both socially and economically, only when the whole country is formed as a single unit. With a small size like that of our present prefecture and a prefecture constituting itself as an administrative unit, it is practically impossible for a prefecture to carry out some kinds of administrative business when it formulates its own plans and policies by detaching itself from the relationship existing with other prefectures or with the entired country. This makes it inevitable to establish an administrative organization with a wider jurisdictional area extending over several prefectures, and at the same time constitutes the cause of the Government refraining to delegate to the prefectural governor who is now independent of its authority such of its administrative business as has a very close nation-wide relationship.

2. However, there is no doubt that, if as much State business as practicable is delegated to prefectural governors and local agencies of central government offices are liquidated, these will go to improve the coordination of local administration and contribute to the consolidation of local autonomy. Again, such steps, if actually carried out, will bring about not only the simplification of administrative setup and the saving of State expendeture, but it will also be possible to plan the proper and effiecent administration of State business. But, at the same time, it is necessary to consider the following twoopoints in this respect:

(1) In liquidating local agencies and transfering their business to a prefectural governor, it is essential that action be taken in such a way that the Cabinet is capable of assuming its responsibility for such business. That is to say. in cases when each departmental minister is to delegate State

business under his charge to a prefectural governor, his supervisory powers over a prefectural governor in the latter's capacity as an organ of State should be strengthened. Such strengthening of supervisory powers is compatible with the local decentralization of authority, and in no way constitutes an encroachment upon local autonomy; and by this means alone will it be possible to bring about a large acale transfer of State business to a prefectural governor. The following may be considered as means to this end:

(a) Corrective measures for cases in which a prefectural governor has acted contrary to his duties as an organ of State should be strengthened (For example, when, in repect of business which he is to execute as an organ of State, a prefectural governor issues orders or takes action contrary to the established rules, or exceeds his authority, or fails to execute matters devolving upon him, the power of State to take upon itself the right of executing delegated matters might be recognised).

(b) Precautionary supervisory measures should be taken to guard against a prefectural governor acting contrary to his duties as an organ of State (For example, in laws or ordinances delegating specific business to prefectural governors, a supervisory system might be instituted so that the action of a prefectural governor in matters delegated is subject to the permission or approval of the central authorities).

(c) While personnel handling State business in prefectures are placed under the direction of a prefectural governor, they are in status to be national public servants.

Lastly, while the above measures might be systematized

as general regulations, it may also be possible to institute appropriate measures specifically in regard to each individual business according to its nature.

(2) As already stated, the small size of the prefecture itself does not in certain respects suit the existing social and economic conditions in Japan, and, from this standpoint, it is obvious that there is naturally a limit to which administrative business could be delegated to prefectural governors, with a natural corollary that what may be termed " a wider area administration " comes into the picture as a means of properly and efficiently carrying out the whole field of State affairs. If this actually goes as far as the establishment of local public entities having jurisdiction over a wider area by the division of the whole country into seven or eight blocks - that is, the institution of the so-called District" or "Zone" system, it will be possible to liquidate special local agencies now exercising jurisdiction over the same wide wider territory, but even without going so far, if a prefectural governor comes to exercise jurisdiction over a little wider area than at present by the amalgamation of the present prefectures, the solution of this problem will be made much easier.

II Proposals for Abolition or Transfer of Local Agencies

1. Local agencies handling the work of allocating production materials which should be abolished or should have their business readjusted:

(a) Branch Building Offices of the War Damage Rehabilitation Board, Local Resident Officers (National Land Bureau) of the Ministry of Home Affairs, local Resident Officers of the Ministry of Education, Material Adjustment Offices of the Ministry of Agriculture and Forestry, Branch Offices of the

Regional Bureau of Commerce and Industry, Railway Divisional Motor Traffic and Material Offices of the Ministry of Transportation-- all these agencies are engaged in the allocation of production materials on the basis of the Temporary Material Demand and Supply Adjustment Law, and chiefly handle the work of allocattig production materials and isuing coupons to small users and consumers, and Branch Offices of the Educational Facilities Bureau of the Ministry of Education are also concerned with work relating to allocation of materials, However, such allocation work should be considered in conjunction with the production side of the problem, and these two should be conducted as one whole, otherwise it will be difficult for either of them to realize effective results. Such being the case, it is deemed proper to transfer the allocation work referred to prefectural governors.

(b) The central authorities concerned, however, take a dissentient view, and strojgly oppose the proposed transfer. The substance of their opposition is that, as it is imperative to bring about increased production autput of key industries by utilizing in most efficient way an extremely limited supply of raw production materials, it is inadvisable to transfer the allocation work referred to to prefectural governors for fear that the latter might, in the conduct of such work, be influecnced by local interests or political considerations, such as countermeasures for their public election, etc, They contend, therefore, that only by making their own local agencies undertake the work, will it be feasible to put the detailed State plans into effective execution.

(c) While these dissentient views are more or less well-grounded, it must be pointed out that, of the allocation of production materials, the work of issuing coupons to big users and consumers (the so-called central direct allocation) is to be still left as State business with the central authorities as heretofore, and what is proposed above only refers to the allocation work catering to local small users and consumers (the so-called allocation designated by central authorities anc local allocation). In regard to such local allocation work, if the supervisory powers of each departmental minister over prefectural governors in this respcet are strengthened, and it is also guaranteed that prefectural governors will strictly follow the detailed State plans and abide by the purport thereof in the conduct of such administration, it is not only feasible but appropriate to transfer the work in question to prefectures.

(d) Among the above local agencies there are some which handle work other than that of allocating production materials. Of these, Branch Building Offices of the War Damage Rehabilitation Board also handle work based on the requlations governing the temporary restrictions of buildings, etc.,but, as it is feasible to transfer such work to prefectural governors, they may be entirely abolished. Railway Dividional Motor Traffic and Material Offices engage in work pertaining to the enforcement of the Road Transportation Law (the bill under deliberation in the current session of the Diet), while the work of Branch Offices of the Educational Facilities Bureau of the Ministry of Education relates to the building and repair of schools, etc. under direct ministerial jurisdiction. As it is not appropriate to transfer work of such categories to prefectural governors, it

is proposed to retain these two kinds of local agencies.

2. Local agencies which should be transferred under the control of Prefectures:

(1) Transfer of some Local Liaision Offices and Branch Liaison Offices:

(a) Since those Local Liaison and Branch Liaison Offices whose jurisdictional area corresponds to that of prefectues (e.g. the Local Liaison Office at Okayama and Kumamoto and the Branch Liaison Office at Tachikawa, Aomori, Oita and Kagoshima) overlap the prefectural organization, it is considered appropriate to abolish such local agencies.

(b) Those Local Liaison and Branch Liaison Offices whose jurisdictional area extends over several prefectures or which specifically maintain contact with higher Allied organization in their respective locality will be retained.

(2) Public Employment Security Offices (including Public Labour Security Offices):

(a) Public Employment Security Offices are agencies under the direct control of the Ministry of Labour and handle work relating to the adjustment of demand and supply of labour, such as employment exchange work, etc. As an appointing power of the personnel of these agencies is generally in the hands of prefectural governors, and there is essentially no appreciable difference even if these agencies were prefectural organizations, coupled with the fact that it is highly desirable to unify labour and employment administration, it is considered appropriate to make such agencies as prefectural organizatons.

(b) The central authorities concerned oppose the move, giving out, as reasons for opposition, that the adjustment of demand and supply of labour should be conducted on an nationwide scale,

and that, as employment exchange work, etc. is carried out as National Government business, prefectures might conduct the same work by their own agencies, etc. It is, however, thought possible to solve this problem by providing that the Minister of Labour is to exercise supervision on fundamental matters.

(c) In the circumstances, public employment security offices should be made prefectural organizations, although fundamental matters coucerning such agencies, such as their establishment, their number, the rugular strength of their personnel, and others relating to their organization might be determined by, or made to require the approval of, the departmental minister concerned.

(3) To-Do-Fu-Ken Labour Standard Bureaus:

(a) These agencies handle the work for enforcing the Labour Standard Law and form an independent and unified administrative organization with the Labour Standard Bureau of the Ministry of Labour as the central axis, thus securing independence from political influences of labour protection administration and from the general administrative system, Considering labour administration in general, however, since the work of enforcing the Trade Union Law and the Labour Relations Adjustment Law is conducted through prefectural governors, labour administration which is founded on the close inter-relationship of the two aspects of its setup actually results in a duality of its administration, a defect which makes it difficult for either of them to realize its object.

From this reason alone, the above agencies should be placed under the jurisdiction of prefectural governors.

(b) On the other hand, as it is necessary that labour pro-

tection administration should be free from political influences and form a unified, nationwide organization independent of the general administrative system, it is essential to devise measures in such a way that all personnel working in varius agencies connected with labour standard in prefectuies should be national public servants and enjoy the same priviliges as heretofore in regard to the guarantee of their status, etc.

(c) By taking the measures outlined above, District Labour Offices (Not yet established) which are to beestablished to supervise To-Do-Fu-Ken Labour Standard Bureaus will no longer be necessary.

3.Local Agencies whose abolition or transfer to the control of prefectures should be further studied:

(1) The Osaka Branch of the Ministry of Education:

The above agency does not handle any specific administrative work and is merely a coordinating organ between the Ministry of Education and schools under its direct jurisdiction and the prefectures in Kinki District. It is possible to consider the abolition of this agency in the sense of liquidating miscellaneous local agencies as far as practicable, but, seeing that this agency is established for the convenience of prefectures and schools under direct ministerial jurisdiction and that, further, its work does not conflict with that of prefectures, there are not sufficient reasons to enforce its abolition at any cost under the present circumstances.

(2) Quarantine Offices:

In the past qurantine offices were included in the custom-houses and later in the maritime bureaus, and became an indepen-

dent organization last year without any change in their setup. It might be feasible to have their work carried out by the Health Department of prefectures. Only, it is necessary to consider the existing state of affairs, since each quarantine office at present maintains close relations with the Eighth Army under whose control it practically performs its work.

(3) Local Charcoal Offices and

(4) Food Stuff Offices, their Branch and Sub-Branch Offices:

(a) The above agencies mainly handle work relating to the adjustment of demand and supply of charcoal and foodstuffs, such as testing, purchase, custody, transportation, processing, sale, etc. but, the actual condition of the existing affairs is that, unless they work in concert with prefectures, they have difficulty in smoothly prosecuting their work. There is, therefore, reason to suppose that it is more effective to transfer such work to prefectural governors who are responsible for production, and this is also the point which prefectures emphasise in advocating for their transfer.

(b) There is a strong argument against the above proposal, contending that, as the work relating to the adjustment of demand and supply forms one link in the nationwide adjustment business and is quite distinct from the adjustment of demand and supply which the prefectures concerned institute on their own accord, a nationwide control cannot be guaranteed by entrusting the work to prefectures. Particularly, they say that, as purchase business belonging to special accounts is one directly involving disbursement of State budget, it is inappropriate to entrust such work to prefectures.

