

SECRET

15 October 1955

MEMORANDUM FOR RECORD

SUBJECT: Meeting with POCAPON, 14 October 1955

1. In order to pursue some of the questions raised in recent cables from home (DIR 27860, 27950 and 28571) arrangements were made to meet with POCAPON in the morning of 14 October. He arrived at the P-III house in Naguro at 0850 hours and remained there until 1000 hours. The meeting was partially taped by [] but for some undetermined reason the tape is almost totally unintelligible. Set forth below is the result of an attempt at transcription aided by notes taken at the meeting.
2. After a few introductory remarks of greeting and the like, including a brief discussion of POCAPON's new car, a 1953 Chrysler, we got down to the business at hand. POCAPON began by telling us that on his recent trip to Kyushu he had met with MIKI B. in Osaka and the latter had proposed to him that he go along with the current talks re merger and hold off his insistence on an open election of a new party president until next April. POCAPON said that he absolutely refused to go along with MIKI on this and said that he would have nothing to do with such a plan. He said that he gave MIKI two main reasons for his position, the main one being that with such a party arrangement, that was not really a party arrangement at all, there would be no way to have control in the Diet, for there would be two bosses, the Minshuto and the Jiyuto and thus nothing real and of substance could be accomplished. Secondly, said POCAPON, the people would lose what little confidence they have remaining in the Conservatives if a real merger was postponed until April. POCAPON said that MIKI saw his position clearly and that he would do all in his power to bring the Minshuto around to the plan upon which he and POCAPON have been working for so many months, a real merger of all the conservative elements with POCAPON in the top position. MIKI told POCAPON, after the latter's return to Tokyo, that he had made some progress in the interim and that he hoped to have some concrete word on the situation by about 22 October.
3. (Here is where the tape begins). Since returning to Tokyo, POCAPON stated, KONO has been sending emissaries to POCAPON suggesting that a meeting be held between KONO and POCAPON. The motives or ulterior motives that POCAPON sees in this approach are that KONO wants to try to swing him away from his position on the formation of a new party and having an open election for the president thereof. He feels that KONO's approach will be that if there is an open election you (POCAPON) won't become the next prime minister and will therefore have lost your chance to have become Prime Minister. POCAPON said that he has no intention of meeting with KONO. I asked at this point if my impression of KONO is a correct one, i.e., KONO is a man who has nothing on his own and owes all of his current power and position to HATOYAMA and is thus fighting for his life to keep HATOYAMA in. POCAPON said that this was a very accurate impression and further proof of this lies in the fact that the KONO emissaries indicate that KONO is apprehensive about the situation after the merger is accomplished and particularly about the personal situation at that time. POCAPON pictured KONO as a totally self-seeking man who at the moment has considerable power over HATOYAMA and thus has considerable personal power all of which he will lose if HATOYAMA goes out. POCAPON repeated that he would

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make no deal with KONO, for he believes KONO to be an avil man who has only his personal interests at heart and cares little if anything for Japan and her interests. Thus, POCAPOW said, KONO, always the self-seeker, is trying even now while working so hard against PONAPON, to hedge his bets and try to get on the good side of POCAPOW in case KONO and HATOYAMA lose the current fight.

4. He then got on to a discussion of the PI reparations problem. POCAPOW said that he is not opposed to the Minshuto settlement plan nor to the 800 million figure, as such but believes very strongly that the 550 million and the 250 million represent entirely different things and should and must be kept separate. The 550 million POCAPOW sees as straight indemnity while the 250 million is a matter of loans which, while to be backed by the government and guaranteed by the government, is to be handled by private firms and banks and must not be considered in any sense as indemnity. POCAPOW's opposition is to the way the matter has been and is being handled and managed. While he realizes that Magsaysay has a problem with the PI legislature, he says that he cannot feel too sorry for Magsaysay since the latter was willing to accept the word of the irresponsible HATOYAMA. POCAPOW said that the trouble goes back to the 12 August HATOYAMA statement to Neri, a statement so typical of HATOYAMA, made with no knowledge and no background and totally irresponsible. The Foreign Office, said POCAPOW, in trying to protect Japan's international position, pretends that it never heard of the 21 August statement, but it did and is worried about it. POCAPOW said that the position of the Liberal Party is that because of the 12 August statement, Japan is obligated to settle on that basis and if he wins out in the current struggle he will see to it that Japan pays on that basis, but keeping the 550 and the 250 separate; he cannot however, accept HATOYAMA's settling on that basis where no distinction is made between the 550 indemnity and the 250 loans. He said that he feels Japan has incurred an obligation because of the 12 August statement and for her international position and international face she must settle on that basis, i.e., 550 million for indemnity and 250 million of loans. We then discussed the 12 August statement and POCAPOW said that things were fine on the Ono-Garcia basis of 400 million indemnity payments but that HATOYAMA with no previous backing or agreement told Neri that the 800 million figure was acceptable to Japan. The Foreign Office, still keeping this on a TS basis, is well aware of the impossible position HATOYAMA has put the government in and is trying to settle the matter once and for all to protect Japan's, not Hatoyama's position. If Magsaysay or Neri were to make public the 12 August conversation with HATOYAMA, admitting that this was in a way an internal Japanese problem but at the same time a great problem to him, it is possible that this would cause a crisis in the Hatoyama government and may cause it to fall. This, POCAPOW stated, would be a good thing and possibly the best thing that could happen right now. We explored the possibilities and POCAPOW said that if something could be done to have Magsaysay make public this information both Japan and the U.S. would benefit. POCAPOW said that he unhesitatingly concurred in any action that we might be able to take in this regard. POCAPOW said that he could think of nothing which would bring to the attention of the Japanese public the inability of this country's continuing with HATOYAMA at the helm, for this action would show clearly that he is incapable. If nothing else, this would be a good thing. If the reparations question is ultimately left up to the Liberals, POCAPOW said, they would have to recognize the obligation of the 550 million figure and would have to start negotiating from there downward rather than harking back to the Ono-Garcia agreement of 400

