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Case 10-470
Date April 5, 1953
1 a.m.

FROM: Tokyo
TO: Secretary of State
NO: 3209, April 5, 1 p.m.

Over past several days, three Embassy officers have received from customarily well-informed sources information that decision to establish Yoshida-Shigenitsu coalition has been taken. Most authoritative of these sources were one group consisting of Ikeda, Suzuki of Ministry Finance, and Ishihara of Economic Council Board. Their information was confirmed independently by well placed NKK official and chief political commentator of NKK. Their presentations have been largely identical: Mr. Yoshida would succeed himself in unlikely event his Liberals were to gain absolute majority but he has no (repeat no) desire to head coalition Cabinet. He is tired and feels he has earned right to rest. Their private estimate of probably Yoshida Liberal seats is 175.

In these circumstances he has two principal objectives: (1) To protect his close associates, and (2) to lay basis for new strong Conservative Party. Regarding first, he will insist that men like Ogata, Sato, Ikeda, Mizuta be given Cabinet posts and that Yoshida group control at least Ministries Finance and International Trade and Industry. Regarding second, he believes Ogata and Shunichi Kishi are strongest forces in his own party around which new conservative organization can be built; their influence is to be steadily augmented over next few weeks. Yoshida has himself suggested possibility one or two Matsuyama Liberals might be invited to join next Cabinet.

Shigenitsu reportedly has accepted this formula and has agreed to head "caretaker coalition" which Yoshida Liberals would join while preparing for amalgamated Liberal progressive force. This solution, if agreed upon, reflects strong influence Conservative business and financial interests which are steadily moving to restore Conservative political stability.

In my conversations this week with Prime Minister Yoshida and Foreign Minister Ozeki they do not confirm these reports. Both now demonstrate more optimism regarding chances Liberal Party and indicate Party may win 200 seats in April 19 election. Yoshida indicates he has made no commitments regarding coalition government some form of which could appear inevitable.

MURPHY

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- EXEMPTIONS Section 3(b)
- (2)(A) Privacy
- (2)(B) Methods/Sources
- (2)(G) Foreign Relations

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