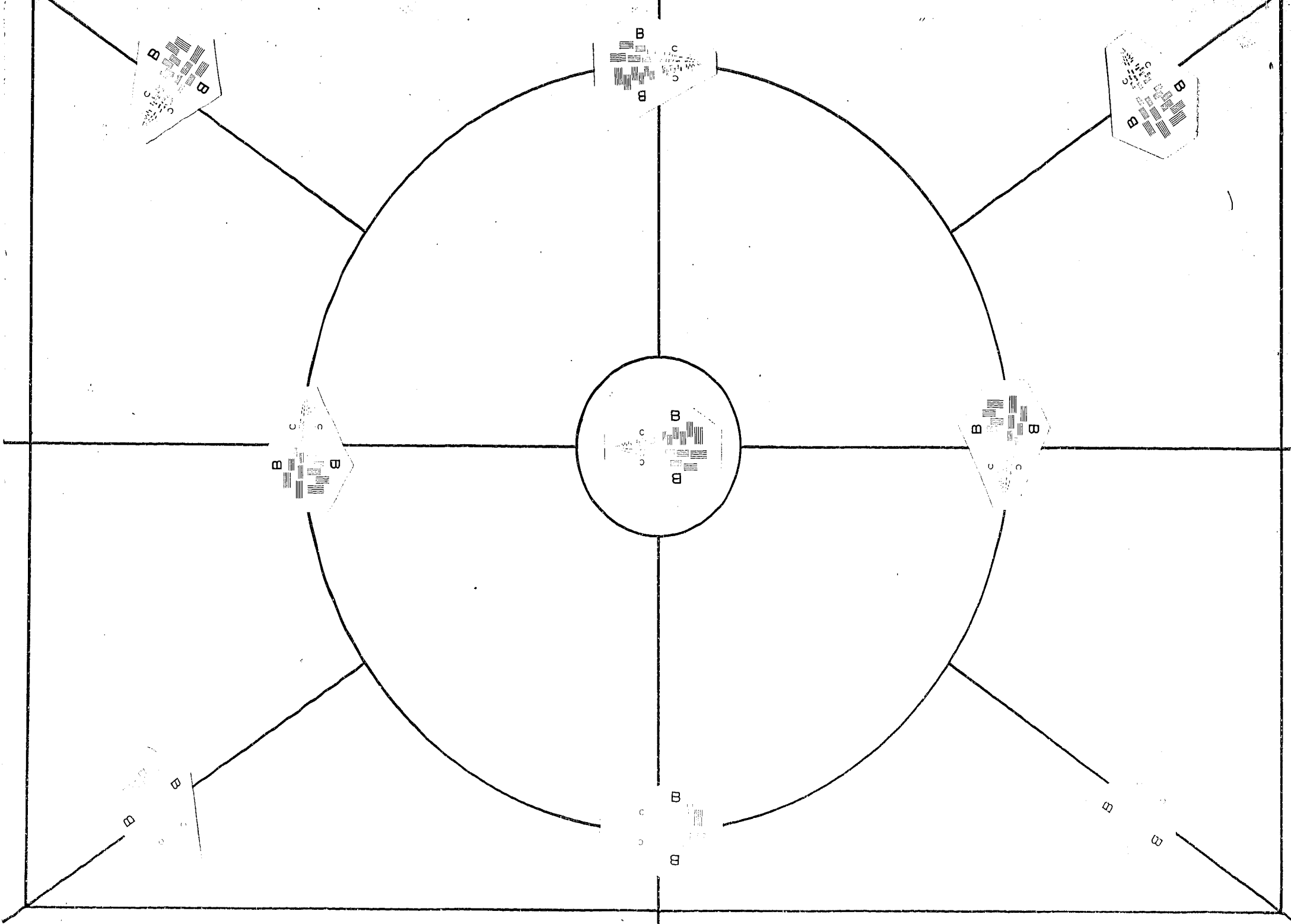


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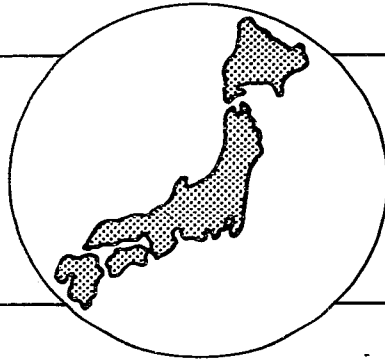
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Supreme Commander
For The Allied Powers



SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

№ 30

MARCH

1948

0001

GENERAL HEADQUARTERS
SUPREME COMMANDER
FOR THE ALLIED POWERS

SUMMATION NO 30
NON-MILITARY ACTIVITIES
JAPAN

FOR THE MONTH OF
MARCH 1948

0002

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Summation No. 30

March 1948

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GENERAL HEADQUARTERS
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March 1948

PART I

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SECTION 1

ORGANIZATION UNDER SCAP

1. There was no change in the non-military organization of General Headquarters, SCAP, during March.

SECTION 2

POLITICAL ACTIVITIES

C O N T E N T S

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GOVERNMENT AND POLITICS

Political Developments

1. In the negotiations over composition of the new cabinet a three-party policy agreement was accepted by the Democratic, Social Democratic and People's Cooperative Parties as a basis for cabinet formation and action. The agreement, through concessions to the left-wing Social Democrats, won that party's consent to support the Cabinet.

2. The Cabinet as finally designated by Prime Minister Hitoshi Ashida contains six Democrats, eight Social Democrats and two People's Cooperative Party members.

3. The Prime Minister issued a statement to the people on policies of the new cabinet and new cabinet members joined in a press interview at which statements concerning policy in the separate ministries were made.

4. Large stocks of concealed and hoarded goods continued to be uncovered. Prosecution of one Diet member was started and the trial of the Nakasone Army Uniform Case defendants continued.

National Government

5. The Cabinet reached agreement on the first budgets to be submitted for the 1948-49 fiscal year and three supplementary budgets submitted to the Diet were passed.

6. The new Police Reorganization Law, decentralizing police administration, went into effect 7 March, representing a radical change in police administration and activity.

7. On 31 March the shokutaku system which permitted use and pay by the Government of persons privately employed and paid was abolished.

Political Parties

8. The Democratic Party, after designation of Ashida as Prime

Minister, strove to win the support of the Liberal Party or, failing that, of individual members of that conservative party to join or support the Cabinet. Both efforts were rejected and the new government became a coalition of the three parties which had participated in the Katayama cabinet.

9. The left-wing group of the Social Democratic Party, which had hitherto maintained a united opposition to the right-wing leadership of the party, was split when some left-wingers joined the right wing in deciding the party's participation in the Ashida cabinet.

10. After months of negotiations Liberal Party leaders reached agreements with minor groups and individuals which brought about formal announcement of a new conservative party, the Democratic Liberal Party, on 15 March. The new party, the largest in the Diet, has a strength of 153 members in the House of Representatives and 44 in the House of Councillors.

The Diet

11. The Second National Diet reconvened on 20 March. The Prime Minister delivered an administrative address on that date and the Director General of the Economic Stabilization Board addressed the Diet on the new cabinet's economic policies.

12. Interpellations on the Prime Minister's speech began 22 March and continued through 25 March. Ministers replied to interpellations regarding their policies.

The Purge

13. Of 674,579 persons screened by the Central or Local Public Office Qualification Examination Committees, 4,861 were removed from office and 2,816 were barred from public service.

14. The screening phase of the public information media purge has been completed. Of 1,424 principal office holders in information media companies who have been screened by the Central Screening Committee, 1,259 were passed and 165 barred.

15. On 25 March the Government announced that public-office screening would be completed by 10 May and the committees and appeal board in this activity would be disbanded then. Screening action necessary after that date will be handled by the offices of the Prime Minister or prefectural governors. Purge of ultranationalistic societies will be a responsibility of the Attorney General.

PUBLIC SAFETY

16. Criminal offenses reported in January numbered 146,669 and arrests totaled 76,802.

17. Autonomous police forces were established by 7 March in all of the 1,605 municipalities with populations over 5,000.

18. The prison population on 29 February was 83,872 while prison deaths numbered 76 during the month.

19. Government and private railways reported 404 accidents in February with 172 persons killed and 329 injured.

20. In January 1,590 fires were reported with damages amounting to ¥ 1,040,295,500. Embers continued to cause the highest number of fires.

There were 74 deaths and 169 persons injured in the January fires.

LEGAL AFFAIRS AND WAR CRIMES

21. The Supreme Court accepted jurisdiction of 13 new civil cases and 100 new criminal cases and disposed of seven civil cases and 77 criminal cases.

22. Seventy-eight atrocity investigations were completed during the period 24 February to 24 March.

23. Twelve trials involving 73 suspected war criminals were completed during the March reporting period. Sixty-nine were convicted and four acquitted.

International Prosecution of War Criminals

24. On 2 March the defense began its summation of evidence and continued through 31 March.

The defense stated in its introductory address that future generations of Oriental peoples who look back on this trial may feel that a gross injustice has been done through ex-post-facto penalization of the leaders of an East Asian nation.

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C O N T E N T S

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NATURAL RESOURCES

Agriculture and Fisheries

1. Land sales to tenant farmers totaled 61,857 cho (61,346 hectares) in February and the Government purchased 79,457 cho (78,800 hectares) of land on 2 March for resale to eligible buyers under the agrarian reform program.

2. Cocoon production for sericulture in 1947 was 117,896,718 pounds produced by 819,850 farm families. The output was 21.7 per cent under the 1946 crop grown by 763,225 farm families.

3. Marine production in January declined 21,229 metric tons to 106,808 metric tons.

4. The antarctic whaling expedition ceased operations on 10 March with a total catch of 1,321 whales.

Forestry and Mining

5. February log production increased 14,026,100 cubic feet over January to 71,133,700 cubic feet.

6. Deliveries and production of charcoal and gasumaki increased in January while firewood declined.

7. February coal production dropped 117,430 metric tons under January to 2,738,200 metric tons.

8. Nineteen of 33 mineral commodities increased production in January with principal gains in gold, gypsum and pyrite.

COMMERCE AND INDUSTRY

Heavy Industries

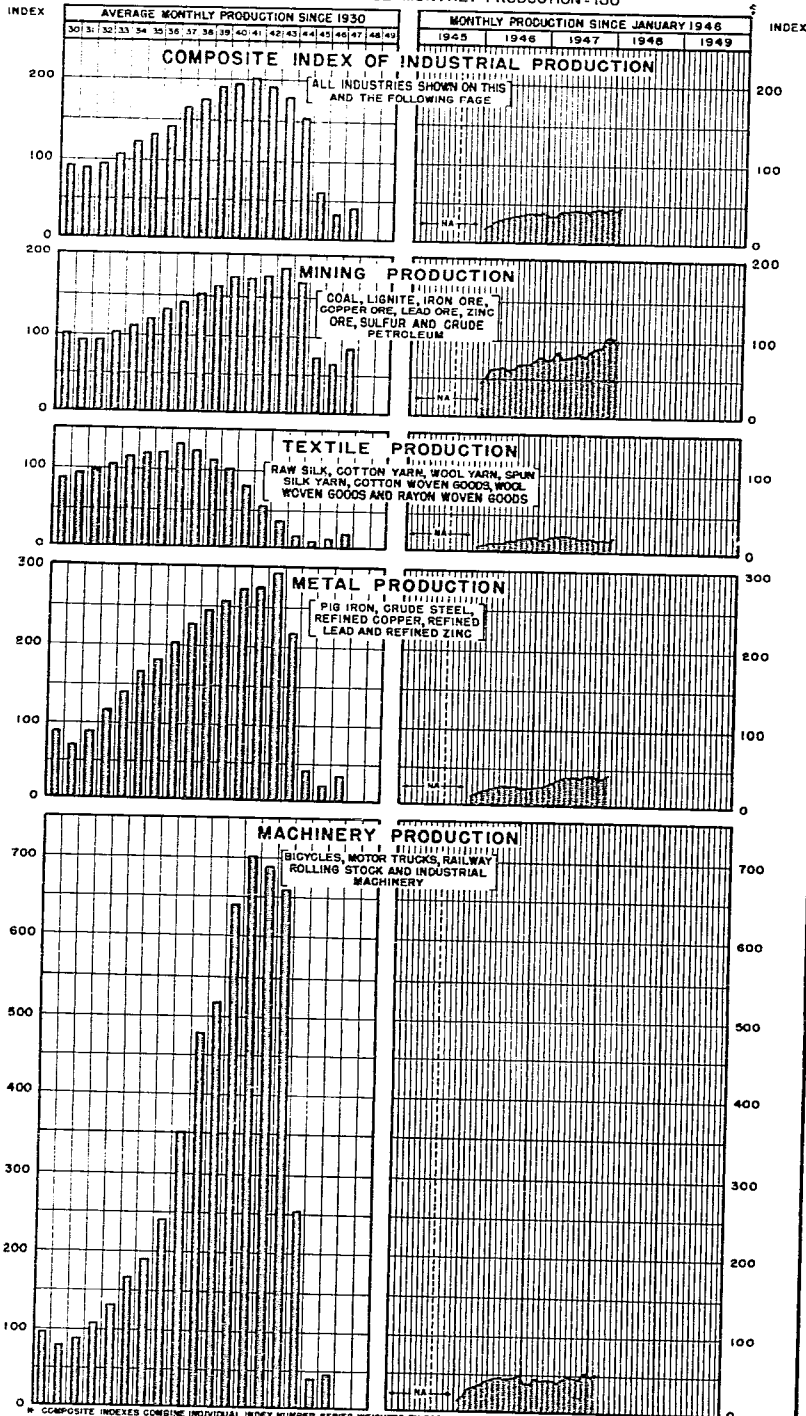
9. Coke production increased in February over January and coke stockpiles at the end of February were 5,540 metric tons over the preceding month.

10. Increases were made in production of steel castings, steel forgings and in rails, pipe and other products.

11. Light-metals rolling production increased in aluminum

INDEXES OF INDUSTRIAL PRODUCTION*

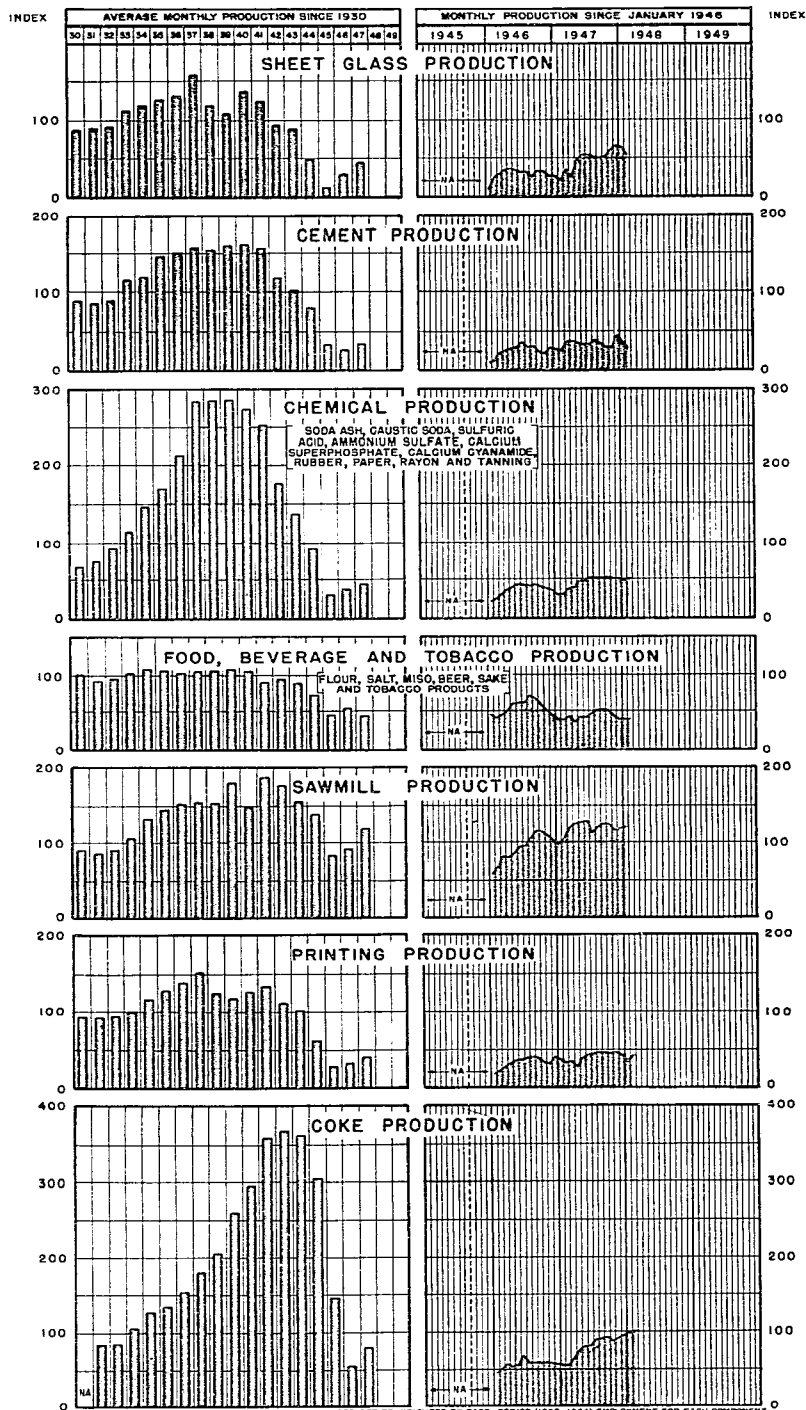
1930-1934 AVERAGE MONTHLY PRODUCTION = 100



* COMPOSITE INDEXES COMBINE INDIVIDUAL INDEX NUMBER SERIES WEIGHTED BY BASE-PERIOD (1930-1934) EMPLOYMENT FOR EACH COMPONENT SERIES.
 NOTE: FEBRUARY 1948 DATA PRELIMINARY, DECEMBER 1947 MACHINERY PRODUCTION DATA REVISED, JANUARY 1948 DATA REVISED, NA=DATA NOT AVAILABLE.
 SOURCE OF BASE DATA: REPORTS BY JAPANESE AGENCIES.
 GHQ · SCAP JAPAN · MAR 48 NUMBER 1A

INDEXES OF INDUSTRIAL PRODUCTION*

1930 - 1934 AVERAGE MONTHLY PRODUCTION = 100



* COMPOSITE INDEXES COMBINE INDIVIDUAL INDEX NUMBER SERIES WEIGHTED BY BASE-PERIOD (1930-1934) EMPLOYMENT FOR EACH COMPONENT SERIES.
 NOTE: FEBRUARY 1948 DATA PRELIMINARY; JANUARY 1948 CHEMICAL PRODUCTION DATA REVISED; FEBRUARY 1948 SAWMILL PRODUCTION DATA NOT AVAILABLE; NA DATA NOT AVAILABLE.
 SOURCE OF BASE DATA: REPORTS BY JAPANESE AGENCIES.
 GHQ - SCAP JAPAN - MAR 48 NUMBER 18

sheet, aluminum alloy forgings and tin foil while decreases were reported for aluminum alloy sheet and aluminum foil in February.

12. February production of blister and refined copper increased over the previous month by 1,210 and 380 metric tons respectively.

February output of rolled copper sheets and products by 205 rolling mills increased from the previous month's figure of 953 metric tons to 1,061 tons. Bare copper wire decreased from 3,976 metric tons in January to 3,723.

All brass items increased in production in February with a total of 3,452 metric tons produced compared with 2,913 for January.

13. Corrected inventory of rubber stocks in February resulted in the addition of 25.4 metric tons of scrap material. Total consumption increased 38 metric tons to 1,804.

14. Total crude petroleum runs to stills amounted to 18,666 kiloliters in February, an increase of 1,598 over January's 17,068. Total refined production amounted to 17,803 kiloliters of which 14,849 were finished products and 2,954 were semifinished.

15. Cement production in February decreased to 85,358 metric tons from 103,381 metric tons in January.

16. Construction of 18,821 new housing units and repairs to 42,925 old houses together with 271 new dormitories and 945 welfare units have been reported since the beginning of the coal miners' housing program in January 1947.

Building permits issued during February for all types of construction were 73,946. New construction totaled 46,932, repair permits totaled 12,534 and reconstruction and removal totaled 14,480, compared to January figures of 69,486, 44,703, 11,754 and 13,029 respectively.

17. From 20 February to 20 March six steel cargo vessels were launched and nine others were completed. During the same period 13 steel fishing vessels were launched and an additional 19 were completed. Two wooden ships were completed.

18. Chemical production in February in some items was below that reported for January. Heavy chemicals, notably sulfuric acid, ammonium sulfate, calcium carbide and sodium carbonate, decreased in production. In heavy organic chemicals, ethyl alcohol, methyl alcohol and benzene also dropped in output. Acetic acid, acetone, phenol and dyestuffs and dye intermediates registered increases.

