

Business Political Participation in Japan: Continuity and Change

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Prior to World War II—especially during the 1920's—Japanese business circles strongly influenced government decisions. This business power, however, was concentrated in the hands of executives from the Mitsui, Mitsubishi, Sumitomo, and Yasuda combines. Furthermore, these so-called *Zaibatsu* leaders generally confined their activities to economic problems; they rarely issued statements on such political matters as party organization, electoral machinery, etc.

Rather than involve themselves directly in government or party affairs, prewar businessmen preferred to rely on the assistance of politicians or bureaucrats with whom they had family and/or financial ties. Political donations were regarded primarily as necessary company expenditures and only secondarily as expressions of personal political preferences. A considerable number of Diet members had business connections, but few such national legislators were from large, established firms, and many began their careers as politicians or bureaucrats.

This prewar pattern of business political participation is now being altered. Specifically, slow but significant changes are occurring in the organizations through which businessmen articulate their interests, the content of their demands, and the amount and forms of their political involvement. The purpose of this article is to reveal the extent and nature of these changes and their impact upon the reigning Liberal-Democratic Party.

THE ORGANIZATION OF BUSINESS INTERESTS

The range and number of business firms involved in politics has increased substantially. In 1960 no fewer than 143 companies contributed one million or more yen to political organizations. More important, the political influence of the aforementioned "old Zaibatsu" combines has diminished. Among the ten companies making the highest political donations in 1960 only one was closely affiliated¹ with Mitsui, Mitsubishi, or Sumitomo interests.²

Occupation reforms only temporarily halted the Japanese tendency toward economic concentration, but they did create an opportunity for new business leaders to emerge. Among today's main-current businessmen,³ for example, the four who are known most for their political activities—Ataru Kobayashi, Shigeo Mizuno, Shigeo Nagano, and Takeshi Sakurada—attained prominence with little, if any, Zaibatsu assistance. Moreover, they consistently stress the need for business leaders to act independently of any one group.⁴

Of late, there has been considerable speculation that the "old Zaibatsu" will again have a commanding position within the business community. Through mergers and other forms of combination Mitsui, Mitsubishi, and Sumitomo interests have been re-consolidated. By April, 1965, for example, Mitsui & Co. was to have absorbed Kinoshita & Co., thereby becoming the largest trading concern in Japan.⁵ It is not likely, however, that the old style relationships and controls will be restored. The Zaibatsu combines of prewar Japan were owned by families, organized around holding companies, and tightly controlled through financial arrangements. They were also bound together by a network of arranged marriages and personal knight-vassal relationships. In contrast, today's Zaibatsu combines are no longer family-owned and controlled, and participating companies are much more independent in finances and management.⁶ Ties among company executives within a combine are motivated less by personal considerations than by managerial necessity (e.g. joint participation in the formation of petrochemical kombinats).⁷

When broad issues are involved, particularly those with direct political repercussions, businessmen have been turning with increasing regularity to their national federations. A case in point is the inauguration and operation of Keizai Saiken Kondankai

(KSK), an organization designed to pool business political donations and to reduce questionable personal ties between individual firms and politicians. In 1954, following newspaper reports that shipowners gave Diet members, LDP executives, and Transportation Ministry officials large sums of money to expedite the passage of favorable shipping legislation, Keidanren (The Federation of Economic Organizations) and Keizai Dōyūkai (Economic Friends Association, more commonly referred to as Japan Managers' Association), jointly sponsored the formation of the KSK. From 1955 until its final dissolution in 1961, funds for the KSK were collected by Keidanren officials who *assessed* member firms and industrial associations on the basis of their capital assets and yearly profits.⁸ Equally indicative of this new trend is the fact that, after the 1954 scandal, shipowners shifted from their previous strategy of working independently through friendly Diet members and Ministry officials toward greater reliance on Keidanren efforts.⁹

The most prominent business federations are Keidanren, Keizai Dōyūkai, Nikkeiren (The Japan Federation of Employers' Associations), and Nisshō (The Japan Chamber of Commerce and Industry). Among these four federations, the two with the greatest political significance are Keidanren and Dōyūkai. Nikkeiren confines its activities to labor policy, while Nisshō contains such a wide variety of firms and regional groups that it encounters great difficulties whenever it strives to formulate concrete demands. As a rule, Nisshō is also more effective in representing regional than nationwide interests.¹⁰

Keidanren members are older and more attached to big business than their Dōyūkai counterparts. They are also less inclined to express their personal views and to examine new avenues of activity. The latter difference stems in part from the fact that businessmen join Dōyūkai as individuals, while in Keidanren they represent their companies or trade associations.

