greater part of their front pages to the case. Coverage in most journals included pictures, reviews of the crime, interviews with the prisoner and with police, and feature stories on other famous crimes in Japan and abroad.

Comment in four papers seemed restrained and cautious, indicating continued concern over guaranteeing Hirasawa fair treatment and protection under the law (Press Analyses Nos. 867-876). ASAHI, for instance, insisted that the case was not closed, because "the crude conception that 'confession is the king of evidence' is no longer acceptable under the new Constitution." In another commentary, the morning daily said that as far as was known the suspect's civil rights had been respected, but "if the police forced Hirasawa to confess, it was a cruel act in the name of the law." JIJI SHIMPO also noted that the case was not settled, but suggested that it was a Japanese failing to prejudge suspects, while a YOMIURI columnist observed that there seemed to be doubt that the artist had confessed of his free will.

Reserving judgment, MAINICHI felt that the trial should be a "model" and should aim at safeguarding both society and individual rights, but cautioned against permitting the latter to provide an opportunity to escape punishment. A similar commentary appeared in TOKYO TIMES, which said that it would "keep a watch . . . on the examination in court."

ECONOMY

The draft for revision of the Anti-Monopoly Law -- designed to ease reported "excesses" of the existing Law -- was accorded featured attention by Tokyo dailies. Salient points of the plan were said to include removal of restrictions on international agreements to facilitate foreign capital investment, lifting of restrictions on stockholding, and abolition of the clause prohibiting company executives from holding concurrent posts in more than four firms. Although the Government assertedly was pressing for early formulation of the bill, ASAHI doubted whether the contemplated revisions could be incorporated in the measure in view of "powerful opposition to the drastic changes."

Inability of the Cabinet to set the rice price was reported extensively, but papers indicated that a decision was expected to be reached at another meeting tomorrow. NIPPON KEIZAI thought the new price would be 3,500 yen per koku, although farmers were said to be demanding 4,500 yen. Also noted were the opposition by US shipping circles to a proposal to increase Japan's merchant fleet to 4,000,000 tons, and a SCAP official's statement commending mid-September coal production which reportedly reached 101.2 percent of the goal.

PRESS

In approving a competitive spirit among newspapers, SHIN TOKYO found fault with the recent interchange among ASAHI, YOMIURI, and MAINICHI over the Honjo case. The writer claimed that ASAHI's efforts were generally appreciated by the public, while the other papers deprecated that journal's published information. Such an attitude -- "to be jealous of meritorious deeds of other companies and hurt their reputations, like palace ladies-in-waiting" -- could not be admitted of newspapers which professed to be organs of society, the editorial declared. The writer concluded with the statement that, on the other hand, it was desirable for newspapers to "fight desperately and fairly for freedom of the press and for the people."

LABOR

Central Labor Relations Board decision to arbitrate the electric power industry dispute, together with the Japan Electric Power Workers Union's restatement of their opposition to compulsory arbitration, received coverage in several metropolitan journals. A NIPPON KEIZAI editorial took issue with a recent CLRB declaration which held the Government mainly responsible for the present critical stage of the dispute. The writer thought that "a fundamental reason why the controversy became so complicated was that management concluded an agreement under union pressure, which it should not have accepted." The CLRB also was criticized for advocating "a rational sliding scale system" on the ground that "the Board should refrain from careless use of such an abstract phrase" while arbitration was about to commence.

GOVERNMENT

The Showa Denko case, though overshadowed by news stories of the Hirasawa murder confession (see above) continued to draw attention from commentators. The scandal may be considered a political issue in that influential members of the Democratic-Liberal Party were involved, TOKYO SHIMBUN's editorial observed, while HOCHI SHIMBUN saw the case as having endless ramifications. Attorney-General Suzuki's indication that ESB Director Kurusu was not as yet implicated was assumed by the latter journal to have been based on Suzuki's knowledge of a "blacklist" held by the procurators. Nevertheless, the paper maintained, Kurusu could not be considered free from danger because of this. Whatever Suzuki's real intention may have been in making the statement, TOKYO SHIMBUN thought that it was "misleading and imprudent in view of his position." The journal contended that "to plead Kurusu's case awkwardly served only to increase doubt," while the possible political implications were considered undesirable. First noted indication of alarm over the extent of the arrests made in connection with the case appeared in NIKKAN UNYU SHIMBUN which, while favoring "purification of political circles," feared possible excessive use of procurators' powers. A possible case in point was noted in connection with the trial of former Vice-Minister of Transportation Ino.

EDUCATION

Despite adherence to the belief that Boards of Education should be "free from all cliques," SHIN YUKAN conjectured that some practical political background might be a desirable attribute in Board members. Such experience would be valuabl it was believed, in maintaining "independence of educational rights" in the Board! relations with the local assembly. This was considered another reason why teacher -- assertedly inexperienced in political matters -- were unsuitable for membership

SHUKAN KYOIKU SHIMBUN (Official organ of the Japan Teachers Union) disavowed any desire to "form an Education Board composed of professional educators," but at the same time suggested that the presence of some teachers would "mitigate the evil effects of Education Boards dominated by those not trained in educational affairs." To redeem education from "irretrievable conservatism," the journal declared that "public opinion concerning new ideologies and methods from abroad should be reflected upon by all educational institutions."

FOREIGN

Possibility of a Russian withdrawal from the UN and referral of the Berlin issue to the General Assembly dominated foreign news reports. Editorials in JIJI SHIMPO and SEKAI NIPPO discussed Soviet Ambassador Panyushkin's suggestion to the Far Eastern Commission that Japan's peacetime industries should not be restricted. It was expected that this apparent reversal of Soviet position would not meet with approval of other countries in the Far East, because China, the Philippines, and Australia have favored a low industrial level for Japan.

REPATRIATION

MAINICHI drew attention to Japanese nationals remaining in areas under the influence of Chinese Communists and urged attempts to arrange for their repatriation. While a program was drawn up for those remaining under Soviet control, the paper said that little was known of the whereabouts or living conditions of the group in China, estimated to be between 50,000 and 260,000. A public cry for return of these "miserable compatriots" was advocated, and the Government and Diet were advised to work toward that end. "Through such fervent endeavors," the journal suggested that it might be possible for the United Nations to take up the problem as one concerning "humanity as a whole."

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OCT 4 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, 26 and 27 September 1948 No. 892

ECONOMY

Proposals by the USSR and the US to accelerate Japan's reconstruction were accorded prominent attention in metropolitan dailies over the weekend. The Soviet recommendation -- presented to the Far Eastern Commission by the Russian Ambassador to the US -- reportedly called for unlimited restoration and development of peaceful Japanese industries. High-level industrial growth of Japan, according to the Russians, would not be dangerous if the nation was not permitted to revive its war industry. Papers quoted SCAP officials as saying that the Soviet proposal was a move to "strengthen the position of Japanese Communists and to drive the US out of Japan."

The American plan was said to call for easing controls over Japan to spur economic, political, and social development in the absence of a peace treaty. Contemplated measures reportedly conformed with Occupation policies now in effect and were expected to be similar to "those that might be incorporated in the formal peace treaty." Economic measures included granting Japanese trade experts permission to travel abroad and relaxation of controls over negotiations to trade contracts, according to press reports. Political policies were said to emphasize encouragement of Japanese to assume more governmental responsibilities, while social measures called for development of normal cultural relationships with other countries. Editorial comment was not yet forthcoming.

POLITICS

Likelihood of Diet dissolution in the near future was minimized by several papers, as notice was taken of a statement by Socialist Chairman Katayama and of the "changed" circumstances in his Party. Widely published accounts said that Katayama now favored dissolution following the "purification of the political world," probably next spring, and suggested that the Showa Denko case (see below) had caused other Socialist advocates of early dissolution to await developments. Journals also reported Premier Ashida's opinion that the Diet session scheduled to convene on 11 October would not last more than 30 days. But MAINICHI saw "every possibility" that the extraordinary session would run into the regular session, which meets in December.

There appeared to be general support for DAI ICHI SHIMBUN's belief that the two principal Ministerial Parties -- Socialists and Democrats -- had found room for compromise over major issues to receive consideration of the special session. The evening paper observed, however, that the difference in Diet strength between the Government and Opposition was small, thereby giving strategic importance to left-wing Socialists. SEIJI SHIMBUN believed that Democratic-Socialist differences would increase, and advised the Socialists to withdraw from the Administration and "reflect upon their position coldly and deliberately." In the opinion of SEINEN SHIMBUN, the postwar socialist movement in Japan had been weakened by an absence of propaganda and education.

PRESS

In an editorial on National Newspaper Week, YOMIURI agreed with TOKYO SHIMBUN (Press Analysis No. 890) that the occasion presented an opportunity for increasing the public's understanding of the press as an instrument of democracy. The paper felt, however, that there was room for improvement of news enterprises, and in this regard the system of cooperative handling of newspaper sales was cited as an example of "the surviving evil of wartime controls."

LABOR

Wage demands of unions representing government employees and coal miners received considerable coverage. The National Liaison Council of Government and Public Office Workers Unions was said to be seeking a 7,300-yen monthly wage standard, while the miners assertedly requested adjustment of their present earnings to recent commodity price increases.

Several papers also reported a Central Labor Relations Board statement attributing the electric power industry dispute to "management's dilatory action" subsequent to a provisional agreement signed with the union last March. The Board claimed that "management's attitude toward the proposed sliding wage scale was far from reasonable," and the Government was held responsible for ultimate solution of the dispute. TOKYO SHIMBUN denounced "blackout strikes" in an editorial which cautioned electric power workers that the price of "extreme leftist domination of their union" might be the eventual loss of the right to strike. Simultaneously, the journal again hailed the formation of the NLCGPOWU Reform Club which assertedly was established to eliminate radical elements from public servants' unions (Press Analysis No. 891).

EDUCATION

On the basis of a nation-wide survey, YOMIURI reported lagging public interest in the Board of Education elections and -- because the election takes place in a busy farm season -- foresaw a voting abstention rate of 60 percent in rural communities. Lack of popular interest was ascribed by a JIJI SHIMPO editorial to the fact that the nation had no previous experience with Boards of Education and to the nonpolitical character of the election. Letters in MAINICHI and HOCHI SHIMBUN complained that public apathy reflected the attitude of the Diet -- which hurriedly passed the education bill in the closing days of the session -- and said that, judging by the speeches of some candidates, they realized the importance of the elections as little as the people. Because of the financial problems facing educational rehabilitation, voters should keep in mind the fitness of candidates to deal with economic issues, according to articles in YUKAN MIYAKO and SHIN YUKAN.

GOVERNMENT

Newspaper interest in the Showa Denko case continued high over the weekend. Developments noted Sunday and Monday included indictment of Matsuhei Matsuoka and Gompachi Matsushita in connection with the case, and statements by Attorney-General Suzuki and Premier Ashida signifiying their belief that Showa Denko would not become a political issue.

Eight journals discussed the case in their editorial columns, with two (SHIN YUKAN and DAI ICHI SHIMBUN) offering comment on consecutive days. As on Saturday (Press Analysis No. 891), several commenting papers attempted an examination of the causes for recent government scandals. To NIPPON KEIZAI the explanation lay in the nature of the government system for administering loans, rather than in a social or "class" struggle, or in lowered individual morality in the postwar period. But TOKYO MINPO favored the "class struggle" explanation, observing that "big capital is always accompanied by corruption and degeneration." Social and political influences have contributed to malfeasance in office, according to SHIN YUKAN, which, however, thought the management of economic control largely to blame for such crimes.

Fear that there might be an attempt to "hush-up" investigations of the Showa Denko case was voiced by TOKYO MINPO, while SHIN TOKYO thought that assertions of the innocence of public figures by their fellow officials might affect the prosecution unfairly. Many people would be surprised by the Attorney-General's presumption in implying Kurusu's clearance, ASAHI thought. According to NIPPON KEIZAI, Suzuki himself claimed that he had not said Kurusu was completely free from implication, but had maintained that on the basis of available material he did not believe Kurusu was involved.

CRIME

Solution of the Teikoku Bank poison murder case (Press Analysis No. 690) seemed apparent on Monday when an extra edition of MAINICHI announced the confession of Sadamichi Hirasawa, a 57-year old artist. Cruel treatment allegedly accorded the suspect during the period after his arrest in August aroused unusual press concern over possible violation of civil rights (Press Analyses Nos. 867-876).

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SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
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PRESS ANALYSIS, 24 and 25 September 1948 No. 891

GOVERNMENT

Indignation over the Showa Denko scandal was expressed in editorials and commentaries, as Tokyo papers continued to focus attention on the case. Important among new developments was the decision to utilize the National Rural Police to assist in the investigation. ESB Director-General Kurusu's denial of implication in the scandal, and statements by Cabinet Secretary Tomabechi and Attorney-General Suzuki indicating disbelief that any member of the Cabinet was involved, also received attention. Re-opening of the trial of Suehiro Nishio as the result of appeal to a higher court, and continued investigation of the coal operators' lobbying by the Illegal Property Transactions Committee also were reported in disclosures of illegal transactions.

While commentators attempted to advance various reasons for cases of bribery such as the Showa Denko issue, they were strong in demanding punishment of the guilty. Of interest in this connection was an ASAHI editorial which observed that "under the present controlled economy, Government officials engaged in the business of control are surrounded by temptations." This was a matter worthy of attention, the journal added, but concluded that, although in some respects officials might be regarded with sympathy, those who disgraced their positions should be dealt with severely.

Such bribery cases were not new, SEIJI SHIMBUN remarked in an evaluation of causes for the Showa Denko case, but "postwar degeneration and economic shortages have accelerated scandals in political and governmental circles." JIJI SHIMPO was of the opinion that the "bureaucratic structure for planning and executing controlled economy and for disbursing the colossal funds" had something to do with the officials' involvement in corruption, and advised reflection on the relation between systems of economic controls and social morality. ASAHI advocated that a clause prohibiting illegal acts by employees of governmental finance agencies be worked into forthcoming legislation.

Popular resentment over the misuse of public funds was expressed both by the SEIJI SHIMBUN editorialist and in a letter to HOCHI SHIMBUN. The people suffer under heavy taxes and their money is wasted by officials, the former complained, while the letter accused officials of misusing the money which was, in effect, "the people's blood."

Journals were agreed that the Showa Denko case should be pursued to the end, although SHIN TOKYO feared that an attitude of indifference might be detected in some quarters. There was a tendency for people to dismiss the case with the observation that scandal existed everywhere, to believe that the matter would be dropped without a thorough probe, or to think that bribery was merely the outcome of present social conditions, the journal remarked. People in general felt that the case should have been taken up vigorously before this, however, and their faith would be destroyed if the issue ended only with an anti-climax, the writer continued. Although believing that excessive labor disputes had had an adverse effect on obtaining foreign loans, the writer said that the current scandal would have even more dangerous repercussions in destroying international trust in Japan.

LABOR

Major General McCoy's statement to the Far Eastern Commission in support of the SCAP proposal to prohibit strikes by government employees was accorded extensive coverage in Tokyo journals. The American member of the FEC -- in reply to a recent request by Soviet Ambassador Panyushkin that the Commission reverse the SCAP anti-strike recommendation -- maintained that prevention of work stoppages in State enterprises violated no Allied policy.

The Japan Electric Power Workers Union reportedly continued to stage "blackout strikes" throughout the nation, and the organization's Tokyo chapter was expected to suspend power supply to transportation facilities and shopping centers at various intervals on Saturday. Simultaneously, the Cabinet was said to have re-affirmed its opinion that a union had no right to strike while a dispute was being arbitrated, and the National Congress of Industrial Organizations was said to have asked Administration officials to withdraw the Government demand for compulsory arbitration by the Central Labor Relations Board.

