

REPUBLIC OF KOREA

KOREAN MISSION IN JAPAN

Tokyo, October 5, 1955

TO : Office of the President
FROM : Minister Yong Shik Kim
SUBJECT : Political Report

The items in this week's Political Report are as follows:

- I. JAPANESE POLITICS.
- II. JAPAN'S FISHING INDUSTRY.

I. JAPANESE POLITICS.

The two Socialist parties have already agreed to the merger program and are all set to effect the merger sometime next week. But the Conservative parties -- the Democratic and the Liberal -- are still marking time on the question of joining forces. The Socialists by amalgamating will become the second largest political party not only in the Lower House but also in the Upper House. Thus, in order to counter the Socialists forces, the Conservatives, the Democratic and the Liberal, are also cognizant of the necessity of the merger. Without the conservative merger, the power will go to the Socialists side in case the Hatoyama Cabinet is overthrown.

The main reasons for inefficiency of the conservative merger will be as follows:

1. The Democratic party is now in power and the Liberals constitute the party of opposition.
2. There is too much behind-the-scene maneuvering by personally ambitious politicians who want to take the credit for setting up the stage for the conservative merger.
3. A great deal of undercover maneuvering is going on around the question of the party presidency - which automatically carries with it the prime ministership, when the unified party forms the government.

It is obvious that the Democrats are reluctant to share key positions in the new conservative party and the Liberals are afraid of being used as the cat's-paw to get the Hatoyama government off the trouble arising from its lack of Diet strength at present. On the other hand, with regard to the problem of the presidency of the new conservative party, there are two views now prevailing in certain sections of the two parties.

One scheme would have Hatoyama retire from the political scene; another would have him continue with the understanding that the Liberal party president Ogata will take over after a pre-arranged period.

Under these circumstances, it will be premature to predict when the conservative merger is realized, but one thing that is very clear is that the

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Hatoyama Administration, without an understanding with the Liberals to some extent, will find itself in a difficult position in tiding over the coming Diet session.

As to the adjustment of views of the two conservative parties, it seems that at least the following two points should be ironed out by the two parties since they are now at issue pending the two parties: One is the issue of the Soviet-Japanese talks and the other is that of the Philippines reparations talks.

A. The Russo-Japanese talks.

Matsumoto, chief Japanese delegate to the London talks, returned to Tokyo on October 1 for consultations with his home government. He immediately met Hatoyama and Shigemitsu to make a report about the talks which he had with Russia's Malik. And after his meeting with his two superiors, he outlined the following pertaining to the outcome of the four-month negotiations:

1. Japanese nationals detained in Russia will be repatriated simultaneously with the establishment of diplomatic relations and the exchange of ambassadors on which the Russian side insists.

2. Russia will consent to Japan's membership in the United Nations when diplomatic relations are established between the two countries.

3. Russia will not object to the continuation of relations which Japan has established with nations of the Free World.

4. Russia has withdrawn the earlier proposal restricting navigation rights in the sea passages through straits of the East Sea (the so-called Japan Sea.)

5. Russia will return to Japan Habomai and Shikotan islands on the condition that Japan does not fortify the two islands.

6. Agreements will be concluded between Russia and Japan regarding fisheries, economic and cultural relations and postal and telecommunications services.

Japan is also insisting that she cannot agree on the conditions that tend to restrict its sovereign rights over the two small islands -- non-fortifications of the two islands.

Besides this, Japan is also insisting that the disposition of Southern Sakhalin and the northern Kuriles should be determined at a future conference of the World War II allies, pointing out that Japan renounced its claims to these territories without specifying which country will take them over. Japan has placed her claim to the Southern Kuriles.

Now, according to Matsumoto's view, Russia will not agree on Japan's desire to have Southern Kuriles returned to Japan. Hatoyama has been trying to conclude a peace treaty with Russia at an earliest convenience, but Shigemitsu has been rather reluctant to conclude a peace treaty with Russia without settling all the pending issues including territorial issue. Thus, it will be worth watching how Hatoyama and Shigemitsu mutually adjust their views and what kind of instructions will be given to Matsumoto as the guiding principles in his dealing with Russians.

