

Central Intelligence Agency



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**DIRECTORATE OF INTELLIGENCE**

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JAPAN HIGHLIGHTS: February 1985 [redacted]

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During February the opposition parties brought the lower house Budget Committee to a halt three times, Prime Minister Nakasone made politically controversial statements on defense and tax policy, and he broke a postwar taboo by attending National Foundation Day ceremonies on 11 February. Despite these newsworthy developments, the newspapers and weekly magazines have given top billing to the formation of a group--the Sosei-kai--by Finance Minister Takeshita, one of the most influential lieutenants in the Tanaka faction. [redacted]

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Tanaka Faction Hit By Shock Wave

Takeshita is backed by powerful Liberal Democratic Party (LDP) Secretary General Kanemaru, who has publicly described Sosei-kai as merely a policy study group. Other press reports, however, state that it has all the trappings of a faction, including executive officers and a charter of its own. [redacted]

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This memorandum was prepared by [redacted] Japan Branch, Northeast Asia Division, Office of East Asian Analysis. Information available as of 26 February was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA [redacted]

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Widespread press speculation in early February focused on whether Takeshita would be able to use the new group to launch a bid for the party presidency and whether Sosei-kai would become a threat to the unity of the formidable Tanaka faction, Nakasone's major ally. Several papers reported Tanaka was "extremely annoyed" by Takeshita's move. As one weekly journal pointed out, Tanaka was also humiliated by the breakdown of his renowned network for gathering political information. The article claimed Tanaka did not learn of Takeshita's plans until Takeshita personally informed him after the group had been formed. [redacted]

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According to various press reports, Foreign Minister Abe had known about Sosei-kai since last December. Press commentators cited Abe's knowledge as a demonstration of the close ties between Abe and Takeshita, the LDP's two most popular new leaders. Press coverage of opinion among other influential LDP leaders, such as former Prime Minister Fukuda and LDP External Trade Council Chairman Esaki--who, like Tanaka, are reluctant to see power pass to the younger generation--cited their regret over Takeshita's action. Reporters who cover the Tanaka faction said that even many pro-Takeshita members of the faction were reportedly disappointed by the steps leading to the formation of the Sosei-kai, in particular Takeshita's failure to include them in his secret planning. [redacted]

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Despite the initial flurry of public speculation on the political impact of the formation of the Sosei-kai, most journalists and commentators believe the incident once again demonstrates the limited power of the new leaders and Tanaka's continued control over his faction:

- One report said that although Takeshita signed up 83 of Tanaka's 125 faction members, only 40 turned up for his inaugural meeting on 7 February. The rest dropped out, apparently under pressure from Tanaka.
- Takeshita's backer, Secretary General Kanemaru, has repeatedly emphasized in public that the Sosei-kai exists "because of and for" the Tanaka faction. He reportedly told enthusiastic Sosei-kai members to "cool it" in order to maintain a unified Tanaka faction.
- Press reports in all major dailies have given extensive coverage to Takeshita-Tanaka talks, during which both reportedly agreed to do their best to maintain the unity of the faction.
- And an Asahi newspaper survey of Tanaka faction members on 9 February noted that the majority want to see Tanaka maintain his leadership. [redacted]

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Political reporters in Tokyo say their sources generally claim that differences over Takeshita's policy group are settled for the time being and that Tanaka and Takeshita are in a period of "detente." They note, however, that maneuvering by aspiring new leaders in the Tanaka faction will continue, as will a tug-of-war between Tanaka supporters and those who want Takeshita to take over. [redacted]

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#### Nakasone-Kanemaru Teamwork

While political observers concentrated on LDP factional politics, Nakasone did well in the first month of the Diet session--in spite of occasional deadlocks in the lower house. The press has given much of the credit to LDP Secretary General Kanemaru, calling him the power behind Nakasone. The Prime Minister reportedly has left Diet management to Kanemaru, who has close ties to opposition party leaders, the Socialists in particular. Reporters who cover the Diet for the major papers say the Secretary General's skill is being tested as he works behind the scenes on a contentious bill for reapportioning some of the seats in the lower house. [redacted]

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Based on events in the last several weeks, most Japanese political observers believe that Nakasone's political base is strong:

- They cite his continued backing by former Prime Minister Tanaka and Kanemaru, and by Takeshita and Abe, who are part of his government.
- His popularity in public opinion polls--which Nakasone calls his "life-line"--remains high. [redacted]

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