

VIA: AIR  
SPECIFY AIR OR SEA POUCH

DISPATCH NO. FJBA-5662

**SECRET**  
**CLASSIFICATION**

TO : Chief, FE

DATE: 5 JUL 1955

FROM : Chief of ( ) Base, ( ) *GP*

INFO: Chief of Station, ( )

SUBJECT: GENERAL: PSYCH/Operational  
SPECIFIC: Relations with ( ) PODAM

X 1. The following proposes to summarize the development of ( ) relationship with ( ) and PODAM. It is furnished both as a means of bringing Headquarters up-to-date on what promises to be an important case and secondly, to indicate to Headquarters case officers one method of achieving a type of KUCAGE success in Japan. Because this account is written by a case officer who did not participate directly in the entire development there may be certain inaccuracies of fact, as well as certain gaps in the continuum of the story. It is suggested that this dispatch be gone over by ( ) its errors corrected and its gaps filled in.

2. During Christmas-time 1954, ( ) of the ( ) Station visited Japan. This visit was a result both of ( ) desire for a vacation from ( ) and of conversations between ( ) and ( ) earlier in 1954. During these conversations ( ) indicated to ( ) that he had fairly extensive contacts in Japan in the mass media field, especially in radio and television, dating from his former employment in CI&E during the Occupation. In the course of ( ) visit to Japan, he was put in touch with ( ) who suggested that ( ) give a party at the Imperial Hotel to which he might invite those of his Japanese contacts whom he felt to be of general interest to ( ). This was done. Among the guests a ( ) party was ( ), ( ) owed a significant debt to ( ) in that ( ) had apparently been responsible for a part of ( ) progress in radio activity in the post-war years. By the time of ( ) meeting with ( ) he had risen in his profession to the point where he was the

( ) and ( ) hit it off almost immediately and ( ) expressed a lively and continuing interest in ( ) personality which developed into the situation which exists today. To the best of ( ) knowledge their conversations began to revolve around the two poles of Zen, in which ( ) is deeply interested, and anti-Communism with which ( ) was professionally concerned. A corollary subject which ( ) introduced early in the conversations was that of Atoms-for-Peace, guidances on which topic ( ) Base had latterly received.

3. The contact with ( ) developed nicely over a period of about two months in the course of which a wide range of subjects were introduced, not the

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

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least of which was PODAM's political campaign for the Diet and its progress. During this phase of the conversations, the breadth and importance of PODAM as a moving figure on the Japanese political and publications scene became evident to ( ) PODAM began to emerge as a singularly strong, direct, and intelligent Japanese business man and would-be politician. The present writer continues to be impressed with PODAM's stature on the Japanese scene. ( ) began to appear as exactly what one would expect ( )

He is aggressive, extraordinarily direct for a Japanese, and extremely effective ( ) He began to appear as the key figure in PODAM's relations with the United States Government, both official and unofficial. Whether this was because of his job (which of all PODAM's enterprises was most involved with the United States Government) or because of his command of English, which is excellent, is not known.

4. With the election of the Hatoyama government, the first major development in these conversations took place. Hatoyama, with his particular personal brand of diplomacy, was seeking a device for personal contact in Indo-China, eschewing the normal Japanese Foreign Office channels. For some reason, Hatoyama turned to PODAM, in this particular case, who in turn asked ( ) to explore his connection with ( ) to bring about official/unofficial American intervention directed towards procuring a favorable reception by Diem of Hatoyama's unofficial envoy. The history of this situation is duly recorded in ( ) Base cables and is presumably well known to Headquarters.

5. An interesting highlight on the foregoing is the following: Sometime after ( ) departure from Japan, ( ) approached ( ) and pointed out that an embassy Japanese had been sent out on an Indo-China question by the embassy Political Section. The man whom he approached was identical with the man that Hatoyama had selected to go to Indo-China. In the course of their conversation the Indo-China expert told the embassy Japanese that he had already been approached by KURARK (true name) to go to Indo-China through ( ) but that he had told ( ) that he preferred to go on Japanese money rather than American money. Although at the time of his departure from Japan, ( ) was morally certain that there was little doubt in ( ) mind as to what organization he represented, this scrap of information was the first which confirmed ( ) suspicion.

6. At about the same time that the Indo-China incident was taking place, ( ) introduced into the conversation the subject of PODAM's desires to construct a micro-wave system which would carry television throughout the length and breadth of Japan, and which PODAM planned to project ultimately throughout Southeast Asia, reaching as far as Pakistan. These particular schemes are PODAM's and ( ) current obsession. No meeting goes by without a good third of it being given over to the topic of micro-waves. Current series of contact reports between ( ) and ( ) report the micro-wave situation in some detail, and it is clear to ( ) that this will be a continuing subject of their conversations.