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(c) In regard to brochures and other mentioned above, written
authority should be sought by writing directly to the
interested parties.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

25 August 1947

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: National Government Branch Offices

1. This Division recently prepared a proposed order to the Japanese Government with reference to the opening of branch offices by the regional government in the various prefectures. Two members of this Division spent a number of weeks in making a study of this subject at Yokohama, the capital of Kanagawa Ken. The results of that study are attached and comprise the following sub-divisions:

Economic Agencies of the Central and Prefectural Government in Kanagawa Prefecture
Administration of Labor Relations between National and Prefectural Governments
Police Department
Public Works Department
Sanitation Department

2. It is glaringly apparent that several undesirable results have come about through this action of the Japanese Government, viz:

a. The basic purposes of the local autonomy laws have been prejudiced.

b. The Japanese public is faced with a confusion of authority in a situation which was already overburdened with organizational complexity.

c. Government personnel has been greatly increased without any substantial indication of betterment of service.

d. A very large governmental budget has been further augmented.

Guy J. Swope.

GUY J. SWOPE
Chief, National Government Division

Ret by Col. Fa

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Duties and Functions of the Economic Agencies of the Central and Prefectural Government in Kanagawa Prefecture

It is especially in the field of economics that the central government has encroached upon the authority of local government. In view of the impending passage of the local autonomy law in the Diet, the national ministries accelerated their drive to transfer many of the most important economic functions and responsibilities previously exercised by the prefectural governments to the jurisdiction of the central government, chiefly the Ministries of Commerce and Industry, Agriculture and Forestry, and Home Affairs. Especially since January, 1947, the prefectures have been so stripped of their powers and so many local branches of the central government set up to handle the new business that local autonomy is said to have actually diminished in scope compared to that exercised under the old constitution.

The exigencies of the present economic situation have been exploited to provide excuses for interfering in many phases of economic life hitherto exempt from direct central government control. Arguments advanced by the bureaucrats for doing so betray an appalling lack of confidence in the competence and willingness of the prefectural governments to exercise their former powers and duties now that they are popularly elected officials. Apparently many of the bureaucrats hold neither the people nor their elected representatives in high esteem, and unless checked will attempt to remove from popular control other economic functions now exercised by local government bodies.

I. Direction of Production, Collection, Processing and Distribution of Staple Foods

A. Direction of Production on the Basis of Statistics Supplied by the Various Prefectural Governments

The Ministry of Agriculture and Forestry makes an over-all estimate of the total amount of staple foodstuffs that can be produced in the home islands and determines accordingly the basic staple food ration for each individual. Collection quotas are then assigned each prefectural governor, the total amount representing a surplus over and above local consumption requirements.

In order to make plans and estimates concerning the amounts of staple foodstuffs capable of being produced in each local area, the prefectural governor consults his Agricultural Affairs Section as well as an advisory committee known as the Kanagawa Food Committee. This Committee includes members of the prefectural assembly, agriculture experts, representatives of farmers' associations, industrial groups, consumer groups, and labor unions, and was set up to provide a more democratic method for determining production quotas.

Orders are then transmitted by the governor to the various prefectural branch offices (in the case of Yokohama, Yokosuka and Kawasaki, to the

municipal governments directly) for determination of local production quotas for the area. Orders are then transmitted to the city, town and village governments. All cities, towns and villages have advisory Food Adjustment Committees similar to those which advise the prefectural governor. Local governments also maintain close liaison with the powerful local Agricultural Associations whose cooperation is essential to the success of the entire food production, collection and distribution system.

Final authority for assignment of production quotas to individual farmers, however, rests not with city, town and village governments but with subordinate "Committees for Increased Food Production," each committee corresponding to one buraku.

B. Collection, Distribution and Sale of Staple Foods

At harvest time Local Food Inspection Committees of the Kanagawa Food Office go out into the fields and inspect the harvest in order to obtain an accurate estimate of the quality and quantity of the crops produced. After the crops have been inspected, harvested, and the amount required by individual farm households deducted, the remainder is purchased by the local Agricultural Associations and stored in their warehouses. All staples, with the exception of Irish and sweet potatoes, are sold by the city, town and village Agricultural Associations to the Prefectural Agricultural Association and in turn by the latter to its parent organization, the National Agricultural Association. They are then sold to the Kanagawa Food Office, which itself sells to the Kanagawa branch of a government control corporation called "Shokuryo Eidan." This corporation, through its local sales offices in cities, towns and villages performs the actual function of distribution and sale of staple foodstuffs to the consumer. Transportation from the warehouse of the local Agricultural Associations in which crop surpluses have been stored to consumer areas is executed by the "Shokuryo Eidan" or its branch offices upon order of the governor, the latter himself acting only as authorized by the Kanagawa Food Office of the Ministry of Agriculture and Forestry.

Strangely enough, Irish and sweet potato crops are routed to the Kanagawa Food Office through different channels, a government control corporation known as the Japan Irish and Sweet Potato Company, Ltd., and its local branches performing precisely the same economic functions as the Agricultural Association in the case of other staple foods.

Thus, although the prefectural governor is responsible for assigning staple food production quotas and is held accountable for collection of all surpluses, he does not possess the power to supervise either their actual collection, distribution or sale.

There is no system of ration books or coupons in use in Japan. Heads of families must fill out forms supplied by city, town or village governments stating such information as number of dependents, age, occupation, etc. They are presented to the local sales office of the "Shokuryo Eidan," and the family receives its staple rations in return.

C. Processing of Staple Foods

Applications for formation of cooperative associations engaged in milling and processing of staple foods are presented by the individual applicants directly to the governor, the latter having complete power of approval or rejection. Permits for the establishment of facilities and procurement of equipment for manufacturing noodles and starch must first be presented to the Chief of the Local Prefectural Branch Office (or to the Mayor in the case of Yokohama, Kawasaki and Yokosuka) for initial approval. These applications are then forwarded to the governor for final approval.

At the present time prefectural officials are not obliged to consult the national government in regard to these matters. However, in the case of installation or expansion of milling facilities for rice and grain, although applications are handled in the same manner as those for noodles and starch, the additional approval of the Ministry of Agriculture and Forestry is required. Owing to the vast number of such enterprises and the use of heavy and expensive machinery as compared with other processed staple foods, the central government has considered the matter too important to be entrusted to the discretion of the prefectural government.

D. Staple Food Imports

The method of distribution of the intra-prefectural staple ration has been described in paragraph B. Kanagawa's lack of self-sufficiency in staple foodstuffs necessitates imports from other prefectures and from abroad. The amount required is determined by the Ministry of Agriculture and Forestry, the basis of their calculations being derived from statistics compiled by the Kanagawa Food Office. Delivery is contingent upon approval of GHQ.

The Ministry of Agriculture and Forestry, through the Kanagawa Food Office, handles all purchases on behalf of the prefectures requiring staple food imports, sale to and distribution by the "Shokuryo Eidan" being accomplished in the same manner as in paragraph B.

Transportation facilities are supplied by the Japanese Transportation Company, a private concern with a monopoly at the present time on inter-prefectural food transportation.

E. Procedure for Distribution of Supplementary Rations to Workers in Essential Industries; Authorization for Release of Supplementary Rations

Authorization for release of supplementary rations for this purpose is a function of the Ministry of Agriculture and Forestry. The responsibility for local distribution is performed by the Food Office of the Kanagawa Prefectural Government with the assistance and advice of the

Labor Supplementary Rations Coordinating Committee. The head of this Committee is the Chief of the Prefectural Economic Development Board, and members include representatives of labor unions and industry, and technical advisors.

Distribution of food permits to individual laborers is effected by the companies concerned upon orders from the prefectural food department. Sales by the retail offices of the Public Food Corporations (Shokuryo Eidan) can be made only after purchases of food rations from the Kanagawa Food Office, a prefectural branch of the Agriculture and Forestry Ministry. In turn, the Food Office must receive authorization from the Ministry of Agriculture and Forestry for purchasing the required supplementary rations from the Farmer's Association. Thus, final authority in questions concerning distribution of supplementary food rations rests in all cases with the Ministry of Agriculture and Forestry, as in the case of normal rations distribution.

Conclusion

It is recommended that the Kanagawa Food Office, which is a branch of the Ministry of Agriculture and Forestry, be abolished since it represents merely an additional channel in the staple food collections and serves no useful functions not capable of being performed by the prefectural government Food Section. Planning of food production, rationing, distribution, and formulation of policies such as determination of the basic food ration for all Japan should certainly be performed at the national level, but execution of these orders and detailed planning of a purely local nature should be left to local government. Such national government controls over staple foods distribution as may be considered necessary are already performed by the Public Food Corporations (Shokuryo Eidan).

The Japan Irish and Sweet Potato Company, Ltd., a government corporation, should also be abolished. In view of the fact that collections of rice and grain and sales to the Public Food Corporation are handled by the National Agricultural Association and its local branches, there seems to be little justification for handling potato sales in a different manner, especially since potato collections are already being carried out by the local agricultural associations.

The fate of the resident Staple Food Inspections Commissions, formerly under the jurisdiction of the prefectural government but recently transferred to the Kanagawa Food Office of the Ministry of Agriculture and Forestry, is somewhat debatable. One solution might be to return them to the jurisdiction of the prefectures. National government inspection and supervision might be effected by providing one central government official for each committee. Another solution would be to abolish the resident commissions outright and substitute area inspection teams which would verify prefectural reports by making spot checks.

II. Fisheries

The Marine Products Section which is under the Economic Department of the Kanagawa Prefectural Office directs the activities of fishermen and advises on measures for increasing the fish catch, devises plans for development of fishing ports (with the exception of the port of Misaki), supervises the organization and activities of fishermen's cooperatives, directs the distribution and marketing of fish from all fishing ports except Misaki, and maintains experimental stations, fish hatcheries, etc.

The Ministry of Agriculture and Forestry has for some years maintained a detachment of the Department of Fisheries at the Port of Misaki which performs functions identical to those of the Marine Products Section. Although the existence of a National Government Experimental Station at Misaki is justifiable, the remaining functions such as direction of fishing activities, distribution and marketing of fish, etc., lie properly within the province of the prefectural government. These latter responsibilities should therefore be transferred to the Marine Products Section without delay.