TOKYO MINPO urged the public "to assume a sympathetic attitude toward the JEPWU" in an editorial which charged the Government with proposing compulsory arbitration in an effort to deprive the union of the right to strike. The electric power workers' dispute was believed to be "closely related to the improvement of the people's livelihood," insofar as effectuation of the sliding wage system demanded by the JEPWU was expected to result in higher earnings for workers in all industries, as well as increased sales for farmers and small entrepreneurs. The writer asked the Japanese people to "reflect upon the fact that the Government, which invested an enormous sum in the Showa Denko Company, has refused to loan funds necessary for raising the wages of electric workers."

Anti-Communist Developments

Division within the ranks of organized metal workers was predicted, as Democratization League representatives were reported to be planning the establishment of a new union and NCIO groups in the iron and steel industry assertedly were preparing to amalgamate. A TOKYO SHIMBUN commentary noted that, subsequent to the SCAP message of 22 July, "various labor unions have tried to establish themselves on a wholesome foundation in accordance with the will of the majority of their members." It was pointed out that "even the National Liaison Council of Government and Public Office "orkers Unions -- which had been conducting disputes in order to win excessive political demands -- is gradually beginning to reflect on its past conduct." Establishment of the NLCGPOWU Reform Club "is not aimed at setting up a new organization," the commentator explained, "but at strengthening the structure of the Council and eliminating radical elements."

Industrial Wages Reported

Statistics released by the Labor Ministry disclosed that the overall average industrial wage during July was 5,592 yen. The average rates by industry were 4,872 yen for manufacturing; 5,597 for commerce; 6,080 for gas, electric, and water services, and 7,232 for mining. The Government was said to have determined its new wage scale on the basis of the average July earnings of employees engaged in manufacturing establishments.

ECONOMIC

TOKYO SHIMBUN deplored alleged slowness in reform of the banking system, and noted that 40 days had passed since the SCAP recommendation to that effect. While conceding that hasty measures should be avoided "at this time of economic unrest," the journal was dissatisfied with the "passive attitude" of the Government. On the subject of deficit financing, YOMIURI considered that the granting of loans by the Reconstruction Finance Bank was a necessary evil -- " temporary measure designed to supply at the expense of the people industrial funds which are absolutely necessary." Stricter regulations were required, especially in clarifying the nature of loans, it was believed, since "both lenders and borrowers are liable to become irresponsible concerning national funds."

Describing the export situation for the first half of the year as "unexpectedly sluggish," NIPPON KEIZAI maintained that despite all the steps taken to encourage exports, the chief reason for the poor showing was absence of a definite exchange rate between the yen and the dollar. However, plans of the Board of Trade to take new measures were reported, including the sending of agents abroad to become better acquainted with the international market situation.

In connection with the projected 5-year economic recovery program, NIPPON KEIZAI also remarked upon the unsatisfactory mining and manufacturing production record since 1946, with a level of only 52.7 percent reached as of June. A 60 percent level was regarded as a "common sense" goal in bringing production sufficiently high to curb inflation, but the journal cautioned that even this would require extraordinary efforts. For this reason the Government was advised to establish an emergency program concurrent with work on a long-range plan.

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

OCT 4 1948

No. 890

PRESS ANALYSIS, 23 September 1948

GOVERNMENT

Developments in the Showa Denko bribery case and the decision by the heads of the three Government Parties to call a special session of the Diet on 11 October were prominently reported today. Commentaries, letters, and interviews with prominent persons regarding the electric industry company scandal also appeared, together with editorials on the subject in three journals. In connection with the case, it was reported that Socialist Chairman Katayama had expressed the opinion that Diet dissolution might have to be postponed until next year, in order to avoid disrupting the investigation.

The structure of Japan's controlled economy was apparently the greatest cause of corrupt practices such as those observed in the Showa Denko case, YOMIURI suggested. The editorial added that the scandal should not be regarded as isolated, and attempted to trace present corruption to practices developed as a result of wartime controls over economy, and to the postwar need for political party funds. Popular resentment over misuse of funds by Reconstruction Finance Bank officials was emphasized by MAINICHI and ASAHI. The case was expected to develop speedily as the result of the arrest of Vice-President Ninomiya of the Industrial Bank of Japan, MAINICHI observed in an editorial urging a "keener moral sense" among officials.

The Showa Denko case has resulted in charges being voiced by some members of the Illegal Property Transactions Committee against their fellow members, SEIJI SHIMBUN reported, in the course of an examination of the investigation. Members of the Committee have been said to have acted in an individual capacity on occasion, the report noted, adding that it was worth observing the influence of the Showa Denko scandal on the political situation.

LABOR

Attorney-General Suzuki warned members of the Japan Electric Workers Union that they would be prosecuted for strikes conducted while their wage demands were being arbitrated, several metropolitan journals reported. Simultaneously, JEPWU locals in Tokyo, Niigata, and Matsuyama were said to have suspended electric power supply for periods ranging from 10 minutes to 4 hours. Other labor developments included the National Liaison Council of Government and Public Office Workers Unions' recommendation of a 7,300-yen wage standard -- which assertedly was adjusted to August commodity prices -- and the organization of a "joint action committee" to seek higher wage levels for coal miners.

Immediate commencement of Central Labor Relations Board arbitration of the JEPWU dispute was demanded in an ASAHI editorial which expressed regret that settlement of the controversy had been delayed by disagreement as to whether the union had the right to strike at present. Although there was said to be "no acknowledged interpretation of the law regarding the right to strike during the period of compulsory arbitration," the writer felt that unions must recognize that, "morally at least, they are obliged to discontinue work stoppages" after a dispute has been submitted for adjudication. Meantime, a NIPPON KEIZAI editoria noted a reported increase in unemployed workers during recent contemplated progress in enterprise adjustment and in the elimination of blackmarket activities. As unemployment measures, the writer advocated home building and flood prevention projects, and suggested that public works might be financed with funds saved from an expected reduction in war termination expenses.

ECONOMY

Editorial comment on economic subjects was limited to discussion of coal mining industry deficits (NIPPON KEIZAI), wage stabilization (SEIJI SHIMBUN), and single exchange rate (AKAHATA). NIPPON KEIZAI regretted that even though deficits in the coal mining industry reportedly stood at 22,359,000,000 yen, the Government refrained from instituting any effective counter-measures. Postponement of relief by allowing mine operators to receive "deficit-covering loans" only aggravated the situation, according to the commentator, who feared that mines

would be unable to operate under this condition much longer. If this situation were allowed to continue for a considerable period of time, the coal industry would lose its independence in the end, and thus the progress of economic recovery would be seriously affected, concluded the writer.

SEIJI SHIMBUN maintained that wage control should be enforced as a link in the series of anti-inflation policies, and that it was up to the Government to fulfill economic conditions necessary for the stabilization of wages. A wage stabilization policy should not be enforced for the benefit of capital at the expense of labor, admonished the journal, which believed that workers' opposition to such a measure would cause a costly drop in production. The Communist journal opposed establishment of a single exchange rate, claiming that it would result in exploitation of the masses, accelerate inflation, and increase exports at the "sacrifice of the hungry masses." Even if a rate were set up, the paper questioned whether it could be maintained long in the face of Japan's fluctuating currency value. The only remaining way for Japan to sustain the rate would be to import more foreign capital, which, the editorialist contended, would be "tantamount to selling out our nation." The writer called on the people to take issue and to develop the fight against "comprador monopolistic capitalists."

EDUCATION

Reporting results of its survey of public interest in the Board of Education elections, MAINICHI predicted that absenteeism from the 5 October balloting would amount to at least 40 percent. Teachers comprise an overwhelming majority of candidates, and, with the notable exception of Communists, political parties were rather inactive in the campaigning, the paper stated. Socialists generally were said to be supporting the Japan Teachers Union, while both the Democratic and Democratic-Liberal Parties were represented as uninterested in the elections, although acting in concert with Parent-Teachers Associations. Meantime, DAI ICHI SHIMBUN criticized reported indifference toward the voting, and thanked SCAP officials for support in bringing the matter before the public.

FOREIGN

Foreign news reports emphasized the United Nations General Assembly, although the German situation, the advance of Chinese Communists into Tsinan, and the proposed emergency meeting of the British Cabinet received attention. Pessimism mingled with hope characterized comment on the UN meeting. TOKYO SHIMBUN quoted a Paris newspaper as saying that the UN was "so isolated from reality . . . that it is of more use as a cause of international disorder than as an organ of international peace," and indicated support of this view. KOKUSAI TIMES acknowledged that the Assembly "is in danger of ending in a mere war of international propaganda," but emphasized that even if a solution to most of the problems on the agenda could not be reached, "the Assembly is of great importance."

HOLIDAY

Observance today of the first national holiday under the new schedule decided by the Diet drew comment from several papers. The festival of the Autumnal Equinox was considered to have new significance now, and YUKAN MIYAKO asked the public to approach the day with a "fresh mind." Appreciation for SCAP permission to display the national flag was expressed, with TOKYO MINPO ascribing public gratification to a desire for showing a "symbol of racial unification." The editorialist suggested, however, that the "sun flag" should be replaced with a new design which would represent the "peaceful spirit of the race." The country's banner was criticized for having been used to stir up nationalism, as a "symbol of the Tenno system," and for the aggressiveness that it assertedly suggested to other nations.

PRESS

TOKYO SHIMBUN believed that the forthcoming observance of National Newspaper Week (1-8 October) would offer a "golden opportunity to deepen the people's understanding of newspapers, and for journalists to awaken to their responsibility." Former impediments in exercise of the press' duties have been removed, and with freedom of speech now guaranteed by the Constitution, the foundation has been established for development of democracy through a free press, according to the editorial. Newspapermen were cautioned, however, against abusing freedom because of a lack of a sense of duty.

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

SEP 27 1948

No. 889

PRESS ANALYSIS, 22 September 1948

GOVERNMENT

Arrest of Vice-President Ninomiya of the Industrial Bank of Japan in connection with the Showa Denko bribery case won prominent attention in the Tokyo press. Reports said that the banker was suspected of having received large amounts of money from the electric company's president for allegedly facilitating Economic Rehabilitation Bank loans to the firm. This development in the investigation was said by JIJI SHIMPO to "have brought the case to its very roots," with indications that the scandal might spread to the Cabinet. Papers quoted Economic Stabilization Board Director-General Kurusu as denying that he or Prime Minister Ashida was involved in the affair, while Attorney-General Suzuki mentioned possible en bloc resignation of the Government as a result of the probe.

In another bribery issue, a Commerce-Industry Ministry official was said to have been arrested on suspicion of receiving rewards for favors rendered to businessmen. Wide notice also was accorded the testimony of a witness before the Lower House Illegal Property Transactions Committee that private coal operators raised a sum of nearly 10 million yen last year to combat the State Coal Control Bill. Meantime, the announced resignation of IPTC member Shiro Nakano after revelation that he had solicited a monetary donation from a person under investigation also received attention.

Commentators generally agreed that the Showa Denko affair would develop into one of the largest scandals the nation had ever seen, and insisted that the probe be pursued diligently. The history of the case was reviewed extensively in YOMIURI, MAINICHI, and AKAHATA. Incorporated in the Communist organ's article, which covered a large and prominent section of the front page, was the charge that part of the funds obtained from the government by the Showa Denko Company was "contributed to Prime Minister Ashida's political fund." The paper also accused ESB Director Kurusu of having assisted Ninomiya and others in obtaining the RFB loan. "From this scandalous case," the writer asserted, "we can see not only how corrupt and degraded the ruling class is, but also how monopoly capitalists are profiteering by using government offices." TOKYO TIMES called for public attention to the fact that money obtained from "blood taxes" had been misused, thereby warranting intensive interest in the case by the people, and hoped for a demonstration of procuratorial strength to tighten the nation's "slackened morality."

In the only editorial on Nakano's resignation, SEIJI SHIMBUN criticized the Diet member's attitude manifested in his alleged assertion that there was nothing shameful in his manner of collecting political contributions. The journal asked the national assembly to "purify itself thoroughly" for the sake of its prestige.

LABOR

Administration decision to place the projected Personnel Authority under Cabine jurisdiction and to require the new agency to report to the Prime Minister highlighted today's labor developments. Final determination of proposals to revise National Public Service Law provisions relating to collective bargaining rights and penal regulations assertedly was deferred pending further consultation with Occupation authorities.

To settle the stalemated electric power industry dispute, YOMIURI and MAINICHI recommended compulsory arbitration. The former maintained that, inasmuch as acceptance of the Japan Electric Power Workers Union's wage demands would require either increased electric rates or government loans, the public interest was immediately involved and intervention of the State was justified. The union was urged to submit its demands to the Central Labor Relations Board, and to discontinue "blackout strikes" during the period of arbitration. In a JIJI SHIMPO commentary, reported electric workers' strikes were denounced on the ground that power stoppages did not constitute a legitimate strike tactic.

AKAHATA noted that Socialists were leaders of both the Japan Farmers Union and the National Farmers Union, and advised farmers not to expect aid from these organizations. "The best way to create a farmers' front is to establish a democratic racial front based on sound farm-labor cooperation," the writer declared.

ECONOMY

The sales tax issue was accorded featured space in the metropolitan press today, as papers reported Premier Ashida's statement to the effect that the levy was "bad but inevitable," and the Finance Ministry's "informal decision" to exempt more items from taxation. The Cabinet leader was quoted as stating that if State finances permitted in the future, primary consideration would be given to the tax, but that abolition would not be discussed at the coming Diet session. Meanwhile, JIJI SHIMPO reported that the Japan Dealers' League planned a drive to abolish the sales tax "because honest merchants suffer while blackmarket dealers prosper." Journals also noted the SCAP announcement of a contract calling for import of 250,000 tons of iron ore from Brazil between October and February 1949.

Editorial comment on economic developments was varied. NIPPON KEIZAI said that the burden of State finance on the people had reached a maximum, and, therefore, the only avenue open to the Government to increase the wages of its workers would be to curtail administrative expenditures and effect personnel adjustments. Deploring the absence of a "basic plan for economic stabilization and a consistent rehabilitation policy," TOKYO SHIMBUN attributed the situation to "poverty of statesmanship and unsatisfactory development of economic technique." The commentator emphasized that "hard work and cooperation" were the most important factors for recovery. YUKAN MIYAKO urged acceleration of the export program, warning that if Japan could not balance exports with imports within four or five years, it would lose "qualifications to be a self-sustaining nation."

FOREIGN

Soviet announcement that it would withdraw troops from Korea, and the opening of the UN General Assembly in Paris continued to dominate foreign news reports. SEIJI SHIMBUN and TOKYO MINPO agreed that if US troops remained in Korea after the Russians left, charges would be made that the US was "attempting to colonize Korea." SEKAI NIPPO observed that the issue was scheduled for UN discussion, but added: "We must expect that Soviet propaganda against the US will be intensified with this as a starting point."

Doubt was evidenced by some writers as to how much the UN General Assembly would be able to contribute toward the settlement of current world problems, and TOKYO MINPO maintained that "so long as Russo-US relations remain tense, no notable results will be obtained." The writer added that the UN might rather be called "the Un-United Nations," and suggested that the organization should be drastically reorganized, because its functions allegedly have been paralyzed as a result of use of veto power at sessions of the Security Council.

TOKYO SHIMBUN gave front page space to the forthcoming US presidential election, urging the Japanese people's interest on the premise that "if the American administration should be replaced, it will effect in some measure the American policy in the Far East and Japan, although it will not change these policies fundamentally."