Lack of coal hampered the caustic soda industry although production in February increased 316 metric tons over January's revised figure of 4,137 tons.

Production of domestic salt decreased in February while imports of salt were less than in the previous month.

19. February output of 374 machine tools was an increase of three units over January production of 371 units. Total production value was ₹ 17,000,000 and total weight of production was 240 tons.

20. Total production value during February of the 20 categories of heavy industrial machinery, two more categories than the previous month, totaled ₹ 989,422,000 compared with revised January value of ₹ 955,062,000.

21. Total value, as reported by 566 plants, of textile machinery production including parts and repairs during January was ¥ 431,249,000 compared with ¥ 445,465,000 for December. Total weight of production not including weight of repairs was 8,865 metric tons compared with December's total weight of 5,819 tons.

Manufacturing

22. Pulp production in February was 29,313 tons, an increase of 6,083 tons over the previous month's 23,230 tons.

Total output of all types of paper increased 5,055 tons over January's 24,637. Japanese hand-made paper and writing and drawing paper were the only items to show decreases in February.

23. Production of glassware items increased from 6,269 tons in January to 7,156 tons in February.

24. Production of cameras, projectors and microscopes increased in February.

25. February production of vitreous and elastic bond grinding wheels, abrasive paper and cloth decreased while abrasive grains increased.

26. Due to shortages of electric power the production in the electric manufacturing industry during February resulted in over-all output slightly below anticipated production. Increases were noted however in transformers, power transmission substation equipment, metering equipment and transportation equipment.

27. Output of standard-size truck chassis for February increased 15 percent over January production.

Small truck output by three producers was 213 units for February, an increase of 28 over the previous month.

Eleven heavy trucks and two buses were produced in February.

A total of 25 small passenger cars were produced compared with 27 for January.

28. Bicycle production in February totaled 38,011 units of which 23,030 were without tires and tubes.

29. Rubber consumed in the production of automobile tires and tubes, including rebuilds, increased from revised January figure of 460 tons to 540 tons. Rubber used for socks, boots and shoes decreased to 329 metric tons from the previous month's 391.

30. Receipts of hides by tanneries during February was 154,000 pounds higher than in January; total leather goods produced also increased.

31. Gains in electric power were responsible for increases in the output of aluminum sheet products in February.

32. During February 40 manufacturers of watches and clocks produced a total of 186,870 pieces, a new postwar high.

Textile Industries

33. A general expansion in February textile production was attributed to continued increased availability of electric power and raw materials.

Cotton yarn production continued to increase and cotton cloth output reached a postwar high.

February raw silk output increased to the December production level. Inventories of exportable raw silk were adjusted downward from 102,584 bales in January to 63,910 bales, to eliminate odd types which will be used domestically.

34. Rayon production was expanded during February after receipt of more adequate supplies of raw materials, among which were cotton linter pulp and raw cotton linters, received for the first time since the surrender.

Small increases were reported in woolen and worsted output as the release of partially processed wool fibers from stocks was too late to affect February production.

35. An increase in production of Hessian cloth, used for packing textiles, increased the movement of export materials.

Transportation

36. The total of all motor vehicles registered was 200,927 in February. Commercial vehicles registered totaled 156,740 of which 143,731 were motor trucks and cycles and 13,009 were buses.

The operable ratio of all commercial vehicles was 68.3 percent in February.

37. Government railways carried 277,660,516 passengers and 8,946,400 metric tons of freight in February.

Train kilometers operated during the month totaled 12,704,200 kilometers.

38. Coastal trade in February in steel ships over 100 gross tons totaled 944,567 freighted tons and in wooden vessels over 100 gross tons amounted to 742,348 freighted tons.

39. The China Merchants' Steam Navigation Company was licensed to engage in business in Japan.

40. The China National Aviation Corporation was licensed to establish airline facilities in Japan for transport of mail, freight and passengers between Shanghai and Tokyo.

Public Utilities

41. Total electric power generated in February was 2,224,950,000 kilowatt hours of which hydroelectric generation was 1,931,842,000 kilowatt hours and thermal generation was 293,108,000 kilowatt hours.

The major public utilities generated and purchased 2,174,150,000 kilowatt hours.

42. Average daily stream flow available for the natural-flow-type hydroelectric plants was 1,871,000 kilowatts in February.

43. The consumption of electricity supplied by the electric utility system in January totaled 1,560,000 kilowatt hours.

44. The public utility gas industry manufactured 54,237,195 cubic meters of gas in February.

Communications

45. Coastal radio stations of the Ministry of Communications were authorized on 5 March to extend their ship-to-shore services to include ships of Danish registry.

46. A direct radiotelegraph circuit was established between Japan and Hongkong on 1 March.

47. On 1 March two-way radiotelephone service was expanded to connect Japan with Alaska, the Bahamas, Bermuda, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panama, El Salvador, Belgium, Denmark, the Netherlands, Sweden, Switzerland and the United Kingdom.

48. Effective 15 March collect radiotelephone calls from Japan to Hawaii were authorized for any person or organization in Japan.

49. February production of communications equipment increased considerably over January due primarily to increased coal allocations and deliveries. Almost all items showed increases. Production of vacuum tubes reached the highest level since the beginning of the Occupation. Production of superheterodyne radio receiver sets increased 76 percent during the month.

50. During March the Diet passed Supplementary Budget No. 10 of the Communications Special Account for the fiscal year 1947-48. The budget provided ¥ 1,360,986,000 for payment of wages at the ¥ 2,920 monthly wage level to replace the ¥ 1,800 level. Payment is retroactive to 1 January.

51. The Ministry of Communications enterprises showed a net profit of ¥ 436,692,247 for January. However, the additional livelihood subsidy payment of 0.8 month's salary amounting to ¥ 457,264,796 paid during the month was not included as an expense item.

Labor

52. The Ashida cabinet, faced with strained labor relations over the government workers' wage demands, made no positive commitments with regard to labor and adopted a "wait-and-see" policy.

Labor in general did not express any definite attitude toward the new government or the government workers dispute and like the Government, waited to see the outcome and impact of the issues involved.

53. Negotiations between the Government and government workers over the proposed new wage level reached a deadlock, and workers in most offices took mass vacations, while communications workers staged large-scale regional 24-hour work stoppages and threatened a nationwide suspension of operations for 31 March.

The regional stoppages and the threatened nationwide suspension of communications was called off when SCAP notified the Ministers of Communications and Labor on 29 March that the prevailing dispute tactics came within the purview of the SCAP statement of 31 January 1947 on the general strike, and that the Government was expected to take necessary steps to prevent the resulting work stoppages.

54. Labor relations in private enterprises were calm.

Imports and Exports

55. Japan's foreign trade in January included approximately \$ 74,552,918 worth of commodity imports and approximately \$ 12,150,939 worth of commodity exports.

Rationing and Price Control

56. Collections of staple crops exceeded the quota by 31 March.

57. The release of 100,000 metric tons of cereals and 44,850 metric tons of sugar completed the "substitute rice program" for the November 1947-October 1948 rice year.

58. Producer prices of iron ore were established at a 15-percent increase over the interim prices established on 3 September 1947. Prices of miners' safety lamps were also increased on the basis of the cost of component parts.

59. A shipment of assorted U. S. Army surplus clothing was made available to the Japanese Government for sale at official prices to repatriates and workers in essential industries.

FINANCE

Money and Banking

60. Bank of Japan notes outstanding on 31 March aggregated ¥ 218,775,000,000.

61. New-account deposits in ordinary banks amounted to ¥ 199,286,000,000 on 31 January, an increase of ¥ 3,329,000,000 during the month.

62. The Reconstruction Finance Bank had a total of ¥ 54,439,000,000 in loans outstanding on 29 February of which the mining industry and government corporations had received 37.5 percent and 32.1 percent respectively. Advances in February amounted to ¥ 5,966,850,000.

63. Between 7 July 1947 and 26 March 1948 the Securities Coordinating Liquidation Committee disposed of 7,946,591 shares of corporate securities for ¥ 561,315,473.

Liquidation

64. In February 243 control organizations were closed and placed under the jurisdiction of the Closed Institutions Liquidating Commission.

65. Cumulative proceeds of liquidation totaled ¥ 17,275,315,000 on 31 January including January proceeds of ¥ 2,156,720,000.

Public Finance

66. Tax receipts in February amounted to ¥ 32,097,000,000, 23.7 percent of the budgetary tax revenue for the 1947-48 fiscal year.

67. Supplementary Budgets No. 15 of the General Account and Nos. 9 and 10 of the Special Accounts for the 1947-48 fiscal year were passed by the Diet on 20 March.

68. The national debt aggregated ¥ 362,147,000,000 on 29 February, a decrease of ¥ 24,082,000,000 during the month.

PROPERTY CONTROL AND REPARATIONS

Property Control

69. By 20 March 352 looted ships had been reported of which 299 aggregated 801,280 tons and 53 were of unknown tonnage. Of these, 193 vessels were reported as sunk during the war.

70. The Custody Account for SCAP amounted to ¥ 261,657,607 on 20 March including deposits of ¥ 4,738,596 during the period.

71. Royalty accounts for patents and copyrights totaled ¥ 9,751,589 on 20 March of which American deposits accounted for 55.1 percent.

Antitrust and Cartels

72. No objection was offered to 291 applications by restricted and designated concerns to perform actions not in the normal course of business including expending ¥ 826,055,872 for the rehabilitation of essential industries, principally in the chemical, textile and shipping fields.

73. In March the Closed Institution Liquidating Commission was directed to close and liquidate 158 control organizations including 112 previously designated under the Temporary Demand and Supply Adjustment Act.

74. The Holding Company Liquidation Commission received detailed reports from the 257 industrial concerns and preliminary reports from the 68 distributive and service organizations designated in February under the Law for the Elimination of Excessive Concentration of Economic Power.

75. The Fair Trade Commission rendered final decisions against the National Sanitary Materials Association, the Japan Sporting Clothes Commercial and Industrial Guild, the Japan Glass Industrial Cooperative Association and the Reparations Packing and Shipping Association. These organizations were directed to dissolve and liquidate under Commission supervision and their members prohibited from joining any similar organizations in the future.

Reparations

76. Shipments of machine tools and secondary metalworking machines to the advance transfer claimants totaled 4,786 packages weighing 10,988 metric tons by 31 March including March shipments of 1,536 packages aggregating 3,694 tons.

77. One hundred thirty-nine inspections were made during March by reparations and restitution delegations.

SCIENCE AND TECHNOLOGY

78. The Japan Invention Association held its sixth annual exhibition of inventions and designs by Japanese children up to the age of 14 years in Tokyo from 15 to 22 March.

79. Two sets of manuscripts describing activities during the period 1939-47 in 28 phases of geodesy and geophysics were transmitted to Oslo, Norway, as Japan's contribution to the general assembly of the International Union of Geodesy and Geophysics scheduled to take place in August.

80. An LST carrying supplies and equipment left on 15 March for Rebun Island off Hokkaido where Japanese and American scientists will observe the annular eclipse of the sun on 9 May.

81. During February 33 Japanese Standards were promulgated by the Ministry of Commerce and Industry; five Japanese Engineering Standards and 15 Emergency Japanese Engineering Standards were abrogated.

SECTION 4

SOCIAL ACTIVITIES

C O N T E N T S

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PUBLIC HEALTH AND WELFARE

1. A Model Health Center was established in Tokyo in March equipped to demonstrate 12 basic health services. The health center is to aid in the establishment of similar centers in each prefecture which in turn will guide the reorganization, expansion and improvement of all local health centers.

2. Forty-six veterinarians were graduated from the first class for veterinarians held at the Public Health Institute in Tokyo on 13 March.

3. Reorganization of the Japan Medical Association was completed and a national election was held on 9 March under the provisions of the new constitution.

Governmental control of the association was removed and membership was opened to all individuals who meet the professional and ethical standards required under the constitution.

4. Twenty-five nurses completed the five months' National Tuberculosis Training Program which began in November.

5. Medical supplies produced in February were valued at ¥ 1,054,494,050, compared with ¥ 1,119,413,884 in January.

6. Medicines worth ¥ 843,890,340 were distributed in February, a 20-percent increase over January.

7. Narcotics handlers registered by 31 January numbered 76,253 compared with 98,420 the previous month.

Seventy-seven persons were arrested for violation of narcotics regulations.

8. A training school for narcotics agents was held in Tokyo from 15 to 22 March with 98 representatives from all prefectures attending.

9. The National Interdependence Campaign collected ¥ 540,619,045 of the revised national quota of ¥ 678,200,000 by 31 March.

10. Government officials engaged in the administration of insurance programs were excluded from membership on the social insurance central appeals boards.

11. The Ministry of Welfare reported 314,700 births, 93,681

deaths, 12,286 stillbirths, 20,777 infant deaths, 70,827 marriages and 3,793 divorces in January.

EDUCATION

12. A survey of teachers' salaries indicated that supplementary allowances according to age, size of family, cost of living and regions are the causes of salary discrepancies between men and women teachers and between elementary and secondary school teachers.

13. Regional and national conferences for elementary and secondary school educators sponsored by the Ministry of Education continued in courses of studies, language arts and vocational subjects. In addition the Ministry held regional conferences on compulsory education for handicapped children.

14. Twelve higher educational institutions were reorganized as new four-year universities following approval of applications by the Chartering Committee of the Ministry of Education on 23 March.

15. Various commercial, industrial, agricultural and scientific conferences and committee meetings were held during March.

16. A library studies curriculum for a four-year university course was established by the Committee on Library Standards and Accreditation for Library Schools while the Standing Textbook Committee adopted a plan for the compilation, printing and distribution of textbooks.

17. The Institute for Educational Research initiated a literacy survey program to aid in formulating a policy on language education and language simplification.

RELIGION

18. Representatives of various Christian churches, sects and organizations arrived in Japan during March to survey the work of their respective missions.

MEDIA OF EXPRESSION

19. A national conference on public opinion surveys was held in Tokyo 18-20 March and four major public opinion surveys were completed in March.

20. Information programs throughout March continued to concentrate on coal production, labor-management relations, power conservation and pertinent legal and administration legislation.

Press Comment

21. The organization of the Ashida coalition cabinet dominated attention of the press as the Tokyo and prefectural press expressed apprehension as to party representation in the Cabinet and the vague policy of the tripartite agreement.

22. The increase in the basic wage standard from ¥ 1,800 to ¥ 2,920 evoked considerable discussion in magazine articles. Although noting the disparity between former wage levels and commodity prices, the writers agreed on the difficulty of devising an agreeable and practicable wage price system.

Radio, Theater and Music

23. The radio covered cabinet selections closely with on-the-spot broadcasts, and with recordings of the election of the Prime

Minister by the Diet and the Prime Minister's speech.

24. A stock quotation program based on reports prepared by the Securities Coordinating Liquidation Committee was inaugurated 1 March by the Broadcasting Corporation of Japan.

25. Newsreel companies produced trailers covering information programs concerning labor-management relations, food rationing, savings, the expedition to study the solar eclipse and other current economic problems and social activities.

26. A program including the ballet "Prince Igor" and the opera "The Barber of Seville" presented before capacity crowds was the outstanding theatrical production of the month.

27. Henry Hadley's "In Bohemia," presented by the Toho Symphony Orchestra 9 March, highlighted musical activities during March.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

Number 30

March 1948

PART II

POLITICAL

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SECTION 1
GOVERNMENT AND POLITICS

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1. The formation of the Ashida cabinet to succeed that of Tetsu Katayama and installation and Diet interpellation of new ministers featured the political activities during March.

POLITICAL DEVELOPMENTS

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FORMATION OF NEW CABINET

Party Maneuvers

2. Representatives of the Democratic, Social Democratic and People's Cooperative Parties initiated discussions on 26 February to formulate a three-party agreement as the basis for a coalition government under Prime-minister-elect Hitoshi Ashida, president of the Democratic Party.

3. On the same day Democratic leaders initiated a drive to induce some members of the opposition parties to support a coalition program. Committees were appointed to approach Liberal Party members affiliated with the dissident Jishin-kai faction, as well as members of the Doshi Club and the Renovationist New Party Preparatory Committee, the title assumed by the Zenno group of former Social Democrats.

4. The People's Cooperative Party at the same time announced a 16-point program setting forth policies which the Party desired the new government to adopt. The program provided for industrial reorganization, financial policies, initiation of public works projects, establishment of agricultural experiment stations, implementation of the 6-3-3 compulsory education program, alleviation of the housing shortage and establishment of farmers' cooperative unions. It provided for revision of the scope and procedures of economic controls now in force in order to democratize and "rationalize" the national economy, and for abolition of controls over nonessential commodities while strengthening those on essential commodities.

5. Most members of the left-wing Social Democratic Satsukikai faction continued to oppose Social Democratic participation in the new cabinet. A minority, however, supported the position of left-wing leader Kanju Kato, who urged participation in the cabinet for the purpose of "driving a wedge into the conservative camp."

6. Democratic Party members, uneasy over the prospect of aligning their party with left-wing Social Democrats, received the assurance of Democratic leader Tokutaro Kitamura on 29 February that the Party would not make any concessions on economic issues which would occasion basic changes in the nation's economic system.

7. President Shigeru Yoshida of the Liberal Party on 29 February officially rejected a formal invitation to participate in an Ashida-headed national coalition cabinet. This was followed on 1 March by a Party protest against attempts by the Democrats to win over individual Liberal Party members.

8. The Zenno group on 29 February similarly rejected the Democrats' invitation to join an Ashida-headed cabinet.

Three-party Policy Agreement

9. The Democratic Party announced on 2 March that it was abandoning all efforts to form a national coalition and would seek instead to form a three-party coalition. It was further declared that although the Democrats had been forced to abandon their plan for national coalition because of the Liberal Party's opposition, they would continue to support middle-of-the-road principles.

10. The Democratic, Social Democratic and People's Cooperative Parties continued their policy talks and managed to reach agreement on all except the Social Democratic demands for the suspension of interest payments on war bonds, the execution of a third farmland reform, and the levying of a "national wealth investigation tax."

Kanju Kato, whom the coalition forces were relying on to overcome left-wing opposition to an Ashida cabinet, asserted on 1 March that he would not support the Government if interest payments on war bonds were not suspended. Although both the Democratic and People's Cooperative Parties strongly opposed the demands by left-wing Social Democrats, agreement on these points was reached on 3 March. It was decided that a committee should be formed to study measures for the suspension of interest on war bonds, that a "national wealth investigation tax" would be levied after a careful study of the question, and that the farmland reform would be implemented vigorously, the consensus being that this would necessitate a third farmland reform.

11. The following text of the three parties' policy agreement was released:

"Political:

"1. Efforts will be made to acquire foreign capital to realize the independence of the national economy, facilitate the recovery of the nation's productivity and stabilize the people's livelihood through faithful observance of the Potsdam Declaration and democratization of the domestic structures.

"2. Further democratization will be made in the administrative structures, central and provincial, thereby enhancing official efficiency, while the administrative inspection system will be bolstered and official discipline strengthened.

"3. Revision will be made in the election law on the basis of public management of elections, measures for prevention of political corruption will be legalized and further efforts will be made to 'cleanse' political circles in cooperation with the Diet committee for investigation of illegal property transactions.

"4. Through the popular realization that the people are individually responsible for subduing the existing crisis, the spirit of social cooperation shall be developed, public morality heightened, and education renovated.

"5. Special consideration will be given to the perfection of the 6-3-3 educational system and efforts will be made to realize the education of the working class through the regular higher school and other institutions.

"Economic:

"1. Basic policy - In the light of the long-range economic reconstruction program, a comprehensive two-year plan will be established to bolster production speedily, lay the foundation for the order of commodity circulation and thus maintain a substantially sound finance.

"2. Anti-inflation measures - To prevent inflation in finance, retrenchment in expenditures will be enforced, tax collection organs strengthened and profits from inflation and the black market taxed drastically. In addition, measures to prevent tax evasion will be legalized and suspension of war bond interest payment duly considered.

"a. As for the special accounts of the railways and communications, a basic policy for rehabilitation will be established through rationalization in the accounts to cut expenditures. If deficits still persist, they will be covered by the general accounts, the raising of fares or some other means.

"b. Attempt will be made to make fair distribution of taxation and revise the taxation system to bolster the nation's production, thereby making a drastic cut in the earned income taxes of the workers and farmers. Adjustment will be made in the sources and the nature of taxes, central and provincial, and corporate taxes will be reduced.

"After a careful study, such new taxes as the national wealth investigation tax will be levied.

"c. Democratic management of the financial institutions will be enforced in order to provide for capital and promote the efficiency and soundness of loan-making from the standpoints of preventing inflationary finance and maintaining currency credit.

"d. To make a fundamental revision of the Bank of Japan Law, an inquiry committee will be established, and to make a basic renovation of the Reconstruction Finance Bank, a democratic steering committee and an inspection organ will be instituted.