III. Control of Export Industries and Foreign Trade

Permission to produce export items, allocations of scarce materials for the purpose, and export and import licenses are responsibilities of the national government, with various agencies engaged not only in a formulation of policy and plans, but also in the actual detailed administrative work involved. The Foreign Trade Section of the prefectural government's Economic Section serves merely as the agency for collecting and forwarding applications. It does not even process them initially, a function assigned to the Kanagawa Branch Office of the Foreign Trade Board. The latter is an organization established under the jurisdiction of the Ministry of Commerce and Industry to plan and coordinate the conduct of foreign trade at the national level. It must submit to GHQ all applications for permission to import or manufacture items for export for approval. In the case of export goods, after GHQ approves the request, the Foreign Trade Board must then apply to the Economic Stabilization Board for the required allotment of critical materials. The Board is only a planning and administrative agency, and it is in no way engaged in the actual physical movement of exports and imports. Moreover, it is closely supervised in its work by the Ministry of Commerce and Industry so that detailed planning must also be approved by the latter as well.

The details of distribution of critical materials to export industries and physical transportation of export and import goods are the responsibility of Public Foreign Trade Corporation (Boeki Kodan). One agency is not considered adequate to accomplish both the paper work and physical transfer of goods because the Foreign Trade Board, consisting of government officials, is not expected to possess the necessary business and technical knowledge.

The following functions with respect to Foreign Trade which are under the jurisdiction of Kanagawa prefecture are administered by the Foreign Trade Section of the Economic Department:

1. Processes requests for permission to establish certain cooperative trade organizations.

2. Supervises industries engaged in the export-import field and in the manufacture of souvenir items. This supervision consists of nothing more than making available technical advice and is in no sense compulsory.

3. Collection and forwarding of manufacturers' applications for production of export products.

4. Compilation of statistics used in planning foreign trade.

5. Arranges the unloading of ships carrying import goods. Is responsible for the re-assignment of cargoes and loading of these goods on trains for reshipment.

6. An additional function of the Foreign Trade Section is performed in common with other local organizations. Chambers of Commerce in nine cities in Kanagawa together with the Yokohama City Government, the Prefectural Government, and various private companies recommend as a group the construction of necessary facilities to display and house export items. Acting upon these recommendations, the Trade Section formulates necessary plans and policies and forwards them to the Foreign Trade Board in GHQ for approval.

Further study of the problem should be undertaken to determine whether the Foreign Trade Section of the Prefectural Office might not be more capable of handling detailed processing of applications for export and import licenses, and power to grant permission for producing export products and allocation of raw materials for the purpose. Since this Section is already well acquainted with the local situation through its work in compiling trade statistics, supervising export-import industries, and processing applications for establishment of foreign trade organizations, it would appear more logical that it be allowed to process initially applications based on its own prior information and recommendations. The Kanagawa Branch Office of the Foreign Trade Board might be abolished and a prefectural Foreign Trade Section made directly responsible to the Central Foreign Trade Board for compliance with high level plans and policies. Final approval for trade applications might then be made at the national level by the Foreign Trade Board in GHQ.

IV. Permits for Reconversion of Former War Industries to Peace Time Enterprises

Applications for permission to reorganize the private firms formerly engaged in the production of munitions and war materials must be approved before funds to finance their reconversion will be released. Authority to grant final approval to business with a gross capitalization of less than one million yen, those with more than one million yen but less than ten million yen and those over ten million yen rests with the Prefectural Governor, the Tokyo Bureau of Commerce and Industry, and the Ministry of

Commerce and Industry respectively. In the case of the governor, responsibility is usually delegated to the Commerce and Industry Section* of the Economic Department. Upon approval of these requests, the Prefectural Government, Tokyo Bureau of Commerce and Industry, and Ministry of Commerce and Industry must notify the Yokohama Branch of the Tokyo Finance Office, the Tokyo Finance Office, and the Ministry of Finance respectively. These latter two local and regional branches of the Ministry of Finance, together with that Ministry, then issue the necessary permits authorizing withdrawals of bank funds, at the same time ensuring that these funds do not exceed an amount sufficient for the capitalization of the organization as set forth in the application and approved by the government.

It is felt that the exercise of these functions by regional and local branches of the Ministries of Finance and Commerce and Industry are an infringement of its local autonomy rights. Preliminary investigations indicate that they should be re-assigned to the prefectural governments, the latter being held responsible for local execution of national planning and policies as authorized by Diet legislation. Since the agencies of the Finance Ministry apparently have no powers of approval or rejection of applications for withdrawal of funds for reconversion of war industries, but merely issue withdrawal permits upon order of the prefectural authorities and agencies of the Ministry of Commerce and Industry, much additional paper work could be avoided by allowing withdrawal of funds automatically upon presentation of reconversion permits. Any necessary exchanges of information could be effected by liaison between the agencies of the Finance Ministry and those of the prefectures or Ministry of Commerce and Industry concerned.

V. Allocation of Critical Materials for Industrial Use

Critical production materials for industries manufacturing high priority goods has always been under the jurisdiction of the Tokyo Bureau of Commerce and Industry, a regional branch of the Ministry of Commerce and Industry. Although prior to 1 April allocation of critical production materials for all other industries was handled by the Industry Section of the Kanagawa Prefectural Economic Department, the latter function has since been transferred to the jurisdiction of the recently established Kanagawa Branch Office of the Tokyo Bureau of Commerce and Industry.

In the case of non-priority products, manufacturers of semi-finished goods who desire to obtain priorities for use of critical raw materials are required to submit applications to the Kanagawa Branch Office of the Tokyo Bureau of Commerce and Industry which consolidates all requests and segregates them into various categories, for example, pig iron, steel, rubber, leather, wood pulp, etc., (see list of critical production materials). The

*The Commerce and Industry Section is expected to be set up as an independent department on or about 20 August.

branch office then forwards the list of requests through channels to the Tokyo Bureau of Commerce and Industry, the Ministry of Commerce and Industry, and finally to the Economic Stabilization Board for approval.

Allocations are then made by the Economic Stabilization Board to the Ministry of Commerce and Industry, which then allots to the regional branches, they, in turn, sub-allotting to the prefectural branch offices under their jurisdiction and finally to the individual applicants.

By a similar process, manufacturers of important products are able to obtain priorities for use of critical materials; the chief difference lying in the fact that applications are presented initially to the regional branch of the Ministry of Commerce and Industry instead of the prefectural branch. However, certain nationally important industries, such as the Showa Electrical Company and the Japan Steel Manufacturing Company by-pass the Bureau completely and submit applications directly to the Ministry of Commerce and Industry.

It is likely that the Kanagawa Branch Office of the Tokyo Bureau of Commerce and Industry and the Ministry of Commerce and Industry should be eliminated and its functions and responsibilities restored to the Commerce and Industry Section of the Prefectural Office.

As for the regional branch of the Ministry of Commerce and Industry, i.e., the Tokyo Bureau of Commerce and Industry, it is suggested that further investigation be conducted into its activities and that the Japanese Government be called upon to justify its existence. There is a possibility that such regional branches of the National Ministries constitute a violation of the local autonomy law.

In this connection, it is interesting to note that the Temporary Commodities Demand and Supply Adjustment Law and other pertinent laws and cabinet orders which set forth the procedure for allocation of critical raw materials, do not define the terms "priority goods" and "non-priority goods," so that there are at present a considerable number of conflicts in jurisdiction between the various administrative agencies involved.

In the event that control over allocations of critical materials for industries manufacturing non-priority products is returned to the jurisdiction of the prefectures, these laws and ordinances should be revised to set forth the differences in specific terms.

VI. Allocation of Semi-Finished Goods Manufactured from Critical Materials

The allocation of semi-finished goods manufactured from critical materials to producers of finished articles is an unnecessarily complicated process which causes considerable confusion and delay. Generally the same procedure is used in obtaining permission to purchase these semi-finished goods as that for obtaining critical production materials. However, once

the permit has been granted, the producer of finished articles may not purchase his requirements of semi-manufactures from the manufacturer, but instead must purchase from local retail jobbers. These local jobbers must obtain permission from the Prefectural Branch Office of the Tokyo Bureau of Commerce and Industry in order to buy from regional wholesalers. The latter in turn are required to make application to the Tokyo Bureau of Commerce and Industry for authorization to buy from National Wholesale Distributors and these organizations must themselves obtain approval from the Ministry of Commerce and Industry in order to purchase semi-finished products from the manufacturers.

In the past the Economic Department of the Prefectural Office, through its Commerce and Industry Section, not only advised medium and small manufacturers what lines of goods to produce, but also processed the applications. Now, although the Section still publishes technical information, advises on market trends, etc., it is not in a position to approve the applications based on its suggestions. It must, therefore, of necessity maintain liaison with the local Kanagawa Branch Office of the Tokyo Bureau of Commerce and Industry in order to effect proper co-ordination. This is considered by the prefectural officials to be a highly unsatisfactory arrangement.

It would seem highly logical to return jurisdiction over allocations to manufacturers of finished goods to the prefectural authorities, as in the case of allocations to producers of semi-manufactures outlined in the preceding section. Moreover, the applicants should be allowed, if possible, to purchase their needs of semi-manufactured products directly from the manufacturer so as to eliminate confusion and delay encountered, owing to the fact that the various middle-men must each obtain approval from local, regional and national agencies of the Ministry of Commerce and Industry. Even if the middle-man is not eliminated, proper coordination at the national level should obviate the necessity of separate permits to wholesalers, retailers and users.

VII. Rationing and Distribution of Commodities in Short Supply

Rationing and distribution of commodities in short supply, with the exception of staple foods, is controlled at the national level by the Ministries of Commerce and Industry, Agriculture and Forestry, Transportation, and the War Rehabilitation Board. Owing to the extreme scarcity of certain of these items, all commodities in short supply under the jurisdiction of the Ministry of Commerce and Industry have been divided into two categories, with stricter control over rationing and distribution of critical items.

National planning is undertaken by the Economic Stabilization Board and policy decisions transmitted for execution at the national level to the Ministry of Commerce and Industry. Goods in the first category which are not in critical supply include such articles as chinaware, rubber goods, shoes, matches, candles, straw articles, and are allotted by the

Ministry of Commerce and Industry directly to the Commerce and Industry Section of the prefectural government. Goods in critical supply include light bulbs, rubber medical equipment, fishermen's boots, split-toe shoes (juka tabi), tire tubes, and certain other types of rubber goods. Articles in this category, in addition to the channels previously mentioned, must be allotted at the regional level by the Tokyo Bureau of Commerce and Industry, which is a branch office of the Ministry of Commerce and Industry.

Rationing of certain specified forestry products in short supply, such as fiber for tatami (mats) and various straw articles, is under the control of the Ministry of Agriculture and Forestry, subject to policies and directives issued by the Economic Stabilization Board. Allocations are made directly to the prefectures through the Commerce and Industry Section.

Allocations of commodities in short supply for use in the transportation industries are made by the Economic Stabilization Board directly to the Ministry of Transportation, and similarly in the case of materials to be used in construction projects under the jurisdiction of the War Rehabilitation Board, directly to the latter agency. Sub-allocations by these agencies are made at the prefectural level through their local branch offices. Thus, the Commerce and Industry Section at the local level and the Ministry of Commerce and Industry at the national level are completely bypassed.