From the standpoint of policy, Keidanren is often equated with the National Association of Manufacturers and Dōyūkai with the Committee for Economic Development in the United States. Specifically, Dōyūkai is more inclined than Keidanren to accept business self-regulation, cooperation with government authorities, earlier and more comprehensive trade liberalization, trade unionism, and social welfare programs.¹¹

Although real, the differences between Keidanren and Dōyūkai are probably not as great as those that separate the NAM and CED in the United States. When interviewed by the author, both Kogoro Uemura, vice-chairman of Keidanren, and Seiichi Yamashita, secretary-general of Dōyūkai, argued that journalists exaggerate their organizations' differences.¹² The facts that the median age of Dōyūkai members rose from forty-eight in 1949 to fifty-eight in 1962, and that some Dōyūkai officers¹³ have also attained responsible positions within Keidanren lend support to such contentions.

At present, Keidanren is the primary promoter of concrete business legislation. Dōyūkai is largely a generator of new ideas rather than a synthesizing interest group. For instance, a comparison of Keidanren and Dōyūkai resolutions from 1951 to 1961 shows that Dōyūkai proposals are more vaguely worded and less frequently refer to specific legislation.¹⁴ In the future, however, Dōyūkai's influence is likely to increase substantially. Already many of Dōyūkai's ideas are stimulating thought within political circles. Moreover, past Dōyūkai leaders are also gradually entering the highest echelons of the business community.¹⁵

Neither Keidanren nor Dōyūkai can hope to exercise the same degree of control over today's businessmen as the "old Zaibatsu" did in prewar Japan. As indicated earlier, Japanese entrepreneurs have greater financial and managerial independence today, and their inter-personal relations are no longer as semi-feudal in character. Officials of national federations will also have to overcome the traditional tendency of Japanese businessmen to regard such associations as social friendship agencies rather than as service organizations.¹⁶ Nevertheless, there are ample grounds for expecting the role of Keidanren, Dōyūkai, and similar federations to expand. In Japan's rapidly growing economy, businessmen are likely to become more aware of their service potentials. Pressures generated by trade liberalization are also forcing business executives to turn to such organizations for guidance and coordination. Businessmen have been expressing a variety of views on how to cope with trade liberalization, but the main debate has taken place within the business federations, and the general consensus is that broad-gauged cooperation among business circles is mandatory.

In anticipation of an expansion of their functions, both Keidanren and Dōyūkai have recently consolidated their decision-making

apparatus and strengthened their professional staffs. Nikkeiren in the labor field has also stepped up its public relations' services to member firms.¹⁷

THE NATURE OF BUSINESS DEMANDS

Japanese businessmen still tend to confine their remarks to economic issues and to refrain from discussing political developments unless they have clear-cut economic implications. From 1951 to 1959 Dōyūkai resolutions referred to such matters as foreign policy, party organization, and electoral machinery on an average of only twice a year, while Keidanren did so but once a year.¹⁸ When asked about the activities of his organization's Foreign Policy Committee in 1962, Kiichiro Sato, second vice-president of Keidanren, replied that the committee, now inactive, had been formed at the request of Mr. Aiichiro Fujiyama when the latter served as foreign minister under Kishi. Fujiyama had concentrated on inserting "business cooperation" clauses in the revised U.S.-Japan Security Treaty.¹⁹

The most persistent political request of business circles is for unity within conservative party ranks. After a disorderly Diet session in 1954, Keidanren, Dōyūkai, Nikkeiren, and Nisshō issued a joint declaration urging conservatives to "unite against the menace of left-wing extremism." Faced with this business pressure and alarmed by the reunification of the Socialist Party, conservative politicians joined hands and formed the Liberal-Democratic Party in November, 1955. Similarly, one of the major reasons for businessmen organizing the KSK was their desire to reduce the flow of funds to intra-party factions.