"3. Production measures.

"a. In an attempt to promote economic recovery and productive rehabilitation priority policies will be established in industries. State management of the

coal industry will be enforced thoroughly. Efforts will be made to perfect a comprehensive land-sea transportation program, and to realize uniformity in the electric industry. Furthermore, democratic state management will be extended to such key industries as fertilizer, iron and steel and petroleum, if necessary.

- "b. The existing control measures will be given re-examination to adjust the demarcation of control and free economy and to improve or abolish inefficient and bureaucratic controls.
- "c. Production bonds will be floated to bolster production.
- "d. The following measures will be enforced to promote labor's productive will:
 - "(1) Voluntary cooperation of the labor unions in the rehabilitation of the nation's will to produce will be promoted and revisions that tend to prevent the healthy development of the labor union movement will not be made in the Trade Union Law, the Labor Relations Adjustment Law nor the basic Labor Standards Law.
 - "(2) An efficient and logical wage system shall be established with the object of guaranteeing real wages through proper relationship between commodities and wages.
 - "(3) Administrative readjustment and readjustment of industrial enterprises shall be carried out with the object of realizing democratization and furthering efficiency.
 - "(4) For improvement, recovery and repair of farmland as well as land development and soil and water conservation, a large-scale public works enterprise shall be achieved. In this connection, priority shall be granted to war-damage rehabilitation. The basic principles of food production shall be adjusted; the quota delivery system shall be democratized; the supply of essential materials for agriculture and fishery shall be guaranteed; prices of agriculture and fishery products shall be made more equitable; land reform shall be completely supported and pressed; government-operated farmland development projects shall be established; agricultural production shall be brought together more closely; facilities for agricultural technical guidance shall be adjusted and expanded.
- "e. For effecting rehabilitation and improvement of agriculture, forestry and fishery enterprises, an agriculture-forestry recovery financial organ shall be set up. This body shall be called upon to work in close relation with rural cooperative organs of a financial nature for promoting the positive growth and development of rural cooperative organizations and other similar establishments.
- "f. With the object of promoting increased industrial output and export trade and positively assisting

small and medium-size enterprises, a board for small and medium-size enterprises and a financial organ especially for financing such enterprises shall be set up. By such steps, special consideration shall be given distribution of raw material and promoting the growth of cooperative associations.

"g. Action against hoarded and idle material shall be completely effectuated.

"Social:

"1. The following steps shall be undertaken with reference to housing:

"a. Large-scale construction of simple, popular homes through the issuance of government bonds.

"b. Utilization of unused tracts, buildings, extravagant restaurants and large mansions for public use.

"c. Establishment of a housing board and a special housing committee.

"2. A consumers' livelihood cooperative system shall be realized.

"3. Steps shall be taken for promoting swift return of Japanese stranded abroad and for aiding the livelihood of war sufferers.

"4. Action shall be effected to assist the unemployed along with industrial recovery and expansion of the recent unemployment insurance system."

Reaction to Policy Agreement

12. Upon conclusion of the policy agreement, the Central Executive Committee of the Social Democratic Party met to vote on the question of participation in the new cabinet. Right-wing members of the Committee favored participation but left-wing members continued to disagree. Left-wing leader Mosaburo Suzuki and four of his colleagues opposed participation, charging that the Democrats would block implementation of progressive policies by the cabinet. Kanju Kato, on the other hand, expressed approval of the policy agreement and urged the necessity of left-wing participation, declaring that refusal to participate would make it impossible for Social Democrats to attain their objectives. Kato's views were supported by the majority of the Committee, which voted for participation.

13. The agreement was severely criticized by the Liberal Party. Secretary General Banboku Ono denounced it as a revelation of "the foul designs of the three parties to conspire for the transfer of the administration among themselves." Ono charged that the three parties had left important issues unsolved. In their eagerness to grasp political power, Ono asserted, the three parties were content to reach a "questionable compromise which obscured vital national issues."

14. Upon publication of the agreement, Party leader Takao Saito announced his withdrawal from the Democratic Party and his intention to cooperate with the Liberals in forming a new conservative party.

15. Press reaction to the agreement was generally critical.

Minor Group Wavering

16. The Zenno group, which had earlier indicated its refusal to support the new cabinet, on 4 March announced a series of conditions for cooperation: (1) that the group be given the Agriculture portfolio; (2) that efforts be continued for establishment of a national coalition cabinet; (3) that efforts be made to abolish the earned income tax and the farmland income tax; and (4) that economic recovery be promoted on an antifascist, anti-Communist and anti-monopoly capital basis.

17. The left-wing Social Democratic Satsuki-kai faction held conferences on 4 and 5 March on the question of cabinet participation. Part of the Satsuki-kai membership supported Kanju Kato and Masaru Nomizo as candidates for cabinet posts; other members, led by Mosaburo Suzuki and Jiichiro Matsumoto, vice-president of the House of Councillors, persisted in their opposition to the three-party cabinet. The latter group indicated that it would maintain a critical attitude toward the cabinet even if the remainder of the Social Democratic Party supported it.

Cabinet Formation

18. The policy agreement having been approved by the leadership of the three parties, negotiations were initiated for the formation of the cabinet. Democratic President Ashida on 4 March requested Social Democratic Chairman Tetsu Katayama to assume the post of Minister of Foreign Affairs with the rank of Deputy Prime Minister, but in accordance with the advice of the Central Executive Committee of the Social Democratic Party, Katayama refused despite Ashida's continued urging.

On 7 March Ashida, Katayama and People's Cooperative Chairman Takeo Miki began conferences to consider composition of the cabinet. Ashida announced on 8 March that he would retain the portfolio of Foreign Affairs, a proposal that was opposed by some Social Democrats who insisted that the post be given to a member of their party. The Finance portfolio, on the other hand, was shunned by both the Democrats and Social Democrats, since it would entail responsibility for the difficult problem of formulating the budget. The Agriculture portfolio was demanded by the Social Democrats, the People's Cooperatives and the Zenno group.

The Zenno group was especially eager to get the Agriculture post because most of its members were affiliated with the National Farmers' Union, formerly headed by the purged former Minister of Agriculture, Rikizo Hirano. When the Zenno request was rejected, the group announced that it would oppose the Government.

Differences over the allotment of cabinet posts were settled by a compromise on 9 March. People's Cooperatives consented to let the Social Democrats have the Agriculture portfolio after the Prime Minister had given assurance that the People's Cooperative Party's agricultural policies would be fully respected. Social Democrats also dropped their demand for the portfolio of Foreign Affairs. Prime Minister Ashida agreed that the Democrats would assume the Finance post.

MEMBERSHIP OF CABINET

Cabinet Composition

19. On the same day, composition of the new cabinet was announced:

		<u>Age</u>
Prime Minister and Minister of Foreign Affairs (concurrently)	Hitoshi Ashida, Democrat	62
Minister of Finance	Tokutaro Kitamura, Democrat	63
Minister of Education	Tatsuo Morito, Social Democrat	61
Minister of Welfare	Giichi Takeda, Democrat	55
Minister of Agriculture and Forestry	Kazuo Nagae, Social Democrat	47
Minister of Commerce and Industry	Chosaburo Mizutani, Social Democrat	52
Minister of Transportation	Seiichi Okada, People's Cooperative	56
Minister of Communications	Eiji Tomiyoshi, Social Democrat	50
Minister of Labor	Kanju Kato, Social Democrat	57
Chief Cabinet Secretary	Gizo Tomabechi, Democrat	69
State Ministers:		
Director General, Economic Stabilization Board	Takeo Kurusu, Democrat	54
Attorney General	Yoshio Suzuki, Social Democrat	55
Director, Construction Board	Sadayoshi Hitotsumatsu, Democrat	74
Deputy Prime Minister and Administrative Research Director	Suehiro Nishio, Social Democrat	58
Chairman, Local Government Finance Committee	Masaru Nomizo, Social Democrat	51
Director General, Reparations Board	Kyoji Funada, People's Cooperative	51

Statement of Prime Minister

20. The new cabinet was formally installed on 11 March, one month after the resignation of the Katayama cabinet. On the occasion Prime Minister Ashida issued the following statement:

"In announcing the policy of the new cabinet I wish to point out, first of all, that true democratization of Japan is the most important prerequisite for the spiritual and economic reconstruction of Japan.

"The Japanese people, having repudiated militarism once and for all, are now trying to erect an edifice of democracy on the ruins of war. With the eyes of the world focused upon her, a new Japan is in the making--a nation which is dedicated to peace, a nation which is to deserve the world's trust and confidence. As Prime Minister of this new Japan I pledge my utmost efforts to the revival

and strengthening of democratic tendencies among the Japanese people. The best endeavors of the Government will be directed to that end.

"The grave political situation of today does not permit any alternative for us but to adhere to a firm middle-of-the-road policy. I am resolved to combat both extremes, the right and the left. It is my conviction that radical ideologies are inimical to the healthy growth of democracy. In view of the fact that certain elements are exerting beneficial influences abetting labor disputes, and causing social unrest and disruption of industry, determined steps will be taken to counter their activities.

"The economic outlook of postwar Japan is none too bright. How to restore her finance and industry to normal; how to stabilize the people's livelihood--these are stupendous problems that must be faced and solved. The crusade against inflation will be continued and intensified. Increased production shall be our watchword. To attain this goal, measures will be taken to give priority to key industries, with special emphasis laid upon the development of hydroelectric power. At the same time, every encouragement will be extended to small and medium-size enterprises in an all-out effort to stimulate export and tourist trades.

"The rapid growth of the labor movement in our country is most gratifying, and the Government will give it full support to accelerate its sound progress. On the other hand, it is absolutely imperative that just and equitable relations are maintained between capital and labor, without which all hope would be lost for an early reconstruction of our national economy.

"Finally, I desire to express the nation's profound gratitude to the Supreme Commander for the Allied Powers. Occupation policies have been executed with a spirit of benevolence and generosity unparalleled in history. We are all fully aware that no matter what we ourselves may do, a speedy recovery of Japan would be impossible without continued Allied assistance, moral as well as material. And I hope and trust that this assistance will be granted in the crucial years to come."

Ministerial Statements

21. Members of the Cabinet gave a joint press interview on 11 March, during which they made the following statements concerning administration plans:

Kazuo Nagae, Minister of Agriculture and Forestry:

"I wish to carry out my administrative policy along the lines indicated in the three-party policy agreement, based on the balance to be maintained among the three parties. For this purpose, it is likely that the policies followed by the farmers' unions and the Social Democratic Party will be adopted.

"Needless to say, it is essential that the various farmers' unions be united, if we are to break down the feudalistic elements prevailing in the rural communities and effect their democratization. Accordingly, I shall endeavor to bring about the unification of the Japan Farmers' Union and the National Farmers' Union.

"The question of the third farmland reform requires careful study. For the purpose of increasing the output of foodstuffs, it is necessary to carry out vigorous measures for both flat lands and mountainous areas. I want to consider the viewpoint of the consumers also, while my predecessors were inclined to place emphasis

on the producers' views. I think it will be necessary to create a supervisory organ to democratize the foodstuffs distribution corporations."

Kanju Kato, Minister of Labor:

"The Ministry of Labor is a service department for the laborers and other toilers. The present labor offensives are motivated not for political reasons but from the desire to safeguard the workers' living. I shall endeavor to defend the interests of all workers. The revision of existing labor regulations for the worse will not be effected so long as I am in office. If it is necessary to do so, I shall consult the views of the laborers. In the fixing of wages and related issues, I wish to learn the views of the other ministries as well as the secretaries of the various departments."

Tokutaro Kitamura, Minister of Finance:

"A study of the current inflation indicates that we must first of all increase our production and endeavor to introduce foreign capital. In framing the budget, emphasis should be placed upon increasing production. Retrenchment will be practised wherever possible. The question of the proposed suspension of interest payment on war bonds will be studied by an expert committee. I hope to cut down the rates of income and corporation taxes; the present income tax rate tends to lower the workers' will to labor. The issue of production bonds, I think, is permissible within the limits of the market's capacity to digest them. . ."

Chosaburo Mizutani, Minister of Commerce and Industry:

"I want to exercise special care in handling the question of unifying electrical industries (which, I understand, aims at the union of the Japan Power Generation and Transmission Company and the various power supply companies), since it is intimately related to the question of the application of the Economic Deconcentration Law and with establishment of credits abroad. Proposals for the control of petroleum, fertilizer and steel manufacturing industries will also be carefully studied. . ."

Takeo Kurusu, Director General of the Economic Stabilization Board:

"The contents of the three-party policy pact must be studied in greater detail. The 1948 fiscal year budget will have to be a provisional one for the time being. As for economic planning, the period to be covered should be long--the longer the better. Industries must be readjusted and plans worked out for their reconstruction, and for this, a long-range program is essential. I do not intend to reduce the present setup of the Economic Stabilization Board. A number of experts are on its staff and I want them to remain."

Masaru Nomizo, Minister of State and chairman of the Prefectural Finances Committee, declared that he would seek to re-examine and revise prefectural tax and finance systems. He pointed out that the three-party accord would not permit the collection of a land utilization tax. He also questioned the propriety of existing agricultural and fishing taxes. He stated a desire for an adjustment of national and prefectural public finance and a reduction of national agencies in the prefectures in order to reduce the nation's financial burden.

Minister of Welfare Giichi Takeda declared that his Ministry would spare no effort to ease the distress of repatriates and

war-sufferers who "have been undergoing indescribable misery." He promised to make an effort to increase the ¥ 5,000 welfare fund for repatriates and war-sufferers to ¥ 7,000.

Attorney General Yoshio Suzuki told the press that he would continue his efforts to eliminate those factors in politics and government which tend to impede the progress of democratization in Japan. He promised revision of the Election Law in an attempt to clean up politics and efforts to remove all obstacles to the democratization of agrarian communities. He pledged complete impartiality in execution of his duties.

Biographical Sketches

22. Biographical sketches of the members of the Ashida cabinet follow:

Tokutaro Kitamura, Minister of Finance, was born in Kyoto in 1886 and was graduated from Kansai University. He entered upon a financial career, becoming standing director of the Sasebo Commercial Bank in 1923. In January 1931 he became president of that institution, serving until 1933 when he became president of the Shinwa Bank of Sasebo, a post which he retains. Between 1935 and 1938 he travelled in Formosa, China and Manchuria to inspect factories for the Nagasaki Prefectural Office. Kitamura has been director of the Sasebo Aquatic Products Co., Ltd., since 1942 and director of the Sasebo Marine Industry Co., Ltd., since 1946. He was first elected to the Diet in 1946 and served the Yoshida cabinet as Parliamentary Vice-minister of Finance. In the Katayama cabinet he served as Minister of Transportation. Kitamura is a Christian and has been a member of the Japan Christian Association since 1921. He has supported the missionary work of the Sasebo Presbyterian Church and has been affiliated with various civic, religious, educational, economic and industrial organizations throughout his public career.

Tatsuo Morito, Minister of Education, was born in 1887. He founded the National Salvation Democratic League, which was established in 1946 as the Social Democratic effort to form a cooperative political front against "reactionary political groups." In 1919 he was expelled from an assistant professorship at Tokyo Imperial University and was for a short time imprisoned for having written a magazine article on Prince Kropotkin's economic theories. After his release he joined the Ohara Social Research Institute, which sent him in 1921 to Europe for research and study. At present he is managing director of the Institute. After studying in England, France and Germany he returned to Japan in 1923 and participated in labor movements. Morito has been a member of the Social Democratic Party's Central Executive Committee since its founding in the fall of 1945 and is now serving his second term in the Diet. He edited the Japan Labor Year Book, 1931-1941, and has written extensively on economic and labor problems.

Giichi Takeda, Minister of Welfare, was born in 1894 in Ishikawa Prefecture. He specialized in legal studies and was graduated from Kyoto University. He practised law in Osaka and served as director of several industrial companies. After the surrender he joined the Liberal Party and in April 1946 was elected to the House of Representatives. Takeda left the Liberal Party with Ashida, but in the general elections of April 1946 ran as an independent. In May he joined the Democratic Party and was appointed its secretary general. He served as a member of the Foreign Affairs Committee and the Public Welfare Committee of the Lower House.

Kasuo Nagae, Minister of Agriculture and Forestry, born in 1902 in Gifu Prefecture, is a graduate of Kansai University in

Kobe. He became chief secretary of the Kobe branch of the Japan Labor-Farmer Party in 1927, retaining the post until 1929. He was president of the Japan Federation of Labor Unions of Hyogo Prefecture from 1938 until official dissolution of the union in 1940. Nagae also held a seat in the Hyogo Prefectural Assembly from 1931 to 1934. He was a member of the Central Executive Committee of the Socialist Mass Party from 1934 until 1940 when the party was abolished by imperial rescript. He was elected to the House of Representatives in 1937 and retained his seat until the "Tojo elections" of 1942 when he failed to win election. He was re-elected to the House of Representatives in 1946 and again in April 1947. He served as Parliamentary Vice-minister of Education in the Katayama cabinet.

Chosaburo Mizutani, Minister of Commerce and Industry, was born in 1897 in Kyoto Prefecture. While a student in Kyoto University Law School he became a follower of the late Hajime Kawakami, prominent Marxian economist, and when in 1926 Ikuo Oyama organized the Farmer-Labor Party, Mizutani joined the movement. When this party was broken up by the police, Mizutani joined the Farmer-Labor Mass Party and later the former Social Democratic Party. Since 1928 he has been elected to the Diet six times and since 1945 he has been a member of the Social Democratic Central Executive Committee.

Seichi Okada, Minister of Transportation, born in 1893 in Tokushima Prefecture and graduated from a shipbuilding school, has occupied many positions in shipping and shipbuilding concerns in the Osaka area. He is a member of the Japan Industrial Club and a director of the Japan Submergence Association, the Japan Salvage Association, and many other commercial and business organizations. He was elected to the House of Representatives in April 1946 and returned in 1947. He has served as secretary general of the People's Cooperative Party.

Eiji Tomiyoshi, Minister of Communications, was born in 1899 in Kagoshima Prefecture and graduated from the Tokyo School of Mathematics. Since 1924 he has been interested in agricultural problems and since 1925, when he joined the Japan Farmers' Party, has been a member of the Japanese socialist movement. He was first elected to the Diet in 1926 and was returned four times. He remained in the House of Representatives until the "Tojo elections" in 1942, when he ran unsuccessfully as an unrecommended candidate. Tomiyoshi then retired from public service and did not emerge from political seclusion until after the surrender. From 1942 to 1944 he was engaged in business as a nonregular staff member of the Kagoshima Mutual Loan Company, Ltd. He aided in the formation of the Social Democratic Party in November 1945, won a seat in the House of Representatives in the elections of 1946 and was re-elected in 1947. He served as Parliamentary Vice-minister for Commerce and Industry in the Katayama cabinet.

Kanju Kato, Minister of Labor, was born in 1892 in Aichi Prefecture and attended middle school until the third year. He has long been associated with the labor movement in Japan and has been its spokesman in many capacities. He aided in the organization of the Japan Farmer-Labor Party, and from 1928 to 1930 he was a member of the Standing Committee of the Kanto Metal Industry Workers' Union. From 1936 to 1937 he was chairman of the Central Committee of the Japan Proletarian Party. In 1936, upon invitation of the American Federation of Labor, Kato toured the United States, exchanging information on working conditions and labor reform. Kato was first elected to the Diet in 1936, and has taken a leading part in left-wing activities of the Social Democratic Party. Until his appointment as Minister of Labor he served as chairman of the House of Representatives Special Committee for Investigation of Illegal Transactions.

Gizo Tomabechi, Chief Cabinet Secretary, born in 1880 in Aomori Prefecture, is a graduate of Tokyo Higher Industrial School. He was appointed a director of the Japan Artificial Fertilizer Company, Ltd., in October 1919 and has held 72 different official posts, most of which were in economic companies or associations, among them president of the Tohoku Development Company in 1945 and president of the Nissan Chemical Industry Company in 1946. During his first term in the Diet in 1946, he headed the Progressive Party Diet Members Committee. He served as Minister of Transportation in the Katayama cabinet, and succeeded Giichi Takeda as secretary general of the Democratic Party in December 1947. Well known in business and commercial circles, Tomabechi is a relatively new man in the political world.

Takeo Kurusu, Minister of State and Director General of the Economic Stabilization Board, was born in 1895 in Yamaguchi Prefecture. After graduation from Tokyo University Kurusu embarked upon a financial career, becoming head of a division with the Bond Section of the Industrial Bank of Japan in 1931 and at the same time a professor at Chuo University in Tokyo, where he taught commercial law. In 1935 and 1936 he toured the United States and Europe. In December 1945 he was appointed a director of the Industrial Bank of Japan and simultaneously was named to the House of Peers. In May 1946 he was made dean of the Commerce Department at Chuo University and was elected president of the Industrial Bank of Japan; in April 1947 he was elected to the House of Councillors as an independent candidate. In January 1948 he entered the Democratic Party. He was Minister of Finance in the Katayama cabinet.

