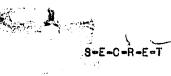
CLASSIFIED MESSAGE DIRECTOR TO MICROFI FROM : (JUL 2 11 FE 7 MICRÓ. SER ACTION: noc. DCI, D/DCI, DD/I, COP, A/DD/P/P, FI, FI/OPS, FI/BOM 3, PP/OPS, PP/ICD 2, CI, CI/OPS, CI/IC, AD/CI, FI/RI/2, S, INFO : PP 2, 'š∕c 2 () 2547 (IN 40233) 16142 6 MAY 55 ROUTINE CEDENCE INFO: () CITE: () TO: DIR INFO RECD LATE APRIL 55 BY TRAINED AMERICAN FJB-1058. DIST FG. OBSERVER (B) FROM DEATA TAKETORA. DATE OF INFO: LATE APR 55. EVAL OF INFO: 3. 1. PUBLIC OPINION IS SWINGING TOWARD LIBERAL-DEMOCRATIC MERGER, WHICH WILL PROB TAKE PLACE IN AUTUWN 55. DUE TO INTRICACIES OF SOCIAL, BUSINESS, AND FAMILY TIES AMONG JAPANESE POLITICIANS, SITUATION MAY REMAIN CONFUSED AND LITTLE APPARENT PROGRESS MAY BE MADE FOR SOME TIME PRIOR TO MERGER (OPINION). 2. FORMER LIBERAL SECGEN SATO EISAKU IS ONE OF SEVERAL POLITICAL FIGURES WHO MUST STEER DELICATE COURSE IN PRESENT SITUATION IN ORDER TO SAVE FACE. A FORMER YOSHIDA FACTION MAINSTAY, SATO IS OVERTLY OPPOSED TO PRIMIN HATOYAMA AND ALSO AT ODDS WITH OGATA, TAKETORA BECAUSE OF OGATA'S SUPPORT OF YOSHIDA RESIGNATION. SATO MUST, HOWEVER, GO ALONG WITH TREND TOWARD CONSERVATIVE MERGER OR FACE POLITICAL DEATH AND IS ACTUALLY IN CLOSE TOUCH WITH AND ON EXCELLENT TERMS WITH OGATA. EVENTUALLY SATO WILL "APPEAR" TO BE FORCED TO GO ALONG WITH OGATA ON TREND es_copy 6 May 55 S-E-C-R-E-T TI IS FORBIDDEN TO MAKE A' COPY OF THIS MESSAGE CODY NO. NAZI WAR CRIMES DISCLOSURE ACT Declassified and Approved for Release by the Central Intelligence Agency EXEMPTIONS Section 3(b) 2005 (2) (A) Prize

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TOWARD MERGER.

3. MAIN OBSTACLE TO MERGER AT PRESENT IS FACT THAT MERGER PROPOSAL WAS MADE BY MIKI BUKICHI, WHO IS DISLIKED BY MOST LIBERALS, AND LIBERALS WILL THEREFORE PUBLICLY SHY AWAY FROM MERGER FOR SOME TIME. MERGER TALKS ARE ACTUALLY FAIRLY WELL ADVANCED, AND OGATA, HATOYAMA, AND OTHER INTERESTED PARTIES MET AT OVERT SOCIAL FUNCTIONS ON 24 AND 25 APR AND ARRANGED FOR TALKS TO CONTINUE.

4. IMPORTANT QUESTION NOW IS HOW TO REMOVE HATOYAMA FROM GOVT WITHOUT CAUSING HIM UNDUE EMBARRASSMENT. MIKI BUKICHI WISHED TO MAKE MERGER TALKS PUBLIC TO GIVE HATOYAMA CHANCE TO GET OUT, BUT PRESENT LIBERAL ANTIPATHY TO MIKI REQUIRES THAT SOMEONE ELSE RAISE MERGER PROPOSAL AGAIN BEFORE FURTHER PROGRESS CAN BE MADE.

END OF MESSAGE

CS COPY S-E-C-R-E-T