In accordance with their desire to preserve conservative unity, main-current business leaders advocate an orderly transfer of power from one conservative prime minister to the next. On occasion, they have even intervened when they felt that a prime minister had lost the public confidence. After the 1960 Security Treaty demonstrations, for example, the big four business federations jointly apologized to President Eisenhower and intimated that Mr. Kishi should resign from the premiership, which he promptly did.

One should not, of course, jump to the conclusion—as many Japanese Marxists do—that a hard core of businessmen *dictates*

who will be Japan's prime minister. Business circles can, and have, made it difficult, if not impossible, for a prime minister to remain in office. But they have encountered difficulties in the process of determining a successor and, particularly, the timing and method of his succession. Most main-current business executives endorsed the Yoshida-Kishi-Ikeda-Sato line of succession; some, however, retained close personal-financial ties with rival faction heads. Business groups advised against an Ikeda-Sato showdown in the LDP presidential election of May, 1964, but the strong-willed bureaucrat-politicians decided otherwise.

Business organizations are beginning to take a more active interest in party modernization and programs to increase individual political participation. *Dōyūkai*, in particular, has initiated such moves. It has endorsed proposals to change the present middle-sized, multi-member election districts to smaller, single-member units; it has urged the LDP to eliminate internal factions and to expand its contacts with the masses; and *Dōyūkai* has encouraged businessmen to make political donations on an individual, rather than a company, basis.²⁰

On balance, it can be concluded that high ranking businessmen are still inclined to think that their efforts should be concentrated heavily on economic matters, but they are starting to realize that they must concern themselves with political problems formerly left to the discretion of friendly politicians and bureaucrats.

INDIVIDUAL POLITICAL PARTICIPATION

The business and political elite are still linked by networks of personal relationships. The frequency of marriage alliances, however, has declined. More often these interlocking ties result from career-centered connections. Former Prime Minister Ikeda formed firm alliances with financial circles when he served as Finance Minister; Eisaku Sato, the present Premier, established friendly relations with transportation firms during his term as Transportation Minister; and Sato's chief rival, Ichiro Kono, did the same with fishery and agricultural interests while he was Minister of Agriculture and Forestry.²¹

The central question, of course, is not whether the business elite have political "connections," but whether or not businessmen

are now more inclined to "enter" government and party affairs as individuals.

According to Professors Scalapino and Masumi, among Liberal-Democratic Diet members in 1947 approximately 52 per cent had business affiliations, while 64 per cent and 52 per cent had such connections in 1949 and 1953, respectively.²² A check of LDP members of the 1960 House of Representatives likewise indicates that 52 per cent had, or were holding, positions in business firms and associations.²³ Among the twenty Lower House standing committee chairmen in 1961, half had current business ties;²⁴ and within the Liberal-Democratic Party itself about half of the thirty Executive Committee members had been or were then associated with business.²⁵

The above figures plus the fact that no less than 90 per cent of the LDP's funds are derived from business sources certainly illustrate that businessmen have excellent "access" to both the Liberal-Democratic Party and the Diet. As measures of individual participation, however, these facts should be used with caution. One must differentiate between Diet members who enter politics "from" business (businessman-politicians) and those who relate to business "after" they have spent time as bureaucrats (bureaucrat-businessmen) or as politicians (politician-businessmen). Of the 155 business-connected LDP Dietmen in 1960, only 55 could be classified as businessmen-politicians; no fewer than 42 were bureaucrat-businessmen, and 32 were politician-businessmen.²⁶ Moreover, few of the businessmen-politicians hailed from large, established firms.

