

1. Attached are copies of recent contact reports covering the relationship with FODAM and $C \supset$ As you are no doubt aware, things have progressed nicely, and we are at lest in sight of having the kind of press access which we have long sought through this connection. There are several points which it seems worth making in connection with the current situation, and this seems as good a place as any in which to state them.

2. First of all, the complex of enterprises controlled by PODAM is one which will never lend itself to control by KURARX, granted the current expanding degree of Japancse independence. FODAM is a man on the model of William R. Hearst, whose sometime acquaintance he was and after whom he, in some ways, consciously models himself. If you will examine in your own mind the problem of controlling ir. Hearst, you will see many of the complications involved in controlling FODAM. This consideration leads to the question of what can be done within the limits of such a situation. A recent message from Headquarters points out that PODAM will undoubtedly ask for a reciprocal favor if we ask him for the use of his hall, as it were. A review of the facts of the case, coupled with some semi-educated guesnes by the case officer may outline just what the stakes are in this relationship and should call forth a decision from headquarters as to just what course it is desired that the case officer pursue.

3. As recent contact reports indicate, PDDAM's appetites have grown the much larger recently, and, as a result of his assuming an active role in the government, his camability for satisfying these appetites has grown enormously. When we first began dealing with PDDAM, his main apparent interest was in the completion of the all-Japan microwave system as a vehicle for the extension of his television operation. Since then, he has branched out into atomic energy. He is now talking about becoming Prime Minister. In this latter connection it might be well to state that \Box \Box has never been able to get a firm estimate of just how good PDDAM's chances for the post are. \Box has a strong feeling that it is possible that PDDAM's embitions are being nurtured along these lines



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EXEMPTIONS Section 3(b) (2)(A) Privacy (2)(D) Methods/Sources (2)(D) Territ to Security (2) Declassified and Approved for Release by the Central Intelligence Agency. Date: by various Japanese political managers, ubiquitous figures on the local scene, for much the same reasons that () is busy flattering PODAM and is busily currying his favor. His publications empire is the most unitary in Japan, hence the most flexible, and perhaps, in terms of stirring the mass mind, the most influential. This is a prize that many politicians are eager to have. How many suggestions made to PODAM that he become the Prime Minister are based on this kind of consideration, and how many are made in some kind of good faith is anybody's guess. At any rate, FODAM is now taking these suggestions seriously and is preparing in a very intelligent way to implement them, using the weight of his public information media to assist him.

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h. As the attached reports indicate, PODAW has repeatedly been rebuffed by () in those overtures that have been made officially to () PODAW and () are acutely aware of () dislike of PODAM. () suspects that one of the indigenous employees of the political section favors () with tidbits of gossip on such matters. At any rate, () has indicated to () in an allusive Jepanese way, that he is aware of this situation regarding : () and has repeatedly used () and before him, () as a channel for circumventing the roadblock () represents to user interests. As a matter of fact, the poct-war relationships of PODAM with Americans are strangely littered with figures of intelligence interest. Among PODAM's primary contacts in America are Identity A and Identity 9. The only thing strange about those connections is that there is no evidence of intelligence activity in either PODAM's or () background, with the possible emoption of some cotivity with the Civil Intelligence section of SCAP during the newspaper troubles after the war. These matters are largely only of professional curiousity, but they do indicate that we are regarded, in the main, as a channel for exploitation.

