Democracy's Porous Borders: Espionage, Smuggling and the Making of Japan's Transwar Regime (Part 2)

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The Deck-Hand's Story

Itagaki Kōzō was an orphan of empire. At the end of the Asia-Pacific War, then aged fifteen, he was stranded in the former Japanese colony of Karafuto (Sakhalin). His father, a coal miner, had died in a mining accident when Itagaki was a child, and his mother had been killed in the brief but fierce fighting that erupted as Soviet forces swept into the southern half of Sakhalin following the USSR's declaration of war on Japan on 8 August 1945. Just as many young men in Japan sought survival after the surrender by taking jobs with the occupying American forces, Itagaki survived by becoming a "houseboy" to a Soviet officer, and his employer, Maxim Tarkin, appears to have been connected to the GPU (the forerunner of the KGB). In 1949, Tarkin left for Moscow via China, and allowed Itagaki to accompany him from Sakhalin as far as Shenyang in northern China, from where Itagaki hoped to be able to find a way to the Japanese homeland he had never seen.

Japanese in post-surrender Sakhalin

From Shenyang, Itagaki crossed the porous border into North Korea, made his way alone down the coast of the Korean Peninsula as far as the port of Wonsan, and found a berth on a smuggling boat going to Japan. The boat, just one of many thousands crossing the seas surrounding Japan in the immediate postwar years, entered Tokyo Bay without detection, and dropped Itagaki off in the port-side district of Shibaura. But Itagaki Kōzō had no job, no home and no immediate family in Japan, so after a few days wandering around the capital, he took up an offer made by one of the smugglers, who had told him that if he decided not to stay in Japan, he should go to the quayside on a certain day, when a second smuggling boat, the Kōhoku Maru, would put into port. Itagaki boarded the Kōhoku Maru, and worked as a deck hand on this smuggling boat for almost two years, as it quietly plied the
seas between Japan and various destinations in Okinawa, North and South Korea, China, Taiwan and Far Eastern Russia. It is very possible that the Kōhoku Maru was engaged, not only in illicit trade, but also in espionage or other political activities, but Itagaki was apparently kept in the dark about its more sensitive missions. In March 1951, the boat entered a port in Niigata Prefecture on the west coast of Japan, and Itagaki was handed a package wrapped up in a furoshiki which he was instructed to deliver unopened to an address near the town of Misawa in northeastern Japan, site of a large US military base. Itagaki boarded a train for Misawa, but a little way into the journey he was consumed by curiosity about the contents of the bundle he was carrying, and started to open the furoshiki. Suddenly, he was seized by another man in the railway carriage, who, unbeknownst to Itagaki, had evidently been employed by the smugglers to shadow him. The man grabbed the bundle, pushed Itagaki out of the train at the next stop, and beat him severely. Left in an unfamiliar landscape, dazed and without money or possessions, Itagaki wandered in confusion along the side of the railway track until he was found by a guard who handed him over to the police. Because he was still a juvenile under Japanese law, Itagaki was sent to a youth detention centre. But, as a returnee from Sakhalin who had arrived by a most unusual route, he soon attracted the attentions, not just of the Japanese police, but also of the US intelligence services. So he became one of the hundreds of the thousands of Japanese repatriates who (as we saw in the first part of this essay) were a major US source of information on communist countries. Itagaki’s story provides disturbing insight into the experience of returnees subject to investigation and detention, though it is unlikely that many others endured quite such a violent and eventful “homecoming”. In testimony that he later gave to a Japanese parliamentary committee, Itagaki recalled how, during his time in juvenile detention in Niigata, he was collected every morning by officers of the US Counter-Intelligence Corp (CIC, which operated under the command of Charles Willoughby), and taken to their offices in Niigata for questioning. Then, after being tried in a juvenile court for illegal entry and given six months probation, Itagaki was again immediately handed over by the Japanese authorities to CIC. On 3 May 1951, a CIC agent took him by train to Tokyo’s Ueno Station, where he was placed in the custody of a Nisei officer whose name (Itagaki later discovered) was William Mitsuda. Itagaki was driven by car to a mansion surrounded by a huge walled garden. Arriving late at night, he had no idea what this place was, but he was soon to learn that it was the Former Iwasaki Residence: headquarters of Z Unit. Like all testimony surrounding undercover activities, and like many official documents too, Itagaki’s story raises questions of veracity and interpretation. Even Inomata Kōzō, the Socialist Party parliamentarian who took up the cause of Itagaki and other victims of Z Unit, at
first found his story “just too weird”, and treated it with a mixture of belief and incredulity. In a media interview which he gave in 1953, Itagaki passed on some second-hand information about the Unit’s higher command that was incorrect (for example, he stated that Canon, who was a Texan, came from California). But during the parliamentary hearings on Z Unit held in August of that year, key elements of Itagaki’s personal story (including his account of interrogation in Niigata, transfer to the hands of CIC, and incarceration by Canon’s organization) were confirmed by other witnesses: a Niigata public prosecutor, an official of the Ministry of Justice, and former Canon employee and whistleblower Yamada Zenjirō. Parliamentary Inomata came to believe that, in speaking of the things he had experienced himself, the young returnee had indeed “told it the way it was”. Certainly, the testimony Itagaki gave to parliament is full of circumstantial details that have the ring of truth: for example, Itagaki recalled that when he arrived in Tokyo late on the evening of 3 May, the car that took him to the Z Unit headquarters (which is within easy walking distance of Ueno Station) was deliberately driven round in circles, presumably to confuse him about his location; he realised this because he remembered repeatedly passing a large neon sign on one corner of the station advertising Morinaga Milk Candy.