Very few business executives leave their enterprises to serve as temporary government administrators. In Japan, bureaucrats frequently resign their posts to enter the business world, but the reverse route of business to bureaucracy is contrary to custom. Nevertheless, bureaucrat-businessmen are playing an increasingly significant role in business circles;²⁷ and as their influence increases, they may encourage fellow businessmen to take a more active part in politics.

The latest and most significant effort to promote individual political participation has been the organization of the People's Association (Kokumin Kyōkai). Like its predecessor, the KSK, Kokumin Kyōkai is designed to pool business donations to the LDP; but it also seeks to reduce the flow of funds to intra-party

factions, to replace company with individual contributions, and to stimulate personal political action.²⁸

Since its inauguration in July, 1961, until December, 1963, Kokumin Kyōkai contributed 1,600,000,000 yen to the Liberal-Democratic Party.²⁹ Also, in January, 1964, it claimed a total of 41,317 individual members.³⁰

As yet no figures have been released on how many of Kokumin Kyōkai's members are businessmen. There can be little doubt that the business community is the backbone of the organization. Almost all of its funds were supplied by business, and in 1962, at least fourteen of its thirty-five board members were from the business world—among them such prominent leaders as Ataru Kobayashi, Takeshi Sakurada, Kogoro Uemura, and Tomiji Yamazaki.

In May, 1962, the five companies with the highest number of individual Kokumin Kyōkai members were Kubota Iron and Steel, Nomura Securities, Fuji Iron Manufacturing, Fuji Bank, and Mitsubishi Trading Company. Bank employees were among the first to enroll. As often as not, however, their membership resulted from the persuasive powers of their bank presidents and supervisors.

There is evidence, therefore, of a slight increase in political participation by businessmen. Yet several problems persist. At least 75 per cent of the Kokumin Kyōkai's funds come from corporate, not individual, members. (The largest corporate donation in December, 1962, was 300,000 yen.)³¹ It is safe to assume that 90 per cent of these corporate contributions came from companies and industrial associations. Membership drives within business enterprises have proceeded from the top down and have not progressed very far down. Few company section chiefs (*kachō*) can be found among the membership of Kokumin Kyōkai, and several of the department heads (*buchō*) and members of boards of directors (*torishimari*) joined because of loyalty to the company and hopes for promotion.

Most Keidanren officers agree with Kokumin Kyōkai's aim of reducing donations to intra-party factions; a few of them even believe that individual contributions should replace those from companies. But they are skeptical of the Association's drive to push direct individual participation. A vice-chief of the Liberal-Democratic Party Secretariat remarked that Keidanren's position is "we

will contribute money but we cannot engage in other individual activities."³² One problem is the natural inclination of business executives to concentrate on their economic tasks—a tendency which is more marked in Japan than in the United States. Another barrier to individual participation is that many Japanese businessmen have a low regard for politicians.³³

Despite these difficulties, an increasing number of business leaders—especially those associated with Dōyūkai—are beginning to urge more active political participation by top and middle management. Kokumin Kyōkai could be reduced to just another collection agency, but it may very well be a forerunner of newer, more individual-action-oriented organizations.

THE IMPACT OF BUSINESS GROUPS

As indicated earlier, the business elite certainly have excellent "access" to political decision makers. By virtue of their financial resources and networks of personal ties with the government and party elite,³⁴ they are assured of ample opportunities to explain their views.

On economic questions, political leaders are careful to court business support before making any important moves. Although they are considerably less disposed to *act* on business proposals for party reform, the political elite are beginning to *think over* such suggestions.

Business attacks upon factionalism within the Liberal-Democratic Party have not put an end to such behavior. Factionalism is, after all, a deeply ingrained characteristic of Japanese political and social life. Even many of the businessmen who criticize the divisions within LDP ranks still feel the need for a personal political champion or to "play it safe" by donating to several factions. Nevertheless, there has been a slight drop in the financial receipts of factions, and several faction leaders have found it expedient to give up separate and elaborate headquarter facilities. One newspaper even commented that "division commanders" within the LDP were experiencing difficulties in holding their groups together before the Party presidency election of May, 1964—so much so that the newspaper predicted that LDP members were likely to vote as regiments rather than divisions.³⁵