Sub-allotments within the prefecture of all scarce commodities except foodstuffs are made by the Commerce and Industry Section to the prefectural branch offices, and, in the case of Yokohama, Kawasaki, and Yokosuka, to the municipal offices. While the latter issue ration permits to consumers directly, further sub-allotments are made by the local prefectural branch offices to city, town and village offices which may then issue individual ration permits.

Purchases from manufacturers and distribution of commodities in short supply are effected by national wholesale cooperatives upon authorization from the Ministry of Commerce and Industry. These national associations distribute goods to regional wholesale cooperatives, which in turn make distribution to retail cooperatives at the consumer level. The latter organizations sell to the public upon presentation of ration certificates.

It is difficult to understand why the regional branch of the Ministry of Commerce and Industry is necessary for the maintenance of strict control over the rationing of critical commodities. In view of the fact that rationing procedure is needlessly complicated by the addition of another government agency, there appears to be no reason why they should not be handled in the same manner as other items in short supply.

It is further suggested that the Ministry of Commerce and Industry be entrusted with jurisdiction over the rationing and distribution of all

scarce commodities with the exception of staples and marine food products, since commercial transactions involving the distribution of semi-finished and finished products is a proper function of the Ministry of Commerce and Industry.

The procedure for handling rationing and distribution of scarce commodities is extremely significant and deserves further study in order to determine its effectiveness, since on the whole necessary government controls are exercised exclusively by the ministries and the prefectures. Regional and prefectural branches of the national government are conspicuous by their absence.

VIII. Rationing and Distribution of Clothing

Determination of normal rations and distribution of clothing is executed in the same manner as for commodities in short supply (see item 7), with the Economic Stabilization Board and the Ministry of Commerce and Industry as the sole national government agencies involved.

Supplementary clothing rations are, however, issued by the prefectural office to students and workers in essential industries in addition to their normal rations.

Workers in essential occupations are divided into two classes, (1) workers for the occupation forces and (2) all other workers, supplementary ration permits being issued to them by different branch offices of the prefectural Labor Department. In the case of workers for the occupation forces, the Commerce and Industry Section furnishes ration quotas to Public Labor Stabilization Offices of the Labor Department which make allotments to individual companies for final distribution. The procedure for issuance of ration permits to all other workers is essentially the same, except that in this case Employment Stabilization Offices replace the Public Labor Stabilization Offices as the subordinate rationing agency.

Uniforms for school children also require issuance of supplementary rations, allocations being made in this case by the Commerce and Industry Section directly to school officials for individual distribution.

The only superfluous government agencies engaged in the administration of clothing rations seem to be the Employment Stabilization Offices and the Public Labor Stabilization Offices, which are special organs utilized in issuing supplementary rations to essential workers. These agencies appear to serve no useful function whatever, particularly in view of the fact that supplementary rations for school children require no such special agencies.

Moreover, it should be possible to dispense with much paper work by providing for issue of but one ration permit per individual to include normal as well as supplementary rations, as set out in each application.

IX. Production, Rationing and Distribution of Wood and Wood Pulp

Policy decisions concerning the output of forestry products is the function of the Economic Stabilization Board, the Ministry of Agriculture and Forestry having jurisdiction over the assignment of national production quotas in accordance with Economic Stabilization Board policy. Allotments are then made directly to the prefectures, with the Forestry Affairs Section being charged with the responsibility of making further sub-allotments to county and municipal Forestry Associations. Two types of associations exist, one including owners of timberlands, and one, logging companies and lumberjacks. Each association includes a number of local cooperatives, each of which receives a sub-allotment. The owners are empowered to sell cutting rights to the latter groups in accordance with allotments authorized by the Forestry Affairs Section, while the logging companies and independent lumberjacks may deliver lumber only to holders of ration permits.

With regard to consumer rationing and assignment of production quotas, prior to 23 January the Economic Stabilization Board formulated plans and policy and transmitted decisions to the Ministry of Agriculture and Forestry for execution. The Forestry Affairs Section of the Prefectural Office was the designated agency at the prefectural level. However, in accordance with the desire to centralize control over rationing of wood and wood pulp, the decision was made to empower the Economic Stabilization Board to assign basic ration allotments to the various ministries and to the War Rehabilitation Board in accordance with their individual requirements. In turn, the ministries, through their respective regional branch offices to be set up in the near future, will make allotments directly to consumers. Although the Forestry Affairs Section of the Prefectural Office is still handling rationing of forestry products pending the establishment of the various local agencies of the national government, this transfer is expected in the near future.

The reason given for the intrusion of the national government into what can certainly be considered prefectural business is that since the governor is now a popularly elected official, politics will interfere with his ability to effectively control the black market. At the present time, six men in the Forestry Affairs Section are handling the affairs to be assigned to national government agencies in the prefectures. This work comprises between 50 and 60 percent of the work of the Section. Some idea of the reckless expansion and tremendous overstaffing of government offices may be surmised from the fact that branch offices will consist of four or five men each. (The Rehabilitation Board is already maintaining its own branch office in the prefecture.)

It is suggested that the system of production, rationing, and distribution of forestry products which existed prior to 23 January, 1947 be restored and that all new local offices of the national government set up for the purpose of taking over these functions be eliminated.

Other functions of the Forestry Affairs Section areas follows:

1. Supervision and inspection in regard to charcoal, firewood, bamboo, varnish, mushroom production.

2. Supervision of and technical advice to forestry associations.

3. Cutting of timber on prefectural forest lands.

4. Experiments and planting of trees, plants, etc., with government financial aid.

5. Construction of mountain roads through forest lands.

6. Insect control.

X. Charcoal Production, Rationing and Distribution

In regard to charcoal, government planning of production and administration of rationing at the prefectural level (except for vehicular transportation) is the responsibility of a sub-section of the Commerce and Industry Section of the Kanagawa Prefectural Office. On the other hand, purchase, sale and distribution is a function of the Charcoal Office (a prefectural branch of the Agriculture and Forestry Ministry) and the Fuel Cooperatives which are under their control.

Production quotas for a given period are decided by the Economic Stabilization Board and sub-allotted to local producers through the media of the Ministry of Agriculture and Forestry, the prefectural government, the city offices for Yokohama, Kawasaki and Yokosuka, and in the case of other cities, towns and villages, through the regional branch offices of the prefectural government. Charcoal cooperatives which are non-governmental agencies comprise all charcoal producers in the area and assist the cities, town and villages in allotting individual production quotas on a fair basis.

The national government, through the Charcoal Office of the Agriculture and Forestry Ministry, purchases all charcoal directly from the producers and then resells it to fuel cooperatives which, in turn, distribute to the consumer through their local branch offices. The function of the Charcoal Office in this instance is to make all initial purchases and effect any necessary readjustments arising from variations in the local costs of production in order to distribute charcoal throughout the country at a uniform price. It is also the responsibility of the Charcoal Office to make delivery to consumer areas.

Prefectural ration allotments were formerly decided by the Agriculture and Forestry Ministry, but since this function has recently been assigned to the Economic Stabilization Board, the Ministry now serves as little more

than an intermediary agency between the Economic Stabilization Board and the prefectural governments. Upon receiving ration allotments from the Agriculture and Forestry Ministry, the Commerce and Industry Section of the Kanagawa prefectural government makes sub-allotments to the various city, town and village governments, with the latter in turn issuing permits to consumers similar to the procedure described in Item 7. Charcoal allocations for industrial use are made by the Commerce and Industry Section directly to the companies concerned.

Rationing of charcoal to private andpublic transportation companies was formerly administered directly by the prefectural government in the same manner as charcoal for industrial use. Since March, 1947, however, the prefecture has been permitted only to determine the total ration allotment for these companies. Individual permits to the companies concerned is now the responsibility of the Yokohama Vehicle Office, a local branch of the Transportation Ministry established originally to administer gasoline rationing in Kanagawa prefecture. In view of the fact that many vehicles have been converted from gasoline to charcoal, the Transportation Ministry decided that it would be desirable to assume the administration of charcoal rationing for transportation purposes as well!

The establishment of the Yokohama Vehicle Office is apparently a glaring example of the unwarranted interference of the national government in prefectural affairs. Prefectural officials feel confident that charcoal rationing can be more effectively handled by the Prefectural Office.

Furthermore, although the attempt to fix uniform price for charcoal throughout Japan unquestionably requires the infusion of central governmental influence into the prefectures, the economic benefits of such a scheme might well be studied to determine their desirability or practicality. In any case, it is felt that the Japanese government should be called upon to present convincing reasons why charcoal rationing could not continue to be handled adequately by the Prefectural Office.

XI. Reparations

In accordance with the recommendation of the Cabinet that governors establish reparations sections if deemed advisable, the Reparations Section, with a total complement of 22, was created and placed under the Economic Department of Kanagawa prefecture in May, 1947 to handle reparations problems which were previously a function of the Economic Department's Commerce and Industry Section. Although this Section was created by order of the governor, the operating budget is provided from funds allotted by the Finance Ministry.

Although the Reparations Section is now formally charged with custody of industries designated as available for reparations, it is the agency which processes requests for materials required in repairing and maintaining

them. The agency responsible for the former function is, in the case of private industry, the Ministry of Commerce and Industry; shipbuilding industries, the Transportation Ministry; naval installations and equipment, the Finance Ministry; and research institutions, laboratories, etc., that of the Education Ministry. In accordance with instructions transmitted by GHQ through the Central Liaison Office, the local branch offices of these ministries, with the exception of the Commerce and Industry Ministry (which delegates its local responsibilities to the prefectural government) make detailed inventories of such materials as wire, grease, polish and other preservatives required to protect and maintain reparations plants and equipment and presents their requests to the Reparations Section of the Prefectural Office. (Formal notification of these GHQ instructions concerning protection, maintenance, dates and places of delivery, etc., is also sent to the Prefectural Office.) The Reparations Section consolidates all requests and forwards them to the Ministry of Commerce and Industry through its Tokyo Branch Office. The Ministry of Commerce and Industry, upon receiving allotments of materials for maintenance of these industries from the Economic Stabilization Board, then sub-allots to its Tokyo Branch Office which, in turn, distributes to each responsible agency.

There are forty-four industries tentatively designated for reparations which are under the control of the Ministry of Commerce and Industry, thirteen in the custody of the Finance Ministry, three under the Transportation Ministry, and none under the Education Ministry in Kanagawa prefecture. It has not yet been disclosed which of the plants will actually be classed as reparations, but the Reparations Section is compiling information and statistics concerning methods of transportation, weights of the items to be removed, the repair of bridges over which reparations shipments must pass, and the present condition of all facilities to be utilized in expediting reparations shipments when removals are ordered.