Yoshio Suzuki, Attorney General, born in 1893 in Fukushima Prefecture, was graduated from Tokyo University in 1919 and entered the Ministry of Agriculture and Forestry. He then studied in the United States and in Europe, became a professor at Tohoku University in Sendai, won admission to the bar and taught at Tokyo Women's College and at Hosei University. He was a member of the organizing committee of the Social Democratic Party and was later appointed a member of the Party's Central Executive Committee. He was first elected to the Diet in 1946. He has written extensively on problems of jurisprudence and served as Minister of Justice in the Katayama cabinet.

Sadayoshi Hitotsumatsu, Minister of State and Director of the Construction Board, was born in 1875 in Oita Prefecture, was graduated from Meiji University Law School in 1902 and subsequently became prosecuting attorney in his home prefecture. Elected six times to the Diet, he has been chairman of the Disciplinary Committee, Settlements Committee, and Committee of the Whole House. He was chairman of the Japanese delegation to the International Legislators' Conference at Paris in 1937. In 1940 he was Parliamentary Vice-minister of Welfare, and in April 1947 became Minister of Communications in the Yoshida cabinet. Hitotsumatsu left the Progressive Party and joined the Democratic Party upon its foundation. He served as Minister of Welfare in the Katayama cabinet.

Suehiro Nishio, Minister of State, Deputy Prime Minister and Administrative Research Director, was born in 1889 in Kagawa Prefecture. He started his career as a steel worker in the Sumitomo Iron Works in his native prefecture. In cooperation with the late Banji Suzuki, he was an original founder of the present General Federation of Japanese Trade Unions, whose president, Komakichi Matsuoka, is one of his close friends. Nishio was a delegate to the Geneva Trade Union Congress in 1923 and again in 1928. He has been president of the Osaka branch of the Japan Federation of Labor and of the Kansai Labor League. He is a former vice-president of the Tokyo Steel Workers' Federation. He was expelled from the Social Mass Party in 1938 for failure to follow its militarist leaders and was one of the nine labor members of the Diet who voted against the

expulsion of Takao Saito. He has been elected to the Diet seven times since 1928 and is a Central Executive Committee member of the Social Democratic Party. He was secretary general of the Party until January 1948, and served as Chief Cabinet Secretary under Prime Minister Katayama.

Masaru Nomizo, Minister of State and Chairman, Local Government Finance Committee, was born in 1898 in Nagano Prefecture and is a graduate of the Morioka Agriculture School and a licensed veterinarian. Since 1926, when he joined the socialist movement, Nomizo has campaigned consistently in behalf of Japan's underprivileged farming population. Concurrently with his participation in socialist activities he has been affiliated with several agricultural associations. He was a member of the Nagano Prefectural Assembly from 1931 to 1935 and in 1937 won a seat in the Diet, continuing as a member of the House of Representatives until the "Tojo elections" of 1942. In 1946 he was returned to the House of Representatives where he was a member of the parliamentary committees on land reclamation, banking regulations, special taxes and, later, of the agriculture committee. Nomizo is a leader of the left-wing Social Democratic group and of the anti-Communist faction of the Japan Farmers' Union.

Kyoji Funada, Minister of State and Director General, Reparations Board, was born in 1898 in Tochigi Prefecture. After graduation from Tokyo University Law School in 1924, he visited Europe for two years, studying Roman law at the expense of the Japanese Government General of Korea. He was appointed an assistant professor of Roman law on the Faculty of Law and Literature at Keijo Imperial University, and later as full professor and chief librarian, posts which he retained until 1934, when he became director of the university. In 1946 he returned to Japan and was elected to the House of Representatives as a member of the People's Cooperative Party. He also served as chief of his Party's Political Affairs Research Committee. Funada has written extensively on problems of jurisprudence and legal history.

HOARDED GOODS

Stocks Uncovered

23. The nation's procurators and national and local investigation agencies continued to uncover large stocks of concealed and hoarded goods. On 6 March it was announced that investigations by the Tokyo District Procurator's Office and local officials of plants belonging to the former Nakajima Aircraft Company, scattered in some 260 places in Gumma, Saitama, and Tochigi Prefectures, had disclosed ¥ 9,000,000,000 worth of goods.

Goods unearthed in Gumma included machinery and parts, steel products, parts for aircraft, duralumin, textiles, paper, oil, and other essential materials. Those found in Saitama included also medicines and medical supplies while those discovered in Tochigi included duralumin, aluminum, steel, copper and metal goods.

24. At the same time, hoarded goods worth more than ¥ 10,000,000 were exposed by the Tokyo procurators on 5 March at the Miyoshi Chemical Industry Company.

In a two-day search from 3 March, a 30-man investigation team of procurators and other judicial officers discovered 10 tons of naphthalene, 26 tons of caustic soda, 45 tons of lubrication oil, 150 tons of edible oil, 16 tons of industrial salt, 50 tons of steel tube, 50 tons of steel bars, 30 tons of iron sheet, 45 electric motors and other miscellaneous iron, textile and rubber goods.

25. Police investigations early in March resulted in the arrest of Mankichi Hanada, president of the Japan Welfare Association for the Relief of Wounded and Disabled of Fukuoka, who was charged with possession of large stocks of hoarded goods.

26. Also early in March the Kumagaya branch of the Urawa District Procurator's Office launched an investigation of alleged large-scale hoarding by the Chichibu factory of the Showa Electric Industry Company.

27. Other hidden and hoarded goods valued at more than ¥ 1,000,000,000 were unearthed on 22 March by a special investigation team composed of officials of the Yokohama District Procurator's Office. The investigation squad, in several groups, made simultaneous raids upon more than 24 warehouses in Yokohama and Sagami. Included among the goods exposed were 29,297 cases of Japanese military clothing materials, 385 cases of military uniforms and 12,755 cases of food and other materials.

Prosecutions Under Way

28. Illegal transactions resulted in the indictment of Koichi Yamamoto, 39-year-old Social Democratic member of the House of Representatives and managing director of the Gifu Fagot and Charcoal Supply Association by the Gifu District Procurator's Office on the charge of violating fuel control regulations.

The so-called Nakasone Army Uniform Case, which opened in the Tokyo District Court on 27 January, continued. It involves Iku-taro Nakasone and three others indicted last November on charges of political wire-pulling with funds derived from illicit dealings.

Conference of Procurators

29. On 24 March a conference of eight public procurators general and 49 chief public procurators met in Tokyo to study measures for increasing efficiency in investigations and to study matters relating to reform of the police system.

In an address to the conference, Attorney General Yoshio Suzuki urged the procurators to take drastic action against officials who either abused their authority or accepted graft. Intensive efforts should be made to eliminate corruption in government offices, Suzuki declared.

Inventory Ordered

30. In compliance with a SCAP directive issued on 21 February, the Japanese Government on 27 March issued an ordinance requiring a comprehensive inventory of all undeclared stocks. Under this order, which became effective on 31 March, factories, mines, shops, warehouses and individuals holding more vital goods than legally authorized were directed to declare their stockpiles. Falsely reported materials will be confiscated without payment and turned over to public corporations. Promulgation of this order will initiate action under the Surplus Material Utilization Regulations which recently went into effect.

Editorial Comment

31. The following editorial in Tokyo Mimpo on 18 March reflects the sentiment of the Japanese press concerning the problem of hoarded goods:

"It is a well-known fact that the great bulk of army materials illegally appropriated by professional army personnel, bureaucrats, capitalists and political party bosses and then channeled into the hands of black-market brokers have constituted the fundamental factor for the current rampant inflation. The so-called

'Seko Case,' the Osaka Army Arsenal Case and other scandalous incidents occurring at various war industry plants are enough to make us shudder at the political implications of these cases. The tremendous scale on which these illegal disposals were made is unbelievable.

"If strong supervision had been exercised over these materials immediately after the termination of the war, Japan's economy would have been greatly benefited to aid, in turn, her democratization. However, the postwar governments have successively assumed an indifferent, or to be precise, a condoning attitude toward the issue.

"With the establishment of the Illegal Transactions Special Investigation Committee, the Katayama government started serious investigations of this issue late last year. However, time was already lost for unearthing these hoarded goods, since all had been hidden far away from public eyes. Failing to show a cooperative attitude toward the Committee's aims, bureaucrats in complicity with black-market capitalists went so far as to hamper its operation.

"Nevertheless, the mission assigned to the Illegal Transactions Investigation Committee is tremendously large. . . The unearthing of hoarded goods should not lie merely in exposing hidden materials alone, but in eliminating bureaucratic profiteers in the nation's bosom as well. In order that the Committee may successfully fulfill its important mission, the Government must offer it every possible advantage. . . by executive power. . . In addition, the people's cooperation should be requested. To gather public cooperation, the Government should give legitimate guarantee to those extending cooperation. We fervently desire that the Diet make every imaginable effort to make the Committee strong enough to execute its mission successfully."

NATIONAL GOVERNMENT

Budget Measures

32. On 11 March, one day after its formation, the Ashida cabinet held an extraordinary meeting to speed solution of urgent problems left unsolved since the fall of the Katayama cabinet.

33. The Cabinet first studied revision of wages of government and public office employees which had been the cause of the regional disputes of the All-Japan Government Communications Workers' Union and other unions. A supplementary budget bill (No. 15) calling for an appropriation of ¥ 11,789,000,000, which included an appropriation of ¥ 8,237,000,000 for wage differences resulting from the institution of the new ¥ 2,920 basic wage, retroactive from January, was compiled. Main sources of available funds were ¥ 4,700,000,000 transferred from trade funds, a ¥ 4,000,000,000 reduction in investments in the Reconstruction Finance Bank and ¥ 2,000,000,000 unused in price adjustment expenses.

This supplementary budget of the general account and Supplementary Budgets Nos. 9 and 10 of the special accounts were submitted to the House of Representatives on 16 March and were passed by that body on 19 March and by the House of Councillors on 20 March.

34. Prior to the Cabinet meeting on 11 March the Ministers of Finance and of Education had reached agreement concerning omission of educational items required by expansion of the 6-3-3 school system and the Cabinet decided that ¥ 640,000,000 originally scheduled for this purpose and ¥ 370,000,000 for public works would be transferred to the provisional budget for the 1948-49 fiscal year.

35. On 27 March the Cabinet decided on the provisional budget for April of the 1948-49 fiscal year and submitted it to the Diet. Revenues and expenditures in the general account amounted to ¥ 24,590,461,000 each while revenues in the special accounts totaled ¥ 66,679,477,000 and expenditures ¥ 64,418,046,000. The appropriations for the 6-3-3 school system and the public works rehabilitation projects were separated from the budget proper, the Cabinet submitting the educational appropriation to the Diet in Provisional Budget No. 2.

36. The issue limit of treasury bills for April was fixed at ¥ 12,000,000,000.

37. In the special accounts the yen to be used to reduce temporary borrowings was limited to ¥ 2,500,000,000 for the railway special account and to ¥ 1,200,000,000 for the communications special account.

Establishment of New Police System

38. The development of democratic institutions in Japan was furthered on 7 March when the new Police Reorganization Law, enacted by the Diet on 7 December 1947, went into effect ending the 75-year-old police organization which had existed since the early years of the Meiji period.

The Law provided for decentralization of the police in accordance with Article 94 of Chapter VIII of the Constitution which states that local public entities "shall have the right to manage their property, affairs, and administration and to enact their own regulations within law." Featuring three important reforms, decentralization of the police, establishment of democratically controlled police forces, and limitation of police functions to maintenance of public safety and the exercise of law and order, the law broke up the excessive powers of the old autocratically controlled and centralized police organization.

39. The new system features decentralized and autonomous police forces for municipalities with a population of 5,000 and more, and a national rural police headquarters to administer police affairs in the rest of the country.

An independent police organization has been set up in all urban communities with populations of 5,000 or more. These autonomous local law enforcement agencies operate under a locally appointed public safety commission composed of three civilians appointed by the mayor and approved by the local assembly. The chief of local police is appointed by the commission, to which he is responsible. The total strength of the autonomous police forces has been set at 95,000.

Communities with less than 5,000 population fall under the jurisdiction of the National Rural Police, organized on a regional basis with headquarters in Tokyo. Prefectural blocks have been established at Sapporo, Sendai, Tokyo, Osaka, Hiroshima and Fukuoka and a subheadquarters set up in each prefecture. The organization is staffed with a force of 30,000 uniformed policemen assigned to 710 police stations and averaging one policeman for every 1,163 inhabitants.

40. For all operations and performances of duties in the smaller communities, the police personnel of the autonomous entities has no command relationship with the National Rural Police. They can act freely without mutual consent within 500 meters

outside of each other's boundaries. The same principle applies among the local police units. Exercise of authority outside of criminal jurisdiction is recognized also in specific individual cases of criminal operations originating within one jurisdiction and extending or shifting into the area of another jurisdiction.

41. The reorganized police will continue to enforce all laws of Japan including those of an economic nature. At a later date it is probable that they will be guided in the enforcement of economic controls by the projected Economic Inspection Board.

42. While local police forces are administered through the locally appointed public safety commissions, the entire new police system is placed under the supervision of the National Public Safety Commission functioning under the authority of the Cabinet.

The National Public Safety Commission is composed of five members who are neither career government officials nor former police administrators. The members of this Commission are appointed by the Prime Minister and confirmed by the Diet for a fixed term of five years. The law provides that no more than two members of the Commission can belong to the same political party.

43. The Commission's officers, appointed by the Prime Minister and approved by the Diet on 7 March, were: Mrs. Tamaki Uemura, a graduate of Wellesley College and a vice-president of the World YWCA organization; Yonekichi Kanemasa, vice-chairman of the National Federation of Labor and a member of the Holding Company Liquidation Commission; Saburo Kiyose, a Tokyo lawyer and chairman of the board of directors of the Japan Amateur Athletic Association; Jiro Tsuji, director of engineering, adviser of the Japan Steel Tube Company, and a member of the Japan Academy; and Makoto Ubukata, mayor of Numata, Gumma Prefecture, and president of the Pharmaceutical Association of Gumma Prefecture.

44. This five-member commission will have full responsibility for the administrative operation of the National Rural Police system, including the appointment of a director to head the national rural police communications service and similar activities. The new system also provides for the coordination of all police activities in a national emergency. Upon the recommendation of the National Police Safety Commission, the Prime Minister may, by declaring the existence of a state of national emergency, assume control of not only the National Rural Police but also of some, or all, of the municipal systems as well, if he deems such action necessary for the preservation of peace and public order. The law, however, provides an important safeguard to prevent an ambitious and over-zealous minister from seizing police powers for ends inimical to the people: within 20 days from the date of assuming control of the police the Prime Minister must have Diet approval for the emergency control measure.

In the event of a local crisis, a municipal police chief may appeal to the prefectural government for reinforcement by the National Rural Police stationed in the prefecture. Such reinforcements are subject to the control of the municipal police chief during the local emergency.

45. A national police academy and training institute, a criminal records and statistics office, and a scientific research bureau for better police administration are placed under the general supervision of the National Public Safety Commission.

Abolition of the Shokutaku System

46. The long-established "shokutaku" system, which permitted use of privately employed persons as government advisers, was abolished by Cabinet Order No. 56 as of 31 March. Under the "shokutaku" system, full-time employees of private business firms were permitted to hold salaried posts as advisers in various government departments because of their specialized knowledge in such fields as commerce and industry, banking and foreign affairs.

As of 31 March a total of 1,675 of these advisers in national government agencies, who were also full-time employees of business concerns, had been dismissed. Some 8,920 others whose services are especially required as consultants or clerical or technical assistants were retained as temporary government employees. Under the cabinet order their appointment shall be formalized in writing, their duties, responsibilities and scope of authority clearly defined, and their salaries must remain within the limitations of the budget.

POLITICAL PARTIES

Democratic Party

47. Former Minister of State Takao Saito, a leading Party adviser, and six of his followers bolted the Democratic Party on 3 March, just prior to the formation of the Ashida cabinet, and issued the following statement:

"The Democratic Party leaders recently evaded their responsibility for the Katayama cabinet's downfall and trampled on constitutional principles in the course of an unnatural struggle for power. They showed no signs of self-reflection despite severe public criticism, temporized particularly by accepting, under camouflaged pretexts, Social Democratic policies which are fundamentally inconsistent with theirs, and thus attempted to deceive the people. Such action is actually identical with making a plaything of politics and is indeed a breach of faith, neglecting the spirit underlying the formation of the Party and being far from the province of a genuine public party.

"If I should follow in the wake of these leaders by closing my eyes to their action, my long-cherished beliefs would be cast in the mud. At the same time, I deserve equally to be blamed. Therefore, upon my own initiative, I have determined to leave the Democratic Party to form a new political party together with public-spirited politicians and thus to do my best for Japan's reconstruction."

48. The resignation of another of the Party's Diet members, Mrs. Masa Nakayama, and her transfer to the Democratic Liberal Party on 16 March, reduced the Democrats' strength in the House of Representatives to 90 seats.

49. The Party continued its efforts to win over "progressive" Liberals known to be sympathetic to the Democratic-led coalition. It was agreed that Party Secretary General Gizo Tomabechi should first seek the approval of the Social Democrats and People's Cooperatives.

However, the Social Democrats and the People's Cooperatives opposed the proposal, and Liberals attacked it as a "reactionary political maneuver."

50. The Democrats then turned to effecting closer cooperation with Social Democrats and People's Cooperatives. Party leaders

agreed on 12 March to hold regular three-party conferences, including the secretaries general and chairmen of the Political Affairs Research Committees, and to revive the Inter-Government-Party Liaison Council to handle routine liaison matters within the Cabinet.

Two other decisions were reached: (1) to call an extraordinary national convention of the Democratic Party for the purpose of acquainting local chapters with the Party's policies and programs, as well as to report on the circumstances under which the Ashida cabinet was brought into being, and (2) to organize a series of rallies in Tokyo and other major cities to win support for the Administration.

51. On 21 March announcement was made of the formal appointment of Kozaemon Kimura, former Minister of State in the Katayama cabinet and chairman of the Party's Executive Board, to the post of Secretary General, succeeding Gizo Tomabechi, who became Chief Cabinet Secretary.

Tetsuzo Kojima and Kazuhisa Ibaraki, both members of the House of Representatives, and Shikazo Sasaki, member of the House of Councillors, were appointed assistant secretaries general. Saburo Shiikuma was appointed chairman of the Party's Executive Board, succeeding Kozaemon Kimura.

Social Democratic Party

52. The two leaders of the left-wing Satsuki-kai group of the Social Democratic Party, Mosaburo Suzuki, chairman of the Political Affairs Research Committee, and Kanju Kato, were divided on the question of collaboration with the proposed three-party cabinet. Suzuki, with the majority of the Satsuki-kai, rejected collaboration while Kato and his followers favored collaboration if the Democrats would agree on policies acceptable to Social Democrats. Both Kato and Suzuki were urged by the right-wing Social Democrats, Democrats and People's Cooperatives to accept posts in the new cabinet.

Following the conclusion of the three-party agreement, which Kato pronounced acceptable, Suzuki reiterated his opposition to Social Democratic participation in the Ashida cabinet, maintaining that the Democrats would block attempts to enforce progressive policies. The right wing having gained the support of Kato and his followers in the Satsuki-kai, the Party voted in favor of participation in the Ashida cabinet and Kato accepted the post of Minister of Labor.

Suzuki and his supporters warned that they would assume a critical attitude toward the new cabinet regardless of party policies and prepared to form a new "orthodox" left-wing organization within the Party to replace the Satsuki-kai.

53. The Social Democratic Party on 15 March received a proposal from the Communist Party calling for collaboration in establishing a united democratic front.

The principle of a united front had once been accorded some support by the Social Democratic left wing, but since May 1947 the left wing had adopted a position of complete opposition to the Communist Party. The Central Executive Committee of the Social Democratic Party rejected the Communist proposal on 16 March, receiving the complete support of left-wing members of the committee.

54. The Social Democratic Party's Central Executive Committee on 16 March approved a proposal of the British Labor Party calling for cooperation between the two parties beginning with an interchange of party literature. The Social Democrats dispatched the requested material to the British party.

People's Cooperative Party

55. Attempts of the National Farmers' Union group (Zenno) to win support of the People's Cooperatives achieved no more than the resignation of three Party members, Hiroo Ohara, Daisuke Akita and Takashi Hayakama, who went over to Zenno.

The bid of President Miki for the post of Minister of Agriculture and Forestry for the Party proved fruitless, but two other Cabinet posts were assigned: Minister of Transportation and Director General of the Reparations Board.