Liberals have held almost similar views with Shigemitsu's.

B. The Philippines Reparations Talks.

It was widely reported that Hatoyama had orally agreed with the Philippines on the \$800 million formula proposed by the Philippine side. The formula was that

Japan would pay to the Philippines \$550 million as reparations and \$250 million would be invested into the Philippines as a sort of economic cooperation. Of the \$550 million reparations, \$500 will be paid : in capital goods, \$30 million as services, and \$20 million, in cash. The \$250 million capital investment should be carried out by Japanese firms under the Japanese government's guaranty.

To the above-mentioned formula, the Liberal party has raised questions. They declared that they would not agree on this formula if the formula were not modified as they felt adequate. The Liberals' idea is that cash payment amounting to \$20 million be removed and the \$550 million net reparations be left undefined since the \$520 million in capital goods and the \$30 million as services are quite unbalanced. The Liberals also insist that the \$250 million investment portion should be defined as strictly commercial loans, removing the stipulation for the Japanese government's guaranty.

Under the circumstances, the Hatoyama Administration will have to adjust the views on the reparations issues with the Philippine side again, since the reparations agreement draft will not be approved by the Jap Diet unless the Liberals agree on it.

In the meanwhile, Mr. Neri, chief negotiator of the Philippines, said that any revision or modification of the original formula (the Philippine formula) was out of the question and that he would maintain as he had previously done, commenting on the news report that Japan will make a proposal on revision of the original formula due to a strong pressure from the Liberal party. Now, judging from Neri's statement, the Philippines does not seem to listen to the possible proposal by the Japanese government on the modification of its original formula.

Under the circumstances, the Japanese government will be placed in a very difficult position in connection with the reparations issues with the Philippines.

II. JAPAN'S FISHING INDUSTRY.

Fisheries in Japan, like other industries, suffered great damages due to World War II. The damaged boats were mainly large-sized ones and the survived were for the most part absoblescent small-sized ones.

However, after the end of the war, the Jap government attached importance to the work of recovery of the war-devasted fishing industry. In the first place, the Fisheries Bureau, one of the bureaus of the Ministry of Agriculture and Forestry was elevated in 1948 to the Fisheries Agency, one of the specialized agencies of the Ministry, to put into practice more effective administration of the fisheries.

Secondly, the Jap government tackled the problem of rebuilding fishing boats. At the end of December, 1953, powered boats numbered 135,084 (913,965 gross tons) and non-powered ones 308,151 (296,112 gross tons), totaling 443,235 (1,210,077 gross tons). In 1939 (a prewar peak year) Japan had 75,197 powered boats and 279,018 non-powered ones, totalling 354,215. And fishing boats equipped with wireless telegraphs or telephones increased from 1,077 in 1939 to 5,078 in 1954. And fishing boats equipped with fish finders reached 3,500 and those equipped with radars, 120. After the war, Japan has brought into use fishing nets and ropes made of synthetic fibers. It is said that fishing nets made of synthetic fibers are not easily corrupted and that it does not take a long time to dry them after using. In 1954, the production of fishing nets made of synthetic fiber constituted about 15 per cent of the total fishing net production.

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With regard to fisheries production, it was of the upward trend, reaching 4,858,000 tons in 1952. And it exceeded the production of the pre-war peak of 4,519,000 tons. The following table will show the amount of fish catches in 1953.

Item	Prewar Peak Year Catches (M/T)	1953 Catches (M/T)
Fish	3,228,608	3,290,776
Shellfish	261,952	317,370
Other marine products	215,813	611,171
<u>Sub-total</u>	<u>3,706,376</u>	<u>4,219,313</u>
Seaweeds	687,690	304,433
Whale	57,506	249,964
<u>Grand Total</u>	<u>4,451,573</u>	<u>4,773,709</u>

With the increase in fisheries production, the consumption of fisheries products was also on the increase. The consumption of fisheries products has been increased among rural communities, which was not the case in the pre-war period.

By my order

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