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7. Approximately last April ( ) introduced a new topic. This was PODAM's past attempts to contact and invite to Japan Mr. John Hopkins, the Chairman of the Board of General Dynamics Corporation. At that time PODAM's attempts in this direction had come to naught but it became apparent to ( ) that PODAM was set on doing something to exploit the potential of what were at that time current American Atoms-for-Peace manifestations. At the time that ( ) made known to ( ) PODAM's frustrated attempts to invite Mr. Hopkins to Japan, ( ) father-in-law, Mr. Joseph H. Himes, who is a Director of General Dynamics Corporation, and happened to be visiting his son-in-law, ( ) through ( ) arranged a meeting among PODAM, ( ) and Mr. Himes. As a result of this meeting, Mr. Himes was extremely favorably impressed by PODAM, and agreed to push Mr. Hopkins in the direction of a visit to Japan. An illuminating incident in the course of the conversations was that ( ) prior to Mr. Himes' departure, asked ( ) what on earth they could give Mr. Himes as a going-away present. ( ) said he would look into it and see what he could find. ( )'s wife had seen in a Japanese junk shop a few days earlier a gigantic Imari plate some 25 years old which had been made to commemorate the first publication of Yomiuri. ( ) secured this plate and sent it to PODAM. A few days later he called ( ) and asked him whether the plate had been satisfactory. ( ) said that it had been an outstanding success, that no one at Yomiuri knew of the existence of such a plate, that PODAM had given Mr. Himes a kimono instead of the plate, that the plate now hung in the Board of Directors' room of Yomiuri, and that PODAM was very eager to see ( ) and thank him. This incident, the mysterious production of Mr. Himes, and the subsequent appearance of Mr. Hopkins, did a great deal to convince PODAM and ( ) of ( ) almost magical powers and the rapport between ( ) and ( ) grew apace from this point on.

8. When the arrival of Mr. Hopkins and his party began to materialize PODAM committed his empire to a full blast favorable treatment of the atom, not neglecting to feature himself as the Prometheus who was bringing this fire to Japan. This was interesting because it was the first time since the war that major Japanese media had done anything but look askance at the atom.

9. Just prior to the arrival of the Hopkins Mission, as it was now called by the Japanese press, PODAM organized a group, the literal translation of whose title was the Atoms-For-Peace Friendly Talking Society. This group, composed mainly of the signatories to the attached letter, contained many of the prime movers of Japanese society. The purpose of the group was to convince Hopkins and peripherally the United States Government of (a) the seriousness with which the Japanese entertained peaceful uses of the atom, and (b) of Japanese ability to do something about it. Its overall purpose was to smooth the way for Japanese possession of a workable atomic reactor.

10. Simultaneously with the emergence of the Friendly Talking Society, Japanese leftists, presumably under the influence of the JCP, began to beat the drums against the whole idea of Japanese participation in anything atomic. The loudest instrument of this reaction was the leftist membership of the Japan Science Council.

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Playing on the emotions of the misinformed or half-informed members of the Council, the leftists rang the gongs of pollution by atomic waste, the Bikini incident, and Hiroshima, attempting to exercise the by now well-known Japanese terror of atomic radiation. For the first time in Japan the press debate on atoms was now shifted to a clear division between those powers irrationally against every aspect of nuclear energy and those powers who saw in the many peaceful uses of atomic energy something from which Japan could gain.

11. Hopkins' party, which included a high grade collection of atomic physicists, arrived in Japan and there began a round of entertainments and speeches. The entertainment, organized and controlled by PODAM, was on a scale lavish even by Japanese business standards. PODAM, by these entertainments, succeeded in creating an extremely friendly feeling towards Japan on the part of Hopkins and his group. The speeches which were given by the scientists of Hopkins' group were of a sort to which Japan had not hitherto been exposed. These men were knowledgeable and expert to the point where they repeatedly reduced their Japanese opponents to nothing. They succeeded in the Japan press in revealing to the Japanese people for the first time that many of the so-called Japanese atomic scientists were hardly indistinguishable from charlatans or at best somewhat misguided.

12. The most profound and lasting effect of these speeches was to surface political disagreements within the Japan Science Council as purely political disagreements. The Japan Science Council appeared to shake itself out of its political trauma and finally agree with the American scientists that a great deal could indeed be done on a scientific basis for Japan's welfare.