The local branches of the national government which are concerned with reparations problems in Kanagawa prefecture are the Kanagawa Finance Branch Office of the Tokyo Finance Bureau (regional branch of the Finance Ministry) and the Kanagawa Sea Transport Office (regional branch of the Transportation Ministry). These local branches have no direct contacts with the prefectural government other than presentation of requests for materials used in maintenance. Actual protection, maintenance, and removals in regard to plants and equipment under their jurisdiction is the sole responsibility of the ministries concerned. They maintain liaison with the Prefectural Office only to insure the adoption of common policies in handling reparations problems.

However, the Reparations Section of the prefectural government is charged with maintenance and removals of plants and equipment in the custody of the Ministry of Commerce and Industry. Since this group constitutes the bulk of reparations industries in Kanagawa, it would thus appear more logical to place all plants and equipment subject to reparations under the unified control of the prefecture, thus eliminating divided authority with respect

to the reparations question. This would require delegation of authority by the Finance and Transportation Ministries to the Reparations Section of all plants under their jurisdiction, as has been done in the case of those under the control of the Ministry of Commerce and Industry.

Economic Department of the Kanagawa Prefectural Office

The Economic Department consists of seven sections, namely, the Agricultural Affairs Section, Food Section (staple foodstuffs), Supplementary Food Section (all foodstuffs except staples), Reparations Section, Fisheries Section, Commerce and Industry Section, and Forestry Affairs Section. Of these, all but two, the Agricultural Affairs Section and the Supplementary Food Section, have been described in detail.

The functions of the Supplementary Food Section are similar to those of the Food Section, except that it is concerned with the production and rationing of other than staple foodstuffs.

The Agriculture Section directs agriculture, livestock and silk production, supervises agricultural organizations, maintains experimental stations, disseminates information on disease control, and in addition undertakes the distribution of fertilizers, sprays and other insecticides, and various types of paper, thread, etc., used in sericulture.

Prefectural Branch Offices of the Ministry of Agriculture and Forestry

The functions of the Kanagawa Food Office, the Staple Food Inspection Commissions, the Charcoal Office and the Misaki Detachment of the Department of Fisheries have been previously described. Two additional offices, the Materials Adjustment Office and the Statistics Office, also exist.

The Materials Adjustment Office supervises rationing and distribution of farm implements and farming equipment, and was formerly under the jurisdiction of the prefectural government until May, 1947.

The Statistics Office is engaged in the compilation of agricultural and forestry statistics and was also until recently under the prefectural government. Formal transfer has not yet taken place, and for the present it is still under the jurisdiction of the Economic Department of the Prefectural Office.

The Crop Report Office, which is to be activated in the near future, will duplicate the work of the Prefectural Economic Department in gathering statistics on the quality and size of the food crop. According to officials of the Ministry of Agriculture and Forestry crop reporting by the prefectures has been confused and inaccurate.

Economic Stabilization Board

There are no branches of the Economic Stabilization Board in Kanagawa prefecture owing to its proximity to Tokyo, although branches do exist in other prefectures. These branches have no administrative functions but are merely planning and statistical agencies which do not maintain liaison with the prefectural governments.

#86.

CABINET ORDER NO. 10
November 20, 1946

To all Government Offices:

In accordance with the provisions of Article 1, paragraph 2, of the Economic Stabilization Board Ordinance, regulations establishing the procedure for allocation of Designated Production Materials are as follows:

Prime Minister YOSHIDA, Shigeru

Regulations Concerning the Procedure for Allocation of Designated Production Materials

Article 1. The allocation of production materials designated in the annexed list (hereinafter called designated production materials) shall be undertaken with a view to Japanese economic reconstruction and to ensure equitable distribution in accordance with the provisions herein stipulated.

Article 2. The allocation of designated production materials shall be carried out according to the stipulations of the Temporary Commodities Demand and Supply Adjustment Law and other Laws and Ordinances concerning allocations.

Article 3. The Economic Stabilization Board shall formulate allocation policy and make allocations, requiring in each case that types of products to be manufactured or use to be made of designated production materials by producers be specified.

Article 4. The government agencies empowered to administer allocations to classes of consumers and users of designated production materials in accordance with Article 3 (hereinafter called the competent authorities) must present to the Economic Stabilization Board one month in advance of the beginning of each quarterly period requests for that period of designated production materials separated according to categories of consumers and users.

The competent authorities shall, within 10 days after the promulgation of these regulations, present to the Economic Stabilization Board lists of consumption categories under their jurisdiction which require allotments of designated production materials.

Article 5. Each competent authority shall make allocations of designated production materials within the consumer categories mentioned in Article 3 in accordance with the policies established by the Economic Stabilization Board and to the persons who meet criterions established by the Economic Stabilization Board.

The decision on allocations in the preceding paragraph shall be communicated to the public by the respective competent authorities making the allocations.

The competent authorities may request the services of advisors in making allocations, subject to the approval of the Economic Stabilization Board. Advisors shall be representatives of the industries concerned and chosen broadly and democratically.

Any person applying for an allocation to a competent authority who is not satisfied with the action taken may appeal to the Economic Stabilization Board within the time specified by the Economic Stabilization Board.

Article 6. Each competent authority making allocation of designated production materials within its jurisdiction shall issue the following regulations:

(1) No person may sell, purchase, deliver or accept delivery of any designated production materials, except upon presentation of an allocation certificate, purchasing coupon, purchasing pass-book, or other similar official document issued by the competent authority (in the case of dealers, it shall be issued by the appropriate authority with jurisdiction over the dealers concerned) or governmental agency showing allocation.

(2) Distributors of designated production materials shall sell to all persons presenting the documents mentioned in the preceding item. The sale shall be at official prices and on equitable terms. The documents in item 1 shall be forwarded through established channels to the originating agency.

(3) Designated production materials shall be used or consumed only for the purpose acquired and subject to the conditions specified in the document mentioned in item 1 or in the application.

Article 7. In regard to enforcement of the provisions for allocation of designated production materials in cases where it is deemed necessary to prevent diversion to non-essential uses, the Economic Stabilization Board shall, in accordance with the Temporary Commodities Demand and Supply Adjustment Law, direct the competent authorities to issue orders prohibiting or limiting the production of certain products or the use of production materials.

Article 8. No person requesting allocation of designated production materials shall receive such allocation without filing an application in accordance with instructions to be issued shortly to the competent authorities.

Supplementary Provisions: The authorities concerned shall take necessary measures to delete provisions of existing ministerial ordinances or other regulations which conflict with these instructions. These instructions shall become effective immediately upon promulgation.

Administration of Labor Relations
between National and Prefectural Governments
(Kanagawa Prefecture)

Prior to the spring of 1947, all labor problems of the prefecture were administered by the Labor Department of the prefectural government (P2). In April, 1947, however, the promulgation of the Local Autonomy Law removed the prefectural administration from the jurisdiction of the national government. This Law was followed in May by the Labor Standards Act, a national statute designed to establish uniform labor standards throughout the whole of Japan. To achieve uniformity, the Ministry of Welfare considered it imperative that the national government be given sole authority to administer those matters outlined in the Act. As a result, a series of branch offices of the national government was created in the prefecture, and the unity of control which previously existed was destroyed. In short, prefectural labor problems are administered today by two groups of agencies, each of which is relatively independent of the other.

N.B. The structure of these two groups of agencies may be clarified by reference to the attached chart. Those organizations on the left, designated by the symbol N, represent branch offices of the national government. Those on the right, designated by P, comprise the labor organization of the prefectural government.

The Labor Department of the prefectural government (P2) consists of two Sections: the Labor Administration Section (P3) and the Employment Section (P4). The Labor Administration Section (P3), which consists of approximately thirty individuals, is responsible for the following functions:

1. The furnishing of technical advice on the organization of labor unions, including the conduct of educational campaigns.

2. The mediation of labor disputes.

3. The publication of a weekly labor newspaper. This newspaper utilizes material and information provided by the national government.

4. The loan of its good offices to labor and management to aid collective bargaining. This is effected through the medium of a Labor Relations Board composed of both private citizens and officials of the prefectural government.

5. The collection and dissemination of information on labor disputes.

6. The interpretation and answering of questions on labor unions and labor relations.

The Employment Section of the Labor Department (P4) is organized as a public service. It processes the requests of employers who desire various types of personnel, and, at the same time, receives applications from persons seeking employment, in the same manner as a private employment agency. This Section also supplies laborers to the occupation forces through its Occupation Forces Sub-section. At one time, these laborers totalled 25,000.

With the exception of the Chief of the Department, all personnel of the Labor Department of the prefectural government (P2) are employees of the national government, paid entirely by national funds. At the same time, the Department is under the complete control of the prefectural government, receiving instructions from the Prefectural Governor (P1) and not from the Ministry of Welfare.

The Labor Administration Section (P3) maintains Labor Administration Branch Offices (P5) to carry out the local work of the Section. In the same manner, the Employment Section also operates local branch offices called Public Employment Stabilization Offices (P6). The majority of the personnel of these sub-sections are prefectural employees, only one-third being employees of the national government.

It has been pointed out that the passage of the Labor Standards Act of May, 1947, made possible the transfer of many Labor Relations functions from the prefectural government to the Welfare Ministry of the national government. Under the terms of this Act, it is contemplated that two new agencies of the national government will be created. These agencies have received the tentative designations of Employment Stabilization Bureau (N2) and Regional Labor Bureau (N1). It is contemplated that the Employment Stabilization Bureau (N2) will have the function of interpreting the provisions of the Labor Standards Act. In accordance with these interpretations, labor policies will be formulated by the Bureau (N2). Under this plan, the prefectural government will be obliged to administer labor relations subject to such policies. However, these policy-making functions of the Employment Stabilization Bureau (N2) have, as yet, not been clearly defined, and labor problems under the jurisdiction of the prefectural government are still being executed in the old manner. It is further contemplated that, when the Employment Stabilization Bureau (N2) is actually established, two committees, an Unemployment Counter-Measures Committee (P8) and an Employment Committee (P7), will be formed. These committees will advise the Labor Department (P2) of the prefectural government on methods of carrying out the policies of the Bureau.

The second contemplated agency, the Regional Labor Bureau (N1), will have jurisdiction over a specified area on all matters concerning factory inspection. It is anticipated that this area will include several prefectures.

The Labor Standards Bureau for Kanagawa Prefecture (N3) was formerly under the control of the Prefectural Labor Department (P2). Recently, however, this Bureau (N3) has been transferred to the jurisdiction of the national government and placed under the Welfare Ministry. Control is effected by the Ministry through the Regional Labor Bureau (N1).