On arriving at the Iwasaki mansion, Itagaki said, he was locked in a windowless cell underneath the main house for about two weeks of interrogation, during which time he was deprived of food and sleep, forced to strip, and threatened with knives and a pistol by Jack Canon and other Unit members. It became clear that the American intelligence authorities did not believe the answers that Itagaki had given to the CIC officers in Niigata, and Z Unit demanded further information about gun-running or espionage by the smuggling boat Kōhoku Maru. But, Itagaki insisted, he had nothing more to tell. After the weeks of fear and darkness in the Iwasaki mansion basement, he was transferred to another Z Unit property known as the TC House or Tōsen Club: a building in Kawasaki which had once belonged to the Bank of Tokyo.

Yamada Zenjirō, who had been employed as a cook by Jack Canon and his wife at their house near Yokohama and then transferred by Canon to work at the TC House, describes this building as being shaped like a cross, one arm of which had been subdivided to create six small cells, ranged on either side of a corridor. It was here that Z Unit accommodated some of its “guests”, as the secret detainees were called. Itagaki was brought to the TC House late one night in the early summer of 1951, and was placed in a cell where his hands and legs were shackled to an army camp bed with handcuffs. Yamada was required to prepare food for several “guests” at the TC House, and recalls that Itagaki had been preceded by a Korean prisoner known to Z Unit staff by the pseudonym “Kobayashi Hideo”, who was later taken away to an unknown destination after suffering a mental breakdown in custody. The left-wing writer Kaji Wataru, who was kidnapped near his home by Z Unit agents in November 1951, was also imprisoned in a cell in the TC House after being interrogated at the Iwasaki mansion. While there, Kaji attempted suicide: an act that would ultimately lead to public revelations about some of Z Unit’s activities in Japan.

After being held at the TC House for about two months, Itagaki was driven back to the Iwasaki mansion around eleven one evening, and taken straight to Jack Canon’s large office on the upper floor of the building, where he was threatened with immediate execution if he failed to provide more information on the activities of the Kōhoku Maru. Unable to satisfy his captor’s demands, Itagaki was then taken out into the garden where he stood in the night drizzle waiting for Canon and a Nisei deputy to carry out the execution. But in the end, Canon
seems to have been persuaded that his prisoner indeed had nothing more to tell him, so instead of being shot, Itagaki was instead required to sign up for service with Z Unit, who supplied him with a Nihon University student’s uniform and gave him perfunctory training in undercover surveillance techniques. Soon, though, Itagaki was reassigned to a more familiar task: in December 1951, he was sent to work as a deck-hand on one of several smuggling ships operated by Z Unit with the acquiescence of the Japanese maritime and police authorities.\(^{17}\) His vessel mainly plied the waters between Tokyo and Busan in South Korea, carrying cargo which was probably used partly to raise untraceable finances for Z Unit operations. According to Itagaki, this included crates labeled “Kao Soap” but, he added, “I am a bit doubtful whether they really contained soap”.\(^{18}\)

There was also human cargo. On one occasion, Itagaki recalled, his ship carried a Korean man, woman and small child from Busan to Tokyo. Soon after, he heard that a woman had been taken into the Iwasaki mansion cells for interrogation, and from the description concluded that this was the woman they had brought over from Korea. On the next voyage, they transported five people including a man who had apparently been taken prisoner of war in Wonsan and who was put on board the boat in handcuffs.\(^{19}\)

Itagaki’s intriguing testimony, given at considerable length to the committee hearings, leaves many questions still to be answered; but (as parliamentarian Inomata later lamented) there was to be no opportunity to pursue the answers further. After leaving Z Unit and speaking publicly about his experiences, Itagaki had appealed to the Human Rights Protection Section of Japan’s Justice Ministry for help, fearing reprisals from Z Unit operatives still working in Japan. But, since he was born in the colonial empire and had entered Japan by illegal means, even his Japanese nationality was in doubt, and the Justice Ministry’s response was that he should wait until there was a tangible threat to his safety, and then go to the police.\(^{20}\) Very soon after giving his testimony in parliament, Itagaki Kōzō disappeared. There is no way of determining his fate, but Yamada Zenjirō, who last saw the then 23-year-old Itagaki at the parliamentary hearing on 5 August 1953, says “my gut feeling is that he was done away with [kesareta]”.\(^{21}\)

**Very Special Renditions: Z Unit, POWs and Korean War Espionage**

The boat on which Itagaki Kōzō worked was just part of a complex web of invisible transports linking Z Unit and other American and Japanese intelligence operations to Korea, China and beyond. The Unit appears to have operated a small fleet of similar boats involved in smuggling and espionage, which (according to information that Yamada Zenjirō heard from other Japanese Z Unit employees) was controlled from an office in the Yokohama branch of an American trading company.\(^{22}\) Canon’s operatives also had access to US military aircraft for its cross-border operations. The Unit’s second-in-command Yeon Jeon would (for example) later describe an espionage mission spanning Japan, South Korea and China, conducted by the Unit in July 1950. In a desperate attempt to obtain information about China’s military intentions in the Korean War, Z Unit operatives in Japan recruited three Chinese and ten Koreans who had lived for extended periods in Manchuria, and flew them to South Korea from the US Tachikawa Airbase on the outskirts of Tokyo. In Korea they were trained alongside members of the Korean Northwest Youth Brigade, a widely-feared group made up mostly of young and ferociously anticommunist men who had fled south from North Korea, and became particularly notorious for their role in massacres on Jeju Island following the 1948 Jeju uprising. This multinational brigade was then divided into
three groups, and parachuted into China to gather intelligence.\textsuperscript{23} Charles Willoughby too, in a long interview which he gave to Yeon Jeon and Japanese historian Hiratsuka Masao in the 1970s, recalled the dispatch of Chinese spies from Japan on espionage missions behind the Korean War lines.\textsuperscript{24} But there is one important detail which neither man mentioned: not all the Chinese trained as Korean War spies in Japan were willing and witting volunteers.

