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REPORT NO. FJS-41C

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INFORMATION REPORT
(CONTROLLED AMERICAN SOURCE)

COUNTRY Japan

DATE DISTR. 20 October 1954

SUBJECT Recent Political Developments

NO. OF PAGES 2

PLACE ACQUIRED Japan, Tokyo

NO. OF ENCLS. 0
(LISTED BELOW)

DATE OF INFO September-October 1954

SUPPLEMENT TO REPORT NO.

GRADING OF SOURCE						COLLECTOR'S PRELIMINARY GRADING OF CONTENT					
COMPLETELY RELIABLE	USUALLY RELIABLE	FAIRLY RELIABLE	NOT USUALLY RELIABLE	NOT RELIABLE	CANNOT BE JUDGED	CONFIRMED BY OTHER SOURCES	PROBABLY TRUE	POSSIBLY TRUE	DOUBTFUL	PROBABLY FALSE	CANNOT BE JUDGED
A	B	C	D	E	F	1	2	3 X	4	5	6

THIS IS UNEVALUATED INFORMATION

SOURCE Japanese journalist (B) from another Japanese journalist (F)

- KISHI Nobusuke met with OGATA Takatora on the night of 1 October 1954 and invited OGATA to join the New Party Formation Preparatory Council as the representative of the OGATA faction of the Liberal Party. KISHI proposed as an inducement that OGATA become president of the new party following short intermediary incumbency by HATOYAMA Ichiro. KISHI emphasized the importance of OGATA's help in obtaining a majority for the new party in the House of Representatives. OGATA gently declined the offer stating that it would be improper for a deputy Prime Minister to join an organization planning to overthrow the Premier. During the meeting OGATA also expressed the opinion that YOSHIDA would retire after his return from abroad.
- OGATA's refusal of KISHI's offer widened a split in OGATA's supporters, the majority of whom backed OGATA's refusal to join the New Party Preparatory Council. A minority, however, favor cooperating with KISHI in promoting the candidacy of HATOYAMA on the grounds that the YOSHIDA era is already a thing of the past and will give way to a new era to be dominated either by SHIGEMITSU or OGATA.
- SATO Eisaku recently stated the one of the major factors standing in the way of YOSHIDA's retirement in favor of HATOYAMA is that HATOYAMA is too honest and too talkative. He cannot therefore be made aware of all the secret understandings and commitments existing between the U.S. and Japan for which YOSHIDA is responsible.
- Business circles have no confidence in HATOYAMA or in his supporters MIKI Bakichi and KONO Ichiro. It is rumored, however, that business groups would support HATOYAMA as a temporary candidate if assured he would give way to either OGATA, SHIGEMITSU, or KISHI.
- The program favored by KISHI and his supporters calls for modification of deflationary measures and opening of trade with the Communist bloc. This program has strong appeal in business, industrial and financial circles. YOSHIDA will have to bring back important commitments from the powers he is visiting if he is to offset the allure of KISHI's pronouncements (opinion). Most prospective members of the new conservative party do not wish to commit themselves before YOSHIDA returns.

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Date: 2005

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Page 2

1 Source Comment. It may be recalled that the new party movement was started originally by OGATA as an expedient to ward off the threat to the YOSHIDA cabinet resulting from the ship-building scandal. OGATA launched the new party movement to distract the nation's attention from the scandal, intending to use it to consolidate the Liberal Party under the leadership of YOSHIDA.

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