RATIONS

ASAHI thought that increased food rations for salaried workers would contribute considerably to the settlement of labor unrest. The "marked stability" in the food situation due to the expected import of staple foodstuffs, and the anticipated bumper domestic rice crop led the writer to believe that an increase of 0.3 go was feasible. To this end, the Government and related agencies were urged to make thorough studies and to undertake "appropriate measures, both in the purchase and distribution of foodstuffs."

EDUCATION

Discussing the "peaceful revolution" of the education system represented by the Board of Education elections, JIYU SHIMBUN cautioned that some candidates were "reported to be bosses in PTAs." The journal also claimed that, following the war, some teachers came under control of local bosses, while others, discouraged by difficult living conditions, swung to leftist political beliefs.

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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 September 1948 No. 888

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FOREIGN

Tokyo papers accorded primary attention to two foreign developments -- Russian announcement of intention to withdraw troops from north Korea by the first of next year, and the opening of the United Nations General Assembly in Paris. Comment on the Soviet decision appeared in YOMIURI, TOKYO SHIMBUN, MAINICHI, and SEKAI NIPPO, which agreed that the move was initiated for propaganda purposes, and, in this respect, it was generally believed that the declaration had placed the USSR in an advantageous position. Writers observed that if US troops should leave south Korea, civil war and possible communization of the entire country might result.

Coordination of the announcement with convocation of the General Assembly was considered significant by YOMIURI and TOKYO SHIMBUN. SEKAI NIPPO described Russian insistence that the scheduled withdrawal was in compliance with the Korean people's demand a "pretext," and the writer maintained that the maneuver was unimportant from a point of military strategy because troops probably would be moved only as far as Siberia. "Having won a foothold in north Korea in her Far Eastern advance, the Soviets are now keeping a vigilant eye on south Korea," the journal declared.

The meeting of the General Assembly drew statements of hope that the UN would help stabilize world conditions, while success of the organization's efforts were seen to hinge on improved relations among the big powers. YOMIURI observed a "revival of harmony" in the long Moscow negotiations, but the absence of Soviet Foreign Minister Molotov's name in the list of delegates caused the commentator to express disappointment, because it was expected that the convention might offer opportunity for a four-power foreign ministers conference. Among the numerous problems facing the session, prominent mention was made of the Korean and Palestine issues, and some papers anticipated discussion of a Japanese peace treaty.

JIJI SHIMPO defined the Assembly's mission as "to revive the reputation of the UN," while stating that it was impossible for the organization to achieve world peace so long as "the Security Council remains paralyzed by the veto power of big nations and the decisions of the General Assembly are subject to boycott by the big powers." NIPPON KEIZAI contended that too much was expected from the UN, and that "the crisis exists not in the UN, but in the minds of peoples of the world."

ECONOMY

Economic Stabilization Board announcement of the coal distribution program for the third quarter was accorded extensive coverage by Tokyo dailies. Of the 9,907,000 tons of coal and 1,008,000 tons of lignite, the largest allocations were slated for government railways and the electrical industry. No editorial comment was forthcoming.

Wage Stabilization

A TOKYO SHIMBUN editorial declared that a 7,400-yen wage base for public employees was not unreasonable, but claimed that the problem was to find revenue sources. To this end, the journal recommended heavy levies on blackmarket dealers and drastic personnel adjustment, both of which should be enforced simultaneously, insisted the commentator. If the Government contends that it cannot carry out either measure, it should institute some "ingenious plan" which would not add to the people's tax burden, suggested the writer. Another editorial in the same paper also called for efficient government administration in order to lighten the public tax load.

Dissatisfaction over the progress of deliberations on banking reform was expressed by DAI ICHI SHIMBUN and ASAHI, with the first-named journal charging that attempts were being made by "bureaucrats" to limit the functions of the proposed banking committee to those of a consultative organ. The "tendency to emasculate the committee" by limiting its authority, and the asserted attempt to keep alive "bureaucratic power" cannot be ignored, the writer insisted. An issue so closely linked to the people's livelihood should be submitted to thorough study by "representatives of the people," concluded the paper. Similarly, ASAHI hoped that the committee of 21 -- which reportedly was selected to clarify the opinion of bankers -- would "follow the procedure originally outlined in SCAP suggestions," and would not be "restrained by the framework set down by the Director-General of the ESB, the Finance Minister, and the Governor of the Bank of Japan."

GOVERNMENT

Characterizing Democratic-Liberal Party Leader Banboku Ono's manner at the time of his arrest as "cowardly," MAINICHI observed that if he were really guilty of accepting bribes from the Showa Denko Company after reportedly rejecting funds from other sources, he "must have been possessed by an evil spirit." The writer noted that people both within and without the Democratic-Liberal Party were of the opinion that Ono's membership was a disadvantage to the Party at this time, while the same journal reported in its news columns that Ono's implication in the scandal had come as a surprise to the public which had thought that no members of the Democratic-Liberal Party were involved in the case. The Showa Denko scandal has exposed the "real condition of present-day Japanese politics," SEIJI SHIMBUN concluded after editorial examination of the case. The paper recommended thorough examination of the facts.

Commenting on the Illegal Property Investigation Committee, TOKYO SHIMBUN and SEIJI SHIMBUN discussed the Committee's current examination of the State Coal Control Bill scandal. The first-named journal remarked that the Committee had lost influence in some quarters because of the clearance of Suehiro Nishio from charges made by the group's investigators, while other Diet members were thought to be somewhat jealous of the generally favorable response given by the public to the Committee. If an Un-Japanese Activities Committee is created in the Diet, as recently proposed, it should be directed toward complete elimination from public office of "those preventing democratization," a TOKYO MINPO editorial believed. In this connection, the journal claimed that "a purgee" had tried to prevent further investigation of the Showa Denko case.

LABOR

Decision of the Japan Electric Power Workers Union's Executive Committee to continue "blackout strikes" dominated today's labor news in metropolitan journals. As work stoppages reportedly spread to 30 prefectures, JEPWU plans for Tokyo were said to call for brief suspension of electric power supply to large factories, all private railways, and to shopping districts. In a statement charging the Ashida Cabinet with "completely disregarding the fact that the present dispute has been caused by breach of agreement on the part of management," the union declared that "it is clear that the interests of the workers constantly will be ignored if the Government always requests compulsory arbitration whenever management refuses to accept a compromise settlement plan drafted by the Central Labor Relations Board."

A YOMIURI editorial noted that, contrary to the reported announcement that the JEPWU strike decision was approved unanimously, left-wingers prevailed over the Democratization League faction by only a small margin. Meanwhile, approximately 400 representatives of various anti-Communist labor bodies reportedly pledged themselves to the expulsion of Communist factions from workers' organizations, and to guard against misinterpretation of the SCAP message of 22 July relating to the revision of the National Public Service Law.

EDUCATION

Stressing the importance of education reform, the Korean-operated KOKUSAI TIMES viewed the present situation of Japan as due largely to the former educational system -- which, it was said, enabled the militarists to dominate the people -- and declared that education was the foundation for national reconstruction. If people looked back on Japan's history, they would take a more serious attitude toward the Board of Education elections, the writer concluded. AKAHATA printed a question-and-answer discussion in which a central committeeman of the Communist Party condemned the attitude that education boards should be non-partisan. Communists were particularly qualified for Board membership, he was quoted as believing, because they "alone fought the capitalists and bureaucrats who led the country to ruin."

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SEP 27 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, 19 and 20 September 1948 No. 887

LABOR

The electric power industry dispute received prominent attention in the metropolitan press, as the Central Labor Relations Board was expected to determine its policy on the Government request for compulsory mediation today. Major papers noted, meanwhile, that right-wing elements in the Japan Electric Power Workers Union were demanding a more conciliatory view by the organization's Central Executive Committee, which had decided to oppose mandatory arbitration. On the civil service front, Cabinet difficulty in drafting a revision of the National Public Service Law reportedly raised the possibility of postponement of Diet convocation, and continued conferences on the subject between SCAP officials and Administration representatives drew prominent headlines.

Comment generally centered around the electric power industry dispute, and, excepting two leftist journals, papers were critical of the union's attitude. Conditions were felt by TOKYO SHIMBUN to be unfavorable for granting the workers' demand for a sliding wage scale system, and the writer asked, "is the State or management in a position to anticipate its income increase as prices change?" At the same time, it was believed that the Government was at least partially responsible for failure to solve complaints of the power workers. Use of the strike tactic during negotiations was deplored, and the writer warned that such measures carried the danger of "making enemies even of well-wishers and sympathizers." YOMIURI subscribed to this view, adding that the so-called "blackout strikes" were not strikes in the real sense and should not be treated as valid means of dispute. Refusal to accept mediation from a third party and persistence of the use of "force" was questioned by DAI ICHI SHIMBUN, which feared the political intent of labor leaders was not understood by rank-and-file members.

AKAHATA insisted that compulsory mediation was illegal, and contended -- as did TOKYO MINPO -- that management had not lived up to a CLRB decision in a similar case last March. The Government was accused of endeavoring to enforce a low-wage policy in order to pave the way for introduction of foreign capital, and JEPWU demands were said to be considered an obstacle to this plan.

JIJI SHIMPO and NIPPON KEIZAI viewed restrictions on strikes as necessary if the nation were to avoid totalitarianism. Quoting General MacArthur's 17 September statement, the financial journal observed that the inevitability of such prohibitions was obvious when the results of walkouts by government employees were contemplated. Protective measures against communism were called for by JIJI SHIMPO, which defined the country's major problem as "how to save herself from the disorder of bolshevization without resorting to fascist or Nazi power."

POLITICS

The Showa Denko bribery case drew major attention among political developments over the weekend. Arrest of Banboku Ono, former Secretary-General of the Liberal Party, was reported prominently by virtually all papers, while at least three dailies commented on the significance of the scandal. With the arrest of former officials such as Masayuki Shigemasa (former Vice-Minister of Agriculture and Forestry), Matsuhei Matsuoka (purged ex-leader of the Liberal Party), and Ono "the case seems to have spread from financial circles to bureaucratic and political ones," HOCHI SHIMBUN observed, in anticipation of "perhaps the greatest scandal after the Surrender." It was of little use to investigate minor scandals endlessly, while ignoring such major ones as the Showa Denko issue, continued the writer who requested a courageous inquiry.

SHIN TOKYO interpreted recent developments in connection with the case as indicating that "the high officials who have the power to decide on such important matters (as loans) still cling to their old authoritarianism and dogmatism, as individuals and as a group." The money which allegedly was disposed of illegally by the Reconstruction Finance Bank belonged to the nation, TOKYO SHIMBUN pointed out. The writer urged cooperation of the Diet and support of the people in investigating the misuse of funds.

ECONOMY

The wage situation highlighted economic developments over the weekend, as Tokyo dailies accorded featured attention to the 6,000-yen wage scale for civil servants which was evolved by the Personnel Committee, and to the 7,300-yen wage standard which the National Liaison Council of Government and Public Office Workers Unions was expected to demand. The Council's wage base assertedly was worked out "in consideration of the substantial-quantity system, the sliding-wage scale system, and the consumers' price index." NIPPON KEIZAI thought that in view of the expected "complicated political developments," the wage issue depended on the "attitude of Socialist Cabinet members." Appeals from industrial circles for direct control of wages, according to the journal, would compel the Government to enforce wage control in some form or other.

Papers also noted the ESB 10-point economic reconstruction program and Administration plans to relax restrictions of the Anti-Monopoly Law -- particularly in regard to simplifying international agreements and possession of stocks -- to facilitate introduction of foreign capital.

Sole editorial comment on any of the three developments appeared in MAINICHI, which praised the new economic program for "flexibility which permits readjustments as the program proceeds." The journal endorsed the proposed measure to effect adjustments in economic controls, and the plan for wage stabilization through increased distribution of rations.

DAI ICHI SHIMBUN thought that declining prices of many commodities provided an opportunity for readjustment of controls. Contending that regulations "interfered with the development of enterprises and economic rehabilitation," the writer called on authorities to "recognize the receding danger of inflation . . . and to study measures to revise controls." A warning against the export of carelessly manufactured goods was sounded by TOKYO TIMES, which declared that when inferior commodities had to be returned by buyers, not only did producers incur heavy losses, but the resulting "loss of prestige had a harmful effect on future trade development."

EDUCATION

Editorials, contributed articles, and letters in seven papers emphasized the importance of Board of Education elections, the need for candidates free from political ties, and the duty of the electors to vote. In examining the public's reported apathy toward the campaign, HOCHI SHIMBUN believed that there had been insufficient time to prepare for the elections, a general lack of understanding of democratic practices, and a lingering public distrust of the board or committee system. Up to the war's end, according to the paper, most boards or committees were "no more than a means of camouflaging and decorating the bureaucrats' high-handed policies." As a means of stimulating public interest, YOMIURI announced a "contest" in which readers were asked to express their opinions on a series of questions, including "What do you think of the election campaign by the teachers' unions?"

FOREIGN

Foreign news received front page attention in most Tokyo journals and commentaries on international developments appeared in several papers. Sino-Japanese relations were considered by three commentators, MAINICHI and ASAHI deplored the assassination of Count Folke Bernadotte, and ASAHI and SEIJI SHIMBUN examined the problems confronting the UN General Assembly.

REPATRIATION

In an endorsement of General MacArthur's 17 September statement regarding Russian slowness in repatriating Japanese prisoners, YOMIURI denounced the "insincere" attitude of the Japan Communist Party. Although Communists were considered in the "best position to petition Russian authorities," the journal declared they had made no effective effort in that direction, but at the same time told repatriates that the Party was responsible for their return. The paper also urged the Government and the Diet to greater activity in the repatriation movement.

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"struggle for power" presumably being carried out in protest against proposed revisions of the NPSL. Miners were urged to abandon their tactics which allegedly were engineered by agitators, because such actions would only lead to the destruction of the miners' union. YUKAN MIYAKO was concerned over the huge deficits accrued by the coal industry, and believed that this was in part due to the "misuse" of government loans allocated for coal mining. Instead of being made available for the coal industry, the writer charged, the funds assertedly were being used by banks to make "short-term loans and loans to blackmarket dealers."

Other Editorial Comment

TOKYO SHIMBUN thought that serious consideration should be accorded the high cost of production, which allegedly was retarding export trade. Since Japan's commerce provided a convenient approach to establishing friendly relations with other countries, the paper said that it was imperative for the "material and spiritual rehabilitation of Japan" that promotion of trade be given primary attention. Contending that the assertedly widespread unpopularity of the sales tax indicated that it was an "improper tax," SHIN TOKYO demanded abolition of the levy and urged the Government to devise other sources of revenue. The tax, the commentator insisted, only aggravated evasion among dishonest merchants, and hindered the normal operations of honest businessmen. YUKAN MIYAKO suggested that rather than concentrating on the eradication of small-scale blackmarket dealers, intensified efforts should be directed toward apprehending big operators, who allegedly were retarding economic reconstruction by hoarding and misusing production materials. The only way to combat these dealers, the writer said, was to encourage people to report illegal operations.

LABOR

Labor Minister Kato's request to the Central Labor Relations Board for compulsory mediation of the electric power industry dispute dominated labor developments in today's papers. The CLRB was expected to meet on 20 September to determine its policy on mediation. NIPPON KEIZAI predicted that, as a temporary measure, the CLRB would advise the power companies to pay five percent of the existing wage level as part payment of the sliding wage scale which is to be determined. Kato was said to have warned against continued strikes during the mediation period, declaring that in such an event the "Government would take more decisive steps." Meanwhile, YOMIURI reported that the Japan Electric Power Workers Union allegedly had failed to reach any agreement on the "objective circumstances of the dispute."