million and going upward. POCAPOW said that he could not think of any action that would hasten the conclusion of some arrangement for merger or force an election, either of which would be good for Japan and the U.S.

5. POCAPOW then said that one reason he thought this (above action) might be a good thing and the possibility that it would hasten a decision on Hatoyama's future is that he recently received a letter from a Liberal Party member who is touring Europe after an international meeting, which said that rumors everywhere he has been in Europe are that in the middle of November the Soviets will issue an invitation for Hatoyama to come to Moscow. Although Hatoyama continues to maintain that he is in no physical condition to travel to the USSR, POCAPOW says that when and if he gets that invitation he will hop on the first available chartered plane and shoot off to Moscow. All the Embassies in Europe, said the writer, are worried greatly because they fear that Hatoyama will do just that and will get there and be taken in completely, talking his head off, giving away all and receiving nothing in return. I said that I could hardly imagine a worse thing for Japan and POCAPOW said that it would be tragic and that Hatoyama would give all and the only thing he would receive in return would be the re-establishment of the Soviets on the Azabu Hill, all to the detriment of both Japan and the U.S. It is for this reason that POCAPOW agreed so heartily to any action which would unseat Hatoyama before mid-November. He said that Hatoyama will at first claim that he is too sick and weak to make such a trip, but that he will leave as soon as a mode of travel can be found. If Hatoyama feels that such a trip would be a means of prolonging his political life, and POCAPOW believes that he will think just that, then he will risk anything to go. POCAPOW said again that it would be tragic for Japan and cited the example of the German Chancellor who, prior to going to Moscow, was very strong in his stand against the Soviets but who, once there, had to give in. Hatoyama, continued POCAPOW, would be putty in their hands. POCAPOW then said that he would appreciate anything that could be done on the reparations question so that possibly Hatoyama would be forced out before he could ruin Japan vis-a-vis the Soviets. If we have any means, he added, to suggest that Neri or Kag-saysay make a revelation of the 12 August statement then that means should be taken. On Hatoyama again, POCAPOW said that he is a very vain individual but at the same time he is completely incapable of making any firm decisions of his own. I suggested that should Hatoyama go to Moscow and have the Soviets roll out the red carpet for him there would be no telling of the results, to which POCAPOW said that he would probably come back with the Order of Lenin on his coat and nothing else.

6. Back to the merger question, POCAPOW said, in reply to [REDACTED] observation that perhaps POCAPOW was being too much of a gentleman in this political world, that his basic and unchanging policy has been and will be, that in view of the shaky situation of the conservatives in Japan there must be a change in the cabinet and its leadership, for in his opinion any cabinet would be better than the current one. He said that he had hoped to beat Hatoyama out in the last election, but unfortunately he had failed. Having failed there he sought merger as a possibility. But now, partially as a result of the letter he received from Europe and partially because of the Socialists actions, he feels a greater sense of urgency than he has felt heretofore and feels that something must be done about getting Hatoyama out as soon as possible before he gets Japan in an irretrievable position. The reparations matter is a good

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example, for later, if POCAPON gets in, this whole situation can be explained as the irresponsible act of an irresponsible man and the situation can be revived and settled. At the same time, and as another example, POCAPON said, he has been trying to incite the public on the dangers of the Hatoyama position on the Soviet negotiations and plans to say that these two are the acts of an irresponsible individual and not the acts of the government and, if he is in, can say that we the government have renegotiated and here is the new proposal. These two problems combined make it absolutely necessary that Hatoyama and his cabinet get out. On the matter of getting the public interested in the Soviet negotiations POCAPON added that perhaps because of the fatigue of the war and the bitter struggle in daily life of trying to get back on their economic feet, the people have not risen to his bait as he had expected and hoped. POCAPON again said, re the reparations, that the new government would be satisfied with the 550 figure, but that they must insist that the 250 be kept separate. The PI could not lose on such a separation since the government would guarantee the loans and the PI would get it in the end anyway. But the 250 is not reparations and the Liberals cannot accept consideration of the 250 as reparations. The Liberal Party is willing to give up on the 550 figure, but will insist on the separation of the 550 and the 250....