Party executives are also beginning to take a second look at business-backed organizations like Kokumin Kyōkai. They are now advocating, for example, that party officers be sent in to direct Kokumin Kyōkai and that the Party and Kokumin Kyōkai publications be merged. However, officials of the organization insist that no such steps be taken as long as the Party regards the Association as merely a fund-raising agency and refuses to recognize that its *primary* function is to promote individual participation.³⁶ Especially noteworthy is the fact that young party secretaries are interested in joining younger business executives in efforts to facilitate wider and deeper contact with the masses. As a matter of fact, Kokumin Kyōkai is in many ways a *joint* effort of young party executives and businessmen to effect this.

Business influence upon party and government decisions—particularly those of an economic nature—is obviously substantial. But the Marxist image of business domination is an exaggeration. Such thinking ignores the fact that bureaucrats (e.g. Finance Ministry) and especially bureaucrat-politicians can and sometimes do resist business pressures. After completing a case study of business efforts to secure bank reforms, Frank Langdon concluded; "In the case of central bank reform, business, especially banking, was fully consulted and able to take part in the formulation of policy. It was not able to prevail. On monetary policy, at least, even with finance, industry, and the central bank in agreement, business and its allies could not overcome the position of the Ministry" (Finance Ministry).³⁷

Marxists also forget that the business world has problems of "cohesion" and "depth." Referring to the problem of business cohesion, Taizo Ishizaka, president of Keidanren, noted that "gaps are developing among various segments of industry."³⁸ Numerous examples of this fact can be cited. The Ministry of International Trade and Industry (MITI) has failed in several attempts to pass a Specific Industries Promotion bill. This failure is due in part to disagreements among business leaders: one group fears bureaucratic controls, while another argues that business-government collaboration is needed, and that, at the very least, businessmen should make an effort to "adjust autonomously."³⁹ Banking, industrial, and trade circles each expressed diverse views regarding the raising of the bank discount rate in 1964. Bankers felt that the move was long overdue; industrialists admitted that

it was inevitable, but complained the new rate was too high for growth industries; and trading company executives referred to the change as "treacherous."⁴⁰

Most Japanese businessmen favor economic relations with Communist China on a "business as usual" basis, but they have divergent views on specific steps for promoting such trade. Small and medium enterprise owners, merchants in the Kansai area, and trading firms are the most willing to make political concessions—perhaps even recognition of the communist regime. In contrast, executives of large scale firms, Tokyo businessmen, financiers, and most industrialists are more cautious. In deference to the United States they insist that care must be taken not to imply recognition, and accordingly, no government funds should be used to finance any system of deferred payments. A few Keidanren and Nisshō officials have also been in the forefront of activities to promote Japanese-Nationalist Chinese friendship.⁴¹

In the long run, the greatest difficulty confronting business circles may be the attitudes of middle management—especially section chiefs and their assistants. Interviews with forty department and section leaders in one of Japan's major steel companies indicated that middle-level executives have ambivalent attitudes toward politics.⁴² On questions designed to measure their political interest and sense of political efficacy, the respondents scored high. Nevertheless, they seldom, if ever, attended political speeches or meetings. Very few had heard about Kokumin Kyōkai and those that had were not interested in joining. When asked their reactions to the possibility of their companies organizing political education seminars, several of the respondents expressed interest; but they thought in terms of programs for workers rather than ones for themselves. And many remarked that they did not wish to revive prewar types of political education which involved indoctrination.

A common explanation for this gap between expressed political interest and actual participation of middle-management can be made in terms of role concepts. Management personnel at middle levels feel that they should concentrate on economic chores and leave political tasks to their company presidents. A second point is that white-collar workers in Japan have a tendency to sympathize with socialist, as much as with conservative, politicians. Respondents in our survey usually favored Liberal-Democratic candidates, but

several revealed that their ideals were closer to those of the Democratic-Socialist Party. Vice-chiefs of sections, in particular, seem to be caught between the socialist proclivities of workers under them and the assumed conservative attitudes of higher company officers.

