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With the submission of resignations by three Cabinet Ministers including IKEDA on December 28, the ruling Liberal-Democratic Party faced the danger of split into the main current and anti-main current factions, without any sign of compromise between the two contending factions. The probability has become strong that the LDP will pass the year with its intraparty wrangle raging furiously.

On December 28, the two factions of the LDP held their meetings separately to cope with the new situation following the submission of resignations by the three Cabinet Ministers belonging to the anti-main current faction. At the meeting held on that day, members of the anti-main current faction agreed that although they will cooperate for the compilation of the draft fiscal 1959 budget, they will organize themselves into a club so that they will take the position of the opposition within the ruling party. On the other hand, the main current faction on that same day confirmed the two policies of (1) holding the party presidential election on January 17 and of (2) carrying out a reshuffle of party executives at an early date. And the majority of this faction agreed that in order to pull through these two policies it would be inevitable to have a showdown with the anti-main currenters.

Meanwhile, Okinori KAYA, member of the LDP, in a bid to mediate between the two contending factions of the party, visited Shigeru YOSHIDA at the latter's residence in Oiso on the afternoon of December 28 and exchanged views with him. However, both factions of the party are critical of KAYA's move for mediation.

On the evening of that day KAYA called on Prime Minister KISHI at his official residence in Shibuya, Tokyo, and reported to him on his talk with YOSHIDA and recommended him "to hold the resignations of the three Cabinet Ministers until the situation which may help them change their minds is created". After that KAYA continued mediation efforts by meeting Tomejiro OKUBO of the anti-main current faction, but since the condition suggested by KAYA for reconciliation between the two faction, that is, shifting the date of the party presidential election, met with a flat refusal of the main current faction, he failed to find an opening for settling the intraparty wrangle. At the moment the hope for the success of KAYA's mediation move is forlorm.

As the internecine war in the LDP is in a situation full of dynamite, many observers hold that a showdown will be inevitable between the two contending factions at the party convention scheduled for January 17.

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NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release by the Central Intelligence Agency Date:

YOMIURI (1/3 Summary)

Dec. 29, 1958

## KISHI Setup at Crisis

Last Sunday the Liberal-Democratic Party's factional strife was still rampant. The party's six major executives, together with Prime Minister KISHI and the party's Vice President OHNO met at the Prime Minister's official residence in an attempt to hammer out a measure to cope with the situation. On the other hand about 30 nucleus Dietmen of the anti-main current factions of the party met at the Prince Hotel in Akasaka, Tokyo. On the same day nearly 30 neutralist Dietmen including Hisato ICHIMADA got together at a certain restaurant in Akasaka and are going to stand up, since the situation has become "unbearable".

At the above-mentioned party's six major executives' meeting Secretary General KAWASHIMA and Chief Cabinet Secretary AKAGI advised the other participants in the meeting to take a "high posture" against the anti-main currenters. The meeting reached the conclusion that the party should concentrate efforts on the compilation of the next fiscal year's budget and that even those State Ministers who submitted resignations are responsible to cooperate with other party leaders in compiling the budget draft.

The anti-main currenters also promised to cooperate with the main currenters in the compilation of the budget draft, fearing that if they were uncooperative, public opinion would become unfavorable to them. However, at the meeting in the Prince Hotel they decided to organize their own club early next year in order to closely unify the four anti-main current factions.

The anti-main currenters' anti-KTSHI stand is reportedly based on the anti-bureaucratic theory advocated by Tokuma UTSUNOMIYA, Hideji KAWASAKI and Katsuichi YAMAMOTO. They insist that Prime Minister KISHI's bureaucratism as was seen in the introduction of the Police Duties Law Revision Bill to the last extraordinary Diet session and the forcible extension of the Diet is responsible for all the recent intraparty disputes, and that the party's President KISHI's plan to hold the next president's election on January 17 be opposed by all means because he is trying to arbitrarily carry out the election before the expiration of his term of office.

Under these circumstances the negotiations between HAYASHI, MASUTANI and OKUBO of the anti-main current factions and OHNO of the meiocurent not likely to bear visit Hayato IKEDA at mis residence, but since the latter rejected the former's bid in consideration of the above-mentioned anti-bureaucratic theory advocated by nucleus anti-main currenters, the OHNO maneuvers have been deadlocked.

However, there are indications that the negotiations between the main and anti-main current factions may be resumed toward the end of next January when the former shows the details of the planned personnel reshuffle to the latter after the compilation of the next fiscal year's budget draft. The four anti-main current factions are not necessarily optimistic about maintenance of the present unity among themselves. It is even rumored that not a few members of the ISHII faction are in secret contact with main currenters. It is the anti-main currenters' major weak point that they are lacking in a vigorous leader to control them all. At present they have no intention to secede from the party.

There is no likelihood that the main current factions will withdraw from the stand to hold the next president's election on January 17, but if Prime Minister KISHI should concede to hold it in March as originally scheduled, it would be greatly unfavorable to his re-election as party president. Therefore the following compromise plan is likely to be discussed again between the two parties: "The problem of the party presidential election should be handled by newly associated party executives. The January 17 convention will make a that the party's defined the anti-main current factions will run no rival

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