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COUNTRY Japan

REPORT NO. FJT-4418

SUBJECT Moves by KAYA Okinori to Strengthen KISHI Nobusuke and SATO Eisaku Factions

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REFERENCES

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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE. NOTE FOREGOING EXPLANATION.

SOURCE: Japanese economist with wide political contacts (F); with paras 1 and 2 from an Asahi Shimbun political reporter (F) from KAYA Okinori in an off-the-record interview on 11 and 12 November 1958; paras 3 and 4 from the reporter of paras 1 and 2 and a Mainichi Shimbun political reporter (F); para 5 from the Mainichi reporter of paras 3 and 4, from SATO Eisaku in an off-the-record interview on 10 November. Appraisal of Content: 3.

1. KAYA Okinori, Liberal-Democratic Party (LDP) Diet member and former Finance Minister, recently intimated to ISHII Mitsujiro, LDP anti-mainstream leader, that if ISHII were willing to return to the Cabinet as a loyal supporter of Prime Minister KISHI Nobusuke, KISHI was prepared to offer him the posts of Deputy Prime Minister and Minister of State for Defense, replacing present Defense Minister SATO Gisen who is resigning in December or January to run as LDP candidate for governor of Osaka. KAYA told KISHI later that ISHII has indicated interest in the proposal.
2. This approach to ISHII was part of KAYA's behind-the-scene moves to unite anti-mainstream leaders with KISHI and Finance Minister SATO Eisaku in opposition to the forces of KONO Iehiro and ONO Bamboku. KISHI and SATO have given their approval to these moves. KAYA's first move was to visit former Prime Minister YOSHIDA Shigeru, who according to KAYA, implied that if KAYA could persuade ISHII and MATSUMURA Kenzo, LDP advisor, to cooperate, YOSHIDA could probably induce State Minister IKEDA Hayato to join the new alignment. KAYA decided not to approach MATSUMURA, feeling MATSUMURA would interpret it as an indication of KISHI-SATO weakness.¹
3. KONO and ONO have interpreted the KAYA-KISHI-SATO moves as an attempt to weaken their influence in the Party. As a result, they are at odds with KISHI, and are privately charging KISHI and SATO with acting in bad faith.
4. In an attempt to counter the KAYA-inspired movement, KONO and ONO have instigated rumors of a reshuffle of Cabinet and Party posts prompted by intraparty conflicts over the police bill and Diet extension. The rumored reshuffle would give LDP Secretary General KAWASHIMA Shojiro the post of Speaker of the House of Representatives; Finance Minister SATO,

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the LDP Secretar. Generalship and KAYA, the post of Finance Minister. The purpose of the KONO-ONO reshuffle rumor is to suggest that KAYA and SATO, with KISHI's blessing, are trying to take control of the LDP. They hope this will alarm anti-mainstream elements and cause them to suspect any rapprochement offers from KISHI, SATO or KAYA.

5. Finance Minister SATO recently expressed the view that it would not be necessary to hold the regular LDP convention in February 1959 due to the lack of a rival candidate to KISHI for the Party presidency. He feels that an assembly of LDP Diet members would be sufficient. ISHII and IKEDA have indicated agreement with this proposal, but for a different reason. They believe that a number of Diet members, particularly those belonging to anti-mainstream factions, would abstain from voting for a motion to reelect KISHI as Party president. This would be interpreted by the press and public as a non-confidence motion against KISHI, which would further reduce KISHI's prestige and power.

1. Source Comment. The newspaper Sankei published on 19 November the story of KAYA's activities, only deleting names of certain individuals concerned, in spite of the off-the-record nature of KAYA's statements to reporters. The publicity has angered ISHII and has caused him to deny any possibility of reconciliation with KISHI. For the time being at least, it has stopped the efforts of KISHI and SATO to solicit the support of the ISHII and IKEDA factions.

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