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Source Cryptosys: [ ] References: Z.H-723, 744, 745, 746, 751, 752

Source, Operational Data, and Comments:

1. This report represents [ ] initial probing of the IAKURO Clique for information on that group. Z.H-725 and previous reports concerning the group around INAKURO were prepared on the basis of information from rival groups and individuals, particularly HATTORI Takushiro.
2. Your attention is invited to the following facts which have a bearing on evaluation of this information:
  - a. YOSHIDA Shunichi is renowned for his braggadocio and exaggeration of his own importance, and yet [ ]
  - b. He is an extremely intelligent man, and undoubtedly had no intention of telling [ ] everything he knows, despite their close friendship, realizing that [ ] is somewhat aligned with the HATTORI camp.
  - c. [ ] had to approach the conversation on IAKURO from the standpoint of a person who thought highly of HATTORI but also considered IAKURO very able and wanted to see something worked out between them to end the feud.
  - d. [ ] prejudice and repeated attempt to slant remarks of sub-sources against HATTORI's enemies again reveals itself.
3. The political clique around INAKURO may be planning to "use" him only, but despite his personality defects, we are inclined to read between the lines a bit and feel that this careful if dogmatic planner may be just as crafty as they. In any event, IAKURO is ceasing to be a symbol and has become a person.

Classification

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**NAZI WAR CRIMES DISCLOSURE ACT**

EXEMPTIONS Section 3(b)

- (2)(A) Privacy   
(2)(B) Methods/Sources   
(2)(G) Foreign Relations

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Date: 2005

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Subject: Major Iwakuro, Ishikawa and others associated with him. Report No. SH-72  
and persons associated with him. (FD-244)

Date of Information as of 23 November 1951.

Place Acquired: Tokyo, Japan. Date Acquired: 24 November 1951

Evaluation: C-3 Date of Report: 17 December 1951

Source: C

1. Source has not met with FUKUJI Shunichi since November 1951. When Source telephoned FUKUJI on November 20<sup>th</sup> this year, the latter definitely asked for a meeting at the earliest possible time with Source. Consequently Source met FUKUJI in the evening of 23 November and talked with him until the next morning. The following paragraphs are "field" comments at that time on IWAKURO and persons closely associated with him in the so-called IKAWA clique.

2. Iwakuro Personality.

IWAKURO is undoubtedly one of the most intelligent generals of the former Japanese Army. He has an ability to initiate and plan out an excellent scheme of any kind and produce a "killed project which deserves high respect. However, he does lack "hard" feeling and he is very cold-blooded in a try. Therefore, those who have once seen his subordinates often do not speak too well of him. This is, to be sure, an evidence of some defects of his character. He always is obviously desiring to get ahead of others and to gain the respect of others. Because he is lacking in the ability to attract people, however, he is unable to stand out among men basically. He is wanting in "peculiar qualities as a leader." There is no question, however, of his peculiarly gifted ability as a staff advisor. Although he takes good care of others, his motivation always seems to be to take advantage of them. He is a person who can unhesitatingly desert his intimate friends whenever it becomes evident that he can gain no further advantage from cultivating them. However, FUKUJI and other members of the political group around IWAKURO, who wish to get ahead in politics, can not ignore his superior intellectual faculties. They are planning to capitalize quite profitably on those intellectual faculties and on his far-sighted planning ability sometime in the not-distant future.

3. The Relationship of Iwakuro to KUBOTA Kumata Furano.

There exists no particular or definite relationship between the two. If there is any rumor going around in the world that the above two persons are connected, it is attributable to the fact that FUKUJI has taken IWAKURO two or three times to KUBOTA's home and introduced him. KUBOTA has practically no concern today with the armament issues nor with any other military

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(2JL-73; FD-34)

of the Chinese Communists' participation in the formation of a new political party with their own political leaders as officials. However, it should be known to all that the Wright Battalion should gain a clear picture of military plans in order to have the general knowledge of military policies. Wright had learned originally about current military situation to India. He had previously been on duty with the Military Engineers Bureau, for a majority of a long time. Therefore, he is fairly well familiarized with problems of military organization planning and budgeting, and supplies and bridge work. Wright would act as liaison to inform KUWA of the future developments to so that he may be prepared. You will be acquainted with Iwakubo and thought well enough of him, but he paid no particular respect to Iwakubo for his extremely limited significance to his relationship with Iwakubo.