Sole editorial comment appeared in NIPPON KEIZAI, which thought that the Government decision to submit the dispute to compulsory mediation was "backed by firm determination and clear prospects for the future." However, the writer criticized the Administration for assertedly not clarifying its attitude toward the union's strike tactics, and, at the same time, scored union executives for resorting to blackout strikes in defiance of Government orders. The commentator felt that solution of the dispute depended primarily on the union's attitude, and urged the Government to "persist in attaining peaceful settlement."

EDUCATION

Three papers -- TOKYO TIMES, SHIN YUKAN, and JIJI SHIMPO -- emphasized the importance of electing "high-caliber persons who are above partisanship" in the forthcoming Board of Education elections. Deploring the reported lack of public interest in the qualifications of candidates, the first-mentioned journal called on voters to examine closely the "quality, character, and intellect of all aspirants," and not to choose persons who would "sacrifice the interests of the whole community for those of political parties." SHIN YUKAN warned against nominees "closely connected with teachers' unions and political factions," while JIJI SHIMPO feared that in view of the "comprehensive powers" to be held by the Boards, educational standards for the next generation would be endangered if the Boards were placed under the control of any particular party or group.

FLOODS

Considerable space was devoted to reports of damage caused by the typhoon which struck the Kanto and Tohoku areas. The focal point of attention was in Iwate Prefecture, where the city of Ichinoseki was said to have suffered nearly complete destruction, and papers emphasized the fact that the disaster was repetitious of that experienced by the same region a year ago. Initial editorial reaction was fairly extensive, and commentators rebuked the Government for asserted apathy toward development of flood preventive measures.

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SEP 2 7 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 September 1948 No. 885

Preliminary reports of the damage caused by the typhoon which struck the Kanto area dominated the Tokyo press today. Estimates of loss in lives and property were lacking, but headlines indicated belief that flood damage would be serious. Pictures and maps of the stricken areas appeared in several journals.

LABOR

Compulsory arbitration of the electric power industry dispute was expected to be proposed at today's Cabinet meeting, according to a widely publicized statement by Labor Minister Kato. "If the union continues to carry on strikes at generating plants," the Minister reportedly said that an anti-strike order may be issued. Simultaneously, the Tokyo local of the Japan Electric Power Workers Union scheduled strikes for 22 and 25 September, which assertedly were planned to stop current to large factories, shopping centers, and non-Occupation rail service. Meanwhile, papers reported a stalemate in wage negotiations between the Oji Paper Company and its organized employees. Inasmuch as the company was said to produce approximately 80 percent of the nation's total paper output, considerable significance was attached to the dispute.

AKAHATA and TOKYO MINPO again gave prominent coverage to Democracy Protection League activities (Press Analysis No. 884). A League delegation -- said to be mustering opposition to the Administration anti-strike ordinance and the projected revision of the National Public Service Law -- was reported to have sought the assistance of the British Allied Council representative. According to TOKYO MINPO, the British official asserted that "the right to bargain collectively should be recognized for operative workers," and "stressed the need for inaugurating an independent arbitration agency, if the right to strike has to be restricted."

ECONOMY

With various factors assertedly propitious for economic reconstruction -- including the projected increase in food rations, the expected import of raw materials, and the slackening tempo of inflation -- the Government should grasp the "golden opportunity" for stabilization and for increased participation in international commerce, declared a SEIJI SHIMBUN editorial. The writer stressed the need for positive policies, adequate preparations, and strong political power, but feared that the Administration did not possess the confidence to establish a workable wage standard or the political force to implement reconstruction policies. Meanwhile, JIJI SHIMPO -- referring to an article on currency reform allegedly written by Socialist Political Research Committee Chairman Suzuki -- censured Suzuki for calling Finance Minister Kitamura and other financial authorities "economic illiterates." The writer claimed that the article indicated that Suzuki himself "has no definite concept of currency adjustment." If the views expressed in the article represented those of an individual, they could be dismissed lightly, but since they were those of the Political Research Committee Chairman of a responsible party, they constituted a "matter of grave concern," concluded the commentator.

Other Editorial Comment

A NIPPON KEIZAI editorial advised that two points should be given primary consideration in reorganizing the government railway structure -- rationalization of management and promotion of efficiency. Contending that efficiency could not be attained under "bureaucratic management," the writer suggested that the railways be placed under private control. A commentary in the same paper on coal production attributed lagging production partly to the fact that during the six months the mines had been under State control, "no measure to boost output under terms of the State Coal Control Bill had been instituted." The paper was hopeful,

nevertheless, that various investigation and efficiency teams dispatched to coal mines would succeed in stimulating productive efforts. HOCHI SHIMBUN urged that official commodity prices which were no longer necessary be removed as soon as possible, adding that abolition of control did not mean price levels would rise. Scoring the policy of revising prices upward in line with black-market prices, the journal insisted that the advance of blackmarket prices could be checked through a downward revision.

EDUCATION

Six journals reported a statement by a Tokyo Military Government official advising teachers' unions against running candidates in the Board of Education elections. Without referring directly to the statement, TOKYO MINPO declared that the view that education would be damaged by participation of teachers or political party representatives, "though partly correct, was fundamentally wrong." Unaffiliated persons were no more likely to be "neutral" than party or union representatives, the writer contended. It was considered natural for teachers to be concerned with education problems, and the paper maintained that in most cases they would be no more "selfish" in their outlook than others. As for party influence, the editorialist said that while education should not become a political tool, it was unrealistic to believe that the Board of Education could remain entirely aloof from political strife. The main objective was to secure candidates intent on democratizing education, the writer concluded.

Discussing the merging of universities and colleges to reduce their number to 219, YOMIURI doubted that "in the present situation an average of five universities in each prefecture is feasible," and implied that the number be further decreased. Hoping for new universities "which will be truly worthy of renovated Japan," the paper called for strict and impartial examination of the institutions applying for university status.

GOVERNMENT

The Showa Denko bribery case drew comment from two journals, while two others -- DAI ICHI SHIMBUN and SEIJI SHIMBUN -- discussed the key position of the Socialist Party in the present political situation. The last-named paper remarked that the shift in the discussions of the Socialist Central Executive Committee "from Diet dissolution to policy struggles" was for the purpose of avoiding intra-Party difficulties before convocation of the Socialist Central Committee.

MAINICHI recalled that investigation of the Showa Denko case had begun several months ago, and voiced belief that the possible implication of prominent government officials meant that the affair had become more serious. Alleged implication of "big bureaucrats and financiers" in the maladministration of loans concerned SEKAI NIPPO, which contended that even before the probe had begun, the Reconstruction Finance Bank had been regarded as contributing to inflation.

PRESS

ASAHI's charge that other papers failed to support its campaign to publicize alleged misconduct by officials of Honjo, Saitama Prefecture (Press Analysis No. 870), appeared to provide the basis for an AKAHATA commentary. The Communist journal claimed that there was no conflict between "commercial" newspapers, but between "reactionaries and righteous factions." "Everyone knows," the writer said, "that the Communists have taken the lead in the Honjo case, and that not even ASAHI has written one line about it. We must not forget that this illustrates the limitations of the bourgeois sense of justice."

FOREIGN

Commenting upon the Berlin Military Governors' Conference, SEIJI SHIMBUN said that both Soviet Russia and the Western Powers intended "to utilize" the struggle between Communists and anti-Communists for control of the Berlin City Council. Because such struggles were believed to be concerned with gaining control of all Germany, the writer felt that "it would be premature to think that struggles in Berlin would cause a rupture in negotiations among the four powers." Meanwhile, KOKUSAI TIMES predicted increased tension in international relations if the Berlin blockade were not lifted soon.

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TOKYO MINPO subscribed to a reported SCAP spokesman's statement that the people had the right to prohibit strikes even in private enterprises when they were prejudicial to the public interest. "It is only proper," the editorial asserted, "that workers in public utilities -- whether operated by the government, public bodies, or private persons -- exercise utmost caution and self-restraint." The Japan Electric Power Workers Union was said to be faced with the alternatives of pursuing ill-advised strike action or aiding national reconstruction through the submission of its wage demands to arbitration by the Central Labor Relations Board. Meantime, HOCHI SHIMBUN pointed to Labor Ministry statistics which revealed increasing umemployment, and demanded Administration action to aid those who have been made jobless as the result of enterprise adjustment programs.

POLITICS

Chief Cabinet Secretary Tomabechi's statement that it would be difficult to convene the Diet on 1 October -- the tentative date set by leaders of the three Ministerial Parties -- appeared in major journals. According to MAINICHI, Tomabechi acknowledged that 1 October had been agreed upon to help Socialist Chairman Katayama -- principal advocate of early convocation -- "save face." SEIJI SHIMBUN and SHIN TOKYO agreed with the Cabinet official that it would be impossible to observe the scheduled date unless preparation of legislation was hastened. Meanwhile, JIJI SHIMPO reported that Premier Ashida desired to reappoint Socialist Suehiro Nishio as Deputy Premier to assist in effecting cooperation among the Government Parties.

Dissatisfaction with the results of the meeting of the three Administration leaders was voiced by MAINICHI, which charged that the only achievement of the conference was postponement of the Diet session. Alleged failure of the conferees to discuss policy led the journal to conclude that it was the Cabinet's policy to procrastinate in the hope of avoiding Diet dissolution. YOMIURI observed that the leaders had been "reluctant" to discuss dissolution and blamed Katayama for "muddling" the political situation.

EDUCATION

A special reason why the electorate should participate in the Board of Education elections, TOKYO SHIMBUN said, was that there were no regulations governing the percentage of votes which must be gained by the winning candidates. This system, the paper maintained, was advantageous to organizations such as teachers' unions and the Communist Party, since the strength of their ballots would increase in proportion to the degree to which the general public refrained from voting. Left-wingers intended to build a "bridgehead" in the educational field by taking advantage of the people's indifference, according to TOKYO TIMES. It was believed that only one or two leftists on the Board were enough to control other members because of their "obstinate struggle measures."

A more optimistic view was taken by SHIN TOKYO. While contending that the general public lacked understanding of the elections, the paper mentioned the authorities' "comparatively successful" efforts in warning that those affiliated with political parties were not desired as Board of Education candidates. Although politicians previously had been "eagerly waiting for the election, they found the wind had turned against them," observed the editorialist, who counselled voters to support candidates who were competent and reliable.

L & G

POLICE

In a letter to YOMIURI, a local procuratorial authority said that public prosecutors who had been found engaging in crimes should not be forgiven, but that "aside from this," he felt the living conditions of these employees should be made known. According to the writer, the average basic income within the group was 3,920 yen, and a full night's duty was rewarded with only three hours' wages. Because of overwork and malnutrition, it was asserted that there were 23 tubercular patients absent from their duties, and that the average death rate was three per month. The letter concluded, "Even though our colleagues die one after another, most of the prosecutors are earnestly determined to discharge their duty."

OCCUPATION

Major Tokyo papers headlined the arrival of Lt. Gen. Walton H. Walker to take command of the US Eighth Army. The brief ceremony was described in prominently featured stories, and photographs appeared in several journals.

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"Bureaucrats have strengthened the control system to satisfy their instinct for the expansion of influence," YOMIURI contended, in charging officials directing the program with responsibility for "corruption." According to the writer, controls were the greatest obstacle to production expansion, and adherence to such a policy was becoming "meaningless." SHIN YUKAN predicted "capital control," because, the paper declared, loans from the Reconstruction Finance Bank were too difficult to obtain.

Deconcentration

Reported clarification of certain features of the Economic Deconcentration Law by a SCAP review board at a meeting with Holding Company Liquidation Commission officials drew approval from ASAHI and NIPPON KEIZAI. "The cloud of anxiety hanging over economic circles has been removed," the latter journal observed, in noting that the new policy would mean implementation of the Act "according to actual conditions instead of mechanically." In the opinion of the ASAHI writer, free enterprise would not be affected by the existence of large corporations on the present scale, and three additional problems were stipulated as requiring solution: revaluation of fixed assets, disposition of deficits of new accounts, and increased capital for enterprises. Meanwhile, TOKYO SHIMBUN recommended "elastic" revision of the Anti-Monopoly Law to permit Japanese industry to participate in international commercial relations. However, the paper warned against hasty changes, and advocated "maintenance of the dignity of law, as well as facilitating induction of healthy capital."

GOVERNMENT

Agreement by the heads of the Government Parties to set 1 October as the tentative date for convocation of the special session of the Diet was reported by all major papers. According to reports on the conference, Party leaders anticipated a 30-day session, but gave token assent to Socialist Tetsu Katayama's request for dissolution of the Diet. Only comment directly connected with the special session of the assembly appeared in TOKYO TIMES, which concluded its observations with the remark that the political situation appeared to be tending toward amalgamation of conservative parties into a middle-of-the-road government, rather than toward coalition between Socialists and Democrats, as now seems to be the case.

Showa Denko Bribery Case

Arrest of a Finance Ministry official earlier this week in connection with the Showa Denko bribery case brought editorial comment from MAINICHI. The official, Takeo Fukuda, director of the Accounts Bureau of the Ministry, was said to have received bribes from the electric company to expedite loans from the Reconstruction Finance Bank. Like TOKYO MINPO, MAINICHI reported that other government officials might be implicated if investigations were pressed further. MAINICHI observed, however, that stable conditions could not be hoped for until scandals of this sort were thoroughly uprooted, and to this end, urged that any move to "smooth over" the investigations be avoided.

LAND REFORM

Agricultural villages were represented by TOKYO MINPO as confronted with the danger of "falling back into their former miserable condition" as a consequence of the "unduly heavy tax burden and unreasonable delivery quotas" imposed on farmers. Because of these burdens, farmers throughout the country were said to be abandoning farm land or using it for other purposes. Particular objection was voiced to the delivery system, which, the journal asserted, compelled farmers to buy rice on the blackmarket while their own crops were being collected at lower than current prices.

FOREIGN

Foreign news commentaries considered a variety of topics ranging from the implications of Chang Chun's visit to a review of the question of disposal of Italian colonies. Of special interest was the Korean-operated KOKUSAI TIMES' editorial on evacuation of troops from Korea. "Now that the discord between the US and the USSR has made the rift between north and south Korea almost permanent, there is little wonder that the majority of the Koreans believe the only practical way of attaining unity is to have the US and the USSR evacuate their respective occupation forces," the journal observed. Syngman Rhee, President of the new South Korean Government, has switched from a policy advocating withdrawal of all occupation forces to one advocating removal of Soviet troops only because his fear of a coup by the North Korean People's Army, the journal asserted.

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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, 14 September 1948 No. 882

LABOR

Expected disposition of the electric power industry dispute through union acceptance of Central Labor Relations Board arbitration was featured news today, but papers also reported that the Japan Electric Power Workers Union's Tokyo chapter intended to execute five-minute "blackout" strikes and suspension of power supply to factories and transportation facilities. While strikes by clerical workers were said to be underway in various regions, plans assertedly were being formulated for blackouts in the Chubu and Tohoku districts as well as the Kanto. Chief Cabinet Secretary Tomabechi was quoted to the effect that "if labor leaders of the electric industry and other key industries should take extreme action which is harmful to public welfare, the National Public Service Law may be applied to the workers in such private enterprises."