The Labor Standards Bureau (N3) is divided into four sections. The first section (N4) is concerned with factory inspection. The second section (N5) administers problems of wages and workmen's compensation; the third (N6), hygiene and safety problems in factories as provided by the Labor Standards Act; and the fourth (N7), general affairs, including personnel work and the compilation of the budget. The work of these four sections was formerly performed by two sections of the Labor Department (P2) of the prefectural government. At the present time the four sections employ a total of 52 individuals. Plans now being prepared call for the establishment of nine local Labor Standards Control Offices (N8), to function under the Labor Standards Bureau (N3). These offices are expected to perform various functions relating to labor disputes, collective bargaining, and like matters, now being administered by the Labor Administration Branch Offices (P5) of the prefectural government.

In addition to these Sections and Offices, three advisory committees are to be created to assist the Chief of the Labor Standards Bureau (N3). A Labor Accidents Indemnity Committee (N11) will advise the Chief on problems of workmen's compensation as provided by the Labor Standards Act. A Regional Wages Committee (N10) will be responsible for devising wage standards consonant with the local cost of living. Finally, a Labor Standards Committee (N9) will interpret existing labor legislation and recommend labor policies.

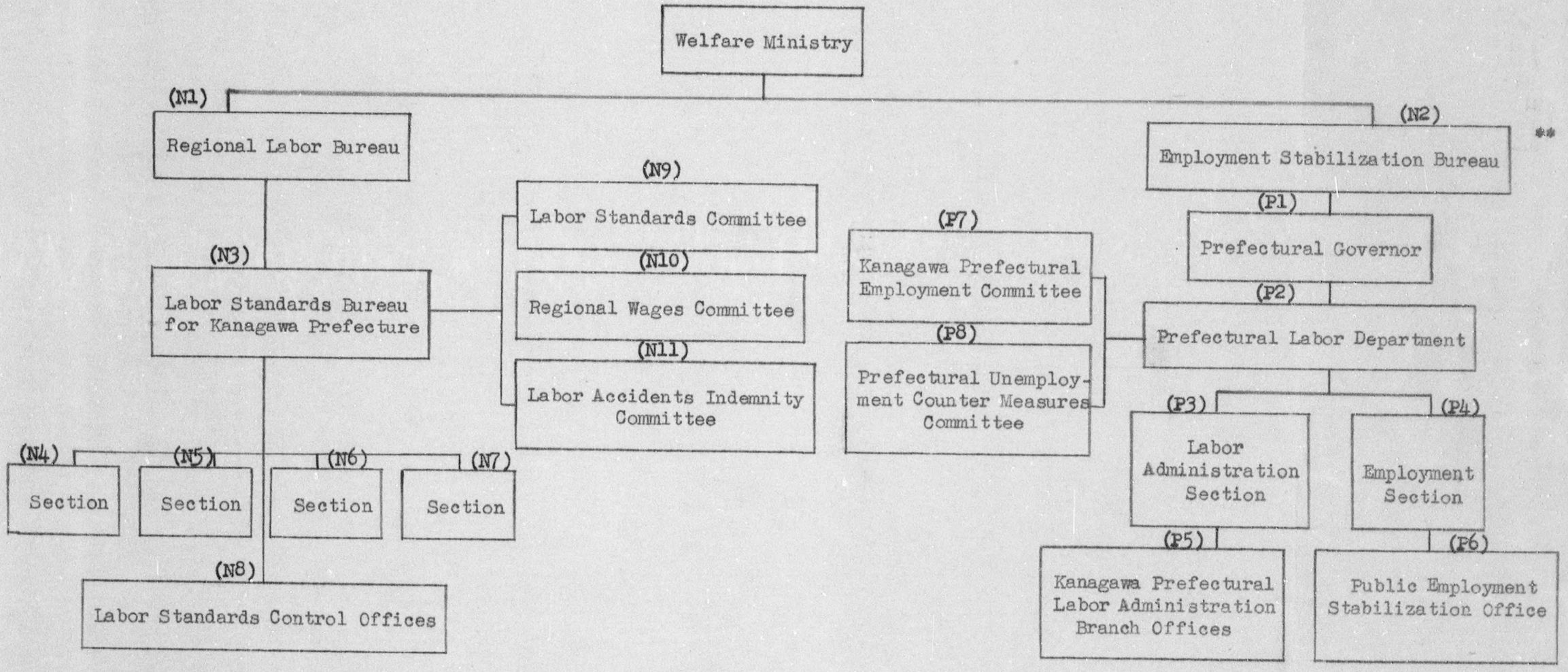
The Labor Standards Bureau (N3), with its branch offices and advisory committees, will be completely independent of the prefectural government. The Chief of the Labor Standards Bureau insists that execution of the terms of the Labor Standards Act should be free from interference by the police and all local political groups, and that these considerations justify the transfer of most labor relations functions from the prefectural government to the national government.

LABOR
Conclusions and Recommendations

It must be maintained that the problem of labor relations is an integral part of the local economy. Private citizens will be inclined to lose interest in local government if these functions are removed from the jurisdiction of the prefectural government. It is difficult to be impressed by the argument that the Governor will be unduly influenced by local political considerations, particularly when the same possibility exists equally at the national level.

It is recommended that the Labor Standards Bureau be returned to the prefectural administration and placed under the control of the Prefectural Labor Department. It is further recommended that the Labor Standards Control Offices and various advisory committees be abolished. At most, it is believed that one local branch office of the Welfare Ministry (or the Labor Ministry, if and when it is created) should be adequate to interpret and supervise the administration of the Labor Standards Act at the prefectural level.

LOCAL LABOR RELATIONS
(Kanagawa Prefecture - as of 15 July 1947)



**This is an agency of the national government, as described in the report. However, it is exercising control over the prefecturzl administration, so is indicated as part of the organization.

Police Department

The control of all police activities in Japan is centralized in the Home Ministry of the national government. The Director of Police Affairs, working under the Home Minister, exercises direct authority over all prefectural police.

The Chief of the Prefectural Police Department is technically not a part of the Governor's staff. He is classed as an official of the national government, and may be reassigned or transferred to another position upon the orders of the Home Ministry.

The dependence of the Police Department upon the Home Ministry is emphasized, too, by the arrangements, now in existence, regulating fiscal matters. One-half of all funds required by the Department is provided by the national government.

Orders to the Chief of the Prefectural Police Department may be divided into two categories. Directives covering routine matters of little importance are transmitted directly from the Home Ministry to the Chief of the Department. Important questions, including all policy issues, are always brought to the attention of the Governor before orders are issued to the Police Chief. In time of emergency, the Home Ministry is authorized to move elements of the Kanagawa police force into other prefectures, and, in the same manner, may call outside police into Kanagawa, inasmuch as the authority of the Ministry has equal force in all parts of Japan.

The present strength of the Kanagawa Police Department is 3400 men. Plans call for an increased force of 3600 in the near future. The Department is divided into the following sections:

Police Affairs Section
Public Safety Section
Police Administration Section
Traffic Section
Criminal Affairs Section
Economic Section

In addition to the above sections, which exercise direct control over police stations, the Department is composed of the following additional offices and bodies:

Police Secretariate
Police Inspector's Staff
Fire Brigade Section
Police Preliminary Training School
Police Training School

Police Affairs Section

The Police Affairs Section controls local police stations through the designation of areas and boundaries and the assignment of personnel to various stations. The Section is also responsible for the maintenance of discipline within the police force and the training and professional education of policemen. All personnel matters fall within the jurisdiction of this Section, including changes of status, promotion, demotion, and the issuance of rewards and punishments. The Section administers all fiscal and budgetary matters for the Police Department, and has responsibility for maintaining inter-departmental communications.

Public Safety Section

The Public Safety Section is responsible for the general protection and security of life and property in the prefecture. It controls the use of explosives, fire-arms, and other weapons. Special protection of high government officials and members of the Imperial Family is provided by the Section. An additional responsibility is the protection of foreign nationals. Assistance is given these individuals in obtaining various authorizations and facilities.

Police Administration Section

The Police Administration Section is responsible for all matters which concern public morals, including the control of prostitution. The Section is also engaged in licensing various types of business establishments. The Section prepares and enforces regulations governing hunting; it also operates a lost and found service.

Traffic Section

The Traffic Section is responsible for the control of all vehicular traffic in the prefecture and for the enforcement of all laws governing traffic. Motor vehicle operators are licensed by the Section.

Criminal Affairs Section

The Criminal Affairs Section investigates crimes and takes action to prevent crimes, whenever possible. It makes arrests and is responsible for the custody and detention of criminals and accused persons. The Section operates jails and prisons.

Economic Section

The Economic Section is responsible for enforcing regulations governing price control and rationing, and for breaking up the black market. Violators are apprehended and charges preferred by this Section.

Police Secretariate

The Secretariate performs secretarial work for the Chief of the Police Department and acts as the general administrative office of the Department. All correspondence is received and distributed by the Secretariate, and files covering the work of the Department are maintained. The Secretariate is also responsible for police activity in connection with formal functions and ceremonies, including the provision of escorts for dignitaries and visiting notables.

Police Inspector's Staff

The Police Inspector's Staff conducts regular inspections of the installations and personnel of the Department and prepares regulations to improve discipline and efficiency.

Fire Brigade Section

The Fire Brigade Section is responsible for the assignment of all firemen and the designation of boundaries for fire stations. Administrative and personnel matters relative to firemen are also controlled by this Section, including the state of discipline and education of personnel, the promotion and demotion of firemen, and fiscal and budgetary affairs.

Police Preliminary Training School

The Police Preliminary Training School is the most elementary school maintained by the Department. At this school newly-appointed policemen are given preliminary training for a period of four to six months. The school is located in Yokosuka. The curriculum consists of both academic subjects, such as History, Geography, Economics, and English, and of practical training for police work, including the use of arms, first aid, and physical training.

Police Training School

The Police Training School, located in Yokohama, gives training to policemen who have completed the course at the Police Preliminary Training School, and who have had one year's practical experience in police work as members of the force. Students at the school are divided into groups of fifty, each group working together for a period of two months.

Advanced Police Education

The Education Division of the Police Affairs Section runs various courses of a special and general nature to provide members of the Department with advanced training.

School for Firemen

The Department also operates a school for training newly-appointed firemen.

Local Organization of the Police Department

The activities of the Police Department in local areas are carried out by three types of installations: Police Stations, Police Boxes, and Police Sub-Stations.

Police Stations

There are 30 Police Stations in the prefecture. Each Station is divided into a number of branches which correspond generally with the operating sections of the Department's central office. The Chief of a Police Station, who is normally a superintendent or inspector of police, exercises direct control over the Police Boxes and Sub-Stations in his district.

Police Boxes

A Police Box is never manned by less than two policemen and never more than six. The prefecture has a total of 150 Police Boxes, commanded by ten Assistant Inspectors, ten Police Sergeants, and 130 Policemen. The personnel of the Boxes serve as guards and watchmen and walk beats, having a twenty-four hour tour of duty every other day. Plans call for an increase in the number of personnel assigned to Boxes, and for shorter work hours.