13. Parallel to the debate in the Japan Science Council nearly all Japan major media took up the point of view that atomic science presented a great opportunity for Japan. This unanimity of the major newspapers on a positive program was also something new in Japan, for as those who follow the Japanese press know it is generally united on negative points and generally disunited on positive points, depending on which Japanese newspaper first took up the positive cause. In this case, however, all the papers agreed that the Hopkins visit was a good thing, and that Japan could indeed benefit by the American Atoms-for-Peace proposals. The leftist press was generally reduced to picturing American atoms-for-peace efforts as one more attempt on the part of Washington and Wall Street to obtain an economic foothold in Japan. This line failed to attract a serious following.

14. After a press play unparalleled in recent Japanese history, Mr. Hopkins and his party departed. On their departure they were presented with the attached letter. The letter itself is interesting in two ways--on the one hand it represents a group of people whom it would be very difficult under any other circumstances to organize into a consensus; on the other hand the request it makes for obtaining a workable reactor for Japan is in ( ) opinion probably the only time this proposal was made in a concrete form to Hopkins and his party. ( ) can fill Headquarters in on the details of this point, but ( ) feels that PODAM and Company, in their Japanese fashion, could not, in the course of the visit, bring themselves to make so direct a request. They felt that they had hinted at it so broadly

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so many times that Hopkins could not fail to get their message. At any rate, Hopkins departed amidst a welter of Geisha girls and Banzais by thousands of Yoduri employees, somewhat confused about just what it was the Friendly Talking Society expected of him.

15. Shortly after Hopkins' departure, ( ) also departed. By this time PODAM and ( ) viewed ( ) as someone whose powers were only slightly less than those of the Almighty. RUMAN and ( ) were not aware that ( ) departure was PCS, for he told them that he had been called back to Washington for consultations and did not know if he would return to Japan or not. As ( ) prepared to leave, the subject of micro-waves again raised its head. ( ) identified PODAM's triumph in nuclear matters with what he hoped to be PODAM's second and major triumph in the micro-wave department. Current contact reports with ( ) summarize these developments and are also attached to this paper.

Enclosures:

1. Contact Report 6 June 1955
2. Contact Report 16 June 1955
3. Contact Report 24 June 1955
4. Letter to John Jay Hopkins s/c

28 June 1955

Distribution:

- ✓ 3 - Addressee w/encls (3 copies encls. 1, 2, 3; 4 copies encl. 4)
- 1 - Chief of Station ( ) w/o encls

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Enclosure 1 to FJBA- 5662

DATE AND TIME OF CONTACT: 6 June 1955, 1700 for about 1 hour.

EXACT LOCATION OF CONTACT: Room 106, Sanno Hotel

ALL PERSONS INVOLVED IN CONTACT: [ ] [ ] [ ] [ ] [ ] [ ]

PURPOSE OF CONTACT: To introduce [ ] to [ ] [ ]

COMMITMENTS MADE: None.

MONETARY TRANSACTIONS: None.

MATERIALS PASSED: From [ ] Photographs of letter sent by Atoms for Peace Council to Hopkins.

CHRONOLOGICAL NARRATIVE REPORT OF CONTACT

1. The undersigned met with ( ) and ( ) in ( ) room at the Sanno at 1700 for about one hour. The purpose of the meeting was to introduce ( ) to ( ) ( ) accomplished this in the following manner. He pointed out to ( ) that although ( ) was in no way a replacement for ( ) he was a person who could take up matters of mutual interest in correct quarters. ( ) stated that ( ) was attached to the office of the Chief of Staff at Ichigaya and had access to the Embassy and the Command. ( ) indicated that he did not know when or if he would return to Japan. but that once the matter had been decided in Washington, if ( ) did not return, ( ) would in due course make ( ) replacement known to ( )

2. ( ) expressed relief that he would be left with "someone to talk to", saying that he was at his wits' end about what to do if ( ) left abruptly without leaving him a contact. He then launched into a lengthy discussion about PODAM's microwave project, saying that they were very interested in pushing it and referring to it as a concomitant of the nuclear reactor program. To the best of ( ) powers of comprehension, it would appear that the two projects are clearly identified in PODAM's mind, but more as publicity-cum-power plays than as having any truly functional relation.