As the importance of mass contact and activity gradually increases in Japanese politics, business executives will have to probe more "deeply" and to mobilize middle-management if they are to maintain even their present level of influence. They can presently count on the fact that managerial personnel tend to become more conservative with age and promotion, but they may need more active commitments in the future.

CONCLUSIONS

Japanese businessmen still cling to their enterprises and tend to regard trade associations as social gatherings rather than as service organizations. Slowly, however, national business federations like Keidanren and Dōyūkai are taking a more positive role in coordinating business views on economic policy. In fact, these federations appear to be replacing the old style Zaibatsu combines as the major organs through which businessmen express their demands to the party and government elite. The more conservative and cautious Keidanren is the leading federation today. But the more progressive and activist views of Dōyūkai may well prevail in the future.

The traditional practice of tending to business and leaving politics to friendly politicians and bureaucrats lingers. Also, businessmen are still prone to donate political funds on a company, not an individual preference, basis. But with Dōyūkai in the forefront some business executives are beginning to make suggestions about party modernization and electoral reform; and with Kokumin Kyōkai as the focal point they are making *individual* contributions to the Liberal-Democratic Party.

Through a network of financial and personal ties the business elite have ready "access" to the party and ministry elite. They can be assured, therefore, that their views on economic issues, at least, will receive careful consideration. Some party leaders—particularly younger secretaries—are even interested in business suggestions for the reform of their own organizations. Yet, the Marxist assumption that business controls government and party leaders must be

qualified, if not discarded. On a number of occasions, business moves, even in the economic realm, have been thwarted by resistance from bureaucrats and bureaucrat-politicians. Moreover, the business world itself is bothered by less internal cohesion than it possessed during the prewar era; and middle-management personnel are not interested in political activities.

The future ability of the business community to maintain and to increase its political influence may well depend on the success or failure of organizations like Kokumin Kyōkai; for in an open, expanding society like Japan's, political power is increasingly dependent upon one's ability to mobilize rank and file members and to make alliances with other groups—especially with elements within the middle class.

NOTES

1. A firm was considered to be "closely affiliated" if one or more of the following conditions were met:

- Over twenty per cent of financial resources of company provided by Mitsui, Mitsubishi, or Sumitomo financial institutions (including stock and insurance companies as well as banks).
- Ten per cent or more of company stock held by Mitsui, Mitsubishi, or Sumitomo financial institutions and/or other firms in the group.
- The company's president attends the regular presidents' meetings of Mitsui, Mitsubishi, or Sumitomo group.

Statistics on financial and stockholding arrangements were found largely in Keizai Chōsa Kyōkai, *Keizai no kenkyū* (Tokyo, 1960).

2. Data on company donations was reported by Fusae Ichikawa in *Shūgin gūi sō senkyō no senkyō hiryō sō kessai* (Tokyo, 1961), pp. 175-183. For a more comprehensive analysis of political donation patterns see J. R. Soukup, "Comparative Studies in Political Finance: Japan," *Journal of Politics*, 23 (November 1963), pp. 737-756.

3. When describing the main-current members of the business community a distinction should be made between those whose interests and contacts are narrowly confined to matters related to their particular firms and industries, and those whose interests and contacts are broader and, consequently, of greater political import. Also, among the latter group, daily activists and general advisers, who have great prestige and are consulted by the activists, should be differentiated. With these distinctions in mind, the leading businessmen can be tentatively listed and classified as follows:

A. *Broad Interests and Contacts: Advisers*

Tadashi Adachi, Taisō Ishizaka, Kiichirō Satō, Michisuke Sugi, and Kōgorō Uemura.

B. *Broad Interests and Contacts: Activists*

Noboru Gotō, Shōzō Hotta, Hiroki Imazato, Yoshizano Iwasa, Ataru Kobayashi, Tokusaburō Kosaka, Shigeo Mizuno, Shigeo Nagano, Motohira

Nakayama, Takeshi Sakurada, Nobutaka Shikouchi, Haruo Suzuki, and Hiroshi Usami.