Police Sub-Stations

Police Sub-Stations in the prefecture number 287. One policeman is assigned to each. Living quarters are provided at each location, enabling the individual and his family to be in constant attendance and available for duty at any time.

Juridical and Administrative Police

In addition to the control of the police exercised by the Home Ministry, the Prefectural Governor, and the Chief of the Police Department, certain authority rests with another agency: the Office of the Public Procurator. This Office is a branch of the Ministry of Justice, and is responsible for the prosecution of crimes committed within the prefecture. When a serious crime is committed, the Office of the Public Procurator issues orders and instructions to the Chief of Police regarding the conduct of the necessary investigation, and exercises such additional supervision as may be necessary. In the same manner, general information and instructions on criminal procedure are transmitted regularly to the Chief of Police. Minor crimes are investigated by the Police Department independently, and without specific instructions from the Public Procurator, but in accordance with the policies and principles established by him.

For purposes of simplicity, individuals working under the Office of the Procurator are known as Juridical Police, while those concerned with other matters are called Administrative Police. This distinction is merely nominal. No organizational difference is recognized within the Police Department, and personnel are in no way restricted to one type of duty. A policeman who is engaged in investigating crime one week may be assigned to traffic control the following week.

Public Works Department

The Public Works Department of Kanagawa Prefecture is composed of seven sections:

Accounting Section
Construction Section
Housing Section
Roads Section
Rivers and Harbors Section
Sand Erosion Prevention Section
Planning Section

Accounting Section

The Accounting Section is responsible for all fiscal and budgetary affairs of the Department. The Section draws up the budget from the recommendations of all sections of the Department. Projects suggested by the Department must be approved by the governor. The budget is then submitted to the central government for approval. This is made necessary by the present system of allotting funds. Sixty-five percent of the total budget of the Department is provided by the national government. This money is transmitted to the various sections of the Department by several ministries of the national government, each section receiving funds from the ministry which is concerned with its particular field of activity.

Construction Section

Both the national government and the prefectural administration engage in construction activity in the prefecture. The War Rehabilitation Board maintains a branch office in Yokohama. This branch office is responsible for administering laws and regulations governing temporary housing and the construction and repair of national public buildings. Moreover, the office controls the allotment and installation of various types of electrical equipment, motors, and factory machinery.

Conversely, the national statutes governing the rehabilitation of war damaged areas and the construction and repair of municipal buildings are administered by the prefectural governor.

One individual serves as chief of both the Construction Section of the Kanagawa Prefecture Public Works Department and the Kanagawa Branch Office of the War Rehabilitation Board. Moreover, the two organizations are housed together in one location, so that coordination is at once direct and easily accomplished. The salary of the chief of these two groups is provided entirely by the national government, and his status is that of a national official. The personnel of the Construction Section are, of course, all prefectural employees, while the staff of the Branch Office of the War Rehabilitation Board consists entirely of employees of the national government.

An authorization to construct a private dwelling is processed by both the Construction Section and the Branch Office of the War Rehabilitation Board. Individuals whose homes have been destroyed may apply for permission to rebuild. If construction materials are already available to them, they inform the Branch Office of the War Rehabilitation Board. The Branch Office then investigates the source of these materials to determine whether they have been obtained legitimately. If investigation reveals that the materials have been acquired legally, permission to build is granted under the terms of the regulations governing temporary housing. If the materials have been obtained illegitimately, the applications are disapproved.

When an individual who desires to build does not have the necessary materials, a request for their allotment is filed with the Branch Office of the War Rehabilitation Board. The Branch Office, however, is not authorized either to approve or disapprove the request, but must forward it to the central office of the War Rehabilitation Board. The latter, in turn, must receive allotments of building materials from the Economic Stabilization Board. The size of a home to be constructed is determined in accordance with the provisions of the laws governing housing.

However, the approval of the War Rehabilitation Board is not sufficient to authorize construction. Before final authorization is given, the prefectural governor, acting through the Construction Section, must sanction housing plans under the terms of the ordinances controlling the reconstruction of war damaged districts. These ordinances contain specifications designed to eliminate earthquake and fire hazards and provide for sanitary facilities. The Construction Section of the Public Works Department also supervises the construction and repair of prefectural government buildings.

The Kanagawa Branch Office of the War Rehabilitation Board was established in March 1947. Prior to that time, the allocation of construction material was administered by the Commerce and Industry Section of the Economic Department of the prefectural government. The present War Rehabilitation Board is an independent agency under the direct control of the office of the Prime Minister. It is not responsible to any ministry of the central government.

In addition to its other functions, the Construction Section is responsible for allocating various types of electrical equipment, spinning machinery, and machinery and equipment for the repair of various items, e.g., hand lathes.

Housing Section

This Section actually undertakes the construction of houses in accordance with plans approved by the War Rehabilitation Board. All planning is performed by the Section itself. Construction work, however, is done by private companies which the Section employs. These companies enter into contracts to build a given number of houses. After the houses have been completed, the Section leases or sells them to individuals upon receipt of applications.

An individual may contract with a private company for construction of a house without consulting any government agency, once he has received the necessary permission to build. Or, if he has received an allotment of materials from the War Rehabilitation Board, he may arrange for construction through the Branch Office of the Board in the prefecture.

Broad plans for the construction of housing facilities are prepared initially by the War Rehabilitation Board. The Board issues directives to the prefectural governor covering the projected implementation of those plans in the prefecture. The governor, in turn, issues instructions to the Housing Section of the Public Works Department which formulates detailed plans for the area.

The prefectural administration and the War Rehabilitation Board consult each other on housing requirements and come to mutual agreements on the needs of the prefecture. One additional factor serves to emphasize the relationship between the Section and the War Rehabilitation Board. One half of the budget required by the Housing Section is provided by the Board.

Roads Section

This Section is engaged in the construction, repair, improvement, and maintenance of roads and bridges. At the present time, little new construction is being started, and virtually all activity consists of maintenance and repair work. Roads utilized by the occupation forces constitute the Section's primary consideration.

The governor is responsible for decisions on all construction projects involving prefectural roads, provided the entire cost is met from prefectural funds. However, in some cases prefectural roads can be constructed only with the aid of national subsidies. In such an event, the approval of the Home Ministry is required in addition to that of the governor, and one third of the funds is provided by the Ministry.

The Roads Section is sometimes made responsible for the maintenance, repair, and improvement of national roads. The initial construction of national roads, however, falls under the jurisdiction of the Home Ministry, and becomes a function of the Roads Section only when the occupation authorities specifically direct such an assignment.

City, town, and village roads also constitute one phase of the Section's activities. City, town, and village governments apply to the prefectural government for assistance in road construction. This assistance consists largely of direct subsidies. Two-fifths of the budget of the Public Works Department of the prefecture is used to subsidize local government construction projects. Approximately one-third of the cost of local roads is met by the prefectural government.

One major exception to the system of financing described above must be pointed out. When the occupation authorities order the repair or improvement of a road, all costs are borne by the Home Ministry, regardless of the type of road concerned.

One-third of all the funds available to the Roads Section is provided by the Home Ministry.

Rivers and Harbors Section

The Rivers and Harbors Section is responsible for the following functions: flood control, the construction of levees, the construction and repair of harbors, the development of water power, the construction and repair of water and sewage systems.

All of these matters, with the single exception of questions relating to harbors, fall under the jurisdiction of the Home Ministry, and require close liaison between the Section and the Ministry. Harbor affairs are a responsibility of the Transportation Ministry.

For the purposes of administration, harbors are separated into two distinct categories: those which accommodate ocean-going craft and engage in foreign trade, and those which are restricted to small craft such as fishing boats. The first of these categories is the sole responsibility of the national government. The port of Yokohama, for example, is controlled by a branch office of the Transportation Ministry located in that city. This branch office is not concerned in any way with the work of the Rivers and Harbors Section.

Fishing ports, on the other hand, are the responsibility of the prefectural government. However, before construction and repair work may be started, authorization must be obtained from the Transportation Ministry. One half of the budget for such work is provided by the Ministry.

Sand Erosion Prevention Section (Sabo)

The Sand Erosion Prevention Section is engaged in two types of activity. The first might be termed normal erosion prevention, concerned primarily with the control of up-stream erosion in inland areas. Two-thirds of the funds allocated for this work are provided by the Home Ministry, and only one-third by the prefecture.

The second function of the Section is the prevention of erosion in coastal areas by the construction of sand blocks along the shore. These blocks consist principally of extensive plantings of pine trees, hedges, fences, and small bamboo trees. They are designed and constructed in such a manner as to keep roads, farmlands, and houses free from sand drifts. In addition, some planting is done for aesthetic purposes only. This program is primarily part of a tourist attraction campaign, shrubs

being placed along the coast to increase the scenic beauty of the area. All planting must be approved by the national government. The Home Ministry, however, is not concerned with the second phase of this Section's activity. Supervision is exercised by the Ministry of Agriculture and Forestry. One-third of the funds used for planting is provided by this Ministry.

The Sand Erosion Prevention Section consists of seven individuals. Approximately forty workers are employed continuously by the Section, in addition to the office personnel. Neither the Home Ministry nor the Ministry of Agriculture and Forestry maintains a branch office in the prefecture to administer these functions. The Ministry of Finance and the Home Ministry make occasional inspection trips to the prefecture to observe various projects.

Planning Section

This Section is responsible for city planning and park planning within the prefecture.

Present city planning gives priority to the reconstruction of war-devastated areas, particularly Yokohama, Kawasaki, Hiratsuka, and Odawara. Municipal agencies for city planning are entrusted with the primary responsibility for reconstruction in Yokohama, Kawasaki, and Odawara. These local organizations work under the direct supervision of the prefectural government. In the case of Hiratsuka, no municipal city planning agency exists; detailed planning is done by the Planning Section.

This activity is supervised by two agencies of the National Government: the Home Ministry and the War Rehabilitation Board. The latter subsidizes the prefectural administration with grants ranging from fifty to eighty percent of the total required for city planning projects.

The Planning Section of the Public Works Department makes broad plans for the cities of Yokohama, Kawasaki, and Odawara. These plans are directed toward eventual reconstruction of the communities in accordance with the best western ideas on city planning. Particular attention is given to highways, water mains, block arrangement, rivers and power lines. The municipal governments formulate detailed plans in consultation with the Planning Section. The latter must give final approval before the cities are authorized to undertake execution of their projects. In the same manner, all plans prepared by the prefectural government must be submitted to the War Rehabilitation Board for consultation and final approval.

The Planning Section is also responsible for devising projects covering the most effective utilization of installations and areas formerly belonging to the Japanese armed forces. Service schools, camps, military roads, arsenals, and port facilities are being converted to other uses.

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The Section acts for the prefectural governor in exercising right of eminent domain, where necessary to the accomplishment of a project.