3. [ ] then presented [ ] with photographs of the letter that the Japan atoms for peace group was sending to Hopkins. He alluded to the long and distinguished list of Japanese signatures, saying that many of them had to be persuaded to sign. He attributed this to a recent visit by a Mr. Reed of General Electric Corporation. He said that many of the signatories have had long relations with GE and that Reed, on discovering what Hopkins and General Dynamics were up to, had gone about to many of

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his Japanese contacts running down General Dynamics as a "newly rich" company, and advising them that their old associates, i. e., GE, could do as much or more for Japan. Apparently, PODAM used the argument that a bird in the hand was worth two in the bush, and carried the day. In going over the list, ( ) mentioned that one person, KISHI, was a man who was constantly egging PODAM on, and urging him to assume more power. He was also mentioned by ( ) as a major figure in the pro-merger faction. (Comment: (KISHI Michizo described himself on the letter to Hopkins as "Member, Organizing Committee of Japan Atoms for Peace Council; Representative Secretary, Keizai Doyu Kai".)

4. ( ) mentioned that he was planning to go to the United States at the invitation of Hopkins for some activity in connection with the Columbia Golf Club. He mentioned that at that time he hopes to be able to make some progress on the micro-wave business. He spent the remainder of the time reminiscing about Welsh, Hopkins' aide, with whom ( ) was vastly taken, possibly because they are more or less in the same business.

5. The visit concluded with ( ) and ( ) making tentative arrangements about meetings again and a statement by ( ) that he would say his goodbyes to ( ) the following day. Just prior to leaving, ( ) mentioned that one of ( )'s candidates for the post of editor of the Yomiuri English language paper, would be highly acceptable to PODAM as they were old friends. The name and data have been turned over to ( ) for disposition. (See JAPA-2819)

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Enclosure 2.

to FJRA- 5662

DATE AND TIME OF CONTACT: 16 June 1955

EXACT LOCATION OF CONTACT: Sanno Hotel Lounge and Mimatsu Restaurant

ALL PERSONS INVOLVED IN CONTACT: ( ) and wife, ( )

PURPOSE OF CONTACT: To keep ( ) in touch with ( )

COMMITMENTS MADE: None.

MONETARY TRANSACTIONS: None.

MATERIALS PASSED: None.

CHRONOLOGICAL NARRATIVE REPORT OF CONTACT

1. On 14 June ( ) called ( ) to arrange for a lunch and meeting on 17 June. This was duly agreed to.

2. On 16 June ( ) met his wife in the Sanno prior to dinner. While drinking, ( ) emerged from a party in a nearby room, joined ( ) and proposed that all go to dinner. He said that the party was being given by the Civil Aeronautics Authority, but that he did not know many people there and was ready to leave.

3. In the course of the evening, ( ) engaged in a long discussion revolving about two subjects—anti-Communism and PODAM's microwave program. In essence, the anti-Communism theme seemed to be an almost automatic sales talk, automatic in the sense that ( ) was simultaneously presenting his bona fides and launching into what ( ) has come to feel is the organ-point accompanying any Japanese request for money or assistance from an United States official. PODAM either employs or is in touch with a lobbyist in Washington, one Murphy. This man, according to ( ) was responsible for obtaining certain licenses from the Defense Department, enabling PODAM to proceed with his microwave plans. Whether or not Murphy used ( ) argument in obtaining these licenses or not, ( ) feels certain that this argument will repeat itself in any dealings which PODAM's minions have with the United States regarding microwaves. In short it is this: The best instrument for combatting Communism in Japan is television. PODAM is an anti-Communist with a long and militant record, both in his own interest and as a public servant. The existing Japanese microwave systems (the Government's and the Security Forces') are incapable of reaching the masses of Japanese. (There follow documentary-type evidences of this in the argument.) Hence all assistance should be given to PODAM in his efforts to construct this all-Japan TV network. ( ) is sure that a variation of this argument will be employed later when the issue of an SEA microwave net comes up.

4. ( ) mentioned several times Matsuda Takechiyo. Matsuda is still looking for a means of getting to the United States for microwave discussions. He seems to be PODAM's man for facilitating PODAM's plans.

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5. The discussion gave no opportunity for any business related to Yomiuri, except for ( ) passing reference to ( ) wife's working there, and asking how she liked it.

6. The meeting ended with tentative arrangements to meet in the course of the next week, the arranged meeting on the following day being cancelled.