Some months after Itagaki Kōzō’s departure from the TC House, mock execution and enrolment into Z Unit, Yamada Zenjirō and another Japanese employee of Z Unit were summoned to the Iwasaki mansion. From there, under the direction of a Nisei officer named Itō, they were taken in a convoy of three trucks laden with beds and mattresses to a brick building, known to the US occupation forces as “US-740”, in the Shibuya district of Tokyo. The next day, two Chinese-speaking US officers arrived at the building, and Itō warned Yamada and his Japanese colleague of dire consequences if they ever spoke about the things they were going to witness. The reason for these preparations became clear later that night, when American military vehicles arrived at the door of US-740 carrying around twenty Chinese passengers. As Yamada soon realised, these new “guests” were Chinese prisoners of war who had been secretly transported to Japan from Geoje-Do prisoner of war camp in Korea. Many had anti-communist slogans tattooed on their bodies.\textsuperscript{25}

Geoje-Do, the largest prisoner of war camp run by UN forces in Korea, occupied a large part of an island south of the port city of Busan. By the middle of 1951, it had grown to become the size of a small city itself, containing over 150,000 POWs housed in tented compounds sprawled across the hill slopes of the island. Conditions were overcrowded, there were water shortages and epidemics of dysentery.\textsuperscript{26} Under the Geneva Conventions, prisoners of war had the right to organize their own hierarchy of control within the camps, but in a situation where (in essence) two civil wars – one Korean and one Chinese – were being fought out within the bounds of the camp, this had unforeseen consequences.

\textbf{POW camp on Koje Island}

Not long after Geoje-Do camp was established, conflicts between pro-communist and anti-communist prisoners erupted into violence: there were nighttime beatings and lynchings, with South Korean guards not infrequently lending their support to the anti-communist side. Many prisoners were tattooed with political slogans, in an effort to enforce their adherence to one side of the conflict or another. By September 1951, twenty prisoners of war in Geoje-Do and nearby Busan camps had been (in the words of a Red Cross report) “beaten to death by persons unknown”, and by the middle of 1952, at least 125 POWs had been killed in clashes with Korean or US guards.\textsuperscript{27} Not surprisingly, many prisoners were desperate to leave Geoje-Do; and when some Chinese POWs who had expressed strong anti-communist views were offered the opportunity of work outside the camp under the command of the US army, they readily accepted the offer. It seems that few if any realised, until it was too late to change their minds, that the work
being offered was participation in spying missions in North Korea and China, where the chances of capture and death were extremely high.\textsuperscript{28}

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\includegraphics[width=\textwidth]{Chinese POW tattooed by his captors}
\caption{Chinese POW tattooed by his captors}
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The contingents of POW conscripts were divided into two streams, one of which was trained on the island of Songap-Do near Incheon in South Korea, while the other was sent to Tokyo. Yamada Zenjirö recalls that further groups of Chinese POWs were accommodated in the TC House, where they were given training by staff who included one South Korean and two Nationalist Chinese officers, and where the anti-communist slogans on their bodies were concealed under a new layer of tattoos.\textsuperscript{29} The training program seems to have been a secret even within the US military, for, rather than obtaining supplies from regular army sources, the officers in charge of the program ordered Yamada to buy food for the prisoners from Japanese grocery stores (at the same time requesting him to provide them with receipts on which the sums expended should be “padded” [mizumashi sareta]).\textsuperscript{30} The secrecy which still surrounds the program today was, of course, necessitated not just by the inherently secret nature of spy missions, but also by the fact that this use of prisoners of war was a very serious violation of the Geneva Conventions.

Yamada’s communication with the Chinese POWs was limited, though one man from Shanxi Province could speak some words of military Japanese that he had been required to learn during the war; and during the prisoners’ stay in Tokyo, Yamada perfected the art of cooking jiaozi [gyōza], which the prisoners enjoyed.\textsuperscript{31} Despite the secrecy, though, Yamada could hazard a guess at the nature of the training taking place, because large wartime maps of Manchuria were pinned up on the walls of the TC House, and the prisoners conducted exercises on a high tower constructed in the garden behind the house. Yamada, who had performed similar exercises during his time as a student recruit to the Japanese armed forces, recognised these as a primitive form of parachute training.\textsuperscript{32} After further training at a US military base in Japan, the prisoner-spies were dropped on their missions behind the lines in North Korea and China. Only a small fraction of them survived the Korean War.\textsuperscript{33}

Invisible Trade: Smuggling Networks, Espionage and Japan’s Transwar Regime

Occupied Japan was a staging post for overseas espionage missions conducted by Japanese as well as by Americans, Chinese and Koreans, and these missions were integrally intertwined with the complex webs of smuggling that crossed the seas of the region in the years immediately after the end of the Asia-Pacific War. The sudden collapse of the Japanese empire had severed trading and migration networks built up over decades throughout
East Asia. Impelled by fears of subversion, as early as 1946 the Occupation authorities had imposed tight controls on the movement of goods and people across the seas between Japan and its neighbours, China, Taiwan and Korea. Even movement between Japan and Okinawa (at that time separated from the rest of the country under US military rule) was strictly regulated. Sheer necessity, though, meant that boats continued to cross the newly-drawn dividing lines without official authorization, carrying urgently needed raw materials and commodities, displaced people moving between Japan and its former colonies, and sometimes more dangerous cargoes such as weapons and drugs.34

But the authorities who controlled this clandestine traffic also used it for their own aims. In the early 1980s, a Japanese magazine published quite detailed personal interviews with Japanese people who claimed to have been involved in spying missions to North Korea, organized by Z Unit as well as engaging in the smuggling of goods and people and other clandestine activities.35 Although these stories are difficult to verify, we do know that serious plans for espionage coupled with smuggling were drawn up by leading ex-members of the Japanese imperial military in consultation with US intelligence.