5. Now, the worrisome thing about this is that the items which we are approached to help them get are of a type that no not require prolonged servicing, thus eliminating a needed control sevice. Once obtained, most of these things lend themselves to management and survicing by the Japaness. Here we to approach them to remin them of services rendered in any connection, we would probably receive only an up-to-date version of the caricature so popular in wartime, the famous "So solly," with which the Japanese shrug off every claim against them. Although, to set things in their correct context, their gratitude is not quite this evanescent, nor is our role in procuring these goals of theirs quite weighty as this paper might indicate. PODAN will give car to our requests as long as there is still something we can do for him. Our role as a procurer, from an American viewpoint is slight, but seen by the Japanese, looms somewhat more largely. It is felt here that all at home who are concerned with this should consider this position and advise the field just how far KUBARK will go on this kind of a course. In this connection it might be well to take up some of the threads which exist at home, mainly Identities A and F, and approach them with the idea of collaborating in this affair to the end that it follows controlled progress. This is said because it is beginning to appear that even

if PCDAM does not attain his ultimate ambition, our connection with him puts us astride a major effort by Japan to regain its Great Power vosition. This is not said lightly, for when one considers the final potential of what the man is doing, the mind begins to boggle. For one thing, the microwave scheme, if carried to its logical conclusion, will put into Japanese hands a tremendous propaganda organ capable in some degree of influencing all of Free Asia. The nuclear energy proposals, if carried to their logical conclusion, will put Javan in possession of the atomic bomb. These are certainly instruments which will put Japan, if only in her potential as a troublemaker, in the first rank of world powers. An interesting sidelight on this latter item is that in all conversations relating to nuclear activities in whic () and () have participated, the word bomb was never mentioned as a possible outcome of all this busy enceavor. () for one, would be completely astounded, were it to be proved to him that these clever gentry have not considered the implications of this useful byproduct of the peaceful uses of the atom. Again, it is not desired to overemphasize this complex's importance, but it is felt a good thing to see it in its largest projection. Both of these Japanese objectives will probably be attained willy-nilly in the long run with or without PODAM, and will probably come to pass eventually even if PODAM had never existed. However, in POLAM's hands, the objectives will probably be attained in the most direct and rapid manner available to the Japanese, for this manner is PODAM's specialty and the thing which sets him apart from the mass of key Japanese.

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6. The point for KUEARK in all this is that we are in a position to aid, hirler, and, to a limited degree, influence this phenomenon or drop it altogether. About the only thing we cannot do and continue the relationship in which we are already engaged, is to ignore it.

7. () role in the larger scheme of Japanese affairs is becoming increasingly important. To dite one instance, he is now working directly with the Diet committee which will draw up the enabling act for the new Atomic Energy Commission. He moves through the political scene with growing sureness and wider contacts. While still not a person of public or even primary importance in Japan, he is beginning to resemble the type of political manager and expediter so familiar in our own political scene who wields considerable power in the name of his candidate. He also represents a Japanese figure who, able to move with grace and spreness through both his own and our own society, will become of key importance in the Japan of the next ten to twenty years. DIR-26074 refers to the idea that an approach be made to C) in which we offer to place him on a retainer in return for services rendered or to be rendered. It is true that () complains of his being underpaid, and af POJAM's method of dealing with him, which is to give him broad discretionary powers, ample expense money, but very little which () can call his own. This is typical of FODAM in his relations with all his subordinates. () has acked () since PODAM's elevation to the cabinet, what () saw in ealt this for numself. His answer was noncommital and gave little indication

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of desire to be fed by our hand. This may become a possibility in the future, or it may happen that we will be able to help him into something that might give him the feeling of personal proprietorship that he seems to want.

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8. Summing up the foregoing in one's mind, a decision seems to be called for which will indicate how the opportunity, or the challenge which these two present can be most advantageously integrated with KUBARK's role in carrying out ODYOKE's desires for Japan. It is almost useless to discuss PODAM with () whose bias against POLAX is strong. It is () guess, for what it is worth, that this bias springs largely from () knowledge of PODAM's ruthlessness, aggressiveness, and from the fact that runni does not fit in the standard mold of the Japanese with whom most Americans come in contact. In a sense PODAM represents one of the most dynamic personalities in Japan today and () for one, would be most interested in knowing what headquarters' aims for him are.

Enclosures: 1 - Identities s/c 2 - Contact Reports 1, through 21.5

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