C. *Enterprise and Industry Leaders*

Kichihiei Hara, Yasuzaburō Hara, Kichitarō Hagiwara, Saizō Idemitsu, Shōjirō Ishibashi, Shōjirō Kojima, Taizō Kurata, Kōnosuke Matsushita, Eiichi Ogawa, and Tarō Yamashita.

The above listing and classification of business leaders is based on the author's interviews with newspapermen and businessmen during the spring of 1962; Kunio Fukumoto, "Zaisei shuryōha no yukue," *Tōyō Keizai* (1963), No. 4, pp. 54-60, and "Sengo zaisei no shiso to kōdō," *Chōō Kōron* (January 1964), pp. 170-192, and Hideo Ōkuma, "Zaikai sekiwake monogatari," *Chōō Kōron* (January 1962), pp. 202-217.

4. Fukumoto, "Sengo zaisei no shiso to kōdō," pp. 182, 185.

5. *Japan Report*, Vol. 10, No. 16 (August 31, 1964), p. 10.

6. See Kozo Yamamura, "Zaibatsu, Prewar and Zaibatsu, Postwar," *Journal of Asian Studies*, XXIII, No. 4 (August 1964), pp. 539-554.

7. Iwao Hoshii, "Trends in Japanese Industrial Organization," *Orient/West*, Vol. 8, No. 6 (November-December, 1963), pp. 32, 33. Referring to decision making within the petrochemical kombinats Hoshii writes, "... the kombinats, although identified with particular groups, sometimes had to put economic rationality ahead of group preferences."

8. Soukup, "Comparative Studies in Political Finance: Japan," p. 749.

9. This switch to Keidanren channels was confirmed by the author in interviews with the executive director of the Shipowners' Association, Fujio Yoneta, and the vice-chief of the Transportation Ministry Shipping Bureau (July 12 and July 24, 1962, respectively).

Dōyūkai, acting on the assumption that rehabilitation of the shipping industry is essential to continuous economic growth, was the first to propose a renewal of efforts to pass favorable legislation. Shortly thereafter, Keidanren took a direct interest in coordinating diverse views and proposing specific legislation.

10. This view was expressed to the author by top Keidanren officials in the spring of 1962.

11. Fukumoto, "Sengo zaisei no shiso to kōdō," pp. 172-173, 180-189. The original Dōyūkai leaders—Kobayashi, Mizuno, Nagano, and Sakurada—are firmly anti-communist and not very receptive to proposals for mixing socialism and capitalism. Younger elements, led by such men as Haruo Suzuki and Seiji Tsutsumi (Fukumoto refers to them as "second generation" leaders, emphasizing the fact that they are the sons of former prominent business executives), are more receptive to a full-scale welfare state and even moderate socialism *per se*.

12. Interviews by author, June 12, 1962, and June 19, 1962, respectively.

13. Shigeo Nagano and Takeshi Sakurada were the first to move into Keidanren. Now, prominent officers of Dōyūkai who simultaneously have responsible positions in Keidanren are Yoshizane Iwasa, Kaazutaka Kikawada, and Tatsuzō Mizukami.

14. This comparison was made by the author from materials found in *Keidanren no jūnenshi*; *Keidanren jūgō hōkoku*, Nos. 17, 18, 19, 20, covering the period 1957-1960; and *Keizai Dōyūkai jūnenshi*.

15. All of the business leaders listed under category B in note 3 are Dōyūkai

members. Fukumoto, in particular, stresses the rise of Dōyūkai members to prominence within business circles.

16. Japan Productivity Center, *Organization and Activities of Business Groups* (September 20, 1961), Chapter 6, mimeographed.

17. Japan Federation of Employers' Associations, *JFEA News*, No. 15 (September 1963), pp. 5-8.

18. Keidanren resolutions averaged twenty per year, while Dōyūkai issued statements on an average of seven times per year.

19. Interview by author, March 7, 1962.

20. "Resolution for the Protection of Parliamentarianism," November 10, 1958, *Keizai Dōyūkai jūgōnishi*, p. 379, and "Political Funds to be Collected Through Party Organizations, Thorough Revision of the Election System Needed," *Keizai Dōyūkai*, No. 153 (February 1, 1961).