As we saw in part one of this essay, the 1948-1949 Takematsu Plan involved an important overseas espionage element, which was supervised and paid for by US G2 staff, but conducted by Japanese under the operational control of the former Deputy Chief of Staff of the Imperial Army, Kawabe Torashirō. According to reports from a source described by US intelligence as “highly reliable”, the original version of the Take (foreign intelligence) plan targeted North Korea, China and the Soviet Union. As initially envisaged, it was to have involved a first-instalment transfer of one million yen via Kawabe to a trader in Yamaguchi Prefecture to establish smuggling missions to South Korea. These missions would then be used to ferry Japanese agents, who would cross the 38th Parallel into North Korea and Manchuria. There were also schemes for an espionage base on the island of Tsushima.36

In Hokkaido, where the Take project was placed under the control of Arisue Senzaburō, brother of Imperial Army wartime intelligence chief Arisue Seizō, the schedule of tasks for the first phases of espionage against the USSR ran as follows: “contact reliable Japanese in Karafuto; send repatriates back into the target area as agents; establish smuggling with the target area using fountain pens and watches as bartering material; dispatch fishermen into the area; purposely shipwreck sailors in the target area; patrol the adjacent waters with speed boats; utilize radio intercept for intelligence purposes.”37

Ultimately, the Takematsu Plan was scaled back, and the proposals for spy missions into North Korea and China via South Korea were abandoned. One reason was growing concern within Occupation intelligence circles about the cost and value of the project; another may have been the obvious political sensitivities. South Korean authorities might well have had mixed feelings about requests to turn a blind eye to a spy mission run by former senior Japanese Imperial Army officers and using their territory as a staging post. But parts of the Hokkaido-based mission against the Soviet Union seem to have gone ahead as planned. In December 1948, G2’s Col. Arthur L. Lacey informed the Japanese leaders of the Takematsu group that “a 1940, black, four door sedan, Engine No. 1875283528 would be made available to Kawabe” for his Takematsu duties, and typewriters were also supplied to his team. By the end of 1948, Kawabe was able to announce that “a report on ‘Present Conditions in Karafuto’ has been submitted to Take in Hokkaido and is pending translation”, and in May 1949 a boat for the Take missions in Hokkaido had been procured and was
“probably controlled by Arisue Senzaburō in Abashiri.”

There are also repeated reports in the declassified CIA files that espionage missions to North Korea and Northeastern China were being carried out by Arisue Seizō’s close associate, former Major General Watanabe Wataru. Watanabe’s Mitsuboshi Trading Company was staffed by some of his military associates, including "various Army TMKK [Tokumu Kikan – Special Operations] and Air Force Officers", and by 1948-1949 it had begun "illegal trading operations with Korea, Formosa and North China". At the height of the Korean War in November 1950, sources whom US intelligence ranked as “usually reliable” reported that Watanabe and Arisue had a plan to seek US support for “operations into Manchuria involving the use of Koreans selected from the former Korean Residents League of Japan [Chōsenjin Renmei, disbanded in 1949] who are actually anti-Communist". Information from another “usually reliable” source in September 1950 reported that “Colonel Tsuji Masanobu…. is now planned to serve as one of Watanabe Wataru’s assistants in future operations into North Korea”. The CIA’s 1951 report on Japanese intelligence agencies also notes that Watanabe had contact with G2’s Counterintelligence Corps as a “market for his information”, but that “the quality of his overseas information is no longer believed to be very good”.

But it is the relationship between Japanese former military officers, US intelligence and the Chinese Nationalist Government on Taiwan that most vividly illustrates the complex nexus of transwar and transborder intelligence gathering in early Cold War East Asia.

The Taiwan Connection: Tatsumi Eiichi and the Japan – US – Nationalist China Triangle

In 1945, as the Japanese offensive in China crumbled, and the smouldering Chinese civil war flared up again, Chinese nationalist forces in various parts of the country had begun to recruit the services of defeated Japanese forces in their struggle against communism. The communist side of the conflict was soon to follow suit: substantial numbers of Japanese stragglers in China would ultimately be enrolled into the Chinese People’s Army, and a small number even served with the Chinese People’s Volunteers on the northern side in the Korean War. According to detailed information contained in the declassified CIA files, one of the Japanese whose services were mobilized by the Chinese nationalist government was Tatsumi Eiichi (1895-1988).

Tatsumi had been Japanese Military Attache in London before the war, serving with and becoming a close friend of the then Ambassador Yoshida Shigeru, and at the time of Japan’s defeat he commanded the Imperial Army’s 3rd Division, based in Shanghai. In return for assisting the Chiang Kai-shek government with intelligence operations against the communists, Tatsumi was spared the experience of becoming a prisoner of war. Instead, he was put to work in Shanghai on anti-communist information gathering activities alongside another former senior Japanese army officer, Doi Akio (1896-1976), who had been Assistant Chief of Staff to the Kwantung Army.

In June 1946, the Chinese Nationalists agreed to send Tatsumi home to Japan, the quid pro quo being an arrangement whereby he was to work as an intelligence organizer for the newly-established Nationalist Chinese Mission in Tokyo; Doi remained in China. Tatsumi succeeded in recruiting some of his former Japanese military intelligence colleagues to work for the Chinese Nationalist cause in Japan, but his heart does not seem to have been in the job. He had evidently taken the position with the Chinese Mission mainly because it allowed him to return to Japan, and by late 1947, he was looking for other employment. At this point, his old friend Yoshida Shigeru
introduced him to General Charles Willoughby, who secured his enrolment into the ranks of Kawabe Torashirō’s Kawabe Kikan. From then on, as one 1953 US document notes, Tatsumi “rendered excellent service in the organization and operation of Japanese efforts on behalf of American intelligence”. 