7. Note: In the course of the general JABA briefing on the afternoon of the 16th, ( ) mentioned to ( ) that ( ) true status was apparently known to ( ) Although this will probably be separately reported by ( ) it is well to note it here for the case record. An Embassy Japanese speaker, visiting KOMATSU Kiyoshi on an Indo-China question was told by KOMATSU that he had already been contacted by KUBARK through ( ) and asked to go to Indo-China. KOMATSU commented that although he wanted to go to Indo-China, he did not want to go on U. S. funds, preferring Japanese money. From this it is clear that ( ) cover, and probably ( ), is nonexistent. Although ( ) was long of the opinion that his identity was suspected if not known to ( ) this is the first concrete evidence of the truth of this. By extension, Matsuda, who apparently communicates at some length with PODAM and ( ) is also aware. Although this is a mildly uncomfortable way to be introduced to a case, ( ) feels that it may not be without some advantage.

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Enclosure 3.

to FJBA- 5662

DATE AND TIME OF CONTACT: 24 June 1955, 1230 to 1530.

EXACT LOCATION OF CONTACT: Tokyo Kaikan

ALL PERSONS INVOLVED IN CONTACT: C

PURPOSE OF CONTACT: Maintaining contact with C

COMMITMENTS MADE: None

MONETARY TRANSACTIONS: None

MATERIALS PASSED: None

CHRONOLOGICAL NARRATIVE REPORT OF CONTACT

1. ( ) met ( ) in accordance with previously arranged appointment. ( ) began by pulling out a document of some ten pages. This turned out to be a voice commentary in bad English intended to accompany a presentation copy of a newsreel summary of the Hopkins visit. PODAM intended to present the film to Hopkins. ( ) spent the first half hour of the session correcting the execrable text ( ) creation).

2. After this task was finished ( ) expressed some dismay that PODAM had not yet heard from Hopkins. On further questioning ( ) indicated that PODAM expected some concrete news from Hopkins on the progress of negotiations for Japanese possession of a reactor. ( ) asked ( ) whether Hopkins had explicitly understood that a report on this was expected and ( ) referred to the letter which was presented to Hopkins on his departure. This letter, copies of which are available to JABA, referred in a rather oblique and Japanese fashion to this request. It is ( ) opinion that the letter may embody the only request extant, at least in Hopkins' mind. ( ) further feels that the Japanese side of the Atoms for Peace movement moused around the subject during Hopkins' visit, but that they could never bring themselves to utter a direct request of this sort, with the total effect of completely confusing Hopkins on this point. It is possible that events will prove ( ) mistaken in this. PODAM's position is that he is left hanging in terms of prestige on this matter and that he would dearly love to follow up on all the publicity he gave himself during the course of Hopkins' visit.

3. Using this as an introduction, ( ) brought up the matter of KOBAYASHI Yuichi raised in FJBA-2610, saying that it struck him as a doleful example of loyalty to PODAM for one of his key employees to be writing under his own title at the paper, in a leftist publication, a line so contrary to that which PODAM was simultaneously taking. ( ) brightened considerably at this news and said that the management of the paper had for some time been aware of KOBAYASHI's tendencies, and were looking for a way to get rid of him, or at least to remove him from his

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key position, and that this was just what they needed. He was somewhat grateful, at least vocally, for the information. ( ) mentioned this item three times during the meeting, and each time elicited the same firm response.

4. ( ) then launched into political gossip concerning the status of the merger. This has been reported separately (FJB-1300). CS 68097

5. ( ) then began once again on the microwave routine. ( ) asked him who the Murphy was to whom he had previously referred in this context, and ( ) said, "He is James Murphy, the former head of X-2 in OSS." ( ) mentioned that in 1953 he had gone to Washington to further PODAM's efforts to obtain patents and licenses and that Murphy had aided him. He also mentioned that Murphy had been instrumental in placing the request for a loan with the Export and Import Bank. This loan is to be used to construct the microwave system in Japan.

6. As ( ) began again to summarize the nature of PODAM's opposition in this scheme, ( ) asked whether there was not a group of influential Japanese to whom PODAM could turn, or upon whom he counted for support. ( ) reply was negative. He pictures PODAM as a solitary figure.

7. ( ) is fairly interesting on the reactor business. He pictures Japan's development of a modern electronics industry as an outgrowth of PODAM's development of TV, which he says was undertaken singlehandedly and despite American and Japanese opposition. He says that the same type of opposition is taking place over the introduction of a reactor, based on the idea that Japan is not yet ready for one. When Japan has a reactor, her application of nuclear physics will likewise be forced to develop. These items are interesting to ( ) because the ideas behind them can form the raw material for any political campaign PODAM will make in the future.

8. ( ) agreed to another meeting at an indeterminate date within the next week or two. He invited ( ) to accompany him to the circus which Yomiuri is currently sponsoring in Tokyo.

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