Some papers reported a statement issued by the All-Japan Communications Workers Union, which charged the Administration with evasion of responsibility for settlement of the postal employees' wage issue and demanded en bloc resignation of the Ashida Cabinet. Simultaneously, the AJCWU's Ishikawa prefectural headquarters sent telegrams to chapters throughout the country stating that the "central struggle committee" decision to set aside its recent policies (Press Analysis No. 880) "proves that revolutionary action by left-wingers is impractical at the present time." Meanwhile, the Peoples Cooperative Party's Political Research Committee proposed that "measures be taken to strengthen the Central Labor Relations Board's authority," inasmuch as public enterprise disputes were believed to require compulsory arbitration.

Noting that a new salary schedule for government employees was expected soon, TOKYO SHIMBUN asserted that "if public employees are to be deprived of the rights to strike and to bargain collectively, it is only fair that the Administration should assure their livelihood and welfare." But the writer pointed to the problem of obtaining adequate revenue to meet the demand for higher wages, and maintained that increased pay could not be granted without "a thorough retrenchment of personnel."

ECONOMY

New interpretations of the Economic Deconcentration Law were expected following a conference between the Deconcentration Review Board and the Holding Company Liquidation Commission, according to Tokyo dailies. Fundamental principles of the legislation remained unchanged, it was reported, but "fairly sweeping changes" in operation were anticipated "even in regard to those companies which already have been ordered to reorganize." Also noted by a number of journals was the Democratic-Liberal Party's plan for abolition and readjustment of economic controls. No comment on either development was forthcoming.

Coal Production

A SCAP spokesman's appeal for development of additional coal mines, together with the announcement that 19 mines would be given subsidies to boost production, received extensive coverage. Editorially, SHIN YUKAN voiced concern over lagging coal output, and called on the Government to issue a progress repor on production under the State Coal Control Bill. With the coal industry "facing a crisis," it was proper to question the degree of enforcement of the Bill, the writer maintained.

Other Economic Comment

With sources of revenue limited, the Government must exercise utmost discretion in drafting the new wage scale, according to TOKYO SHIMBUN, which suggested that under existing conditions of straitened finances the Administration would have to choose between reducing personnel or halting wage increases. JIJI SHIMPO expressed concern over the alleged practice of various companies in increasing capital, contending that such heavy increases would cause "serious disturbances." The writer believed that difficulties would be encountered because capital was being boosted "out of proportion to the economic power of the nation," and suggested that the Government take steps to suspend issuance of new shares.

POLITICS

Journals gave prominent notice to the meeting of the Socialist Party's Central Executive Committee (held yesterday), and the talks among the heads of the three Government Parties (scheduled for this afternoon). It was reported that the Socialist CEC had discussed measures which might be considered at the coming special Diet session, and had approved "in principle" the decision to dissolve the Diet, previously affirmed by Party leaders last week. Today's meeting of the three-party heads was expected to deal with the question of setting the date and duration of the special session. Political commentaries, however, were directed against Cabinet Ministers' stumping tours, "delinquent" Diet members, and the conduct of the purge of government officials.

Cabinet Ministers were urged by JIJI SHIMPO to place ministerial above party duties, while the recent revelation of the number of Diet members indicted since the general elections of April, 1947, was examined by SEIJI SHIMBUN. "It is difficult to solve the problem of the delinquency of Diet members because the issue is so closely related to that of securing election funds," the paper observed, but added that until some solution of the funds issue could be found, the measures which great personal efforts could effect would have to suffice. An editorial and a signed article in TOKYO MINPO criticized the purge committees on the basis of their clearance of Ken Inukai and Wataru Narahashi, the reported investigation of Jiichiro Matsumoto (Socialist Vice-President of the House of Councillors), and the banning of Yoshitaro Hirano from running in the elections for local Boards of Education. The journal accused the screening committees of "utilizing their powers to hamper Japan's democratization."

EDUCATION

Attention was given by ASAHI and HOCHI SHIMBUN to the forthcoming election of Boards of Education, while a NIPPON KEIZAI article described American school administration bodies. The prevailing view of earlier commentators was reiterated in today's editorials, which deplored the alleged attempt of political parties and unions to obtain control over the educational units. ASAHI declared that the measure "opened the road to democratization of education," and said that the success of the new system would be determined by the people's zeal.

POPULATION

Recently released figures caused two major journals to voice alarm over the rapid growth of Japan's population. To YOMIURI, the report that the nation's population exceeded 80,000,000 was "amazing," and a reminder of the serious situation which confronted the country. "How are we to support this teeming population?" asked the writer, who cited Japan's reduced territory, slim chances for emigration, and near-maximum utilization of cultivable land. Observing that the rate of increase was approximately double that of the US or Europe, the commentator attributed the disparity to Japan's "fatalism, irrationality, and unscientific attitude." In addition, it was believed that Buddhistic resignation to fate -- and consequent disregard for the importance of the individual -- exposed Japan to the danger of a "national tragedy." To check the rate of increase, the journal proposed scientific study and investigation and achievement of a cultural level which would increase living standards and place greater value on the dignity of the individual. A briefer, but similar commentary appeared in TOKYO SHIMBUN, which warned that if the population continued to increase at the present rate, the Japanese people could expect only greater hardships.

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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, 12 and 13 September 1948 No. 881

POLITICS

Weekend developments in the Diet dissolution controversy were marked by apparently progressive weakening of Socialist Party leaders' demands for dispersion of the assembly. Although approving "in principle" Tetsu Katayama's demand that the Diet be dissolved, many prominent Socialists appeared ready to minimize the issue, according to reports in Tokyo journals. Important among Socialists opposed to dissolution was Suehiro Nishio, who was quoted as reiterating his opposition. Premier Ashida, who returned to the capital on Sunday, was reported to be confident of avoiding Diet dissolution. On the other hand, an ASAHI poll of the members of the Central Committee of the Socialist Party was said by the journal to indicate a favorable attitude toward dissolution. The group was reported to be almost evenly divided, however, between those favoring Katayama's request for outright dissolution, and those supporting Mosaburo Suzuki's suggestion that the Socialists withdraw their Ministers from the Coalition Government and become a formal opposition. Date of the calling of the special session, and final decision regarding the Socialist position were still to be determined, however. Judging from the widely different stands of members of the Socialist Party regarding dissolution, TOKYO MINPO predicted that no definite decision would be reached in the Central Executive Committee meeting scheduled for today, but that the problem would be handed over to the Party's Central Committee.

Comment on the Dissolution Issue

In the past the Government Parties were the ones to demand dissolution of the Diet in order to seek a vote of confidence, MAINICHI pointed out in a criticism of the increasing "obscurity" of the arguments for dissolution. Now, however, it is the opposition -- and potential opposition -- which requests the dissolution. The writer observed that this was perhaps because of the feeling that the people's confidence lay with the parties opposing the Government's policies. The journal considered it "justifiable" for the right-wing Socialists to participate in the Government "as is now the case," and "reasonable" for the leftist elements in the Party to seek to bring about its downfall by withdrawing their members from the Cabinet, but thought it incumbent on the Party to clarify its attitude. JIJI SHIMPO was dissatisfied because Katayama's dissolution demand, generally accepted by the public as Party policy, was proving to be the policy of only a part of the Socialist body. Comparing Katayama's demands to Premier Ashida's remarks last month about an "important announcement" which was never made, JIJI SHIMPO observed that "the speeches of responsible statesmen are always accompanied by responsibility."

ECONOMY

Conclusion of the $68,000,000 trade pact between Japan and Siam was hailed by SEKAI NIPPO and YOMIURI as a significant step toward the nation's reconstruction. The first-named journal thought the agreement was mutually beneficial considering the existing economic conditions in the two countries. Siam was said to be able to export rice -- which Japan needs -- in exchange for steel products, cotton fabrics, and other manufactured goods. The export articles sought by Siam, the writer pointed out, indicated that Japan must not be a mere textile-manufacturing nation. That Siam required steel products "teaches us much in Eastern Asiatic trade," concluded the journal. YOMIURI characterized the accord as "one of the most powerful factors in Japan's postwar trade revival." The prospective rice import, together with the anticipated bumper domestic crop, was expected to contribute much toward solution of the nation's food difficulties. The paper felt that the agreement underlined the need for rationalizing industries in order to compete on the international market.

Criticism of the administration of the sales tax appeared in a TOKYO MINPO editorial, which scored the efforts to intensify tax collecting from people in the lower income brackets while allegedly ignoring blackmarket operators and large-scale tax evaders. Another article in the same journal argued that abuse of the transaction tax could be minimized if both buyer and seller cooperated fully.

DAI ICHI SHIMBUN commended management's recent announcement of unemployment counter-measures. Instead of leaving the issue of personnel adjustment entirely up to the Government, management was calling on public opinion by releasing a positive tentative plan, according to the writer, who praised enterprisers for their "honest motives." JIJI SHIMPO suggested that in formulating plans to revise Japan's banking system, the opinion of economic specialists should be respected. Too often in the past, the writer claimed, the opinions of economists have been oppressed as "though they were representations of self-interests." An AKAHATA article said that the attitude of Japanese "monopolistic capitalists" in regarding foreign capital as charity "was contrary to facts."

LABOR

The All-Japan Communications Workers Union's "central struggle committee" directive ordering cessation of job desertion tactics -- together with Chief Cabinet Secretary Tomabechi's declaration that the proposed walkout by electric power workers violated principles enunciated in last year's SCAP statement regarding general strikes -- attracted considerable attention in the weekend press. The union directive was believed to have been prepared in response to a SCAP spokesman's request for strict control over government work stoppages (Press Analysis No. 880). Simultaneously with the Cabinet Secretary's warning that continued strikes in the electric power and coal mining industries would necessitate restrictive legislation, Hokkaido and Kyushu locals of the Japan Electric Power Workers Union reportedly commenced a series of walkouts and slowdowns.

EDUCATION

A YOMIURI commentary by a Diet Councillor and professor emeritus of Tokyo University considered the Boards of Education campaign efforts of the Teachers Union from the legal standpoint, and recalled the provision of the Labor Union Law that the "chief objective of labor unions shall be to promote the economic position of union members." The writer questioned whether this justified union activity in regard to the Board of Education elections, maintaining that if such movements could be warranted, "unions would become educational political parties which concurrently run other educational organizations." If the activity were not warranted, the commentator argued that officials who reportedly were spending "large amounts" of union funds for purposes other than the economic betterment of teachers might be committing a breach of trust.

Well-informed laymen, rather than Teachers Union members, were desired for Board members, TOKYO SHIMBUN reiterated, while ASAHI, without naming any faction, regretted that "we have no strong vaccine with which to prevent candidates for the Education Board from becoming bosses." On the other hand, AKAHATA criticized the demands of other papers that education be separated from politics, stating that if this were their belief they should not reject union candidates who were educators.

FOREIGN

Departure of former Chinese Premier Chang Chun -- following a three-week study of local conditions -- was prominently headlined in major papers. Attention was drawn to his views on Japan, which were held generally to be favorable, and emphasis was placed on his statement advocating an early Japanese peace treaty. Several commentators hoped that the statesman's opinions would influence a change in Chinese public opinion, reportedly characterized by a suspicion that Japan might turn her economic rehabilitation into a revival of prewar aggressiveness. This attitude was observed by ASAHI in the Chinese press, which was said to have criticized Japan for assertedly opposing an early peace while planning to rehabilitate the Empire. The editorialist concluded that such criticism stemmed from a "lack of understanding." MAINICHI followed the same line of argument, declaring, "there is no trickery in our ardent attempts to democratize ourselves." The writer asked the Chinese people to understand that "democratization can grow up and become established solely on the grounds of economic independence."

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

SEP 20 1948

PRESS ANALYSIS, 11 September 1948 No. 880

LABOR

Strict control over government job desertions -- considered a violation of the Administration ordinance banning strikes and collective bargaining by public servants -- was requested by a SCAP spokesman in a statement accorded lead position in several major papers. The Government also was said to have warned Chairman Dobashi of the All-Japan Communications Workers Union that members of the union's "central struggle committee" would be punished as "instigators" unless immediate steps were taken to prevent further regional strikes and job desertions. Simultaneously, extensive coverage was given to the national procurators' conference decision "to prosecute persons providing money and assistance to those who infiltrate various parts of the country to foment or lead activity against the no-strike ordinance."

NPSL Revision

Several papers reported that, contrary to expectation, the Soviet member of the Far Eastern Commission had not yet introduced the National Public Service Law revision issue. Some journals also noted the failure of the central committee of the Government Railway Workers Union's youth section to reach an agreement on a proposal to oppose the projected NPSL revision. JIJI SHIMPO said the Government had demanded that AKAHATA and TOKYO MINPO retract articles giving incorrect accounts of Legislative Bureau Director Sato's replies to questions concerning the Administration no-strike ordinance. Meantime, TOKYO MINPO announced that the Democratic Scientists Association and the "central struggle committee" of the National Liaison Council of the Government and Public Office Workers Unions considered the ordinance to be unconstitutional.

Electric Power Industry Dispute

Cabinet adoption of "an attitude of watchful waiting" toward the protracted labor controversy between the electric power industry and the Japan Electric Power Workers Union was expected as Labor Minister Kato reportedly announced that "the union's stand against the proposed compulsory arbitration of the dispute by the Central Labor Relations Board has remained unchanged." Meanwhile, the Kansai and Hokkaido chapters of the JEPWU were said to have decided to resort to strike action.

A SEIJI SHIMBUN editorial asserted that although it might be premature to believe that the dispute of the electric workers was conducted primarily "for the sake of struggle," their present wage standards -- said to be the highest among industrial workers -- did not warrant scheduled work stoppages. The Administration wage stabilization program would collapse, the editorial contended, if the wage demands of electric workers -- and subsequently those of coal miners -- were granted. The editorial asked labor to discontinue "reckless struggles," and to concentrate on boosting production and facilitating the introduction of foreign capital.

To a NIPPON KEIZAI commentator the significance of the electric power industry dispute was that it would not only affect the wage stabilization program, but actions of the JEPWU would "decide the direction of the nation's unions of private industrial employees." The dispute was believed to have been "caused by management's failure to keep the 25 March contract" which provided for adoption of a sliding-wage system.

Labor Unions Increase

Labor Ministry statistics revealed that labor unions totaled 33,900, with a membership of 6,533,954, as of 1 July 1948. The number of unions was said to have increased 11 percent and the membership 4.2 percent relative to the figures for the end of last year. Unions with less than 50 individuals were said to be numerous, constituting 42.9 percent of aggregate union membership. The data disclosed the largest number of workers' organizations in the manufacturing industry, followed by State employment and transportation.

POLITICS

Possibility that Diet dissolution might be avoided as the result of current Socialist Party conferences again received primary attention in the political field. Democratic Party leaders appeared heartened by the possible deferment of dissolution, according to Tokyo papers. However, writers continued to call on the Socialist Party for immediate clarification of its stand. SHIN YUKAN thought that Socialist relinquishment of demands for dissolution would be incompatible with socialist ideology. The Socialists must re-examine the basic concepts of political parties, the journal believed, and concluded that the Socialists should give up socialism completely and merely follow the lead of the Democratic Party if they did not intend to take more definite public action. The Socialists also were criticized by a HOCHI SHIMBUN editorialist for failure to reach an agreement on the dissolution issue. The non-committal attitude of the Party toward dissolution was clearly contradictory to its alleged desire to break the deadlocked political situation, according to the evening daily, which urged an immediate decision on the question.

ECONOMY

A warning against over-optimism regarding cotton goods exports was sounded by ASAHI in connection with the recent revision of export procedures. Although fixed prices on textiles have been replaced by minimum official prices, it was important that the minimum level should not be placed too high, the writer cautioned. If the minimum official price was higher than the international price level, sales of Japanese processed cotton abroad might suffer, ASAHI concluded, after pointing out that "in certain of those areas which offer the biggest markets for Japanese cotton yarn and textiles, economic stability has not yet been secured."