7. Referring again to the Osaka meeting with MIKI, POCAPON said that as far as MIKI is concerned there has been a firm commitment made by MIKI that he will not vary one inch from his position of forming a new party and selecting a president by open vote and that he will try to get the Democratic Party in line. In doing this, however, there will have to be a lot of false propaganda pushed out both for internal and external consumption, but mostly for internal and particularly for the benefit of other people who are in contact with MIKI. In producing this false propaganda they are operating on the basis that POCAPON has sold himself down the river to the Democrats, that POCAPON is willing to accept Hatoyama as the next PM, etc. The result of this will be that there will be doubt in the minds of many of the Democrats as to whether this will really work out, i.e., Hatoyama will continue, and (this is absolutely impossible.....). (When the tape picks up again POCAPON is talking about the KONO approach and he said that he believes that this might be a first result of his talk with MIKI. He then said that many emissaries are coming from KONO and even this morning he has to meet another. He mentioned an unnamed individual from Kyushu who has called on him on this matter, some man from Hokkaido....) But POCAPON said again that he will not meet KONO and if he changes his mind, which is unlikely, he will let us know, but in the meantime we should not believe any reports we hear that he is meeting or has met KONO. I pointed out that I had already heard that POCAPON had sold out and POCAPON laughed and said that he is pleased to find that the propaganda is working, but that we should not believe such reports. He will tell us in advance if he has a change of plans.... (Tape is gone again.....) POCAPON said that the Democrats are very much afraid of an open election, for they fear that Hatoyama might get beat and if he did then all of them would be through as persons of power and all of them thus advise Hatoyama to stay away from any commitment to an open election.(Tape no good)..... The Democrats feel that they pretty well control Hatoyama and if they lose him they will lose control, such as it is, and their individual futures will be in jeopardy.

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8. The discussion turned to the Diet and POCAPON said that there would be little trouble controlling the Lower House but that he was worried about the Spring elections for the Upper House, realizing that the Liberals may lose some there. POCAPON said that many of the Upper House members will try to swing with the tide so as to keep their seats there. We then suggested that POCAPON come up with a plan on the Upper House elections and make a list of people he thought should remain there and what if any help they would need to do so. He said he would work on it as soon as possible, and I said that we could not start soon enough....

9. I then raised the question of [] and asked where he stood in all of this. POCAPON said that prior to his trip to Kyushu he had spent some three and one half hours with [] and had discussed the overall political situation with him. [] from the outset of the big split last year has been opposed to the very idea of merger and held this opinion until quite recently. Now [] feels, according to what he told POCAPON, where he had once felt that there was a great need to keep the Liberal Party alive, no matter how small and ineffective, and keep trying to build it back up and never lose its identity in another group, if they do not assimilate with another group the Socialists will take over and if they do not assimilate with another group the Socialists will take over and if they do it will be hard to stop them. He is now for merger and indicated that he will support POCAPON 100% and he will have his followers within the Party work for POCAPON. [] also told POCAPON that the second greatest danger to Japan is Hatoyama who [] describes as a fool for taking the office of PM and an even greater fool for trying to hold on to the job. He calls Hatoyama an irresponsible person who is very much of a rascal. If merger is the way to get rid of Hatoyama, [] continued, then let's have merger. POCAPON mentioned that one of Hatoyama's secretaries is a KOBUN of SEIJI Motosaburo. (I can't make out the name)..... [] said that HATOYAMA must go, even if the JIYUO has to be sacrificed or if great personal sacrifices are necessary.

10. I passed the documents forwarded by FJBM-3320 to POCAPON who said that the items we had given him to date had been very valuable and he hoped that we could continue to supply him with them. He said that unfortunately he had had insufficient time to study them. [] suggested that he help POCAPON set up a file of the documents and POCAPON said that this would be greatly appreciated.

11. POCAPON said that he had to go and promised to call [] either Monday night or Tuesday night to set up a meeting for either Tuesday or Wednesday morning by which time there should have been some interesting developments. He again asked us to do anything we could to get Magsaysay or Heri to make a public statement re the 12 August meeting and I told him that I would do all that I could.....

12. He left at 1000 hours.

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