56. A Party caucus on 10 March approved the selection of Yutaro Takeyama as acting secretary general to serve for Secretary General Okada and picked Takizo Matsumoto as chairman of the Party's Political Affairs Research Committee, succeeding Minister of State Kyoji Funada.

Liberal Party

57. Late in February the Liberal Party began final preparations for launching the long-heralded new conservative party. A committee, including Liberals and members of the Doshi and the Dai Ichi Clubs, was set up on 27 February to formulate a new party platform.

58. Prime Minister Hitoshi Ashida's invitation to the Liberal Party to participate in a national coalition cabinet was rejected on 29 February. Attempts by the Democrats to win over individual members and groups within the Liberal Party were first ignored but on 1 March the Liberal Party formally requested Democrats to cease their proselytizing activities.

59. The Liberals gained an important ally on 4 March when Takao Saito, supreme adviser of the Democratic Party, announced his resignation from the Democratic Party in order to cooperate with the Liberals in forming a new conservative party. In a statement explaining reasons for his action, Saito criticized leaders of the Democratic Party for "betraying the platform of the Democratic Party."

60. On 15 March the Liberal Party was dissolved and the long-heralded new conservative party was launched as the Democratic Liberal Party. The new party, largest in the Diet, has 153 members in the House of Representatives of whom 113 were formerly Liberals, 35 Doshi Club members, one Social Democrat, two democrats, one Dai Ichi Club member and one independent.

61. Officers elected included Shigeru Yoshida as president, Kijuro Shidehara as supreme adviser and Takeshi Yamazaki as secretary general. In his address to the Party's inaugural convention Yoshida stressed the need for unity. He urged the past rivalries be forgotten and that members create a strong new party capable of leading the nation's reconstruction effort.

62. An abstract of the Party's platform follows:

- (1) **Fundamental Policies - Faithful observance of Potsdam Declaration, thorough democratization in accordance with spirit of the new Constitution, elevation of the morality of the people, renovation of education and promotion of culture, acquisition of foreign credit, stabilization of national life, suppression of inflation, expansion of international trade, reduction of existing controls over materials, wages and prices, establishment of an orderly, free economy, revision of Election Law, public management of elections, renovation of administrative structure, enforcement of strict official discipline, prevention of social unrest, maintenance of peace and order, decentralization of authority and reorganization of local self-government.**
- (2) **Education - Reorganization of Ministry of Education into a Ministry of Culture, execution of the new educational system and establishment of night schools.**
- (3) **Economy and Industry - Acceleration of reorganization of national industry, encouragement of export trade, acquisition of foreign funds, achievement of 40-percent increase of mining and industrial production for the coming year, importation of necessary materials, re-examination of the existing simple super-priority production system, encouragement of medium and small enterprises, rationalization of enterprises, elevation of technical levels, development of electricity resources, rehabilitation of war disaster areas, recovery from natural disasters, institution of riparian, port and harbor, and road construction projects, strengthening and improving management of marine and land transportation and communications industries, establishment of free economy in banking, exchange, foreign trade, and key industries and imposition of controls when necessary.**
- (4) **Agriculture, Forestry and Fishery Industry - Institution of plans for fishery and dairy industries, increase in production of fertilizers, fishery goods, etc., vigorous development of agricultural and fishery cooperative associations, creation of responsible delivery system for staple foods, encouragement of rural industries, cultivation and development of forestry resources, adjustment and expansion of forestry roads and popularization of scientific farming methods.**
- (5) **Finance and Banking - Stabilization of currency, re-examination of banking policies, reduction of national expenditures, increase in efficiency of government enterprises, reform of taxation system, improvement of tax collection system, reduction of income tax rates, revaluation and reduction of corporation taxes, compulsory amortization of corporation assets, levying of increased taxes on tobacco and other government monopolies, creation of new taxes when necessary, adjustment of central and local taxation systems, strengthening of tax administration system, adjustment of present banking policy, restriction of issuance of deficiency loans, re-examination of system and management of Reconstruction Finance Bank and increase of industrial funds.**

- (6) Labor - Stabilization of wages and salaries, development of labor unions, guarantee of political neutrality for labor unions, achievement of industrial peace through cooperation of labor and capital, encouragement of increased productivity of labor, assurance of smooth supply of daily necessities, maintenance of useful enterprises, prevention of unemployment and improvement of unemployment allowance and insurance systems.
- (7) Social Policy - Improvement of public welfare, adjustment and modernization of all national hospitals and sanitariums, acceleration of construction of dwellings at state expense, relaxation of present restrictions on construction of dwellings, repatriation of Japanese nationals and establishment of farm villages for repatriates.

63. Six Liberal Party members refused to join the new political group. They issued a statement criticizing the "highbanded" manner by which the new party had been formed and announced that they would form an "orthodox" Liberal Party, subsequently organized as the Japan Liberal Party.

64. The political changes of 15 March resulted in the following alignments in the Diet as of 16 March:

House of Representatives

Democratic Liberal Party	153
Social Democratic Party	122
Democratic Party	90
People's Cooperative Party	29
Social Renovation Party	20
Independent Club	10
Japan Farmers' Party	7
Japan Liberal Party	6
Independents	5
Communist Party	4
Vacancies	<u>20</u>
Total	466

House of Councillors

Ryokufu-kai (Green Breeze Society)	89
Democratic Party	46
Social Democratic Party	45
Democratic Liberal Party	44
Independent Club	14
Communist Party	4
Independent	3
Vacancies	<u>5</u>
Total	250

65. Spokesmen for the Democratic Liberal Party predicted that they would soon be called on to assume government leadership. They claimed that the Ashida cabinet was a weak combination of politicians representing parties which were essentially hostile despite the three-party policy agreement.

Social Renovation Party

66. Although the Zenno group (National Farmers' Union Diet members who supported former Minister of Agriculture Rikizo Hirano) advocated Liberal Party President Shigeru Yoshida for Prime Minister, it later indicated its willingness to join the Government coalition if the post of Minister of Agriculture and Forestry were assigned a Zenno member but the group reverted to a position of opposition when this was rejected.

67. The Zenno group likewise resisted efforts on the part of Liberals and dissident Democrats to draw Zenno into the projected new conservative party. On 11 March it announced the group's reorganization as an independent party to be known as the Social Renovation Party (Shakai Kakushin-to), formal inauguration occurring on 25 March.

68. Proclaiming its faith in "cooperative socialism," the manifesto of the new party declared opposition to communism, fascism and monopoly capitalism. The new party would strive to bring "prosperity to cities and rural areas alike, to eliminate class distinction, to unify the Japanese race, and to promote a spirit of autonomy, industry and fraternity, and the ideals of freedom, equality and justice of socialism."

The Party announced a three-point platform:

- (1) "We fight for the establishment of democratic government on the basis of cooperative socialism, opposing the extreme right and left wings.
- (2) "We strive for stabilization of the Japanese economy through increased production.
- (3) "We strive for the establishment of a cultural state and for the rebirth of the nation, based on pacifism."

Communist Party

69. Sanzo Nozaka and Kyuichi Tokuda, top leaders of the Communist Party, attacked the Ashida government.

A statement by Nozaka on 12 March criticized as "preposterous" the Government's policy of overcoming inflation by attempting to increase production. "Inflation must first be conquered in order to increase production," Nozaka declared, "and the Ashida cabinet has failed to indicate any sound anti-inflation plans." Nozaka went on to say that the Ashida cabinet's projected industrial reorganization plan meant harder work, lower living standards and subjugation of labor unions by the Government. In the Communist leader's opinion, the entrance of Kanju Kato, Social Democratic left-winger, into the Cabinet as Minister of Labor served only as a smokescreen. He predicted that even though Kato had committed himself to oppose revision of labor laws, the Democratic Party would be able to force revisions.

Speaking to the Nagoya chapter of the Communist Party two days later, Secretary General Tokuda charged that the Ashida cabinet was "a patchwork administration" brought about by a "conspiracy" engineered by Prime Minister Ashida and Minister of State Suehiro Nishio.

70. On 15 March the Communist Party proposed that Social Democrats cooperate in forming a popular front to rally the working

masses, small and medium entrepreneurs, progressive capitalists and students to overcome the economic crisis and to create a people's government.

The proposal was rejected by the Central Executive Committee of the Social Democratic Party on 16 March when it approved a resolution by Masaburo Suzuki, chairman of the Party's Political Affairs Research Committee, placing the Social Democratic Party on record as "publicly censuring and exposing the erroneous views of the Communist Party."

Green Breeze Society (Ryokufu-kai)

71. The press reported that the Green Breeze Society (Ryokufu-kai), largest political group in the House of Councillors, was split on 25 March when 28 of its 89 members withdrew to form a Democratic Reformation Club which was expected to adopt a pro-Government stand. The Green Breeze Society had opposed the nomination of Hitoshi Ashida as Prime Minister.

According to political observers, the withdrawal was precipitated by insistence on the part of the Wakabakai faction to democratize the "feudalistic" Management Board of the Society. Both the Democratic and the People's Cooperative Parties had been making overtures to members of the Wakabakai since the formation of the Ashida cabinet and the offer of certain parliamentary councillor posts to pro-cabinet dissidents brought differences within the Society into the open.

On 27 March, however, the breach was healed and the dissidents returned to the Society when it was agreed that the Management Board would be democratized.

Japan Liberal Party

72. Six Diet members of the Kakushin-kai faction of the Liberal Party, refusing to join the new Democratic Liberal Party, organized the Japan Liberal Party (Nihon Jiyu-to) on 16 March. In a public statement, members of the group attacked Shigeru Yoshida and Kijuro Shidehara for their "highhanded manner" in dissolving the Liberal Party to form the Democratic Liberal Party.

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PRIME MINISTER'S ADMINISTRATIVE ADDRESS

73. The Second National Diet, which had been in recess since 12 December, reconvened on 20 March and heard Prime Minister Hitoshi Ashida's administrative speech.

The text of the Prime Minister's speech follows:

"The task of forming a new cabinet has fallen to me by

designation of the National Diet. I feel deeply indeed my heavy responsibilities to the State and to the nation. I am firmly resolved to devote myself, body and soul, to the performance of the duties of my office.

"Both internationally and internally, numerous difficulties beset the path of Japan's recovery. Unless they are successfully surmounted, the future of our race will be dark. And there exists no other means by which we Japanese can save ourselves but to unite as one man and overcome those difficulties. Japan finds herself today in a predicament as of a ship in distress, floundering in a stormy sea. The only way to save the ship is for both the crew and the passengers to unite their efforts, everybody doing what he can for the safety of the ship. So it is with our nation. It is not the moment for us to waste time in bootless arguments, being preoccupied only in the furtherance of party interests.

"That is why my party has always advocated a political truce and the people's unity for overcoming the national crisis. That is why at the time of the formation of the Katayama cabinet, we joined in the four-party policy agreement and I did my utmost to facilitate the smooth functioning of government through a spirit of mutual concession. When organizing the present cabinet, I requested the various parties for cooperation with the purpose in view of bringing about the suspension of political wars and the consolidation of the nation's total strength. I regret that I have not succeeded in realizing my aim fully, possibly because of the existence of some differences in the way of looking at the present crisis. But we have by no means given up our hopes in this respect. We will strive resolutely to consolidate the total power of the nation, and to stabilize both the people's livelihood and the political situation. To that end, the Government will listen to the voice of the people with an open mind and act always in the spirit of mutual concession and conciliation.

Objective of Cabinet

"The supreme objective which the new cabinet seeks to attain is the establishment of a world of peace, liberty and justice. It is with this ideal in view that we shall undertake our domestic recovery; and it is with this spirit that we shall handle our external affairs. The new Constitution which was promulgated in the year before last declares definitely the establishment of peace and freedom.

"I firmly believe that only by pursuing and realizing the ideals of peace, liberty and justice can the Japanese people show themselves to be worthy of a place in history. In this sense, our new Constitution is indeed a great manifesto of national renaissance. It is all too evident that we must not permit it to remain a mere declaration on paper, but must make every effort to put it into practice at home and abroad.

"Such being the supreme objective of the new cabinet, it will most naturally adhere to the middle-of-the-road policy. For an extremist ideology, either of the right or of the left, will never serve the cause of peace. In a nation's transitional period such as ours today when we are undergoing the so-called 'bloodless revolution,' the people are liable to be swept off their proper course. But one-sided ideologies and extremist political actions will in the end only lead to the danger of a revolution by violence. Certainly, they do not open the way to peace.

"In this sense, we reject liberty unaccompanied by responsibility. We also reject egoism masquerading in the garb of justice. We will ever follow democracy and steer a middle course. And under the principle of social solidarity and national cooperation we will seek the simultaneous realization of increased production and equitable distribution.

Preparations for Peace

"It is the fervent desire of all Japanese that our country rejoin the family of peaceful nations at the earliest possible date. At the present time, it cannot be predicted when a peace conference will be held, but we will prepare for such a conference from now and direct our utmost efforts toward enhancing the world's trust and confidence in Japan. I believe that we can win the trust of other powers only by loving liberty and cherishing justice and by demonstrating our determined will to contribute, materially and spiritually, to world culture.

"The substance of the peace treaty is of course, a matter to be determined by the Allied Powers. But so long as our actions conform to the principles of peace, liberty and justice, we may surely expect the peace terms to be such as will in no way impair Japan's independence and survival.

"We are now living under military occupation. It is universally recognized that the control exercised by the Occupation Forces is one of fairness and tolerance unparalleled in history. To this generous occupation policy, our people have responded with an attitude of genuine cooperation. It is under this auspicious circumstance that we have been able already to resume many of our normal activities of life though a peace treaty is yet to be concluded. In dealing with any phase of internal administration at the juncture, the Government will direct special attention to its bearing on Japan's international relations.

Economic Measures

"Now, turning to the subject of economic measures, I shall confine myself to two or three points, since my colleagues are to explain them in detail later.

"Needless to say, any government in Japan today must give priority to the task of overcoming inflation. Nor will anybody dispute the fact that the basic measure for checking inflation is to expand production. In order to bring about an increase in production, it will be of the utmost importance that a rational harmony be effected between labor and management and especially that the working masses, awakened to the consciousness of their solemn responsibilities, give willing cooperation. From this standpoint, the Government earnestly desires to see a healthy growth of labor unions. However, those lacking in the cooperative spirit that is so essential to community life should be rejected absolutely, whether they be on the side of capital or on the side of labor. For, in the final analysis, they are inimical to the interests of the general masses of the country.

"The absorption of floating purchasing power is a most urgent measure to combat inflation. In this connection, the Government is now preparing concrete measures and intends to submit them to the National Diet in the near future. However, in undertaking these measures which touch upon circulation, the Government will pay due attention to the maintenance of public confidence in the currency, which is a matter of vital importance.

Must Protect Public

"The accumulation of capital is another important problem, Japan having lost one third of her national wealth as a result of the war. However, today, when a great majority of the people have come to join the ranks of the working class, it will be all the more necessary to collect capital from these wide circles of society. Ways must be devised to minimize the risks of investment in order to protect the interests of the public.

"The rationalization of industrial management is the next problem. Without rationalizing industry and increasing efficiency to the maximum, there can be obviously no increase in national wealth. Again, the key to the development of our foreign trade after Japan has been permitted to enter the international market in the future lies in industrial rationalization. In this connection, it will be necessary to improve our production technology. I regret to say that in production technique, Japan has of late fallen far below the world level. The Government will take all possible measures to bring about improvements in industrial technology.

"In discussing economic measures, I would like to speak of one or two points I have in mind. In the first place, in a country like Japan with a peculiar topography, I believe that we must find and develop those industries best suited to the land. For example, the development of hydroelectric power will be of urgent necessity in order to offset the shortage of coal, and the Government may have to consider the question of providing funds for the construction of large-scale power plants. With regard to the food problem, recent deliveries of rice have registered a phenomenal success, 100-percent deliveries of the allotted quotas having already been completed. This is due entirely to the crystallization of the patriotic spirit of the farming population, and I wish to take this opportunity to express to them our profound gratitude. However, numerous measures, such as the thorough implementation of the second agricultural reform program and the improvement of the rice delivery system, are still necessary for the increased production of food. The Government intends to take up concrete studies of these questions.

Matter of Urgency

"Furthermore, the rehabilitation of the damages caused by the flood last year is a matter of great urgency, and the Government is now preparing all possible measures to meet this problem. Then, I believe the rolling hill country, covering approximately 3,000,000 chobu situated between the plains and the mountains, should be developed, since this would be an effective measure for increasing production of food and for relieving unemployment.

"With regard to the basic policy for economic recovery, it is felt that there may arise divergencies in basic concepts among the various political parties and groups. However, in view of the situation in which Japan is now placed, the measures to meet the immediate needs should be evident to all. That is why even a capitalistic party which places the ultimate objective of economy in free enterprise considers a certain measure of controls as being absolutely necessary under the existing circumstances of extreme shortages of goods. The long-range production program which will soon be announced by the Government anticipates the time when, with an increase in production, controls will be removed to be replaced by a rational economic structure.

Imports of Vital Commodities

"The foregoing has been a brief outline of the measures planned by the Government for the increase of production. Some time will be required, however, before they bear fruit to the fullest measure. In the meantime, there lurks the danger of an acceleration of the inflationary spiral and of a breakdown in our economy. The urgent task of the moment, in parallel with the increase of production, lies in tiding over the current emergency through importation of scarce commodities.

"The importation of the vital commodities which Japan sorely lacks depends solely upon the friendly assistance of the Allied nations. It is most gratifying to us all that the situation is taking a turn for the better, and prospects of our procuring increasingly large amounts of commodities are brightening.

"It is reported that in some quarters in the United States a plan is under consideration to restore Japanese economy to 125 percent of the 1930-34 level by 1954.

"For a time following the surrender, Japan's economy fell to rock bottom. But thanks to the energetic efforts of the people and to the supply of materials by the Allied Powers, there is no doubt that, slowly but surely, it is making progress toward recovery, and that in spite of the advance of inflation, the livelihood of the people has actually been improved. If material assistance by the Allied Powers is forthcoming at this time, the inflationary trend will be greatly weakened, and our economic recovery can be laid on a firm foundation. Thus, we can for the first time entertain hopes of extricating ourselves from a life of poverty we have endured for so long. Naturally, in order to obtain Allied assistance, we must deserve it.

"As clear proof that the people of Japan will not betray the trust placed in them by foreign countries, we are resolved not only to observe strictly the terms of the Potsdam Declaration but also to hasten the democratization of our country and direct all our efforts to the building up of Japan as a nation of culture. Furthermore, in order to facilitate the introduction of foreign capital, it is necessary to eliminate the many existing bottlenecks and to perfect such conditions as will induce foreign capitalists to invest gladly in Japan's industries. The Government intends to submit plans for improvements to the Diet.

Internal Law and Order

"Since the war's end, law and order have been maintained far better than one might have expected in a defeated nation. However, it is most deplorable that as a result of the war culture and morality have been permitted to deteriorate and there is still no appreciable decrease in crimes. The question of eradicating brutality from Japanese character is largely a matter of stabilizing livelihood and an educational program for raising moral standards. The Government, gravely concerned, is determined to seek a speedy solution of this question.

"The system of local self-government, under the new Constitution, is now being put to a test. In view of the fact that the local self-government system constitutes one of the key factors of democracy, we hope that the right spirit of self-government will manifest itself and that our program of decentralization of authority will be carried out both in name and in fact. I believe that the police forces which have been transferred to the local governments will hereafter play their role as true friends of the people.

At the same time, however, I sincerely hope that the public will extend full cooperation toward the prevention of crimes.

"Furthermore, with regard to the elevation of public morals, we will undertake appropriate measures speedily for the sake of our national honor. The spirit of upholding justice without fear and of love for our fellow countrymen had long been our cherished tradition. Only by retrieving this tradition can we make Japan a truly good country to live in.

"With this spirit as the keynote, the Government will devote further efforts to the promotion of education and adhere strictly to the policy hitherto pursued by the former cabinet in connection with the implementation of the new 6-3 school system.

"I should like to say a few words at this point concerning the repatriates from overseas and the war-sufferers, who are placed in the most miserable circumstances. A great number of these people are without clothing and homes but the Government pledges to exert its earnest endeavors to provide State relief for these people as far as possible.

"The rehabilitation of war-devastated cities is another problem which is of great urgency. The Government intends to mobilize experts in the field and to expedite this work in accordance with their plans. Particularly with regard to the housing program, we will study what has been done in the Western countries; and by adopting whatever methods we find suitable, we will carry out our project at the earliest possible date.

Solicitude for Peace

"Finally, let me speak a few words on the deep concern we feel over the current international situation.

"We Japanese know only too well what calamities the late great war has brought upon mankind. A great many nations are now suffering in the grip of hunger and destitution, confusion and chaos. And in spite of it all, the specter of another world cataclysm--a third great war--haunts sorely afflicted humanity. Such is the condition today.