4. The relationship of Iwakubo to former (vacant) S. Iwamoto.

a. Joyce Holder ( ), a broker and business man from America, paid a call on SHIBUSA last year with a view towards opening up a business in Japan. Mr. Joyce Holder and S. Iwamoto had been acquainted for a long time. Mr. Joyce Holder seemed to be too anxious of manufacturing arms, munitions, and military supplies in Japan. Others upon this manufacture were to be placed by the American Perf's at your end. Holder asked SHIBUSA to allow him to come Japan to have a thorough going knowledge of and experience in the manufacture of arms. SHIBUSA, then, related this to Iwakubo and asked Iwakubo to aid him in facilitating the American's request. Accordingly, a decision was reached that Iwakubo would present Iwakubo, his long-time acquaintance, to SHIBUSA, who would further recommend him to Mr. Joyce Holder. Furthermore, KUWA foresaw the necessity to have Iwakubo establish connection with former munitions manufacturing companies in Japan. Iwakubo contacted the Japan Iron Works Co., the Mikata Diesel Co. and other similar companies. Iwakubo then organized the "Economic Research Institute" ( ) to which each one of ten leading companies of Japan are expected to disburse somewhere between \$ 20,000 and \$ 50,000 each month respectively. The Economic Research Institute, as the name indicates, is an organ of research, but at the same time it also serves as an organization which makes an inquiry into orders to be placed by America. In case the United States Government places an order in Japan for the manufacturing of a certain type of arms in some quantity, and the Institute will present its draft plan to the United States Government concerning the allotment of the ordered arms to each company. A priority, of course, will eventually be given to the ten contributing major manufacturing companies for the execution of these orders. The principal figures working in the Institute under the direction of Iwakubo are former (Col.) MIKAWA ( ), former authority re export on the manufacturing of arms) and former paymaster Major General LIKO ( ). (In export of management and ordinance) This organization is often called the "Iwakubo Klan" among the public.

5. Former regular officers of the Army intimately connected with Iwakubo today.

Since Iwakubo keeps his own personal affairs unusually secret, it is truly

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(LIL-Q73; RL-32)

It is difficult to have an overall picture of his movements. At present, however, it is known that he is very active among existing LIL-Q.

Former Col. Ishii (a former member of the Japanese Foreign Service) is a relative of IKUMUO, and is a former colonial officer of the Indian Ministry. He seems to have worked in the past as an agent to the United States 8th Army. Former interpreter (also known as DO (true).  
- certain former Col. Ishii.  
Former Col. Yamada (true).  
A certain former Lt. Col. Ishii.

Former (Colonel) Ishii is living in Tokyo. IKUMUO's long-time Intelligence Service deputy, is not living in Tokyo at present. He has started a small company with the aid of IKUMUO and Ishii Shigeo, which is centered in his own country area in Asia. The company is believed to deal in paper and pulp supplies, but definite information is not available. IKUMUO Hideo aids other former subordinates in a similar manner, chiefly through the good offices of Ishii.

6. IKUMUO's connection with the formation of a new political party organization.

Concerning operations for establishment of a new political party, IKUMUO, Masamori, Ishii Shigeo, Kido Shinzaku, Tanaka Juso ( ), Ishii and others have been continually consulting on this topic about August, 1950. Although IKUMUO has introduced IKUMUO to these people, he has nothing to do directly with directing the new political party organization. It is obviously unlikely that IKUMUO himself is planning the composition of a different new party. So far as IKUMUO and IKUMUO's other political activities are concerned, IKUMUO has no say whatsoever in manipulating Japanese domestic political affairs at present. He is a purger. IKUMUO himself speculates that he will have to remain a purger for a considerably long time. He knows that by himself he is unable to carry on the political activity for the present. IKUMUO told FUKUDA that it was his most sincere and earnest desire to see FUKUDA elected in the expected Lower House elections in the spring. He seeks to hold the opinion that if FUKUDA is elected a member of the House of Representatives, IKUMUO's political ideas would be effected through and by FUKUDA. A certain Indian with whom IKUMUO had become acquainted when he was the wartime chief of the HIKARI Kikan now holds a top-ranking position in the Indian government. It appears quite certain that IKUMUO is now in touch with this Indian and others in the Indian government. After signing of the Japanese Peace Treaty with India, IKUMUO is apparently planning to enter actively into the Japan-India trade. Therefore, he himself shows more serious concern in the political problems of India than in those of Japan.

SOURCE Opinion: Fukuda Shunichi's description of IKUMUO's use of Indian connections made during his U.S. days is confirmed from other sources; however, the general version concerning this move of IKUMUO's is that he is far-sighted regarding the future and feels that with profits amassed from such a trade he would be ultimately in better position to dabble in domestic politics. IKUMUO's ultimate aim is said to be the post of Defense Minister, and he feels that it will be a long time before the post will be open, so he has plenty of time to build towards it, even though it is now a purger.