"The essential point of the present banking reform was probably the elimination of the bureaucratic character of the Bank of Japan," NIPPON KEIZAI observed in the course of an editorial on the separation of finance and banking. Criticizing the committee now investigating banking reform for asserting that "it is difficult to draw a definite line of demarcation between the two," the writer conceded that the remark was open to various interpretations, but felt that it might indicate a tendency to perpetuate Finance Ministry bureaucracy in banking circles.

RATIONING

In welcoming the forthcoming increase of the daily food ration from 2.5 to 2.7 go, MAINICHI and TOKYO SHIMBUN cautioned that the beneficial effects would not be fully realized unless the Government made "extraordinary efforts" to prevent delays in distribution. MAINICHI noted the Government's reported intention of enlarging by 40 percent the special ration of staple food for laborers and of putting this into effect on 1 October as compared with the 1 November date for increasing the ration for other consumers. Under such improved conditions, it was considered that a larger measure of Japan's food problems "would be settled when distribution is carried out on schedule." Furthermore, proper distribution would cause a further drop in the blackmarket price, the paper said, and as another blow to the blackmarket, the Government was advised to boost the official pruchase price for extra deliveries of rice.

EDUCATION

Since elections "can be considered the staple food of political parties," MAINICHI remarked that it was not surprising that politicians were active in the campaign for the Boards of Education. At the same time, the journal warned that this was not an "ordinary" election and that party members were unsuitable candidates -- as were those connected with labor unions and with companies printing textbooks or manufacturing school equipment. Although it was considered reasonable that teachers should want to dominate education, the paper contended that they inclined to take a narrow view and to be "strong on professional prejudice." The main criterion of a good candidate was character, the writer concluded, but the problem of the voters was to discriminate among candidates who might be unknown to them.

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SEP 2 0 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, 10 September 1948 No. 879

LABOR

Deadlock in the Japan Electric Power Workers Union dispute again drew press attention, as union leaders followed their rejection of compulsory arbitration with a refusal to negotiate directly with company representatives unless Government officials participated. Meanwhile, the union's Central Struggle Committee was said to have decided upon the launching of regional strikes, to begin with a 5-minute power suspension to Tokyo homes and small factories next Tuesday.

Editorial comment on the issue was confined to two papers -- YOMIURI and NIPPON KEIZAI -- both of which urged caution. The former journal defined the problem of the dispute as "how to adjust the rights of the workers to the benefit of society." The 12,000-yen wage base asked by the union would lead to increased inflation, YOMIURI said, arguing that a salary demand which could not be fulfilled by management without resorting to increased electric power charges or deficit financing must be considered unreasonable. The writer suggested that a strike which menaced the public livelihood might lead to legislation similar to the US Taft-Hartley Act, and said that the operation of such a law in Japan might work to the complete disadvantage of the workers. The journal proposed settlement through mediation by the Central Labor Committee.

NIPPON KEIZAI indicated suspicion that the "lower strata" of the Electric Power Workers Union had not been informed of the existing situation, and compared "those who mislead members of their union" with the nation's wartime military leaders. The paper supported Labor Minister Kato's warning that if the JEPWU should be guided into a "mistaken course by destructive elements within its own camp, its doom is inevitable." The electric workers were said to be accorded better treatment than public employees, and hence could expect less sympathy. Recent experiences of the Government Railway Workers Union were cited as an example of the way in which labor misconduct might boomerang.

Railway Workers' Desertions

Initial results in the negotiation between the Government Railway Workers Union and Administration authorities was noted in most major papers, as consent reportedly was granted to reinstate some of the employees who had deserted their jobs. A turning point in the railway situation was seen by TOKYO SHIMBUN in the union order calling a halt to walkouts, and the organization was advised to discipline itself and dispose of extreme leftist elements. The paper recommended obedience to the Government ordinance prohibiting public employees from striking and bargaining collectively "at least for the time being," leaving questions of interpretation to be decided later by legal procedure.

A lengthy account of the railway desertions in Hokkaido was published by MAINICHI, which said that the dispute "should not be regarded as a mere labor movement . . . but as indicating a deepening rivalry between two ideologies." Of particular interest, the commentator said, was the formation of numerous organizations which bore a resemblance to the wartime patriotic societies. Names of some of these groups were listed ("Young Dragon Society," "Defense Propaganda Corps, "Youth Action Corps," and "Blood and Iron Corps"); some were said to be secret and to be acting behind the scenes in the unionists' struggle. Communist supervision of the movement was described as practically complete, with the Party's tactics consisting of "dragging in" youths who later were left to sacrifice themselves for the cause. The writer charged that many deserters between 18 and 23 had been arrested, while leaders of the Government Railway Workers Union and Communists assertedly went free.

ECONOMY

Intra-Cabinet failure to agree on Chief Cabinet Secretary Tomabechi's compromise plan on jurisdiction over coal mine safety administration highlighted economic developments today. The proposed draft provided for creation of a safety council and regional mine safety bureaus, and for joint jurisdiction by the Commerce-Industry and Labor Ministers over protective measures. Objections to the second point reportedly were raised by three Cabinet members. Further study of the plan was expected, but NIPPON KEIZAI anticipated that it ultimately would be presented to Premier Ashida for "political negotiation." No comment was forthcoming.

Economic Reconstruction

ECA authorization of the purchase of Japanese cotton fabrics by the Netherlands East Indies (Press Analysis No. 878) was regarded by SEKAI NIPPO as a significant milestone in the nation's economic rehabilitation. The journal said that with the dollars received from the cotton transaction Japan would be able to purchase raw materials from East Asiatic countries, and thus enlarge its trade activities. Looking to the day when Japan would be able to compete on the international market, the writer urged traders to guard against incurring the "disrepute of Japanese products of prewar days." KAGAKU KOGYO NIPPO predicted that establishment of a single exchange rate would produce repercussions in the nation's industrial circles, but declared that these were inevitable and that enterprisers must be fully prepared to meet whatever changes might occur.

POLITICS

Political news reports and commentaries continued to concentrate on the Socialist Party discussions regarding dissolution of the Diet. Several papers reported the decision by certain left-wing Socialists -- under the leadership of Mosaburo Suzuki -- to bring about a clash between Socialist and Democratic Diet members during the forthcoming special session. If Socialist policies should be rejected, the plan called for withdrawal of Socialist Ministers from the Cabinet, and dissolution of the Diet. Commenting on this development, DAI ICHI SHIMBUN noted that the shift from the appeal for immediate dissolution to a program of opposition had the dual objects of securing Socialist autonomy and of gaining the support of those Party members opposed to the demand for outright dissolution. Socialist proposals for Diet dissolution and for withdrawal of the group's Cabinet Ministers may be only a political gesture, leftist SHIN TOKYO suggested, at the same time noting that the Democratic-Liberals, in spite of their protests, were "in favor of avoiding Diet dissolution if possible." The journal thought that the present political situation might be more truly a political vacuum than that feared in the event of dissolution, and urged that general elections to determine the will of the people be held promptly.

EDUCATION

A SCAP spokesman's statement emphasizing the importance of the 5 October Board of Education elections was reported in 13 Tokyo journals. Pointing out that the Japanese people would be assuming the responsibility for the education of their children, the Civil Information and Education Section official declared that the choice of Board members would affect, in large measure, the scope and quality of the education to be provided for the nation's future citizens.

Contending that the Japan Teachers Union was attempting to capture Board positions at a time when "the general public still is unable to comprehend fully the spirit of the new system," MAINICHI warned that if apathy continued, "radical teachers . . . will become a dominant power." In contrast, AKAHATA charged that local government authorities were slandering the Communist Party and the Teachers Union, and were attempting to restrict candidates coming from "our camp."

FOREIGN

The question of "national" -- as opposed to "international" -- communism was considered by three journals in commentaries which noted the evidence of such a conflict in Eastern Europe. Criticizing European Communists who were "narrow-minded, self-centered, and blinded by their immediate interests," TOKYO MINPO defended the "internationalism of the working class." HOCHI SHIMBUN minimized the differences between the two policies, and declared that Communists in all parts of the world would follow a course of expediency, while ASAHI believed that the Cominform feared the trend toward nationalism in Eastern Europe was a threat to the "solidarity" of that area.

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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, 9 September 1948 No. 878

LABOR

Rejection of compulsory arbitration by the Japan Electric Power Workers Union highlighted today's domestic news developments. Simultaneously, the Democratic Party was said to have published a plan for revision of the National Public Service Law, which reportedly advocated limited strike rights for non-clerical government employees. The plan proposed that "the right of public corporation workers to organize, strike, and conduct collective bargaining be recognized in principle, but a mediation organ (should) be established and restrictions on strikes be provided so that civil servants will not abuse their right to strike." The Democrats also recommended Cabinet supervision of the projected Personnel Authority.

A MAINICHI editorial deplored the electric power workers' refusal to submit their wage demands to compulsory arbitration by the Central Labor Relations Board. The writer felt that the electric workers were acting "as if in collusion with government employees' unions" which assertedly were utilizing job desertion tactics to express opposition to the projected revision of the NPSL. A stalemate in current labor controversies was believed to be caused by the fact that "economic stabilization, as demanded by the Government, and industrial democratization, as advocated by labor organizations, seem incompatible." Mutual understanding of State officials and labor leaders was urged in the interest of national rehabilitation.

The NPSL revision issue was viewed by SHAKAI SHIMBUN as "an indication that the postwar class struggle in this country has entered a new stage." The Socialist paper thought that "the capitalist camp" -- said to have recovered both politically and economically from defeat in war -- was attempting to enforce mass dismissals as an inducement to foreign investments. Meanwhile, TOKYO MINPO criticized the Ashida Cabinet for "not seriously considering the people's livelihood while it deprives workers of their rights." Government workers were advised to make effective appeals to public opinion for improvement of working conditions.

ECONOMY

Economic Cooperation Administration authorization of the purchase of approximately $12,000,000 of Japanese cotton fabrics by the Netherlands East Indies was widely reported in today's press. NIPPON KEIZAI said that the transaction would bring an "abundant supply of much-needed dollars to Japan," and would have a generally beneficial effect on trade in the Far East. The financial journal estimated that 50,000,000 yards of cotton cloth would be exported under the sale, and said that Japan would buy raw cotton with the dollar fund.

Agreement by the 3-man banking committee on major points concerning revision of the financial system was accorded featured attention. The proposed Banking Board would have independent authority over problems of personnel, budget, and compilation of laws, but the Board would be restricted to formulating ordinary financial policies. Such policies as currency measures would be left to the government. Papers also noted that the Personnel Committee expected to present a new wage level for government workers "within a week," with JIJI SHIMPO predicting that the standard would embrace "large-scale" revisions.

Small and Medium Enterprises

Concern over the plight of small and medium enterprises was expressed by SEIJI SHIMBUN and YUKAN MIYAKO. The first-named journal contended that because 61 percent of the nation's workers were employed by small industries, the "crisis" constituted a serious social problem. The writer suggested that the enterprises become independent of big industries and increase production through rationalization. YUKAN MIYAKO supported the formation of the Small and Medium Enterprises Board, but feared that the financial assistance it would be able to extend from its 8,000,000,000-yen fund would be insufficient.

Other Economic Comment

YOMIURI declared that the future of the coal industry would become brighter only when it makes "increased efforts to place a brake on inflation by its will to spur production." NIPPON KEIZAI asserted that local governments were in difficult fiscal straits due to increased taxes, and called upon the federal government to take steps to alleviate the "confused financial state" in local areas. The decision of the National Federation of Bankers to raise interest rates on loans from 2.8 sen to 3 sen per day was scored by TOKYO SHIMBUN, which maintained that raising rates to cover allegedly increasing operating costs should be avoided.

GOVERNMENT

Noting that 15 members of the Diet were prosecuted between April 1947 and July 1948, ASAHI deplored the "disgraceful situation" which allegedly threatened a loss of national government authority. While acknowledging that the crimes were serious and that the present Diet probably lacked the "quality" of former legislative groups, the editorialist believed that there had been steady improvement in the management of the Diet, and cited the achievements of the Illegal Property Transactions Committee. Indicating belief that the number of unlawful acts was not excessive in view of the number of Diet members, HOCHI SHIMBUN nevertheless urged voters to consider the character of candidates more important than party affiliation and policies. TOKYO TIMES conceded that Diet members were confronted with the same difficult living conditions as the rest of the nation, but argued that dissolution was advisable to eradicate the opinion that the Diet was "filled with corruption."

Suggestions that the Diet create a group similar to the US Un-American Activities Committee prompted YOMIURI and SEIJI SHIMBUN to present, without comment, reviews of the American campaign against subversive elements. In the same connection, AKAHATA warned against employing "the way followed by Hitler," and charged that "monopoly capitalists, bureaucrats, landowners, and conservative politicians are the very men who are ruining the livelihood of the people."

POLITICS

Final decision by the Socialist Central Executive Committee on the time and manner of Diet dissolution was reported temporarily postponed. Although general approval was assertedly accorded by the CEC to Tetsu Katayama's frequently repeated demand for dissolution, YOMIURI observed that actual dissolution might be delayed for some time, while probable agreement by Premier Ashida and Peoples Cooperative Chairman Miki with the dissolution proposal would be merely nominal, and designed to "save face" for Katayama.

Failure of the Socialist CEC to reach a formal decision on the dissolution issue gave SHIN YUKAN "the impression of the existence of serious dissension" within the Party. The journal contended that dissolution and an election at this time would bring about no remarkable changes in the spheres of political influence, but indicated that Katayama might suffer a loss in prestige if the Diet failed to be dissolved. Elsewhere, the same paper expressed belief that an election now might interfere unduly with Japan's reconstruction, and requested the Socialists to recognize their responsibility in this regard.

FOREIGN

SEKAI NIPPO devoted its lead position to an editorial on the "nationalism versus internationalism" issue within European Communist Parties, and concluded with an implied attack on the Japanese Communist organization. The phrase "independence of a nation" was said to have been newly defined by the Cominform to mean subservience to the USSR, and agreement with this view was attributed to the Japanese organization in its statement justifying the denunciation of Yugoslavia and in its asserted claim that the Administration's policy favoring introduction of foreign capital would result in a menace to Japan's independence.

Following recent elections and reported steps to establish a government in Northern Korea, TOKYO MINPO observed that the way had been opened for erecting a unified administration for the country "by the Korean people themselves." In view of the fact that the majority of eligible voters in Southern Korea participated in the recent elections, the paper suggested that "it will be highly interesting to watch how the (South) Korean Government will meet the situation."

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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, 8 September 1948 No. 877

ECONOMY

Two SCAP announcements -- one lifting official export prices for textile products and the other authorizing release of 95,000 tons of steel in the October to December export program -- highlighted economic developments in today's metropolitan press. In accordance with the directive ordering removal of government controls over export trade (Press Analysis No. 854), textile prices no longer will be set by the Board of Trade, but will be determined through direct buyer-seller negotiations. Necessary controls would be exercised to maintain price levels which would preclude unfavorable competition with major competing countries. In the only noted comment on the textile price policy, NIPPON KEIZAI expected commercial activities to be accelerated due to the "increased initiative and spirit among traders."

Approximately 50,000 tons of steel would be utilized for production of capital goods and equipment already committed, while the balance would be sold as fabricated steel products or as rolled steel products. Development of the steel program was attributed to increased import of iron ore, coking coal, and pig iron during the past six months.