"The opportunity has not yet arrived for Japan to join the United Nations, and we are not in a position to have a voice in the organization of peace. However, with our very existence and independence so closely bound up with the world condition, it is impossible for us to remain indifferent to any international development that threatens peace. We are especially perturbed at the persistent political instability in our neighbor nations of the Far East, which constitutes a great stumbling block to the economic recovery of our country.

"Japan's resolve to renounce war by abandoning all forms of armament is written large in our new Constitution. I fervently hope that the lofty ideal will guide all nations along with us on the road to peace. It is under the banner of that ideal that we are determined to march on and contribute our share to the construction of a world of peace, liberty and justice.

Conclusion

"Such is the general outline of the views and policies of the new cabinet. I have spoken of our aims, material and spiritual, in the present stage of our political situation, and of our formulas for surmounting the current economic crisis. It is on the

basis of such fundamental concepts as I have stated that the Government will seek to consolidate the constructive forces in the country, and to achieve political stabilization and economic recovery through joint efforts with the entire nation.

"Today, when peoples everywhere are suffering from want, we have no intention of assuming such a cowardly attitude as dependence on outside help alone for our salvation. In the matter of food supply or production of goods, we should first be doing our best to achieve self-supply and self-sufficiency. It is in such terms as these that a nation's characteristic trait of not expecting help from outside without first helping itself is revealed most unmistakably. Today, in adversity, we Japanese have a fine opportunity, I believe, of demonstrating our mettle before the world.

"While the present crisis confronting Japan is not totally blocking our path of progress, to surmount it is indeed a stupendous task. The Government can accomplish this task only with the wholehearted support and cooperation of the entire nation as well as of the National Diet.

"The new cabinet will keep an open mind, listen always to public opinion, and pay careful attention to all constructive views in and out of the Diet, so that it may faithfully and successfully fulfill the duties to the nation."

PARTY COMMENTS

74. Opposition parties in the Diet criticized the Prime Minister's administrative speech as too abstract and lacking in originality.

Democratic Liberal Party

75. In a statement issued on 20 March, immediately following delivery of the address, the Democratic Liberal Party declared:

"What the people most earnestly desire to hear from the Prime Minister were definite policies on tax problems, the inflation obstructing industrial rehabilitation and threatening the people's livelihood, and discussion of labor problems, which are currently the greatest issue. Nevertheless, the Prime Minister's speech hardly referred to these vital issues, and even if they were mentioned, it was only a mere grouping of abstract words. In short, the Government overemphasized dependence on others, and lacked enthusiasm and courage with which to enforce independent policies.

Social Renovation Party

76. The Social Renovation Party issued the following statement:

"The Prime Minister was too spiritless in his speech to be trustworthy. . . The speech lacked conviction and power. . . The impression is rife that parliamentary politics under Prime Minister Ashida will lead to further opposition and antagonism between the Government and opposition parties."

Green Breeze Society

77. In the House of Councillors, a statement of the Green Breeze Society (Ryokufu-kai) declared that Prime Minister Ashida's speech ". . . showed much more intelligence in his command and

composition of language than did the speeches of former Prime Minister Katayama. However, Prime Minister Ashida's speech on this occasion lacked originality. We do not think that the new cabinet will execute policies which might be able to meet our expectations."

INTERPELLATIONS IN THE DIET

Saito's Interpellation

78. On the floor of the Diet, general interpellations on the speech began on 22 March and extended to 25 March. The first opposition statement was made by Takao Saito who a few days before had bolted the Democratic Party. In speaking for the new conservative Democratic Liberal Party, Saito challenged the propriety of the procedures by which Ashida was designated Prime Minister. Text of the interpellation follows:

"The formation of a cabinet is one of the most important tasks of parliamentary politics. It should be done reasonably and democratically at all costs. When the person designated by the Diet as the next Prime Minister is going to form a cabinet, the most vital issue is whether he actually represents the will of the people. Judging from this point of view, the recent designation of Ashida as the new Prime Minister can be regarded as a deceptive designation.

"Before we start to discuss the policies of the Ashida cabinet, we should investigate this point closely. Since the Social Democratic Party became the biggest party in the House of Representatives as the result of the general elections last year, both Houses designated President Katayama of the Social Democratic Party as the Prime Minister. This procedure was very natural.

"The Katayama cabinet resigned en bloc as the result of the stalemated financial resource issue for the 0.8-month allowances. I believe that the Katayama cabinet should have compiled a new budget to present to the Diet. However, since the Katayama cabinet did not take this normal course, it cannot be denied that its resignation en bloc had its origin in the stalemate of the entire administration of the Katayama cabinet. Therefore, this political responsibility should be shouldered by all the ministers of the Katayama cabinet and all the parties represented in the cabinet. This is the reason we preferred Shigeru Yoshida, the head of the leading opposition party, in designating the new Prime Minister. It is very doubtful whether Ashida, who had been a minister in the outgoing cabinet, was qualified to be the new Prime Minister.

"Of course, we have theoretically no objection to the designation of the Prime Minister by the Diet. If we should fail in the management, the strong points of parliamentary politics will be completely nullified. Moreover, judging from the results of public opinion surveys at that time, most of the people favored the formation of the next cabinet by the Liberal Party. If the Katayama cabinet should have entertained some doubts in this respect, they could have conducted a general election.

"The dissolution of the Diet is one of the most important events for parliamentary politics. When the will of the Diet is different from that of the people, or when it seems to be so, the Government should conduct a general election at all costs. Unless this is made a normal constitutional practice, we fear that our parliamentary politics are likely to be dominated by the dictatorship of a single party.

"Establishment of the Ashida cabinet is not contrary to the spirit of the new Constitution, but it will turn out to be a denial of that same Constitution. Politics which are contrary to the will of the people will not be carried out successfully.

"Is the Government prepared to dissolve the Diet to solve the question of whether the Ashida cabinet reflects the will of the people?"

Prime Minister's Reply

79. In reply, Prime Minister Ashida defended the constitutionality of his designation as Prime Minister and denied that a majority of the House of Representatives favored Diet dissolution.

"My designation as Prime Minister clearly reflected public opinion and it is not true that the present cabinet has been formed on the basis of a false political doctrine.

"Interpretations of the normal course of parliamentary government and responsible politics vary according to the era and the spirit of the prevailing Constitution. Under the new Constitution, the Prime Minister is to be designated by the Diet and the designation will depend on the majority in the Diet. To form a majority through a union of parties is constitutional and a valid procedure.

"If the majority of the people and Diet members oppose the Cabinet, dissolution will be the only legitimate course. But I do not think that the majority of Diet members desire dissolution. We should ascertain, however, just how the members feel about dissolution."

Asanuma's Interpellation

80. Inajiro Asanuma, secretary general of the Social Democratic Party, also interpellated the Government in the House of Representatives, requesting that steps be taken "to enlist the cooperation of labor organizations but not to oppress these organizations."

The right of employees in government and public agencies to engage in disputes should not be restricted, Asanuma said. He added that he opposed the utilization of disputes to achieve political objectives.

Asanuma also asked that administrative reforms be carried out. He strongly urged the Government to abide by the three-party policy agreement, especially in drafting the 1948-49 budget.

Itaya's Interpellation

81. In the House of Councillors, in reply to an interpellation by the Democratic Liberal Party member Junzuke Itaya, Prime Minister Ashida reiterated his stand on the issue of his designation by the Diet as Prime Minister and denied again the advisability of dissolving the Diet. In reply to Itaya's comment that application of the economic decentralization law would "hamper the economic rehabilitation of the country," Prime Minister Ashida declared that the measure would be applied with extreme care, adding that its execution would not hinder Japanese recovery.

82. Minister of Labor Kanju Kato in reply to the same interpellator reaffirmed his promise not to revise the labor laws in a manner which would unfavorably affect the nation's workers but admitted that some defective legislation existed.

83. Minister of Finance Tokutaro Kitamura agreed with Itaya on the need for supplying industries with abundant funds while paying extreme care not to further the inflationary trend through increased issue of currency.

Answers to Other Interpellations

84. To other interpellations in the House of Representatives, government officials made the following statements:

Director General Takeo Kurusu of the Economic Stabilization Board: "I believe that the Economic Stabilization Board is a sine qua non for the economic reconstruction of Japan. But if you insist that there is room for readjustment of the existing relationship between the Economic Stabilization Board and other Ministries concerned, I will spare no effort to readjust it after necessary investigations in this respect."

President of the Construction Board Sadayoshi Hitotsumatsu: "The housing requirement for war victims and repatriates stands at 4,000,000 houses, of which 700,000 have been thus far constructed. In my view, it will take more than 10 years to meet the requirement as far as the present housing construction program is concerned. This year will see about 500,000 houses constructed either by the Government or by individuals."

Minister of Labor Kanju Kato: "I see no immediate sign of strikes being carried out for political purposes. I admit, however, that every strike has its origin in the economic poverty threatening the livelihood of workers and that those on strike are becoming more and more critical of government policies, inasmuch as the politics and economy of the nation's administration are closely related with each other. However, if the present strikes have as their principal objective the attainment of political aims, the Government will take measures to defeat them immediately. . .

"The Government will do its utmost to boost real wages. For this purpose the Government is now contemplating a wide marginal increase of the existing earned income tax exemption points and an increase ration of essential commodities to workers. . .

"Current rumors about the forthcoming 'unfavorable' revision of the existing labor laws are based on a misunderstanding. It is incumbent upon the Government to protect the fundamental rights of workers in accordance with the labor laws now in operation. Therefore, the Government will carefully weigh labor opinion before attempting any revision of present labor legislation."

Minister of Education Tatsuo Morito: "Full enforcement of the new 6-3-3 educational system as decided by the Cabinet will be carried out immediately. The newly established high schools will be open to working people, while effective steps will be taken to complete an auxiliary educational system."

Minister of Commerce and Industry Chosaburo Mizutani: "Regarding the management of the nation's electric industry, the three-party policy agreement provides for 'unified control of the electric industry.' The Government hopes to start the proposed 'unified control' upon the settlement of the present strike among electric industry workers. At present, plans are in progress to secure 31,600,000,000 kilowatts of electric power."

Minister of Agriculture and Forestry Kazuo Nagas: "The nation can be optimistic over the prospects for staple food from April to October. . . The second farmland reform program is still

under way. Under the circumstances, the Government will concentrate on carrying it through."

Minister of Transportation Seiichi Okada declared that the Maritime Personnel Law would not be revised and that increases in railway fares and freight charges had not been decided upon.

Minister of Finance Tokutaro Kitamura declared that the Government was formulating its budget on the basis of the ¥ 2,920 wage standard and existing price levels.

Minister of Communications Eiji Tomiyoshi disclosed that 202,425 communications workers, or about half of the total number of employees, were engaged in current strikes. He expressed confidence in the Government's negotiations to settle the dispute within a short time.

85. There were 12 interpellators in the House of Representatives and 11 in the House of Councillors.

DIRECTOR GENERAL KURUSU'S ADDRESS

86. Following the speech of the Prime Minister on 20 March, Director General Takeo Kurusu of the Economic Stabilization Board addressed the Diet on the new cabinet's economic policies.

The text of Kurusu's speech follows:

"It will not be too much to say that this is an important year and marks a turning point on the road to the reconstruction of our national economy. Ever since the end of the war all-out efforts were made for the stabilization of our economy but the wounds of war still remain unhealed and our people have barely escaped hunger and disease and are maintaining a minimum living standard. Restoration of production is slow. Revival of industrial activities is hampered by the deterioration of transportation and power facilities, the reconstruction of which is, in turn, restricted by the shortage of basic materials. Hence, the national economy has not reached stabilized normal conditions. The inflation which is the barometer of economic conditions, although its tempo has recently been slowed down, is still threatening and the financial outlook of households and enterprises is by no means bright.

"In order to reconstruct our national economy, efforts for economic stabilization, and for increase of production must be made, and, at the same time, we must by all means import foodstuffs and raw materials necessary for making export goods. For the import of goods, assistance of the Allied Powers must be sought. In case we do our utmost and live up to the expectation of the Allied Powers, I feel confident we shall be allowed to have decidedly more foreign economic assistance this year than hitherto. In case foreign assistance is extended and is utilized effectively by us for the reconstruction of our economy, cornerstones of economic stabilization will have been laid and bright prospects may be held for economic reconstruction.

"It will be our primary duty to exert our efforts to check inflation, which is prerequisite to the reconstruction of national economy. We will continue and strengthen the execution of the economic stabilization policy of the preceding government following the principles of democratization. At the same time, we will make our economy worthy of receiving foreign economic aid. We will make the best use of imported materials for maximum production and export. We will make our greatest effort for the stabilization and improvement of national life. This will be the basis of economic measures to be taken in the course of this year.

"Now, I will try to describe the outline of the main economic measures to be taken along this line. First of all, it is necessary to establish really sound finances of State and prefectures and healthy financing of public enterprises. As far as the general accounts of the State are concerned, the yearly budget, as well as the supplementary budgets, have been framed to make both ends meet. But in practice there was considerable periodical discrepancy between revenues and expenditures. Particularly as a result of a huge supplementary budget being framed in the latter part of the present fiscal year, issuance of treasury bonds at the end of January amounted to as much as ¥ 37,000,000,000. The treasury bonds issue, however, declined gradually in February as a result of an increase in tax collections, which is a main source of revenue, and at the end of February an amount of only ¥ 5,700,000,000 was left, but, in view of the balance left in the treasury, this amount was practically reimbursed. In the special accounts, however, an over-all deficit of ¥ 55,000,000,000 is expected. Thus, an excessive payment of government funds to private industrial circles constituted the greatest part of the currency expansion.

"In view of the conditions stated above, the fundamental policy in compiling the budget for the 1948 fiscal year will be a sound budget matching in substance our national resources, a budget in which only those expenditures actually required and which are effective will be provided for. In this way, every effort will be made to maintain not only an annual balance between revenues and expenditures but also a seasonal balance. In the sphere of the taxation system, such fundamental reforms are being studied as adjustment in the reduction of the income tax structure, especially tax adjustments on labor income, aiming at an equitable distribution of the tax burden among the people and enhancing the people's will to produce, and the readjustment of corporation taxes aiming at promoting the productive activities of public enterprises.

"Furthermore, in order to secure national revenues, thorough collection of taxes will be carried out by preventing tax evasion and by tracing and taxing thoroughly the profits gained by both inflation and black-market operations. Meanwhile, a huge amount of industrial funds has been loaned by financial institutions exclusive of the Reconversion Finance Bank. This is partly responsible for the increased issuance of currency because most of the funds loaned by the Reconversion Finance Bank have been raised by the Bank through bonds undertaken mostly by the Bank of Japan. Therefore, while control or supervision of loans by the Reconversion Finance Bank will be strengthened, the present efforts for checking deficit loans as much as possible will be doubled. As for other financial institutions, while necessary steps will be taken to improve and strengthen the present system of loan control under existing fund regulations, greater efforts will be exerted to have them absorb more RFB bonds and also secure necessary funds for public finance. It is a matter of course, however, that the necessary industrial funds indispensable for the execution of the Government's economic program will be secured by all means so that industrial activities may not be interrupted.

"It goes without saying that sufficient funds have to be accumulated for maintaining a sound finance. It is true that since the year before last, when a nationwide savings campaign had been initiated, the savings record has gradually improved. But this is by no means sufficient in view of the huge funds required for public finance and for industry. While the Government will continue to study the special or preferential treatment to be further accorded to time deposits or savings in order to help this savings campaign, we are looking toward the greatest collaboration on the part of the people. Further I would like to take this opportunity

to declare that the Government has no intention to freeze or devalue new yen.

"As stated above, a thorough enforcement of various anti-inflation measures in the field of public finance and banking is an important part of our economic rehabilitation, and on this basis the expansion of production--the sine qua non for our economic recovery--is to be planned. If we do not succeed in expanding our production, we can never be able to achieve a bright future in economic reconstruction, so much looked forward to by the people. If the people cooperate to attain this goal, it is very likely that they will find themselves in a far better condition in the 1948 fiscal year. As the Prime Minister stated a while ago, the Government, in close collaboration with the people, is endeavoring to complete the Five Year Economic Rehabilitation Program in every field. During the 1948 fiscal year, which is the first year of the program, every effort will be made to attain by all means the tentative goal of 36,000,000 tons of coal production, 1,000,000 tons of steel, and 900,000 tons of ammonium sulphate established by the previous cabinet. While the Government intends to request the assistance of the Allied Powers with regard to those materials not available within our domestic economy, we are firmly determined to attain the goals stated above with the full cooperation of the people. In expanding our production, the present priority production system for coal, electricity, iron, steel and fertilizer will be continued, as well as strengthened expansion of priority basic production materials required for gradually enlarging the scale of other industrial activities. Simultaneously, as regards the damaged and deteriorated land and sea transportation which hinders greatly the present industrial and economic activities, every effective step will be taken to strengthen its capacity through rehabilitation projects so that no backlog will exist. Parallel with the rehabilitation of these basic industries, efforts will be made to promote such export industries as textiles and other materials and at the same time steady efforts will be made to promote the related medium of smaller enterprises by improving their technique and management.

"For the purpose of realizing these programs, the Government will undertake the acceleration of a nationwide campaign to speed up efficient production. At the same time, it will take necessary steps such as rationalization of material allocation, mobilization and utilization of hidden and hoarded goods, etc. As for agricultural production, the Government is planning, beside the enforcement of a rational and responsible system for quota delivery of staple foodstuffs, also to exert every means to spur responsible distribution of fertilizer and other production materials in order to cultivate the foundation of agricultural productivity and to secure the planned production. For this purpose, the acceleration movement for a 10-percent production increase of foodstuffs will be strengthened.

"Thanks to the great interest of the Allied Powers and the sympathetic assistance of the American Government, an epoch-making increase of import of cotton, coal, iron ore and other necessary materials is expected this year. At the same time, various foreign funds will be gradually introduced. Thus, we are confident that the time has come for Japanese economy to shed its isolation and seclusion which has prevailed since the outbreak of the war and to prepare for normal intercourse with other countries. Consequently, to cope with such a situation, it is needless to say that further efforts should be exercised, aimed toward the promotion of our exports. Especially it is important to take necessary steps to adjust our national economy gradually to international economy, to bring about a well-organized system for home industries and management of enterprises, to elevate the standard

of our national economy to the international level by acceleration of rationalization in every field of management, technique, labor and production.

"To promote the rationalization of industry, the Government will do its best by means of price fixing, allocation of materials and funds, etc. It is desirable that every enterprise, in view of the trend of economy, will step up its necessary rationalization through mutual cooperation between management and labor and make every effort to attain soundness of enterprise and prosperity for tomorrow.

"Stabilization of national life is, after all, the keynote of the stabilization of national economy, and the reconstruction of national economy lies essentially in the maintenance and elevation of the national living standard. The Government will, therefore, endeavor not only to secure the quantity of foodstuffs and other daily necessities which are required to prevent hunger, disease and social unrest but also to attain substantial improvement of the living standard compared with that of last year. The Government will continue to take steps to afford daily commodities to the people and will try to make improvements in the light of the past experiences. As for foodstuffs, thanks to unusually early completion of delivery of quota rice produced in 1947 and to the timely release of imported foodstuffs by the kindness of GHQ, SCAP, conditions have been steadily improved. The Government will do its best to prevent the recurrence of food crises, and to prevent the delay or nonfulfillment of food rations. Proper steps shall be taken for the improvement in matters of quota collection, transportation, storage and processing of staple foodstuffs. As for the workers engaged in important industries, necessary adjustment of the present additional rice allocation system and of the distribution norm so that extra rations may be given in accordance with the real working days and as a spur to efficiency. I expect these conditions will be gradually improved in proportion as the food situation improves.

"As for perishable foodstuffs such as fish, vegetables, etc., the Government plans a large-scale increase of their distribution. For this purpose, the present control system will be improved accordingly and duly enforced, and the system of combined distribution with processed marine products, etc., will be put into effect. In regard to other important daily commodities, such as clothing, household fuel, the minimum requirement for national life will be secured for distribution. Especially to the laborers engaged in important industries, rations of materials necessary for the execution of their work will be increased in accordance with the increase of their supply. In order to secure the execution of the above mentioned steps, the Government will take necessary steps to encourage positive activities of cooperative societies on regional and functional bases, with a view to stimulating and strengthening the autonomous organizations dealing with the distribution of consumers' goods. At the same time, the distributing system for daily necessities will be improved and controlled items will be rearranged so as to achieve strict enforcement of effective control.

"Regarding national housing projects, in spite of acute shortages of materials, fairly big allocation of materials will be made so as to realize a considerable increase of house construction during this year as compared with that in the previous year, giving priority to the housing of the working people.

"The Government will exhaust all efforts in its power to secure the present food ration standard and then will solicit GHQ, SCAP, for its assistance to substantially improve and adjust the general basic ration.