After Yoshida returned to power in October 1948, Tatsumi became the prime minister’s personal advisor on military matters, in which role he was responsible for screening some 400 former imperial army officers who were recruited into the ranks of the National Police Reserve, the proto-military force formed in August 1950 in response to the outbreak of the Korean War. During the Yoshida administration, Tatsumi is described as dividing his time equally between his work for Yoshida and his work for Kawabe’s clandestine intelligence organization: “Normally Tatsumi devotes his mornings to the Kawabe Organization and his afternoons to the police reserve and other government matters. He has an office in some government building, exact location unknown. His two positions pay him well enough that he appears to be comfortably off financially”. His relationships with Yoshida and Willoughby enabled him to help secure the return to Japan of Doi Akio, who was also put to work by Willoughby and Kawabe, heading an intelligence gathering organization known as the Continental Affairs Research Institute [Tairiku Mondai Kenkyujo], to which Tatsumi was an advisor - though the intimate connection between the Kawabe Kikan and the Research Institute was a “secret closely guarded on orders of G-2.”

Tatsumi Eiichi was able to maintain his close contacts with Chinese Nationalist intelligence while also helping to build Japan’s postwar intelligence organization and continuing his “excellent service” to G2, the CIA and other US intelligence organizations. As we saw in part one of this essay, he helped to vet former military officers who were recruited to advise the Cabinet Research Chamber, the Japanese intelligence gathering body set up by Prime Minister Yoshida and his Chief Cabinet Secretary Ogata Taketora. In 1953, Tatsumi also reportedly helped to create a special four-person team within the Chamber to “collect information from repatriates from Communist China”: information that was, of course, soon to be shared with the US State Department under the “top secret plan for the exploitation of repatriates”. 

By August 1956, US intelligence services had plans to “use Tatsumi as an ‘advisor’ in our establishment of intelligence liaison with the SDA [Japanese Self-Defence Agency]”, and perhaps for that reason, proceedings were started within the CIA to have Tatsumi (who was known by the code name POLESTAR-5) formally approved as a contact of the Agency. This formal relationship seems to have been relatively short-lived: in August of the following year direct contacts between the CIA and POLESTAR-5 ceased with the departure of some key Japanese, US or Nationalist Chinese official whose name remains censored in the files. But the complex triangular relationship between Japan, Nationalist China and the US created by people like Tatsumi helped to set the scene for a wide range of covert cross-border activities, linking Japan not only to Taiwan but also to places further afield.

The Southern Expeditons: From Taiwan to Indochina

In the second half of 1949, newspapers in Japan and around the world published reports that Nemoto Hiroshi, the former commander of the Imperial Japanese military forces in north China, had been smuggled into Taiwan where he was helping the Nationalist Chinese government to recruit ex-members of the Japanese military as volunteers for the war with the communists. The reports created something of a sensation. After all, Japan had been disarmed, leading figures in its military
were supposed to have been purged, and Japan now had a constitution pledging it to the renunciation of war. A Nationalist Chinese government diplomat in Tokyo denied that his government was recruiting Japanese, but acknowledged that Nemoto had apparently smuggled himself into Taiwan in the middle of the year.52

In the wake of the allegations, a junior member of a smuggling group run by the former wartime intelligence officer Kawaguchi Tadaatsu was arrested, and admitted involvement in the smuggling trip to Taiwan, but claimed that he was in the dark about its political dimensions.53 Questions in the Japanese parliament about the event produced only brief and confusing information. The head of the Attorney General’s Special Investigations Bureau, questioned in 1951 about Nemoto’s secret recruitment trips to Taiwan, said “in relation to that plan, even today there are all sorts of rumours flying around about repeated smuggling voyages, but as far as our investigations can determine there was only one trip”. He was, though, unable to provide any information as to the nature of that trip or when it had occurred.54 Soon, the momentary sensation faded, and the incident was largely forgotten.55

But several of the former military officers involved in the “Southern Expeditions”, as they were called, were funneling information to US intelligence services, and from this we know that the voyage to Taiwan in the summer of 1949 was just part of a series; there had apparently been at least a couple of earlier journeys, and there were more to come. We know, too, that the expeditions involved quite an impressive line-up of former Japanese Imperial military and intelligence officers, many of whom were also cooperating with US intelligence. Most members of the group seem to have shared a relationship with the elderly Ugaki Kazushige (1868-1956), a former Governor-General of Korea who was to make a brief return as a conservative politician in the mid-1950s. The core participants included not only Nemoto Hiroshi but also former wartime intelligence chief and Willoughby protege Arisue Seizō, wartime China intelligence officer Kawaguchi Tadaatsu, and former rear-admiral Maeda Minoru. More peripheral associates of the group included former military strategist Tsuji Masanobu, who was elected to parliament in 1952 as a member of Hatoyama Ichirō’s Democratic Party, and Horiuchi Tateki, a senior Foreign Ministry official who had right-wing leanings and good contacts with the Chinese Nationalist authorities.56 Like other undercover missions of the era, the expeditions to Taiwan served a dual purpose: in this case, on the one hand, liaising with the Chinese Nationalists and providing Japanese volunteers for their cause; and on the other, raising revenue to fund future enterprises.

The contentious August 1949 expedition seems largely to have been organized by Kawaguchi Tadaatsu, and information about this expedition leaked out to the media partly because an employee of Kawaguchi’s Peace Trust Credit company (one of the enterprises through which he ran his smuggling and intelligence gathering operations) gave an “overt recruiting speech to youths in the vicinity of Kyoto” to encourage them to volunteer for military service with Chinese Nationalist forces.57 Following the embarrassing publicity which surrounded this expedition, Kawaguchi’s organization was persuaded to merge with Arisue’s for the purposes of running future missions, and new recruits were also brought into the group, including a former military officer named Kimura, “whose chief task it was to ‘fix’ the Maritime Safety Bureau, the Board of Trade and other Japanese government agencies with bribes from the profits”.58

In June 1950, a further expedition to Taiwan was run under the direction of Arisue, not only taking Nemoto to Taiwan for consultations with
the Nationalist government but also succeeding in “bringing back 6,000,000 yen worth of bananas which were put on sale in the Tokyo markets”. Smuggling both financed many of their intelligence operations and allowed many operatives to profit. In August of the same year, meetings to plan the next major expedition were underway. According to a former Japanese military officer who attended one of these meetings and passed a report to US intelligence, a fleet of twelve ships was being assembled to leave for Taiwan from Shimoda. The ships would be paid for by the Chinese Nationalist government, and were to have “Japanese Board of Trade papers permitting entry to Formosan waters for purposes of legitimate trade”. They would carry a cargo of tea from Japan, and were expected to carry bananas and sugar on the return voyage from Taiwan; but they would also carry Nemoto Hiroshi and a contingent of Japanese military volunteers.