21. Kanji Miura, Asahi Shūnhon Political Section, interview with author, March 26, 1962, and "How the Eight Liberal-Democratic Party Divisions Raise Their Funds," *Keizai Ōrai* (February 1963) as translated by the United States embassy in Tokyo in *Selected Summary of Japanese Magazines (SSJM)* (March 11, 1963), p. 3.

22. Robert Scalapino, *Parties and Politics in Contemporary Japan* (Berkeley: University of California Press, 1962), p. 63.

23. Compiled by author on basis of data in *Shūgiro Yorau* (1961) and *Kokkai benran* (1962).

24. "Biographical Sketches of Lower House Standing Committee Chairmen Designates," *Saeki Shinbun*, as translated by the U.S. embassy in Tokyo, *Daily Summary of Japanese Press (DSJP)*, May 3, 1961.

25. In the less significant Policy Research Council (*Seichōin*) eleven of the twenty-five committee members and six of the fourteen bureau chiefs had business ties. The third Ikeda Cabinet (1963) contained nine bureaucrats, five politicians, two journalists, and two businessmen, while the fourth Ikeda Cabinet (1964) was composed of eight bureaucrats, four politicians, four businessmen, and two journalists. See *Japan Report*, 9, No. 14 (July 31, 1963), and 10, No. 13 (July 20, 1964).

26. Among the sixteen Liberal-Democratic Party Executive Committee members with business backgrounds only six could be considered businessman-politicians.

27. Seicho Matsumoto, "Discourse on the MITI Bureaucracy," *Bungei Shūjō* (October 1963), pp. 223-224.

28. Soukup, "Comparative Studies in Political Finance: Japan," p. 754.

29. "LDP Leaders and the People's Association at Odds over the Fund Raising Issue," *Tokyo Shinbun* (evening), February 3, 1964, *DSJP*, February 11, 1964, p. 6.

30. *Ibid.*

31. *Nihon Keizai*, May 13, 1962.

32. Interview with author, May 17, 1962.

33. This assessment of businessmen's attitudes was made by Tatsuzō Mizukami, President of the Mitsui Trading Company and a leading figure in Dōyūkai (interview with author, April 5, 1962).

34. Businessmen do serve on numerous Ministry advisory committees and government officials, in turn, are often invited to attend business federation meetings.

35. "Internal Factions of the Political Parties Still Survive," *Yomiuri Shinbun*, February 17, 1964, *DSJP*, February 27, 1964, pp. 3-8.
36. "LDP Leaders and the People's Association at Odds over the Fund Raising Issue," *Tōkyō Shinbun*, February 3, 1964.
37. Frank Langdon, "Big Business Lobbying in Japan: The Case of Central Bank Reform," *American Political Science Review*, I.V, No. 3 (September 1961), p. 538.
38. *Japan Times*, August 5, 1962.
39. "Specific Industries Promotion Bill to be Shelved for the Third Time," *Yomiuri Shinbun*, *DSJP*, June 27-29, 1964, pp. 6, 7, and "Specific Industries Promotion Bill to be Presented to the Diet Again," *Nihon Kōgyō*, *DSJP*, January 10, 1964, p. 1. Dōyūkai officers have been inclined to favor the latter view while Keidanren executives expressed the former opinion.
40. "Reactions of Economic Circles and Socialist Parties to Raising of the Bank Rate," *Nihon Keizai*, March 18, 1964 as reported in *DSJP*, April 12, 1964, p. 8. A notable exception to trading circle reactions was that of Tatsuzō Mizukami. He stated that major trading companies should act from a national standpoint instead of turning their eyes toward expanding the volume of goods they handle.
41. "Keidanren Leaders on Economic and Trade Problems," *Mainichi Shinbun*, *DSJP*, April 15, 1964, p. 3. See also *Mainichi Shinbun*, April 8, 1964, and *Nihon Keizai*, April 9 and May 31, 1964.
42. This survey of middle management attitudes and activities was conducted by the author and a team of Japanese undergraduate and graduate students from March-May, 1962.