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NSC BRIEFING

BACKGROUND PIECE ON JAPAN

- I. Foreign Minister Fujiyama is in Washington for discussions on US-Japan relations, some aspects of which have assumed major importance in the Kishi government's efforts to maintain popular support.
 - A. The foremost item on Fujiyama's agenda is a new security treaty to replace the present treaty which most Japanese consider "one sided" and imposed as a price of a peace treaty in 1952.
 - B. Japanese proposals for a new pact include:
 1. Provision for consultation and mutual agreement before nuclear weapons are brought to Japan.
 2. Provision for consent of the Japanese Government before US forces based in Japan are sent to areas outside the country. This stems from widespread Japanese fear that such action will involve them involuntarily in hostilities.
 3. A written guarantee that the US will defend Japan against attack and an understanding on a joint operations plan for American and Japanese forces in defense of Japan.
 4. Provision giving Japan some control over the disposition and use of American forces in Japan itself.
 - C. Second item on Fujiyama's agenda is a Southeast Asian economic development program.
 1. The Japanese are seriously concerned about Communist penetration of their markets in Southeast Asia and are most interested in President Eisenhower's proposals to strengthen the World Bank and establish an international development association as a means for countering this development.

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2. Fujiyama will seek understanding on multilateral assistance for Southeast Asia, financed primarily by the US but with an initial Japanese contribution of approximately \$14 million.
 3. He may propose a plan for stabilizing raw material prices in Southeast Asia.
 - D. Finally, Fujiyama will make a general plea for an opportunity to expand Japanese markets in US.
- II. Prime Minister Kishi's position was strengthened in the general elections in May, but he believes continued popular support requires satisfactory solutions of problems connected with US relations, as well as on trade and political problems with Communist China.
- A. Japanese people and press, which in past have denounced security ties with the US, are now expressing support for such ties if Japan is given greater voice in the arrangement.
 - B. Kishi says he is in an increasingly lonely position by maintaining a "wait and see" attitude during the trade impasse with Communist China.
 1. Practically all elements in Japan are clamoring for government action to break the deadlock.
 2. Kishi is asking the US to support Southeast Asian economic development in order that Japan can increase its markets in that area to compensate for those theoretically "lost" on the China mainland.
 3. He believes that otherwise he will be forced into government-to-government discussions with Peiping.

III. Domestically, the government faces no critical issues, but is concentrating on weakening the widespread leftist influence spearheaded by the Socialist Party and labor.

A. Kishi is attempting to keep election promises by reducing taxes and is very gradually relaxing his "tight money" policy which has corrected a severe international payments imbalance.

B. The government is waging a campaign to undercut leftist influence among Japan's 645,000 primary and secondary school teachers who are controlled by the Communist-dominated Japan Teachers Union.

1. This union is a nucleus of the three million member Sohyo labor federation which forms the heart of anti-government and anti-US activities in Japan.

2. A major confrontation is expected between labor and the government beginning 15 September when Sohyo, led by the Teachers Union, has scheduled nationwide strikes and rallies.