The main aim of this and other missions to Taiwan appears to have been to provide Japanese with a range of skills who could be used either as military trainers and advisers in Taiwan itself, or directly in Nationalist Chinese military missions against the mainland. Some of those involved in the Southern Expeditions, such as Maeda Minoru, were also engaged in collaborative intelligence gathering activities with the Nationalist Chinese authorities. Perhaps because of the ongoing reverberations from the widely publicized 1949 venture, the expedition failed to set off in August, and was instead rescheduled to late October 1950, when its cargoes were expected to include “not only coastal patrol officers, army specialists and intelligence officers for Formosa, but also political intelligence officers numbering about twenty, who will be sent to Indochina”; for the particularly interesting feature of this voyage was that it extended the reach of the Southern Expeditions beyond Taiwan to Southeast Asia (a part of the journey that was to be carried out without official documentation). The Indochinese dimensions of these undercover activities, like their Taiwanese dimensions, were a direct legacy of the Asia-Pacific War. After the end of the war, large numbers of Japanese troops remained in Southeast Asia, and some, rather than return, went into hiding or joined Southeast Asian groups fighting for independence against the returning European colonizers. Meanwhile, Chinese Nationalist forces, having been driven back to the southern borderlands of China, were continuing the struggle against the Chinese communists from neighbouring countries like Burma, and there is evidence that some former members of the Japanese armed forces joined them there.

Among the Japanese who had disappeared in Southeast Asia following Japan’s defeat was Tsuji Masanobu (1902-?), who was stationed in Thailand in a senior army position at the end of the war, and feared prosecution as a war criminal. Tsuji remained invisible until 1950, when he resurfaced in Tokyo and was soon taken on by Willoughby via Arisue to perform intelligence work for the US occupiers. But Tsuji was a complex character, whose views (unlike Arisue’s) caused continual discomfort to his US employers. Though passionately anti-communist, Tsuji was also quite anti-American, and argued that Japan should regain its power as a nation with equal ties to the eastern and western camps in the Cold War. Tsuji Masanobu appears to have retained some contacts to Japanese stragglers in Southeast Asia, and in 1950, was the person initially chosen by the organizers of the Southern Expeditions to develop the planned Indochinese side of the operation.

But, like so many undercover operations, this clandestine venture was riddled with factionalism and personal infighting. Many participants disliked both Arisue and Tsuji, while relations between these two men
themselves were becoming increasingly strained. There were also persistent rumors that Tsuji had been involved in war crimes, particularly in a massacre of Chinese civilians in wartime Singapore, and his past was therefore seen as a potential liability. In the face of objections from many of the key figures in the venture, Tsuji was replaced as Indochina organizer by Tomita Bunichi, former head of the Special Military Police (Tokkō Kenpeitai) in Shanghai (whose wartime past, we can only surmise, was less well-known in Southeast Asia). In June 1950, Tomita travelled to Taiwan in the expedition organized by Arisue Seizō for consultations with the Nationalist Chinese, and by November 1950 he was said to have “already been dispatched to Indochina through the good services of Nemoto Hiroshi”. There were also rumours that “eighteen to twenty [Japanese] operatives scheduled for intelligence operations in Indo-China” had gone with him. The strategy was to link up with Japanese stragglers who had joined the Vietminh forces after Japan’s defeat, and also with Chinese Nationalist forces operating on the southern border of China. The main aim involved “playing both sides of the struggle” in Indochina for intelligence purposes, with the information gathered being channeled back to Japan via Nemoto in Taiwan. Since Arisue retained general logistical control of the operation, it is very likely that information from the expedition was also passed on to US intelligence.

Legacies of the Transwar Regime

The outcome of the Southern Expeditions is unknown, and it is unclear how long they continued. But some implications of these and similar ventures are clear from the declassified record. Within less than five years of its defeat, a supposedly disarmed and democratized Japan was again engaged in clandestine operations in various parts of its lost empire. Many of these operations were conducted on a quasi-private and very profitable basis by key former members of the wartime military, intelligence services and secret police, with the acquiescence of at least sections of the Japanese government and of the intelligence forces of the United States. They set the scene for intelligence relationships and political power dynamics that would continue to affect Japan long after it regained its independence.

Traces of these ongoing relationships and dynamics remain in the record. We glimpse those traces when a CIA note about Japan’s newly-formed Cabinet Research Chamber, scrawled in handwriting in October 1952, records (in words that can logically only refer to Mainland China) “CRC Japan works mainland ops and is willing to work for Americans on a clandestine basis”. We see the traces again when one of China’s most famous generals, Tang Enbo, makes a quiet visit to Japan on behalf of the Nationalist government in 1957, and is taken by CRC advisor Tatsumi Eiichi and his old friend Doi Akio on a personal tour of the Nippei (Japan Peace) Industry Corporation, formerly known as the Dai-Nippon Heiki (Great Japan Armament) Corporation, but now, under its more benign name, manufacturing such things as aircraft engines. Tatsumi, Doi and Tang are believed to have gone straight from the factory to a meeting with Prime Minister Yoshida. What disturbs the US military authorities about this tour is not the fact that it took place, but the fact that they have been preempted by Tatsumi and Doi: they had been making preparations to guide the general round the same factory themselves.