"As for the price system, it goes without saying that it is necessary to continue utmost efforts for its stabilization as this is one of the most important problems in connection with the various economic policies mentioned above. It is a great pleasure to see that a large-scale national movement for price stabilization is about to start, to which the Government is prepared to give its assistance.

"These are the outlines of the national economic program. As for their execution there is no other way for any government to expect any effective results than to continue and reinforce the economic controls and, above all, to secure their fair and equal enforcement. Not only that, there is no better way to repay the assistance from the Allied countries or to ask for aid from other people than by striving to do our best. We should, therefore, awaken to our responsibility to realize our economic stabilization and reconstruction with our own hands and concentrate all our efforts to this purpose. I particularly request herewith the efforts and cooperation of the whole nation toward the reconstruction of our fatherland. Above all, whether or not our economic reconstruction will succeed, rests entirely upon the shoulders of workers and farmers, and, I believe they are proudly aware of it.

"It is quite remarkable that a movement for sound labor union and farmers' union activities has recently been started among the workers and farmers. It would be particularly significant if labor unions would endeavor to promote the production recovery movement by consolidating the independence and responsibility of the unions and by voluntarily cooperating with management organizations.

"The Government is very much interested in the rapid development of sound and constructive movements of this kind.

"The Government will, as mentioned before, make every possible effort to suppress inflation and improve the real wages of workers, and I request workers to cooperate positively with the Government in the execution of these economic stabilization programs by fully comprehending the intentions of the Government.

"Thus I have outlined the highlights of the economic program to be executed throughout this year.

"Should we succeed in our efforts for production increase and economic stabilization, there is no doubt but that the prospects of our economic reconstruction will be very bright for the first time since the surrender. Of course, the present economic condition of our country, as a defeated nation, has many defects which are very difficult to surmount with our own power. But the Government will exert all efforts to obtain favorable assistance from GHQ, SCAP, to make up for these shortcomings. It is quite important, therefore, that sincere efforts by the whole nation should really be demonstrated.

"I hereby repeat my earnest request for the efforts and cooperation of our people for the rehabilitation and reconstruction of our country."

BILLS ENACTED AND INTRODUCED

Bills Enacted

87. The following bills were enacted by the Diet:

Supplementary or Revised Budget No. 15, General Account,
Fiscal Year 1947-48.

Supplementary or Revised Budget No. 9, Special Account,
Fiscal Year 1947-48.

Supplementary or Revised Budget, Special No. 10, Special
Account, Fiscal Year 1947-48.

Law for Salaries and Other Allowances to Government Em-
ployees.

Law Transferring Funds from General Account to Finance
Ministry Deposit Bureau Special Account.

Law for Adjustment of Laws Relating to Police Law.

Bills Introduced

88. The following other bills were introduced into the Diet:

Minor Offense Bill.

Bill for Establishment of Smaller Enterprises.

Bill Amending Securities Transaction Law.

Bill for Exceptions in Submission of Estimated Income
Tax Return for April 1948.

Bill Amending Local Autonomy Law.

THE PURGE

Public Office Screening

89. During the period 4 January 1947 through 13 March 1948, a total of 674,579 persons were screened by the Central or Local Public Office Qualifications Examination Committees. Of the 53,704 persons screened by the Central Government Committee, 735 were barred from public service and 2,997 were removed. On the local government level, 620,875 persons were screened of whom 1,864 were removed and 2,081 were barred.

As of 13 March 200,421 persons had been provisionally designated by both Central and Local Screening Committees. Of this number, 188,705 were finally designated, 7,604 were passed on the basis of counterevidence showing cause why the provisions of the memorandum should not be invoked in their individual cases and the remaining 4,112 either submitted letters of exception on which action had not been completed or their cases were pending expiration of the 30-day period granted to all provisional designees for the submission of counterevidence.

Public Information Media Screening

90. The screening phase of the Public Information Media purge has been completed. Of 1,424 principal public office holders in information media companies screened by the Central Screening Committee, 1,259 were passed and 165 were barred.

Provisional designation of public information media officials who fall under the purge criteria was completed but final designation of these persons continued. Designation of 418 officers of 212 black-listed companies became final and similar action will be taken on others in the next 30-day period. Final designation of government officials who were provisionally designated for their participation in government propaganda and information media control agencies was completed with 61 purged and three exempted on the basis of acceptable counterevidence.

The Government continued its review of alleged ultranationalist books, which were published during the decade preceding the war, in order to determine whether the authors fall under the provisions of the memorandum, and 270 writers were designated on 22 March.

The Appeals Board rejected four appeals for purge exemption, but acted favorably in the case of Nanjiro Oya.

Loss of Records

91. A detailed report of loss in the fire on 26 February which destroyed the building in which the records of the Central Screening Committee were kept revealed that sufficient records were saved or were elsewhere available to permit replacement of necessary records by 30 June.

Discontinuance of Purge Committees

92. On 25 March the Government announced that the Public Office Qualifications Examination Committees and the Public Office Qualifications Appeals Board were to be discontinued as of 10 May. On 27 March ordinances were promulgated which in addition to effecting discontinuance of the committees provided that appeals to the Appeals Board would not be accepted subsequent to 15 April; that in the future the qualifications and examination of new applicants for public office would be handled by the Prime Minister and the prefectural governors; and that the officers and influential members of Category "C" organizations, including ultranationalistic terroristic or secret patriotic societies subsequently filing under the provisions of SCAPIN 548 shall be removed or excluded from public office by action of the Attorney General.

The text of the Government's 25 March announcement follows:

"In order to effectuate the removal and exclusion from public service of those who fall under the Memorandum with justice and quickness, the Government, in view of the enlarged scope of the purge ordinance in January 1947, set up the Public Office Qualifications Examination Committee and the Public Office Qualifications Appeal Committee, and has made the utmost efforts in conducting the wide-range screening of qualifications. Thus, since last spring comprehensive screening has been carried out, ranging over political, economic, information media and various other fields, and it was substantially over at the end of the last year. As for the so-called invisible purgees who do not hold public office, provisional designation is now in the stage of completion with the announcement of writers. The Government, now confident of the completion of screening by the 10th of May, has determined that the machinery of the Public Office Qualifications Examination Committees, central and local, and the Public Office Qualifications Appeal Committee be abolished after then. In consideration of possible inadvertencies, however, the qualification examination of new applicants for public office will be handled by the Prime Minister or the prefectural governor. In the Public Office Qualifications Appeal Committee screening will be accomplished only for the letters of appeal which arrive at the Prime Minister's Office by 15 April. Even later than that, however, anyone who will find gross injustice in future designation is authorized to file an appeal to the Prime Minister.

"It is also added that in view of the nature of the so-called ultranationalistic societies the purge of their officers will be put in charge of the Attorney General and will be effected strictly."

93. In commenting on the announcement, a SCAP official pointed out that the purge program, while fully consistent with the purposes of the Japanese Government and people in chartering a democratic future, is one of the direct requirements of the Potsdam Declaration. As such, final action taken thereunder is regarded of a permanent nature for which the Allied Powers will hold future Japanese governments fully responsible.

SECTION 2
PUBLIC SAFETY

C O N T E N T S

	Paragraph
Law and Order	1
Police	6
Prisons	8
Accidents	11
Fires	12

LAW AND ORDER

Black-market Activities

1. Investigation teams of the Yokohama district procurator's office made simultaneous raids on 24 warehouses in the Yokohama area on 22 March and uncovered illegally held goods valued at ¥ 1,000,000,000. The supplies included 29,297 cases of former Japanese military clothing materials, 385 cases of military uniforms and 12,755 cases of food. The authorities are conducting investigations to apprehend all persons involved.

2. Police in Shimane Prefecture arrested five tax collectors and charged them with accepting bribes. This action was taken in a program to investigate all tax officials suspected of using their positions for illicit gain.

Crime

3. In January 146,669 criminal offenses were reported and 76,802 persons were arrested, compared with 162,034 and 84,460 the previous month. There were 106,810 violations of the criminal code in the reported offenses and 35,281 in the arrests, as shown in the chart on the following page. Approximately 61 percent of the reported offenses and 23 percent of the arrests were for larceny.

4. Of the 146,669 offenses reported Tokyo had 16,650, the highest of all prefectures; more than 8,000 offenses were reported in Oseka, Hyogo, Aichi and Fukuoka Prefectures; 10 prefectures had more than 3,000 each and the remainder ranged from 793 to 2,986.

5. Of persons arrested in January 74,039 were Japanese, 2,710 were Koreans, 19 were Chinese, 28 were Formosans and six were of other nationalities.

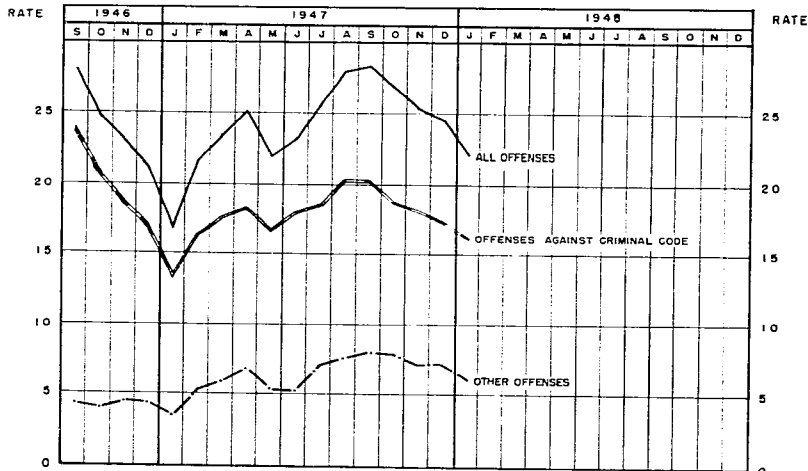
POLICE

6. By 7 March autonomous police forces were established in all of the 1,605 municipalities with populations over 5,000. These autonomous forces have a total authorized strength of 95,000 men.

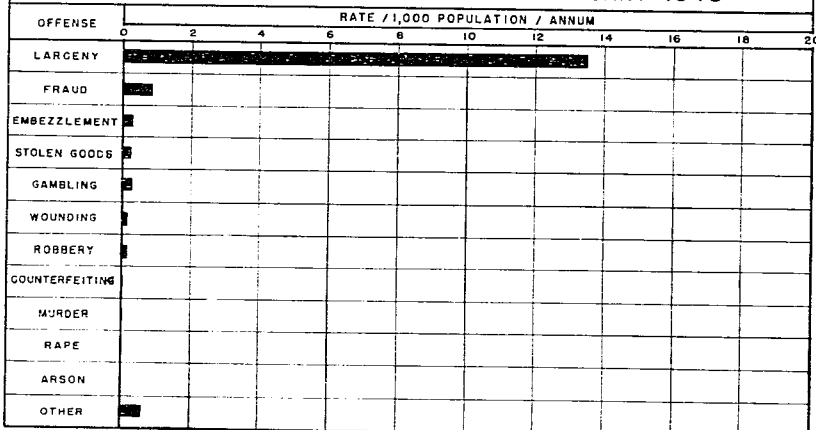
7. The new police system requires training 36,000 new policemen by 1 July 1948. The first group of 12,978 pre-service trainees under this program graduated in March and approximately 13,000 more began courses in the training schools.

CRIMINAL OFFENSES

RATE PER 1,000 POPULATION PER ANNUM

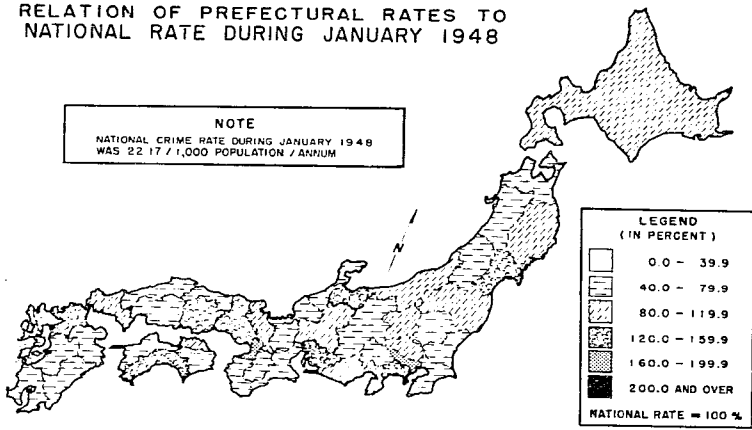


OFFENSES AGAINST CRIMINAL CODE - JANUARY 1948



RELATION OF PREFECTURAL RATES TO NATIONAL RATE DURING JANUARY 1948

NOTE
NATIONAL CRIME RATE DURING JANUARY 1948
WAS 22.17 / 1,000 POPULATION / ANNUM



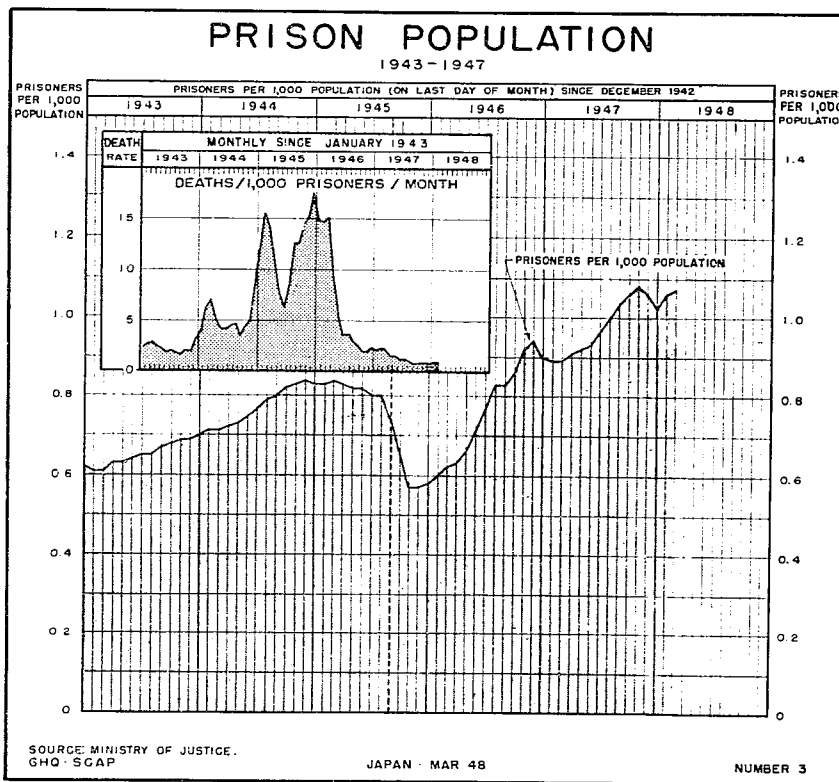
SOURCE: MINISTRY OF HOME AFFAIRS.
GHQ-SCAP

JAPAN - MAR 48

NUMBER 2

PRISONS

8. The prison population on 29 February was 83,872, a slight increase over the 82,960 in January. Of the 83,872 inmates 66,999, including 3,431 juveniles, were sentenced and 16,873 were awaiting trial. There were 35 prisoners awaiting execution.

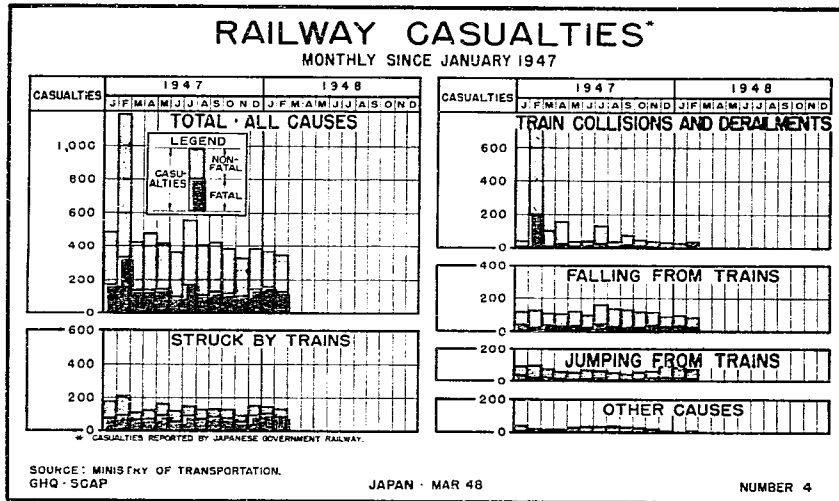


9. Prison deaths in February numbered 76 compared with 75 the previous month.

10. The Mito Juvenile Prison was reorganized into a vocational trade school. There has been a gradual shift in emphasis from confinement to vocational training in many institutions since the termination of the war but this was the first institution to be so reorganized.

ACCIDENTS

11. Rail mishaps reported by the Government and private rail-ways numbered 404 in February with 172 persons killed and 329 injured, compared with 543 accidents in which 253 persons were killed and 486 injured in January.



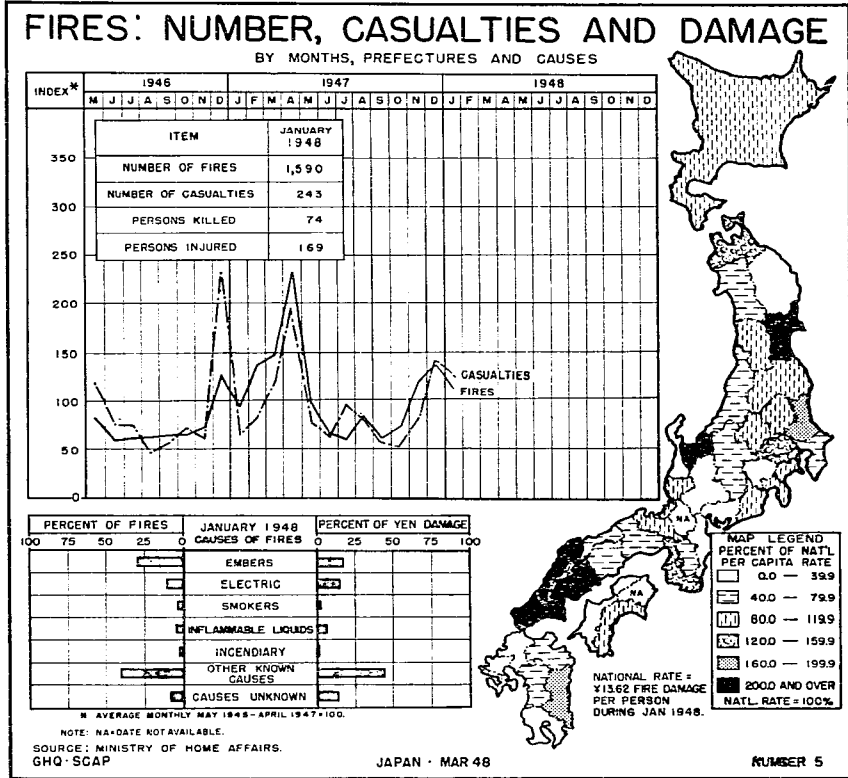
RAIL ACCIDENTS AND CASUALTIES

	January		February	
	Government Railways	Private Railways	Government Railways	Private Railways
Accidents	369	174	291	113
Killed	156	97	123	49
Injured	213	273	218	111
Causes of casualties				
Falling from trains	93	43	78	32
Jumping from trains	93	26	84	34
Struck by trains	146	58	134	51
Casualties caused by collisions and derailments	32	239	34	39
Others	5	4	11	4

SOURCE: Ministry of Transportation.

FIRES

12. There were 1,590 fires reported in January in which damages amounted to ¥ 1,040,295,500, compared with 1,936 fires and a loss of ¥ 1,613,580,112 reported in December.



FIRES

<u>Causes</u>	<u>December</u>		<u>January</u>	
	<u>Number of</u>		<u>Number of</u>	
	<u>Fires</u>	<u>Losses (yen)</u>	<u>Fires</u>	<u>Losses (yen)</u>
Embers	521	273,980,835	475	180,952,636
Careless smoking	79	16,050,145	52	22,108,067
Electrical	172	193,902,237	161	155,545,093
Incendiary	63	39,299,314	44	11,889,340
Inflammable liquids	91	60,335,103	72	66,363,470
Miscellaneous	869	811,556,049	649	464,444,796
Unknown	141	218,456,429	137	139,901,098
Total	1,936	1,613,580,112	1,590	1,040,295,500

SOURCE: Bureau of Domestic Affairs.

13. The highest prefectural fire loss, ¥ 106,615,681, was reported from Tokyo Prefecture, while Miyagi Prefecture reported damages amounting to ¥ 76,787,583, Hiroshima Prefecture ¥ 64,580,699, Osaka Prefecture ¥ 60,406,689 and seven other prefectures reported damages exceeding ¥ 30,000,000 each.

14. A fire on 5 March destroyed 456 buildings in Taisho, Kochi Prefecture, including the principal business buildings and residential areas. The blaze, which lasted 11 hours, started in a lumber mill and caused an estimated ¥ 200,000,000 damage.