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(24-7-3; 1E-344)

7. Relationship to MIKUO SHIBA.

SHIBA is a Japanese traitor who is a sort of an "adviser" to the re-communization by KUOMINTANG and IAKUO. He is vice-president of the Chinese Fuel Company, i.e., MIKUO's oil company, and obligation for IAKUO. He is also a member of the Chinese Fuel Company, which is owned by IAKUO. SHIBA is a traitor to IAKUO. He is a traitor appx. 50,000 to IAKUO - or more. IAKUO maintains his living mainly on this money. At the present of IAKUO. However, IAKUO has no means to find jobs or sufficient living expenses for IAKUO's wife and intelligence friends and acquaintances. This does not mean IAKUO is a highly educated adviser of IAKUO, as IAKUO too is a traitor intelligence man, he can also see very well that sort of person IAKUO is and can faults in the latter. SHIBA is a compromised man. And he has secret sympathies, by and large, with the Communists, though IAKUO is not very much influenced by them. IAKUO's excellent social facilities, but never thinks of political operations to be directed by IAKUO. I believe IAKUO is not the person qualified to direct others, but to help in that direction. IAKUO is surely well acquainted with the situation of the world, not to speak of America, and has broader and deeper thoughts than other former generals and officers, in the opinion of both IAKUO and MIKUO. However IAKUO's attitude in politics, his narrow-minded sceptic, and his petty nature, typical of a Japanese military man, can not be overlooked, IAKUO agrees.

8. IAKUO's sentiments towards MIKUO SHIBA.

IAKUO has a vigorous antipathy not only toward MIKUO, but toward all other officers of the former Japanese Army working for G-2 at MIKUO and CHQ as well. IAKUO has stated that the former Japanese officers now working at MIKUO and CHQ are serving as spies in the interest of America and are selling out Japan. These characters should naturally be executed in the name of the Japanese people when full sovereignty is restored to Japan. This is not an original belief of IAKUO himself. Such a belief might have been formed as a result of hearing a lot of things from those former underground leaders and intelligence men surrounding IAKUO. Anyhow, his hatred against MIKUO and his group is most serious. Consequently, whoever may try to mediate between them, it will not prove an easy task for the two being to establish any compromise between MIKUO and IAKUO.

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1. **Field Comment:** This memorandum political, and could be read either [REDACTED] KIKUCHI, or the editor, KIKUCHI. [REDACTED] says KIKUCHI, but [REDACTED] or KIKUCHI is the way [REDACTED] was [REDACTED]. [REDACTED] says it is definitely KIKUCHI, and "that's what I think it is." Since [REDACTED] knows his best of any of these agents, we shall agree to KIKUCHI. This is that [REDACTED] work in Japan so interesting.
2. **Field Comment:** Refer to [REDACTED] description of FUJIYA Shunichi in L-725 and one finds that KIKUCHI is rather well known for his brashness and bravado. We can probably assume herein that KIKUCHI's description of events and relationships is also carried out in a manner which does no injustice to his own side, though it may be a slightly one-sided version of the whole situation. [REDACTED] stated that KIKUCHI is quite probably neglecting his own importance and minimizing TAKAHASHI's in their relationship, but that it is also true that FUJIYA is devoid of the scrupulous devotion which characterizes so many of TAKAHASHI's circle. A other point for our consideration, however, may be that TAKAHASHI, however conceited, vain, and self-satisfied he may be, is quite possible for more clear-headed and far-sighted than even his closest, (and sometimes stumbling) associates believe.
3. **Field Comment:** This note bears checking, but it could have been either "Jock" or "Cooper" and the last name "Hawke" or "Harker" or "Holden"; it results from [REDACTED] Japanese version of KIKUCHI's profile description. The events leading to the munitions discussion are supposed to have transpired around November, 1950 to January, 1951, in my event, prior to the early 1951 visit of John Foster Dulles to Japan.
4. **Field Comment:** There is no connection between TAKAHASHI's "Economic Research Institute" and the TAKAHASHI Research Institute (KIKUCHI and TAKAHASHI) of TAKAHASHI Setsuzo; the latter is a "group" called an "Economic Research Institute" because TAKAHASHI is such a well-known economist. TAKAHASHI's organization seems to be more of a "Kikuchi-type" organization, and if it is not at present carrying out all sorts of intelligence activities, it was possibly designed for future uses in that direction (in the opinion of both Source and Faboy.) On the other hand, [REDACTED] maintains that information from other sources indicates that the so-called TAKAHASHI Kikan is by no means limited to these individuals. Recurrence of the name of former Major General KIKUCHI is of interest because of earlier reports from several sources last year that both TAKAHASHI and TAKAHASHI had financial holdings in the famous GARDEN Hotel.
5. **Field Comment:** Concerning this point, we queried [REDACTED] closely on the validity of TAKAHASHI's aversion to Japanese officers working for G-2 and two counts: (1) TAKAHASHI's moderate past attitude toward America; (2) TAKAHASHI's past work for KIKUCHI Tomashiro in the 1949-1950 period, during which time he undoubtedly knew that information he furnished KIKUCHI was going to G-2, CIA. [REDACTED] maintained that TAKAHASHI's stated attitude is that "1950 was 1950, but 1951 is different," and that Japanese should not be hostile towards America, but neither should any Japanese continue to work for another government — Japan's national sovereignty and respect must be regained completely, and the Japanese as a nation should deal with the Americans as a nation, and in no other way. Although his relations with KIKUCHI Tomashiro continue to be good personally, TAKAHASHI's uncompromising attitude prevails there too.

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