By the mid-1950s, some of those Japanese who had volunteered for service in Taiwan at the height of the Southern Expeditions were coming home, bringing their special expertise with them. In 1956, for example, a Japanese former military officer, who had gone to Taiwan as a “technical advisor” in 1951, returned to Japan and promptly reported to Tatsumi, seeking employment as an advisor to the Cabinet Research Chamber. (Various delays
prevented his employment with this agency, but instead Tatsumi was able to fix him up with a job in a private "research committee" run by one of his military connections). Perhaps there is even a faint echo of the Southern Expeditions in the fate that befell Tsuji Masanobu. In April 1961, Tsuji, by then a member of the Upper House of the Japanese parliament, left for a tour of Southeast Asia, apparently partly financed by Japan's Ministry of Foreign Affairs. Information received from the Japanese Embassy in Saigon showed that he had visited South Vietnam, and then set off on an attempted clandestine visit to North Vietnam. He was never seen again; and, although his disappearance received a great deal more publicity than the disappearance of Itagaki Kōzō some eight years earlier, it remains just as much a mystery.

The legacies of Japan's transwar regime would linger in other ways. The report that the CIA compiled on Japanese intelligence organizations in 1951, for example, was scathing in its appraisal of Japan's postwar Maritime Safety Agency, noting that the Agency was "split by a feud between pre-war Navy Academy personnel and pre-war Maritime Commission personnel within its ranks, and has the constant problem of bribery of officials by smuggling rings and of subversion by Rightist underground groups seeking control to contend with". But if that was so, then one reason for the problems surely lay in the illegal but officially-sponsored activities of groups like Unit Z and the Kawabe, Arisue and Watanabe organizations, which had been fostered by US G2 almost from the start of occupation. The problem, of course, went far beyond the bounds of Japan's Maritime Safety Agency. It is in the nature of secret institutions that they are unaccountable to outside scrutiny; and it is in the nature of unaccountable institutions that they become fertile soil for corruption, both monetary and moral. In encouraging, for their own perceived security interests, the growth of a mass of poorly regulated clandestine intelligence activities, the US military and intelligence agencies spawned forces that were to have an effect on Japanese democracy for decades to come.

National governments of course engage in secret information gathering. As long as there are nation states, there will surely also be espionage. There is nothing strange about allies collaborating in intelligence gathering, nor (perhaps) in their mutually spying on one another. But the evidence now available on occupation Japan provides food for thought as we contemplate the relationship between the secret and the open elements of formally democratic government in the twenty-first century. The corrosive force of espionage stems from its need to use and to foster the devious, the duplicitous, and those who are willing to break the law in pursuit of ideology or self-aggrandizement (or often a mixture of the two). US intelligence gathering in and via Japan vividly illustrates the consequences of this. It nurtured the likes of Willoughby and Canon, Arisue and Tatsumi. It handed economic rewards and political influence to a group of ex-military and intelligence leaders who not only escaped being called to account for their wartime actions, but were also then willing to interrogate their less fortunate compatriots – the ones who had suffered imprisonment and destitution in various parts of the lost empire following Japan's defeat – and sell the resulting information to their victorious former enemy for personal gain. By using these agents, the occupation intelligence system helped to entrench their position within Japan's body politic.

The Janus-faced nature of the occupation order thus helped to produce a strangely bipolar society in postwar Japan. There can be no question that democratization did have lasting effects. The Japan of the late twentieth century was a place where a wide range of political beliefs flourished side-by-side, and where a remarkably rich array of grassroots social
movements emerged nationwide. One small example of this array is the work of former Z Unit cook and whistleblower Yamada Zenjirō, who has devoted the rest of his life to working on human rights issues, particularly on the rights of people coerced into confessing to crimes that they had not committed. But the genuine spaces of freedom which the occupation period helped to open up have always existed alongside, and faced challenges from, an extraordinarily adamantine and unyielding nucleus of state power, core parts of which trace its ancestry back to deals between US authorities and former wartime leaders outlined in these pages.

The George W. Bush administration was fond of assuring its public that the post-2003 occupation of Iraq would be like the occupation of Japan. A reading of the CIA documents declassified over the course of the past decade allows us to review that analogy in a new light. Japan’s current prime minister Abe Shinzō, meanwhile, has proclaimed his desire to “escape from the postwar regime”, that is, from occupation-era demilitarization and other political reform measures. The conservative vision of these measures was succinctly expressed on the web page of the Okazaki Research Institute, a body chaired by Okazaki Hisahiko, Prime Minister Abe’s “foreign policy brain” and the son of postwar Foreign Minister Okazaki Katsuo (one architect, amongst other things, of the US-Japan “top secret plan for the exploitation of repatriates”). The Okazaki Research Institute article describes the allied occupation as having been dominated by left-wing New Dealers whose “policy goal - the emasculation and destruction of Japan both spiritually and militarily - left the country ripe for picking under the Cold War by the Communist International, an organization dedicated to advancing communism worldwide.” To help rescue Japan from such a state of emasculation, in 2013 Prime Minister Abe launched a public commemoration of “Restoration of Sovereignty Day”, marking the anniversary of the end of the occupation; and in 2014 he sent a message of condolence to a ceremony commemorating the Japanese war criminals who were executed or died in prison, describing them as the “Showa martyrs who gave their lives for the sake of today’s peace and prosperity, becoming the foundation of the fatherland”.

But the historical records available to us now cast a sharp new light on those who avoided martyrdom, and formed instead a small but potent core of Japan’s transwar regime within the US embrace. Their influence lingers on, not least because so many key figures in Japan’s politics today are their spiritual (and in many cases also biological) heirs. The Japanese occupation is less a model than a cautionary tale for US military interventions and attempts to democratize foreign countries today; and the challenge that still faces Japanese politics is the long and arduous task of escaping from the transwar regime.

Part 1 of this article is available here.

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Notes

1. Testimony of Toda Masanao (Official of the Human Rights Protection Branch of the Ministry of Justice) to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953; Testimony of Nakao Bunsaku (public prosecutor) to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 27, 31 July 1953.


12. Testimony of Itagaki Kōzō to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953.


Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953.