Wage Stabilization

ESB Director-General Kurusu's statement in Nara that a 4,200-yen wage base was being considered by the Cabinet was noted by several journals. The ESB chief was said to believe that revenue sources to meet the increase "would not be difficult to find." Meanwhile, SEIJI SHIMBUN quoted a SCAP labor official as stating that responsibility for fixing the wage scale rested with Diet labor committees, and SHIN YUKAN asserted that industrialists in the Kansai district planned to put the direct wage control system in effect in November. Editorially, NIPPON KEIZAI admitted that the wage stabilization issue was a serious problem to solve, but felt that the Administration had no reason for failing to clarify its attitude. The journal thought that settlement should not be entrusted to the Government alone but that "private circles should be permitted a voice."

Coal Production

A SCAP official's warning on the effects of lagging coal production was accorded considerable coverage. The official reportedly said that output had lagged in the past five months, and cautioned that failure to meet quotas would retard national reconstruction. Commenting on the 900,000-ton shortage in coal output to date, a SHIN YUKAN editorial remarked that it was embarrassing that the coal industry was "perennially in the red." The "low state" of the coal industry was attributed in part to enactment of the State Coal Control Bill, which, contrar to expectations, was said to be ineffective. Meantime, an ASAHI commentator believed that the anticipated demand by mine owners for revision of coal prices was indicative of their dissatisfaction with the administration of coal mines.

Economic Reconstruction

Necessity for stabilizing domestic conditions prior to introduction of foreign capital continued to be stressed by editorialists. SHIN YUKAN asserted that foreign aid was not lagging because of "legal handicaps," but because of "obstacle tying up the economy as a whole." The writer called for more positive policies, contending that revision of existing regulations alone was insufficient. Anticipating establishment of a single exchange rate within six months, SEKAI NIPPO advised industries to make adjustments and rationalize management in order to be prepared for whatever upheaval might result from institution of a unilateral rate,

LABOR

Expected acceptance of compulsory arbitration by electric workers and a SCAP spokesman's explanation of the projected structure of the Personnel Authority were accorded considerable coverage in metropolitan journals. Some major papers also reported that the "central dispute committee" of the Government Railway Workers Union had decided to order members not to participate in job desertions, while a SHIN TOKYO article revealed a recent decline in government railway walkouts. Meanwhile, ASAHI said that the All-Japan Federation of Metal Mine Workers Unions was seeking a 34 per cent wage boost.

Job Desertions

An ASAHI editorial noted that almost all persons absenting themselves from government railway jobs were young union members who assertedly had "mistaken views" concerning the no-strike ordinance and the proposed revision of the National Public Service Law. The Administration was asked to make it clear that mass absenteeism would not force it to rescind the ordinance. Union leaders also were advised to halt job desertions, so that misguided unionists would not make unnecessary sacrifices in expressing opposition to Government labor policy. "Since NPSL revision has become unavoidable," the editorial concluded that labor officials should study projected amendments from the point of view of union objectives, and an appeal "to the Diet and public opinion" for modification of proposed legislation was advised.

According to a TOKYO MINPO commentary, delayed coal shipments -- said to have been caused by job desertions -- threatened to paralyze industrial production. The writer predicted widespread government railway walkouts, in conjunction with work stoppages in private industry, when the bill to revise the NPSL was introduced in the Diet. Meanwhile, AKAHATA claimed that the Democratization League had started "a movement to undermine all unions." The League was said to have "envisaged subjugation of the working classes to the control of monopoly capital by asking labor to abandon the rights to strike and to bargain collectively."

POLITICS

Opposition to dissolution of the Diet appeared to be increasing among Socialist leaders, as journals reported new support for the Party's right-wing opinion that it would be disadvantageous to face a general election this year. Thus, YOMIURI noted a trend to defer a call for dissolution, despite the "strong desire" of such Party officials as Political Research Committee Chairman Suzuki and Diet Policy Committee Chairman Yonekubo. Rightists were said to have admitted, however, that it would be virtually impossible to reach a decision at today's meeting of the Central Executive Committee.

Socialist Chairman Katayama's frequently-expressed demand for dissolution caused JIJI SHIMPO to attack those Socialists who maintained that the former Premie spoke as an individual and not as the Party's ranking official. Katayama made know his views, the editorialist noted, while on a tour "to extend the Party's influence -- not while on a private pleasure trip. * * * Therefore, it is only natural that the Chairman's advocacy of dissolution should have been taken as representing the Socialists' opinion." Claiming that the Socialists were capable of causing the immediate collapse of the Administration, the commentator requested the Party to "make up its mind" and to assume a "more responsible attitude."

TOKYO MINPO indicated endorsement of dissolution in an editorial which scored the Ashida Government as "not only politically incapable of reconstructing Japan democratically," but as "paving the way for fascism through its numerous reactionary measures." Rejecting right-wing Socialist arguments for continuing the Coalition, the paper declared that the Cabinet "should not be allowed to exist any longer."

EDUCATION

A DAI ICHI SHIMBUN article by a Kyushu University professor called attention to the limitation on campaign expenditures -- reported as 180,000 yen for Tokyo and 40,000 yen for Yokohama -- and expressed surprise that elections for the Boards of Education required such large amounts. If such sums were necessary, the writer declared, it followed that candidates must be sponsored by "bosses, unions, or political parties." Under the circumstances, it was believed impossible for education to remain aloof from politics, and, assuming that political control was inevitable, the writer contended that it would be better for the boards "to be led by progressive political forces such as Socialists and Communists . . . who advocate socialistic ideas, in order to remove the evils of advanced capitalism." "We know well the evils caused by the financial clique's control of education in the US, and we hope to avoid repeating such evils in this country," the article concluded.

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Other Economic Comment

Predicting that reactions following the settlement of inflation would be far-reaching, NIPPON KEIZAI urged industries to make all possible adjustments now in order to be prepared for the anticipated economic upheaval. TOKYO TIMES thought that reliance on foreign capital to rehabilitate Japan could be carried too far, and urged that greater effort be made by the Japanese themselves to restore their economy. Contending that labor disputes were due to rising living costs, SHIN YUKAN endorsed the anti-blackmarket movement organized by Osaka housewives as a possible means, if successful, of removing one of the major bottlenecks to increased production.

POLITICS

The intra-Administration conflict over whether to dissolve the Diet dominated political stories in weekend editions of the Tokyo press. Although the Socialist Central Executive Committee postponed a decision on the problem, Party Chairman Katayama reportedly continued to favor dissolution, while Premier Ashida was quoted as seeing no need for the move "unless the entire populace wholeheartedly supports the step." Reports indicated that the situation would crystalize when leaders of the three Ministerial Parties meet on 14 September. At that time, Ashida will make every effort to reconcile the Socialist and Democratic viewpoints, YOMIURI predicted.

Comment on the dissolution issue was limited, an exception being three commentaries in ASAHI, which considered various phases of the question. Qualified support for dissolution appeared in an editorial in which the journal doubted that a "political vacuum" resulting from dissolution would be more detrimental than perpetuation of an Administration which "cannot establish or enforce policies." In another discussion, however, the journal contended that "the people do not want to become involved in a general election merely to . . . reduce the difference between the Socialist and Democratic Parties." In agreement with the first ASAHI opinion, YUKAN MIYAKO argued that the instability of the Ashida Cabinet had of itself created a vacuum.

Ashida's "attempt to remain in office in disregard of public opinion" was assailed by SHIN TOKYO, but the journal avoided direct endorsement of Diet dissolution. In another column, the paper described the Premier as being "at a loss what to do with simple and honest Katayama." TOKYO SHIMBUN made no commitment on the dissolution question, but called on the Socialists -- "who are confronted by the gravest situation since the Party was formed" -- to clarify their position as the largest Ministerial group.

GOVERNMENT

Approval of the possible creation of a Diet committee similar to the US Congressional Un-American Activities Committee was expressed by SHIN YUKAN. The Committee's activities would ensure the legal conduct of Japanese politics, the paper thought, asserting at the same time that communism must be opposed by formulating an adequate counter-ideology, as well as by Diet investigations." The Communist Party organ AKAHATA believed that undue emphasis had been placed on a SCAP spokesman's reported approval of formation of such a committee (Press Analysis No. 872).

TOKYO MINPO welcomed reports that the Illegal Property Transactions Committee would conduct investigations regarding behind-the-scenes maneuvers of coal mine operators and Diet members during the course of deliberations on the State Coal Control Bill. Allegedly scandalous behavior on the part of the operators and Diet members, including the collection of a huge fund by the former to fight passage of the bill in the form originally advocated by the Socialists, were reported in detail by the journal which saw "resolute investigation" of the "disgraceful scandal" as contributing to the political education of the people.

Use of the Right of Recall

The right of recall has been exercised more often in rural than in city districts, according to TOKYO SHIMBUN, which observed that recall was easier to exercise in small communities. The right must be used responsibly, however, the journal warned, pointing out that it had been used occasionally for purely political reasons, "under the influence of emotion," and in cases where the people were indifferent and had heedlessly signed petitions.

LABOR

Authorization of regional strikes by the Japan Electric Power Workers Union "struggle committee" and legal action brought against Cabinet Ministers for alleged malfeasance in office were accorded extensive coverage in metropolitan journals. The principal issue in the electric power industry dispute was said to be labor's demand for a sliding-wage scale which would be retroactive to July. Despite asserted union opposition, the Government reportedly had proposed that the dispute be settled through compulsory arbitration conducted by the Central Labor Relations Board.

According to a published statement of ESB Director-General Kurusu, "a five-percent hike will be permitted in the electric workers' wages for July, August, and September," and wages for subsequent months will be established by a CLRB sub-committee. Simultaneously, papers noted "a leftist victory" in the policies adopted at a meeting of the All-Japan Communications Workers Union's Central Committee, as resolutions proposed by moderate elements were said to have been defeated. The resolutions assertedly called for withdrawal of the AJCWU from the NCIO, elimination of Communist members from union offices, and for a vote of non-confidence in the organization's present struggle committee.

Editorial Comment

Considerable significance was attached to the electric workers' dispute by ASAHI, which commented that "if the CLRB steps in and approves a sliding-wage scale, the companies will be unable to bear the whole financial burden without appreciable aid from the Government." Not only would approval of the wage demand jeopardize the Administration's wage stabilization policy, the writer thought, but "the outcome of this dispute will indicate the direction of the labor movement in private industry." In a TOKYO SHIMBUN editorial, compulsory arbitration was supported, because the union was believed to be presenting "excessive demands for political reasons."

Representatives of 13 labor bodies -- including the All-Japan Communications Workers Union -- were said to have filed a suit with the Prosecution Board, charging Cabinet Ministers and Premier Ashida with "abuse of vested authority" in connection with enactment of the ordinance banning strikes and collective bargaining by public servants. A TOKYO SHIMBUN editorial queried whether Communist Party headquarters was responsible for individual Communists' actions committed in defiance of the ordinance, while a TOKYO TIMES article claimed that job deserters on government railways were receiving outside financial assistance. The former journal believed that an organization was responsible for the acts of its members, and might be dissolved for failure to correct individual legal infractions.

CIVIL RIGHTS

The Teikoku Bank murders continued to receive widespread coverage, as journals reported that a suspect whose treatment by the police has been protested (Press Analyses Nos. 868, 869) subsequently had been charged with fraud. Although conclusive evidence linking the suspect with the murders was said to be lacking, procuratorial authorities reportedly intended to continue the investigation.

Meanwhile, editorial discussion of the case appeared in three papers. Although grateful for the "judicial revolution" which prevented police from obtaining confessions by torture, YOMIURI observed "a deplorable tendency toward diminished efficiency in arresting criminals." Japanese police were described as incompetent since former methods had been abolished, and law enforcement agencies were held to be severely handicapped because of an absence of modern equipment such as an efficient communications system. Acknowledging the importance of protecting civil rights, the journal nonetheless thought it more important to safeguard the general public from "brutal criminals." TOKYO SHIMBUN agreed that criminal detection methods in Japan were "primitive," and added that although the police may have failed to act speedily in the Teikoku case, they were functioning under a system which sometimes compelled them to spend their own money in the performance of their duties.

AKAHATA deemed it "an extraordinary infringement of human rights to treat the suspect as a criminal when he has not been convicted." Whereas Japanese police "once boasted that they were the best in the world, they now are the worst," the Communist organ maintained. Comparing the Teikoku case with police action in recent strikes, the commentator charged that "the Imperial police system is being revived under the mask of democracy."

FOREIGN

Journals gave prominent attention on Sunday and Monday to the progress toward lifting the Berlin blockade and the reported success of French Premier Schuman in organizing a new cabinet, while the featured foreign news story on Tuesday was the rumored desire of China for an early Japanese peace treaty. The latter development drew no comment, while editorials on other topics were numerous but noncontroversial.

Of interest was TOKYO MINPO's observation that France's economic crisis had been caused by centrist policy, which "has intended to turn the economic rehabilitation favorable for large capitalists by depending upon the Marshall Plan." The weak point in the nation's short-lived Administrations was said to be the exclusion of the Communist Party, and unless this was corrected, the journal stated, "there will remain in France only a dictatorship of large capitalists, which is no different from De Gaulle's program, even though the name is 'middle-of-the-road' politics."

Large significance was attached to the announcement of formation of a North China People's Government, regarded as evidence of the mounting strength and influence of the Communists in that country. International repercussions were predicted to follow this development by HOCHI SHIMBUN, which claimed China's civil war was already being looked upon as another manifestation of the "cold war." Reviewing the current stage of the "deplorable people's revolution," SEKAI NIPPO regretted the delay in reform on the part of the Kuomintang Party in the face of such a "grave crisis." In a recent editorial countering criticism of the Nationalists, CHUKA NIPPO declared that Chiang Kai-shek was trusted and supported by the majority of the people and insisted that a "revolution by force" against him could never be successful.

NIPPON KEIZAI described inflationary conditions in America as "violent," pointing out that the US had nevertheless not spared any efforts in shouldering burdens in the interest of world reconstruction. "This is due to the greatness of the American people," the writer concluded.

EDUCATION

Listing in detail the responsibilities to be exercised by the new Boards of Education, MAINICHI, ASAHI, and NIPPON KEIZAI sought to impress readers with the importance of electing worthy members. Because Japan has had no experience in the democratic operation of education, NIPPON KEIZAI doubted that "groundwork firm enough to carry out public election of board members" had been established. The journal also pointed to the reported activity of the teachers' union, and said teachers were seizing the present opportunity because they anticipated that pending revision of the National Public Service Law would prohibit public employees from holding elective office. The union was censured for the part it assertedly played in influencing the Diet to amend the Board of Education Bill to allow teachers to serve as members, the paper stating that the boards were originally intended to comprise laymen only.

In the same vein, MAINICHI stressed that board members need not be specialists in education, but rather that "non-professionals may be considered preferable" if they were concerned with and had an understanding of education. Both this paper and HOCHI SHIMBUN referred to the recent Tokyo MG warning that candidates included "confirmed members of left-wing political bodies." As the result of a nation-wide survey, YOMIURI reported that the general public showed little concern over the election, while teachers' unions political parties, and PTAs were "actively preparing . . . with the intention of putting their candidates in the race."

PRESS

SHIN TOKYO praised the "remarkably effective" campaign of "a certain newspaper" (ASAHI) in publicizing the violence at Honjo, Saitama Prefecture (Press Analysis No. 871), but was critical of other major newspapers which failed to report the case. To eliminate "boss-ridden politics," the journal proposed that papers discard minor differences and work aggressively for the formation of a united front."

