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Report Made By: [] RB1 Approved By: [] 457

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Source Cryptonym: [] References:

Source, Operational Data, and Comments:

1. Because of the involvement of the source in the subject matter of the attached report, we are not disseminating it locally, much as we should like to as the Rusk Mission negotiates with OKAZAKI and as the Cabinet is interpellated in the Diet on the rearmament question. We leave it to your discretion as to whether a dissemination in Washington is appropriate.

2. TATSUMI first directly approached [] at TATSUMI's residence on 20 January 1952, when he outlined his work for the Prime Minister, his own feeling of inadequacy for carrying out the details of the rearmament planning and his desire for [] to take an active part in the program, specializing in training and education. TATSUMI stated that he felt the NPR should be the basis for the future Japanese army, but [] expressed his personal feeling that the NPR lacked the qualifications for serving as the nucleus of a sound military force. How this difference will be resolved is not yet clear.

3. HOSODA, a Major General, SUGAI (fn) and [] have been serving for some time as [] "research colleagues", and they no doubt will be strongly called upon in his future endeavors. HOSODA was also approached directly by TATSUMI and seconded [] recommendations. TATSUMI desires that HOSODA study the question of remodeling the NPR as a defense force.

4. [] was at first hesitant to accept TATSUMI's offer, feeling that he had a difficult job of convincing TATSUMI and other like-minded colleagues of the error of their views. He consulted [] who, at our direction, encouraged him to accept, and later discussed the matter with ASHIDA Hitoshi, who also desired that he participate with his "research colleagues" to prevent the jockeying for positions of various

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other ex-military cliques. On 28 January [] gave his consent to TATSUMI, who was to see the Prime Minister on the same day.

5. [] intends to continue to devote two hours a day to his present business, an office which BABCOCK/1 shares. Their personal and business relationship, [] hopes, will not be altered by [] new duties, and it is our belief that their intelligence relationship will be considerably strengthened to our advantage by the strategic position to which [] has been elevated and by his strong personal and professional reliance on []

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Subject: Formation of Military Advisory Group to the Prime Minister Report No: ZJL-798
Date of Information: See below
Place Acquired: Tokyo, Japan Date Acquired: See below
Evaluation: C-2 Date of Report: 2 February 1952
Source: Former Japanese army officer

1. A four-man military advisory group will be formed in the very near future to advise the Prime Minister on military matters through State Minister OKAZAKI Katsuo. The members of this group were selected by former (General) TATSUMI Eiichi, who has been acting for some time as an unofficial military adviser to Prime Minister YOSHIDA Shigeru, particularly with regard to the problems of the National Police Reserve and the rearmament of Japan. Unofficial notification of their appointments was made to the members of the group on 28 January by TATSUMI, subject to confirmation by OKAZAKI within a few days.

2. The members of this group are:

Former (Major General) MIYANO Masatoshi, chairman
Former (Colonel) TAKAYAMA Nobutake (高山 信武)
Former (Colonel) HOSODA Akira
Former (Colonel) SUGITA Kasuji

(Date of Information: 28 January 1952; acquired: 28 January 1952)

3. SUGITA has been a member of the so-called HATTORI KIKAN, but is no longer a close follower of HATTORI. Both TAKAYAMA and SUGITA have been advising TATSUMI for some time, as well as a former (Major General) TAKASHIMA (Iwa) and former (Rear Admiral) YAMAMOTO Ieshie, chief of the Naval Affairs Bureau during the latter days of World War II. YAMAMOTO is YOSHIDA's unofficial naval adviser and maintains his offices within the Naval Demobilisation Bureau in Tokyo.

4. TATSUMI has been on the government payroll for some time. He admits that he is unqualified through lack of experience to draw detailed plans, and selected MIYANO and HOSODA for this purpose on the recommendation of other colleagues. His actual function appears to have been simply a liaison officer between the Prime Minister and G2, SCAP and the NPR.

(Date of Information: 21 January 1952; acquired: 21 January 1952)

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5. The advisory group will be on the official payroll of the Japanese Government, but its physical location is still indefinite. A suggestion by TATSUMI that offices be established within NFR headquarters was vetoed by MIYANO on the grounds that undue attention would be attracted to the group by the fact of their civilian clothes.

(Date of Information: 28 January 1952; acquired, 28 January 1952)

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