15 Yamada, Amerika no Supai, CIA no Hanzai, pp. 23-26; interview with Yamada Zenjirō, 30 August 2014.


17 Testimony of Itagaki Kōzō to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953.

18 Testimony of Itagaki Kōzō to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953.

19 Testimony of Itagaki Kōzō to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 31, 5 August 1953.

20 Testimony of Toda Masanao (Official of the Human Rights Protection Branch of the Ministry of Justice) to the Japanese Diet Lower House Justice Committee [Shūgiin Hōmu linkai no. 27, 31 July 1953.

21 Yamada, Amerika no Supai, CIA no Hanzai, p. 29; interview with Yamada Zenjirō, 30 August 2014; on Itagaki’s disappearance, see also Inomata, Senryōgun no Hanzai, p. 266.

22 Interview with Yamada Zenjirō, 30 August 2014.


24 Willoughby, GHQ Shirarezaru Chōhōsen.

25 Yamada, Amerika no Supai, CIA no Hanzai, pp. 31-33; interview with Yamada Zenjirō, 31 August 2014.


28 See, for example, the testimony of one of the POW recruits trained in Tokyo, Hou Guangmin, published in Zhou, Xuihuan et al., Hanzhan Fangong Yishi Fangtanlu. Taipei, Guoshiguan, 2013, p. 289. I am very grateful to Dr. Cathy Churchman for providing this reference and its translation.

29 Yamada, Amerika no Supai, CIA no Hanzai, pp. 43-45; interview with Yamada Zenjirō, 31 August 2014.

30 Interview with Yamada Zenjirō, 31 August 2014.

31 Yamada, Amerika no Supai, CIA no Hanzai, p. 43.

32 Interview with Yamada Zenjirō, 31 August 2014.

33 Gao Wenjun, Hanzhan yiwang: yuxue
yusheng hua renquan, Taipei, Shengzhi Wenhua, 2000. I am very grateful to Dr. Cathy Churchman for providing this reference and its translation.


35 The Japanese magazine Sunday Mainichi published an interview with a former Deputy President of the Ōita Prefectural Assembly, Ōkubo Tsurayuki, who described how towards the end of 1948 he was approached by Z Unit to run a smuggling and spying operation to North Korea. Ōkubo, who had served in the Imperial Navy during the war and ran a small shipping business in Kyushu in the late 1940s, agreed, and arranged for a ship to be sent to a fishing port south of Wonsan. To gain access to North Korean waters, Ōkubo disguised the mission as a smuggling venture trading in Chinese liquorice (kansō, a natural sweetener used in Chinese medicine). He also arranged covertly to transport a pro-North member of the Korean community in Japan to develop contacts in Pyongyang, thus obtaining further protection against problems with the North Korean authorities. The real purpose of the journey, though, was to allow the Japanese crew to collect information on the presence of Soviet military in North Korean ports. On the return journey, the voyage ran into difficulties when the boat was seized by Japanese coastguard ships on suspicion of smuggling, and an arrest warrant was issued for Ōkubo. But, following intervention from Jack Canon, the prosecution was dropped. Shigeki Kazuyuki, “Kyanon to Uyoku Supai Kōsakusen”, Sandē Mainichi, 5 September 1981, pp. 150-156.


37 Memorandum of a meeting held on 25 November 1948, reproduced in CIA Japanese Imperial Government name files, Arisue Seizō, p. 3.


41 CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 50; as of March 1951, Tsuji was also reported to be conducting intelligence analysis on North Korea and China for Charles Willoughby’s G2, see CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 57.

42 JIS Groups and Japanese National Revival, p. 27.


44 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 40; see also CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 9; see also CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 57.

45 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 68.

46 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 68.

47 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 40.


CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 103.

See, for example, Mainichi Shinbun, 31 October 1949; Christian Science Monitor, 8 September 1949; Sydney Morning Herald, 13 September 1949.

Sydney Morning Herald, 13 September 1949.


Testimony of Yoshikawa Mitsusada, Head, Special Investigation Division of the Ministry of Justice, to the Lower House Special Committee on Administrative Oversight [Shūgiin Gyōsei Kansatsu Tokubetsu Iinkai], no. 12, 26 May 1951.


Horiuchi, whose name is generally given in in the US documents as “Horiuchi Ganjo”, was a wartime China analyst who in the postwar period created his own Far Eastern Affairs Research Institute [Kyokutō Jijō Kenkyūkai] to develop his personal anticommunist vision for East Asia.


CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 50. Kimura is something of a mystery. He is one of the very few figures whose surname consistently appears in the US files without a given name attached. One document (CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 50) refers to him as “Former Commanding Officer of Japanese Military Government for the Burma Theatre”, which would appear to point to Kimura Heitarō (or Hyōtarō), Commander in Chief of the Burma Area Army, but this is obviously a misidentification, as Kimura Heitarō was executed for war crimes in 1948. Another, perhaps more plausibly, re-identifies him as having been “Political Affairs Chief for Burma” – CIA Japanese Imperial Government name files, Arisue Seizō, document 10.


CIA Japanese Imperial Government name files, Maeda Minoru, document 40; CIA Japanese Imperial Government name files, Maeda Minoru, document 55.


See CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 57.
64 See for example CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 1, document 33.


69 CIA Japanese Imperial Government name files, Maeda Minoru, document 57.

70 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 103; on Dai Nippon Heiki, see also Nagano, Toshi Chirigaku Kenkyū Nōto, Tokyo, Tōyamabō International, 2009, p. 141.

71 CIA Japanese Imperial Government name files, Tatsumi Eiichi, document 103.


73 CIA Japanese Imperial Government name files, Tsuji Masanobu, volume 3, document 36.


75 See, for example, Abe’s speech on National Foundation Day, 11 February 2009, extracts of which are available on Youtube.


78 “Japan PM Abe sent condolences to memorial for convicted war criminals”, Reuters (online), 27 August 2014.