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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, 2 September 1948 No. 873

OCCUPATION

Major Tokyo papers gave prominent attention to the Supreme Commander's message on the third anniversary of the Surrender. Editorial comment, however, was limited to NIPPON KEIZAI, which suggested that despite the Allied policy of "making Japan as autonomous as possible," the Japanese people had become so "accustomed" to the Occupation that they had forgotten how to settle problems on their own initiative. Thus, the writer noted that "we frequently are prodded by GHQ because we are falling down on our jobs." The Communist Party's emphasis upon Japan's "independence" was attacked, however, because "if we followed the Communist suggestions, we would . . . merely lead the country to destruction . . . and invite foreign rule."

ECONOMY

The Government Wage Committee's agreement to draft three tentative plans on wage control received featured attention in metropolitan dailies. The plans -- to be presented to the economic ministers' conference following ESB Director-General Kurusu's return from his current tour -- were expected to cover direct wage control, indirect control, and a compromise between the two. Papers also reported Socialist Political Research Committee Chairman Suzuki's announcement that the Committee favored a 6,394-yen wage base for government and public workers. Suzuki was quoted as stating that the major problem was to find revenue sources for the wage scale.

Economic Reconstruction

Contending that currency stabilization required definite economic policies, DAI ICHI SHIMBUN charged that the Ashida Cabinet possessed neither the required courage nor wisdom to promote monetary stability. Only a stable and strong government which had the support and confidence of the people could succeed in stabilizing currency, insisted the writer. Therefore, a general election was suggested in which all political parties would be required to present their currency programs for the people to judge. Noting the expected improvement in the food situation, YOMIURI called on the Government to take advantage of the situation to expedite rehabilitation. Since the Administration assertedly had insisted that inflation was mainly due to the food problem, the commentator claimed that federal officials no longer had any pretext for not checking inflationary trends.

POLITICS

Two more Socialist leaders, Kanju Kato and Mitsusuke Yonekubo, were reported in agreement with Tetsu Katayama's stand favoring early Diet dissolution, as well as speedy convocation of the proposed special session. Suehiro Nishio, however, was understood to advocate efforts to heal the breach between Socialists and Democrats before dissolution or Cabinet resignation was resorted to. Postponement of the special Diet session was regarded by a TOKYO SHIMBUN editorialist as "incomprehensible." If the business delaying convocation of the special session was as urgent as it was said to be, it was strange that the members of the Cabinet who were concerned should be absent from Tokyo at this time, the writer thought. Papers reported that a meeting of the Central Executive Committee of the Socialist Party scheduled for Saturday probably would decide the position of the Party as a whole regarding convocation and dissolution.

LABOR

To discipline government employees who have "deserted their jobs," the Sapporo Railway Division was said to have discharged 90 workers and to have reduced the wages of 143.

TOKYO MINPO and AKAHATA editorials demanded rescission of the Administration ordinance banning strikes and collective bargaining by government workers. The former journal maintained that the Allied Council Chairman's reported statement that the SCAP letter of 22 July was issued not as an order, but as a recommendation so that the Japanese Government might take proper measures on its own responsibility, revealed Cabinet misunderstanding of "well-meant advice." On the other hand, the Communist organ claimed that the Government "intentionally misinterpreted General MacArthur's letter," and the writer felt that "under the circumstances, it is incumbent upon the Ashida Cabinet to revoke the ordinance and to resign en bloc." Meanwhile, KOGYO SHIMBUN expressed objections to a contemplated law which would ban Communists from public employment, because the journal believed that there was "no need for such legislation."

EMPEROR

Discussion of the possible abdication of the Emperor appeared in a SEIJI SHIMBUN editorial and in a letter to YOMIURI, with both writers indicating support for such a development. The SEIJI SHIMBUN commentary appeared guarded, but the journal maintained that Hirohito would continue to have a "divine status" in the minds of many Japanese so long as he was placed "outside criticism or responsibility." More outspoken, the letter in YOMIURI declared that the Emperor should share responsibility for the war, and argued that the Tenno system would be short-lived unless Hirohito abdicated.

GOVERNMENT

Opening of Illegal Property Transactions Committee hearings in connection with the alleged bribery of public officials by coal operators was accorded considerable space. The examination yesterday of Ryoichi Yamakawa, president of the Japan Coal Mine Operators Association, led to the prediction that a scandal would be unearthed involving several prominent political figures. Numerous members of the legislature allegedly were suspected of having accepted large sums of money during Diet consideration of the State Coal Control Bill in the latter part of 1947. Prosecution authorities were reported also to have begun probing the case. Meantime, the Special Examination Bureau of the Attorney-General's Office announced that it had issued a summons for Jiichiro Matsumoto, Vice-Speaker of the House of Councillors, to appear for questioning on suspicion of violating the purge directives by holding a directorship in a recently banned nationalistic organization.

Editorial comment on the IPTC activities was restricted to MAINICHI, which noted public indifference to investigation of the Showa Electric Industries Company case, and claimed that other political scandals had been "held in check and settled quite unsatisfactorily." No comment was as yet forthcoming on the coal case.

The suggested establishment of an "Un-Japanese Activities Committee" in the Diet received endorsement from MAINICHI in another commentary. Pointing out the success of the IPTC, the paper declared that there was an even greater need for an organ to seek out "subversive activities obstructing the highest objectives of national reconstruction." Members of the proposed group should be selected from both houses, the journal advocated, and movements of both extreme leftists and extreme rightists should be fought.

FOREIGN

The agreement on currency problems reportedly reached at the Moscow conference and the death of Soviet General Zhdanov received substantial news coverage, and editorials on foreign developments dealt with the same topics. Guarded optimism was expressed concerning the agreement, although writers felt that predictions were premature at this point due to the secrecy surrounding the meeting. Noting the prominent position Zhdanov occupied in the Soviet hierarchy, ASAHI, SHIN TOKYO, and SEKAI NIPPO recalled rumors that he had been one of the leaders regarded as likely successor to Stalin.

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This was considered urgent by the writer, who contended that remnants of feudalism existed throughout the country, as evidenced by "acts of violence under the pretext of patriotism or anti-communism, and collusion between racketeers and police." Despite progress resulting from the aid and guidance of the Allied Powers, the commentator believed that there was a lack of "democratic spirit" upon which undemocratic elements were trying to capitalize. TOKYO SHIMBUN also observed that "communist and other elements are threatening order and hampering reconstruction," but the editorialist appeared to feel that a probe could be conducted by the Diet Illegal Property Transactions Committee, reorganized along the lines of the US Committee.

Although praising the accomplishments of the IPTC, DAI ICHI SHIMBUN predicted that the group would lose the nation's confidence if it failed to call ex-Premier Higashikuni as a witness in the arms disposal investigation. Some members of the Committee, the paper indicated, were reluctant to call Higashikuni because of his relation to the Imperial Family. (His wife is the daughter of the Emperor Meiji.) The commentator also emphasized that the Diet investigators should disclose the "conspiracy" between militarists and the former Zaibatsu so that "we can learn how they made fools of the people."

LABOR

Labor Minister Kato's proposal that the Central Labor Relations Board mediate the electric power industry dispute was announced by most metropolitan dailies. Simultaneously, major papers reported that "the Government Railway Workers Union's 'central struggle committee' is facing an internal split" over the question of observing the recently proclaimed Administration no-strike ordinance. Communists and Reformists were said to have contended that the ordinance was "unconstitutional," while the opposing group assertedly advocated strict adherence to the Government measure. TOKYO MINPO also said that "the Preparatory Committee for the Democratic Protection League, under the leadership of the Liberal Bar Association, is now planning to bring an action before the Supreme Court" for alleged Government violation of the Constitution. An appeal to revoke the ordinance assertedly would be "addressed to the Allied Council, the Far Eastern Commission, the Wallace Progressive Party, the World Federation of Trade Unions, and to the peoples of the world." On the other hand, Cabinet interpretation of the ordinance was expected to be announced today, in order to clarify previous Administration statements in light of the Allied Council Chairman's explanation of the SCAP letter of 22 July (Press Analysis No. 872).

Apparent indifference to certain aspects of the reorganization of State enterprises was observed by HOCHI SHIMBUN, which declared that establishment of "public corporations" was recommended as a measure "to eliminate Japan's bureaucratic system." Administration officials were charged with planning to place field workers under jurisdiction of the NPSL, so as to deprive them of the rights to strike and to bargain collectively. Consequently, the intention of the reorganization recommendation assertedly would be defeated, and the Government Railway Workers Union and other public employees' organizations were urged to take an active interest in the projected reorganization program.

Miners' Demands Opposed

An ASAHI editorial raised objections to the All-Japan Coal Mine Workers Union wage demands, which were said to range from 14,050 yen a month for pit workers to 7,830 yen for odd-job men. Although some increases in miners' earnings were believed justifiable because of price adjustments, the writer maintained that the demands were unreasonable in view of current economic conditions and the assertedly preferred treatment accorded coal miners. The editorial also called attention to the AJCMWU's reported proclamation advocating "a struggle against authority" in the pursuance of organization objectives. Coal miners were advised that such a policy would lead to legislated wage ceilings, as well as provoke management to seek restrictions on union activities in basic industries.

FOREIGN

In discussing the political problems of China, SEKAI NIPPO saw need for "reforming" the Kuomintang, but considered the chief obstacle to be the divergent viewpoints of the conservative and progressive elements within the party. SHIN YUKAN predicted no change as long as the civil war continued, and believed the only solution was the establishment of a coalition government including the Communists. "As long as the rightists are in power at Nanking, the masses will not be freed from civil war," the journal declared.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Information and Education Section
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PRESS ANALYSIS, 4 September 1948 No. 875

POLITICS

Government announcement reasserting the constitutionality of the ordinance prohibiting public workers from striking and collective bargaining drew featured coverage in the metropolitan press. The Cabinet-approved message, which was sent to all unions concerned, argued the legality of the order by claiming that the pre-Constitution Imperial ordinance upon which it was based was promulgated with due consent of the Diet, thus giving it full force of law. Major attention also was accorded the statement of Secretary of the Army Royall backing the SCAP labor policy in refutation of Russian criticism made through the Allied Council for Japan.

No reaction to the Administrative announcement was as yet forthcoming from political circles. However, ASAHI reported that members of the orthodox Socialist group had decided in a meeting Friday that the Government order to civil servants was un-Constitutional, since it was issued on the basis of the SCAP letter of 22 July, which was considered a recommendation and not a directive Premier Ashida's radio broadcast in which he defended the Ministry's policy was severely criticized by Sanzo Nozaka, member of the Communist Party's Central Executive Committee, in a lengthy article published in AKAHATA. The Communist leader denied Ashida's assertion that strikes were prohibited in the USSR, declaring that since economy and politics were in the hands of Soviet workers, strikes were out of the question in that country. "In an incompletely democratized nation such as Japan," the article continued, "sovereign power virtually lies with the despotic administration of big capitalists and bureaucrats, though the Constitution formally provides that sovereignty rests with the people." The conclusion was made that public employees should be armed with the right to strike "as a last resort." The present national crisis, of which the Cabinet Chief was said to be aware, was attributed to the "imperialistic war, to which Ashida gave his support, the successive postwar cabinets which allowed the blackmarket and inflation to assume such serious proportions, and the capitalists engaged in production sabotage."

Opposing these views on validity of the Government ordinance, a SEKAI NIPPO editorial maintained that though the SCAP letter was in the form of a recommendation, it was based on the need for achieving one of the Occupation's objectives -- namely, the "establishment of a free and responsible government." Key to success of the proposed revision of the National Public Service Law lay in improvement of public workers' wage standard, according to the paper, and unless this problem was attended to, mounting labor unrest was predicted. TOKYO MINPO believed it was significant that the NPSL revision issue had developed into an international question, with divergent views being held by the US, Russia, and the British Commonwealth, and blamed the Administration for causing a loss of world confidence in Japan.

Diet Dissolution

Premier Ashida's decision to regard Diet dissolution as an eventuality was rumored, though no direct quotation on the subject was printed. To support this contention, papers reported that the Premier had instructed his assistants to hurry preparations for a general election. Editorially, SHIN YUKAN saw nothing to be gained by dissolving the assembly, observing that while an election might bring new party alignments, the present problems of administration would remain.

Meantime, it was announced that the three Government Party leaders would confer on or about 13 September to decide upon a new date for convocation of the legislature. Socialist Party Chairman Katayama's agreement to further postponement of the extraordinary session (following a meeting with Chief Cabinet Secretary Tomabechi) was extensively reported. SHIN YUKAN said the basis for the deference plan was "the present political situation," which apparently referred to scheduled speaking tours by politicians. Articles in YUKAN MIYAKO, SEIJI SHIMBUN, and HOCHI SHIMBUN quoted Welfare Minister Takeda as predicting that Katayama would join the Cabinet by assuming the vacant post of Deputy Premier, which apparently contradicted the Socialist leader's repeatedly pronounced desire for an Administration break-up by Diet dissolution.

ECONOMY

Papers reported the Socialist Political Research Committee's plan for a 6,200-yen wage base inclusive of income taxes for the second quarter. The wage measure -- assertedly computed on the latest consumer price survey -- was said to call for revision of the pay scale every three months in accordance with the fluctuating price index. Chairman Suzuki of the Socialist PRC was quoted by MAINICHI as stating that the Committee was "prepared to disclose revenue sources for the wage standard," but felt that it was proper at this time to submit the plan without indicating the sources.

TOKYO SHIMBUN noted that the Economic Stabilization Board "appears to favor" a policy of direct wage control on the ground that indirect control was ineffective. In view of "wartime experiences," however, the Administration was said to foresee difficulties in instituting this system for every type of industry. A DAI ICHI SHIMBUN commentary believed that a speedy settlement of the wage problem was unlikely because of its "extremely complex economic and political relationships." The journal felt that there would be little hope of ever stabilizing wages if the opportunity to do so with "increased rations in sight was allowed to slip by." However, the writer considered the question of settling the wage issue "too tall an order for the politically weak Ashida Cabinet."

Shipping Operations

Initial editorial reaction to the SCAP authorization for limited shipping operations (Press Analysis No. 874) was noted in NIPPON KEIZAI, which declared that although the directive marked a significant step toward rehabilitation of the shipping industry, it gave rise to many problems. In the first place, the current surplus of seamen was expected to confront shipowners with the issues of full employment and improved treatment. Secondly, shipping leaders reportedly were concerned over the lack of steel for building new vessels, as well as the shortage of materials for new equipment. As a partial remedy, the journal suggested that shipping companies consolidate their positions.

Economic Reconstruction

Declaring that introduction of foreign aid was indispensable to the rehabilitation of Japan's economy, TOKYO SHIMBUN stressed the importance of according fair treatment to foreign investments in order to attract outside capital. The paper urged that discrimination must be removed by placing foreign and domestic capital on the same footing, but cautioned that the granting of special privileges to companies receiving outside investments should be given careful consideration. Meanwhile, a TOKYO TIMES editorial criticized political parties for not basing their policies on economic stabilization, particularly in regard to overcoming inflation. Inflationary trends could not be checked unless politics and economy were closely united, according to the commentator, who called for more concrete anti-inflation measures and "fewer flowery statements."

GOVERNMENT

Disclosure by a former executive of the Japan Coal Mining Association that small and medium mine operators in Kyushu had raised 10,000,000 yen for the fund to check passage of the State Coal Control Bill highlighted yesterday's hearings before the Illegal Property Transactions Committee (Press Analysis No. 873). The Association official reportedly denied giving 500,000 yen to three members of the Diet in July of last year, claiming that the fund was used to purchase a headquarters building.

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