15. Deaths from fires increased from 36 in December to 74 in January but the total of persons injured decreased from 246 in December to 169 in January.

16. The first safety regulation covering fire defense in places of public assembly was passed by the Tokyo-to Assembly on 1 March.

17. Installation of triangulation equipment in 155 essential towers of fire stations in Tokyo was completed in March.

SECTION 3

LEGAL AFFAIRS AND WAR CRIMES

C O N T E N T S

	Paragraph
Legal Affairs	1
Investigation of Suspected War Criminals.	2
Apprehension of Suspected War Criminals	3
Prosecution of War Criminals.	4
International Prosecution of War Criminals.	7

LEGAL AFFAIRS

Japanese Judicial Administration

1. During March the Supreme Court accepted jurisdiction in 13 new civil cases and 100 new criminal cases and disposed of seven civil cases and 77 criminal cases.

INVESTIGATION OF SUSPECTED WAR CRIMINALS

2. Seventy-eight atrocity investigations were completed during the March reporting period, reducing cases on hand to 1,083.

ATROCITY INVESTIGATIONS

	Cases on Hand <u>24 Feb</u>	Cases Received <u>24 Feb - 24 Mar</u>	Cases Completed <u>24 Feb - 24 Mar</u>	Cases on Hand <u>24 Mar</u>
POW camp conditions	3	0	0	3
POW atrocities	86	.1	8	79
B-29 flyers	332	2	46	288
POW ship	19	0	2	17
Kempei-tai (Military Police)	25	0	0	25
Miscellaneous	<u>693</u>	<u>0</u>	<u>22</u>	<u>671</u>
Total	1,158	3	78	1,083 ^{a/}

^{a/} Represents cases still under active investigation which may or may not result in prosecution of an undisclosed number of war criminals.

APPREHENSION OF SUSPECTED WAR CRIMINALS

3. The Japanese Government was directed to apprehend and deliver to Sugamo Prison 30 persons wanted in connection with war crimes, of whom 16 were civilians, 11 were former Army and Navy officers and three were former Army enlisted men.

The Government was notified of the deletion of 12 names from previous apprehension directives, the clarification of status of 53 previously suspected war criminals and the release of two persons from hospital arrest.

PROSECUTION OF WAR CRIMINALS

4. By 20 March 581 war crimes suspects had been tried of whom 547 were found guilty and 34 acquitted. Of the total guilty 94 were given death sentences; five death sentences have been executed, three have been commuted, and 86 are awaiting approval. The remaining 453 war criminals were sentenced to terms ranging from six months to life at hard labor.

From 21 February to 20 March 12 trials were completed involving 69 war criminals of whom 37 were former enlisted men, 24 were former Army and Navy officers and eight were civilians. In addition, four suspects were acquitted.

TRIAL OF WAR ATROCITY CASES

<u>Name</u>	<u>Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
KITAMURA Sueharu	Medical Orderly	CPHM	13 Jan 48- 28 Feb 48	Death
YAMAZAKI Kiichi	Guard	S 1/c	20 Feb 48- 26 Feb 48	6 years
SHINODA Shuichi	Guard	W/O		2 years
HIRABAYASHI Masajiro	Guard	S 1/c		4 years
HAYASHI Junsho	Camp Commander	1st Lt	19 Jan 48- 27 Feb 48	3 years
SHIMIZU Masao	Guard	Civ	26 Nov 47- 1 Mar 48	Death
FUKUDA Kingoro	Guard	Civ		Death
ISE Chitoku	Dormitory Head	Civ		Death
KONO Masatoshi	Camp Manager	Civ		Life imprisonment
MIURA Taichiro	Police Chief	Civ		20 years
MOTOI Eishi		Civ		Acquitted
SHIBATA Saburo	Labor Chief	Civ		Acquitted
GOTO Kenzo	Police Inspector	Civ		20 years
INOUE Yoshiyuki	Interpreter	Civ	19 Feb 48- 2 Mar 48	8 years

<u>Name</u>	<u>Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
OKADA Takaji	Camp Commander	Lt	19 Feb 48- 2 Mar 48	4 years
HIKITA Toyokazu	Interpreter	L/Cpl	1 Mar 48- 2 Mar 48	4 years
TANABE Kiyoshi	Interpreter	Cpl		2 years 6 months
ITO Nobuo	Procurator	Major	22 Jan 48- 4 Mar 48	Death
KATAURA Toshiatsu	Judge	1st Lt		15 years
MATSUO Kaiji	Chief Judge	Major		20 years
SANTO Hirokichi	Law Member	1st Lt		20 years
NAMBA Motoo	Camp Commander	Lt	25 Feb 48- 8 Mar 48	10 years
TAMURA Hajime	Med CO	Capt	25 Feb 48- 15 Mar 48	25 years
TSUTSUI Hajime	Chief Surgeon	Capt		5 years
YAMAMOTO Takeo	Executive Officer	1st Lt		Life imprisonment
TAKAMI Shunichiro	Doctor	Medical Officer		20 years
INANAGA Iwao	Guard	Civ	8 Mar 48- 15 Mar 48	5 years
OUCHII Shintaro	Camp Commander	W/O	8 Mar 48- 16 Mar 48	4 years
INOUE Otohiko	Commanding Officer	Capt	26 Nov 47- 16 Mar 48	Death
INOUE Katsutaro	Executive Officer	Lt		Death
MAKUDA Minoru	Defense Unit	Lt		Death
TAGUCHI Yasunasa	Defense Unit	Ensign		Death
FURUNO Masaji	Defense Unit	S 1/c		Death

<u>Name</u>	<u>Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
KUBO Hisayoshi	Defense Unit	S 1/c	26 Nov 47- 16 Mar 48	Death
MAEJIMA Yuichi	Defense Unit	Lt (jg)		Death
MUKUMOTO Shimpei	Defense Unit	Ensign		Death
MOROOKA Yoshiyuki	Defense Unit	Ensign		20 years
FUKUMOTO Norio	Defense Unit	W/O		5 years
ENOMOTO Nuneco	Defense Unit	Lt (jg)		Death
SEYAMA Tadayuki	Defense Unit	S 2/c		Death
IKEMIYAGI Norikaji	Defense Unit	S 2/c		Acquitted
KAWAHIRA Kenji	Defense Unit	Sup PO		Acquitted
AKATSUEA Hanji	Defense Unit	S 1/c		Death
FUJINAKA Matsuo	Defense Unit	PO 2/c		Death
GOTO Toshio	Defense Unit	Seaman		Death
HAGIDO Morimitsu	Defense Unit	S 2/c		Death
IKEHARA Shigeichi	Defense Unit	S 2/c		Death
INAMI Yoshiaki	Defense Unit	S 1/c		Death
KAMISHINBARA Taneyoshi	Defense Unit	S 2/c		Death
KIMOTO Kazuo	Defense Unit	S 2/c		Death
KITADA Mitsuno	Defense Unit	W/O		Death
KOHAMA Seisho	Defense Unit	S/2/c		Death
KUWAE Ryoyu	Defense Unit	Sup PO		Death
KUWAKO Sabachi	Defense Unit	S 1/c		Death

<u>Name</u>	<u>Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
MAEUCHIHARA Takeshi	Defense Unit	S 2/c	26 Nov 47- 16 Mar 48	Death
MATAKE Kakutaro	Defense Unit	Superior Seaman		Death
MIYAHARA Fusao	Defense Unit	S 1/c		Death
NADAHARA Iwayoshi	Defense Unit	Petty Seaman		Death
NAKAZONO Hirotoshi	Defense Unit	S 2/c		Death
NARISAKO Tadakuni	Defense Unit	PO 1/c		Death
OSHIRO Eikichi	Defense Unit	S 2/c		Death
SHIRAKATA Yoshio	Defense Unit	S 1/c		Death
SOMEYA Masonori	Defense Unit	Superior Seaman		Death
SUMITOKO Shizuo	Defense Unit	Ensign		Death
TAIKE Nobuyuki	Defense Unit	S 2/c		Death
TAKAMURA Naichi	Defense Unit	S 1/c		Death
TAUCHI Yoshio	Defense Unit	S 1/c		Death
TERRASHIMA Seichi	Defense Unit	S 1/c		Death
TEZUKA Takashi	Defense Unit	S 1/c		Death
UCHIKURA Masonori	Defense Unit	S 2/c		Death
URAYAMA Tameichi	Defense Unit	S 2/c		Death
YAMAKAWA Yoji	Defense Unit	S 1/c		Death
YOSHIHARA Tsuyoshi	Defense Unit	PO 2/c		Death

5. Otohiko Inoue, commanding officer of a naval defense unit on Ishigaki Island, and Katsutaro Inoue, executive officer and adjutant of the unit, were sentenced to death for command responsibility for the execution of three captured American flyers.

Thirty-nine other members of the Inoue unit were also sentenced to death for participation in causing the death of one or all of the flyers. Two others of the 45 tried in this case were acquitted and two were sentenced to terms of five and 20 years imprisonment respectively.

6. Chitoku Ise, dormitory head of a labor camp for Chinese prisoners of war at Hanaoka, and Masao Shimizu and Kingoro Fukuda, guards, were sentenced to death for their part in atrocities at the camp.

INTERNATIONAL PROSECUTION OF WAR CRIMINALS

Paragraph

Summation by Prosecution.	10
Summation by Defense.	15

7. Regular court sessions were held on 1-5, 8-12, 15-19, 22-26 and 29-31 March.

8. On 2 March summation of evidence by the prosecution was completed and summation by the defense began, continuing through 31 March.

9. Defendants Toshio Shiratori and Yoshijiro Umezu were absent from court throughout the month, being confined by illness to a hospital. Defendants Koki Hirota and Kiichiro Hiranuma were also absent during most of the month due to illness.

SUMMATION BY PROSECUTION

Toshio Shiratori

10. "Shiratori's early decision to associate himself with the military group dedicated to Japan's armed expansion is perhaps most clearly shown in his advocacy sometime before May 1932 of Japan's withdrawal from the League of Nations," the prosecution stated in summation of evidence against the defendant.

"Though he specifically denied that he was an advocate of withdrawal, convincing evidence was later adduced which set forth his argument that Japanese actions in Manchuria since 18 September 1931 had made it impossible for Japan to remain in the League of Nations and that it was unreasonable for the small nations of Europe to attempt to restrain Japan," the prosecution continued. "Here again is the paradox of this self-proclaimed votary of conciliation urging, within at most eight months from the initial onslaught at Mukden, that Japan repudiate the League of Nations in order to free herself from the restraints that the family of nations had imposed upon itself as the minimum standards of civilized international conduct."

In 1933 Shiratori became Minister to Sweden. His "general political philosophy" was revealed, the prosecution stated, in a letter written to Arita, then Minister to Belgium, in which he called for an immediate showdown with Russia. This philosophy, the prosecution charged, was "one based on opportunism and the use of force as an instrument of national policy."

Shiratori wrote Arita: "Fates have it that the Slavs and the Yamato races must eventually fight each other for supremacy on the Asiatic continent. . . I believe that adoption of a policy for an instantaneous removal of future calamity at this stage when they

are comparatively impotent is a matter which never should be neglected by those who bear concern for the welfare of the people and the nation. I am not saying that we should unreasonably force a war against Soviet Russia now. I am only saying that we should start negotiations with her with determination, not refusing even war if it is inevitable, to shut her out completely from advancing into East Asia."

Upon his return to Japan in 1936 Shiratori became "the conspiracy's spokesman for totalitarianism," the prosecution charged. This role was carried out as a propagandist, as in one of his articles, "Fascism versus the Popular Front," he "argued that the reason the democratic countries opposed the totalitarian states was the fact that the latter countries were among the 'have-nots' and, as such, were compelled to adopt a trend toward expansionist policies and destruction of the status quo that aroused the fear and hatred of the 'have' nations."

In 1938 and 1939 Shiratori served as Ambassador to Italy. Returning to Japan on 13 October 1939, "he wasted no time in reinstating himself in his old role as spokesman for the conspiracy." He "began a series of lectures and articles of vituperative character designed to shape public opinion in favor of the program of aggressive expansion visualized by himself and his co-conspirators. Since this program could be realized only by acting in concert with Axis aggression against the democracies, Shiratori's consistent theme was that the battle against the Western Powers was as much Japan's battle as it was Germany's and Italy's.

"Though Shiratori fired no shot and released no bomb in the war of his choice, his hand is nonetheless evident in the blueprint of that war in his early and continued espousal of totalitarian forms and actions."

Concluding, the prosecution stated: "Shiratori pronounced a verdict upon himself and his co-conspirators when he said that they must plead guilty if they were obliged to explain and justify Japan's expansionist action in the light of the Western view of things or within the scope of law and treaties."

Teiichi Suzuki

11. The prosecution, in summarizing its evidence against Suzuki, contended that he began advocating the expansion of Japan by means of aggression as early as 1933.

As head of the Political Section of the China Affairs Board, the prosecution charged, he participated in the exploitation of China and its resources, contrary to Suzuki's testimony that he made an effort to minimize the interference of Japan in the political affairs of China.

While Suzuki was president of the Cabinet Planning Board, the prosecution contended, "the Board was an important organ in planning and preparing for aggressive war and in exploiting the areas to be occupied and that Suzuki, as president of that board and a minister of state, was actively engaged in the formulation and execution of such plans and preparations.

"Suzuki cannot escape from assuming his share of the responsibility for the decision made at the Imperial Conferences of 6 September, 5 November and 1 December 1941" which he attended, including the decision for war on 1 December, the prosecution contended. In cross-examination, however, Suzuki denied that he knew the hour, place or date for opening hostilities, or that the task force had sailed for Pearl Harbor.

Shigenori Togo

12. Togo, who was a career diplomat, on 1 February 1933 became director of the European-American Bureau of the Foreign Ministry. In that capacity he made an extensive study of Japan's future foreign policy with regard to European and American countries. In that study, the prosecution charged, he recommended that "Japan should make it clear that she entertained no territorial ambitions outside Manchukuo, the course which she should follow was to pursue her Manchurian and Mongolian policies and in the meantime keep friendly relations with other powers until these regions had been developed and Japan had established a firm footing on the continent of Asia."

By that recommendation "the accused put himself squarely behind the Japanese policy of aggression in Manchuria and of bringing that region under the complete domination of Japan," the prosecution charged.

The accused served as Ambassador to Germany from October 1937 until October 1938 when he was appointed Ambassador to the Soviet Union. Then in October 1941 he was named Foreign Minister in the Tojo cabinet.

By his own admission, the prosecution pointed out, Togo could have refused in the Liaison and Imperial Conferences to agree to the decision for war and, having refused, brought about the fall of the Cabinet.

Meanwhile, with war plans having been made, Togo became during the following month "the main figure in furthering the aims of the conspiracy. Personally directing Japan's diplomatic maneuvers, he made the strongest efforts to hide the fact that if the demands then presented were not accepted, Japan would immediately take recourse to further aggression."

Concerning crimes committed against interned civilians and prisoners of war, the prosecution contended that "apart from his responsibilities as a cabinet minister for Japan's general policies, the Foreign Minister was directly responsible for ensuring that in the treatment of enemy subjects under the power of Japan, Japan's international obligations would be fulfilled and that in the case of the accused the responsibility is doubly heavy because it was he who had given for Japan the solemn assurances which were never kept or intended to be kept."

Hideki Tojo

13. The accused Tojo occupied positions of responsibility from 1931 to 1933 which were directly connected with the acts, events and occurrences charged as offenses in the indictment, the prosecution charged.

The First Section of the Army General Staff, of which Tojo was chief, had charge of Japan's seizure of control of Manchuria by the Kwantung Army during the period following the Mukden Incident.

During the time he was commander of the Kwantung police, 1935-1937, and later, as Chief of Staff of the Kwantung Army, 1937-1938, he aided and abetted the initiation and waging of a war of aggression against China, in violation of international law, the prosecution asserted.

On 9 June 1937 "Tojo telegraphed the Vice War Minister and Vice Chief of General Staff that he was convinced that if Japan's

military power permitted it, a blow should be struck at the Nanking regime," the prosecution declared.

"From May 30, 1938, to July 22, 1940, on which date Tojo became War Minister, Tojo held many important positions closely connected with the acceleration of Japan's preparation for war on a vast scale. On May 30, 1938, he became Vice War Minister, a position he held until December 30, 1938. On June 3, 1938, he became Chairman of the Army Munitions Council; on June 11, 1938, he became Japan's representative on the Japan-Manchukuoan Joint Economic Committee; on June 13, 1938, he became a member of the Central Air Defense Committee; on June 15, 1938, he became a member and Councilor of the Planning Board; on June 18, 1938, he became Chief of the Army Air Headquarters; on December 10, 1938, he became Inspector General of the Army Air Forces; and on February 24, 1940, he became temporary Supreme War Councillor.

"Nine months after the outbreak of the Marco Polo Incident, Tojo was appointed Vice War Minister, by Konoye, after Umezumi demanded such appointment as a condition for the Army's consent to the selection of Itagaki as War Minister.

"During Tojo's incumbency as Vice War Minister, while Itagaki was War Minister, the following major events took place in Japan having as their objective the consolidation of Japan's economic and military strength, for the purpose of achieving world power by military force:

- (1) "Compulsory military training was introduced in Japanese schools, aimed at inspiring a militaristic and ultranationalistic spirit in the students;
- (2) "Plans for national mobilization for military purposes were put in operation with great energy throughout the Japanese economy;
- (3) "A closer alliance with Germany was urged, as well as discontinuance of participation in the international enterprises carried out through the League of Nations except Japan's mandatory rule of the South Sea Islands;
- (4) "The Five Ministers' Conferences of 31 October 1938 provided in detail for Japanese supervision of military affairs, foreign relations, economic matters, religion and education in China."

During Tojo's period of service as War Minister in the Konoye cabinet, from 22 July 1940 to 18 October 1941, policies and measures enacted "committed Japan to rely on military power as a means of securing her aims, and caused her to drift steadily toward regimentation of her whole national life, centering in the military, in addition to aligning herself to Germany and Italy."

The aim of establishing a bloc economy was to bring the southern countries within Japan's economic sphere so that she could secure the much-needed basic raw materials which had to be obtained from new sources following the cessation of supplies from the United States.

In the Liaison and Imperial Conferences held after Tojo became premier on 18 October 1941, he, as top man in the Administration, guided the action taken which shortly led to war. His actions, the prosecution charged, fix his responsibility in this connection.

In one of his interrogations, "Tojo admitted that he was the one primarily responsible for the attack on Pearl Harbor and the United States and British possessions, but he said that the Cabinet was jointly responsible, and as senior member he was the one 'chiefly responsible.' He maintained that the Army Chief of Staff and the Navy Chief of Staff also bore responsibility. Tojo also admitted he knew of the attacks at Malaya, Hongkong and the Philippines, and he approved them all."

In a speech before the 79th session of the Diet on 22 January 1942 Tojo stated that the "aim of the war was the establishment of the Greater East Asia Co-prosperity Sphere, and 'it is natural that the areas absolutely necessary for the defense of East Asia must be grasped by Japan.'

"It would serve no useful purpose to enumerate the widespread acts of brutal, inhuman and atrocious conduct by Japanese troops during the time Tojo was War Minister and Premier. Tojo had more than administrative responsibility as he acknowledges. He had actual and direct responsibility, because he permitted such things to continue to happen after he knew or should have known what was being done."

Yoshijiro Umezu

14. Umezu served as Vice Minister of War, Chief of the Army's General Staff and as Commander of the Kwantung Army.

Summarizing the evidence presented against Umezu, the prosecution stated:

"The evidence offered by the prosecution has established that Umezu participated in a conspiracy against peace during the whole period covered by the indictment and that all his practical activities as one of the leaders of the conspiracy aimed at establishment by Japan of her military, political and economic domination in the areas of East Asia, Pacific and Indian Oceans, and at the perpetration of aggression against the freedom-loving nations of China, the Soviet Union, the U. S. A., Great Britain and other countries. Umezu held most important posts in the army at all the stages of the development of the criminal conspiracy and directly supervised the planning, preparation and waging of aggressive wars and thus committed the heaviest crimes against peace and humanity."

SUMMATION BY DEFENSE

Introductory Statement

15. "The great task of this unprecedented trial is not alone the simple determination of guilt or innocence of these accused; it is the charting for ourselves and our future generations the path to a world of peace and justice in which the dignity of man will prevail," Dr. Somei Uzawa of the defense staff stated in beginning his introductory statement.

"Since the dawn of history there has been war. War is a reality, and belongs to one of the most serious and dangerous phenomena in human society. To exterminate war no effective means has yet been established in international law or in international relationship. . . It has been stated that a war of aggression constitutes an international crime, but no world law can be found which gives the definition of the aggressive war.

"Even though such war is labeled aggressive and condemned as crime when judged by the sequence of aggression and defense, or