Park planning in Kanagawa prefecture involves primarily the maintenance and control of Fuji-Hakone National Park and Hayama, a recreation area owned by the prefecture. The Fuji-Hakone National Park covers areas of three prefectures: Kanagawa, Yamanashi, and Shizuoka. At one time national funds were allotted for the maintenance of this park, but today subsidies from the national government are provided only for major, large-scale improvements. Normal upkeep is borne by the three prefectures, each controlling its own area independently. The national government maintains no office in the Fuji-Hakone National Park. The Kanagawa prefectural government operates a small branch office in the park to supervise maintenance. The Park consists partially of property which was once owned by the Imperial Household. This property was placed under the control of the prefecture, which now has complete responsibility for it.

National parks are selected on the basis of scenic beauty, and established with funds provided by the national government. The Public Security Office of the Welfare Ministry is engaged in studying the advisability of establishing additional national parks in spots of natural beauty, but thus far its work is only in the planning stage.

Branch Offices of the Public Works Department

Branch offices of the Public Works Department transact local business of the Department in important districts. These offices are established in such places as Yokosuka, Fujisawa, Hiratsuka, Atsugi, Nakano, Odawara, and Matsuda.

In addition, the Department operates various special offices which are assigned specific functions. These offices maintain liaison with appropriate sections of the Public Works Department. The Electric Power Office at Yokosuka, for example, is an agency which formerly constructed dams and hydro-electric power plants. It is now engaged in the maintenance of these facilities. Moreover, this office is responsible for supplying water to Yokohama, Kawasaki, and Sagamihara. The following agencies represent additional examples of special offices maintained by the Public Works Department:

The water works at Kamakura
The Sagamihara water works
The Misaki Harbor Office
The Hiratsuka Reconstruction Office
The Sagamihara District Readjustment Office (engaged in the disposal of former Japanese army facilities and equipment)

The above list is representative, but not complete.

Branch Offices of the National Government for Public Works

The Civil Engineering Bureau of the Home Ministry maintains a regional branch office in Chiba called the Civil Engineering Supervisory Office. This Office, in turn, operates branch offices in three prefectures, including Kanagawa. They are responsible for national business in the prefectures, including river improvement and the construction of national roads. None of these agencies maintains liaison with the Public Works Department of the prefectural administration.

Seven employees of the Home Ministry are attached to the Public Works Department and actually work in its offices. They are concerned primarily with the allotment of construction materials requested by the prefecture.

The War Rehabilitation Board maintains a branch office in Kanagawa, as described above.

Sanitation Department

The Sanitation Department of the Kanagawa prefectural government has a staff of two hundred individuals. The Department is divided into five sections:

General Affairs Section
Public Health Section
Disease Prevention Section
Medical Affairs Section
Pharmaceutical Section

General Affairs Section

The General Affairs Section has the following duties and responsibilities: personnel affairs, fiscal and budgetary matters, issuance of food and beverage licenses, and the compilation of statistics.

Personnel Affairs - All members of the staff of the Sanitation Department are employees of the prefectural government, with the exception of six individuals concerned with preventive medicine. These six are paid by the national government and are responsible to the Ministry of Welfare, although working under the supervision of the Chief of the Sanitation Department. With the exception of these individuals, all personnel of the Department may be employed, dismissed, or changed in status by the governor of the prefecture. Routine personnel affairs, such as wages, hours, and promotions, are administered by the General Affairs Section.

Fiscal and Budgetary Matters - The Section draws up the budget required for the Sanitation Department. This budget is forwarded to the General Affairs Department of the prefectural government which includes it in the composite budget for all Departments that is submitted to the prefectural Assembly. Funds allotted by the Assembly from prefectural taxes represent approximately two-thirds of the total required by the Department. The remaining one-third is provided by the national government. Virtually all of this amount is supplied by the Welfare Ministry. However, a small sum is allotted by the Ministry of Education to provide school children with extra food rations. This amount represents less than one percent of the total budget required by the Department.

The funds appropriated to the Sanitation Department by the Ministry of Welfare are administered in two different ways. Most of the appropriation is offered to the prefectural government for use in furthering various enterprises in which the Welfare Ministry is interested. It is expected that these enterprises will be financed in part by prefectural funds. The balance of the appropriation comprises funds authorized by various welfare laws: insurance laws, statutes governing the prevention of epidemics, and laws covering various institutions, such as hospitals and asylums.

Licensing of Business Establishments - The General Affairs Section of the Sanitation Department is responsible for issuing licenses to the following types of businesses: eating and drinking establishments, public bars, hotels, dance halls, spas and public baths, and cabarets. The issuance of licenses to such establishments was formerly a function of the Police Department; henceforth, however, all businesses requiring sanitation inspection will be under the exclusive jurisdiction of the Sanitation Department.

An individual who wishes to open a business submits a written application for a license to the Sanitation Department. This application must be accompanied by a statement signed by an official of the municipality in which the applicant resides, to the effect that the individual is a person of good character. Upon receipt of the application, the General Affairs Section conducts an investigation to determine the need for such an enterprise and the degree of crowding, if any, within the field of activity. An inspection is then made of the premises to be occupied and the equipment to be used, to insure that fundamental sanitation standards are met.

On July 5, 1947 the prefectural governor issued an order closing all restaurants in Kanagawa. Since that date no licenses have been issued, and none is contemplated for the immediate future.

Compilation of Statistics - Statistics prepared by all sections of the Sanitation Department are forwarded to the General Affairs Section for collation and compilation. Figures are prepared on disease rates, epidemics, births, marriages, and deaths. The Section submits reports to the Ministry of Welfare on these matters.

Public Health Section

The Public Health Section has a staff of forty individuals, with responsibility for the following functions:

Supervision and maintenance of the health of mothers and infants
Nutritional improvement
Education in hygiene
The management of health centers
Public education in sanitation

Health of Mothers and Infants - Expectant mothers report to city, town, and village health offices where they receive special food ration cards authorizing them to purchase certain foods. These cards also entitle the women to visit assigned physicians and midwives to receive examinations and necessary instructions on health measures during pregnancy.

After the birth of the child, the mothers are taken to health centers for consultation on proper methods of child care. Moreover, public health nurses are provided to furnish assistance in rearing extremely young children.

Nutritional Improvement - A nutritional expert is assigned to the staff of each health center. This individual conducts a program designed to improve the health of the population through proper nutrition. Lectures on foods and diets are given regularly.

The Public Health Section, in collaboration with a representative of the occupation authorities, is now making a detailed study of nutrition in two small agricultural villages. These two communities have a total population of four thousand. The study involves an investigation into the health of the population to determine nutritional sufficiency. A detailed record is made of all food consumed, listing quantity, type, and quality. Reports on this project are submitted to the occupational authorities every three months.

Education in Hygiene - The Public Health Section of the Sanitation Department is responsible for a health education program in all schools. Experts make periodic visits to schools to inspect sanitary conditions. Members of the Section maintain close liaison with school physicians and nurses. To insure uniformity, policy questions are settled by the Public Health Section, and similar instructions are issued to all schools. The Section also processes reports from school medical authorities. Statistics on heights and weights of children, together with studies of their general physical condition, are submitted regularly.

With the aid of the occupation authorities, the Public Health Section has established a program to improve school lunches. Additional food is being obtained through LARA in sufficient quantity to permit the serving of improved meals two or three times each week. At the present time this program is in force only in urban communities, but it is planned to extend it to rural areas in the near future.

Operation of Health Centers - The Public Health Section operates twelve health centers in the prefecture. The primary function of these centers is the prevention and control of communicable disease. Major attention is given to Tuberculosis and Venereal Disease.

The centers also render assistance to expectant mothers, as described above.

In rural areas public nurses from the centers cover several villages, giving advice, and gathering information for the Section. All instructions to the centers emanate from the Public Health Section. The Sanitation Department hopes to be able to furnish one public nurse to each village sometime in the future; present shortages of personnel render this impossible.

Public Education in Sanitation - The Public Health Section is administering a program to spread information on sanitation and increase the interest of the population in proper methods of hygiene. Emphasis is

given to epidemic diseases. Motion pictures are shown at times when epidemics are likely to break out, and lectures by staff physicians are given throughout the prefecture. This program is being carried out, in large part, through the health centers.

The education program is being furthered, also, through the operation of schools for public nurses and nutrition specialists. One of these schools is attended only by tuberculosis patients, who receive training while undergoing treatment. The Public Health Bureau of the Ministry of Welfare supervises the schools and issues instructions to the prefectural government regarding their courses. The Sanitation Department submits regular reports to the Welfare Ministry regarding this program.

Orders of the occupation authorities with respect to health centers, clinics, and public dispensaries are also transmitted to the prefectural government through the Ministry of Welfare.

Disease Prevention Section

The Disease Prevention Section is responsible for the prevention and control of disease within the prefecture. Primary emphasis is placed upon epidemic diseases which are likely to afflict large segments of the population, such as Cholera, Dysentery, Malaria, Paratyphoid, Smallpox, and Typhoid.

As a necessary preventive measure, the Section is charged with the disposal of human excrement and other waste matter.

When an epidemic disease case is reported, the person or persons affected are visited immediately by local medical authorities, and a written report of the matter is submitted to the Disease Prevention Section. When, however, the disease becomes general throughout an area, the Section sends experts to the locality to take personal charge of the situation.

The Section submits a report to the Ministry of Welfare on the status of epidemic diseases once each week. This report is a compilation of reports received from health centers and local health offices.

The Disease Prevention Section is also administering programs for the control of Tuberculosis and Venereal Disease.

Medical Affairs Section

The Medical Affairs Section is responsible for the following functions: licensing of medical personnel, inspection of installations, medical relief, hospital reporting, and medical association affairs.

Licensing of Medical Personnel - The Section grants licenses to physicians, dentists, midwives, nurses, and interns, authorizing them to practice. The opening of new hospitals, dispensaries, and cemeteries is also authorized by this Section.

Inspection of Facilities - Frequent and regular inspections of hospitals, dispensaries, and other medical installations are made by this Section.

Medical Relief - In times of disaster and general emergency, the Medical Affairs Section acts to bring medical relief to the area involved. Earthquakes and floods, in particular, have created problems too large for local authorities to control, necessitating aid from the prefecture.

Hospital Reporting - The Section is responsible for submitting reports to the Ministry of Welfare on the activities of hospitals. These reports specify the number of patients in existing hospitals, and report the establishment of new hospitals.

Associations - Governmental cooperation and coordination with associations of physicians, dentists, and midwives is a responsibility of the Medical Affairs Section.

Pharmaceutical Section

The primary function of the Pharmaceutical Section is the distribution of drugs and other medical supplies to physicians. In addition to complete jurisdiction over distribution, the Section controls and supervises the manufacture of such products. Control over drugs is made more complete by the possession of authority to license all druggists and drug stores.

Quantities of drugs and medical supplies are allotted to the Sanitation Department by the Ministry of Welfare. Prior to March, 1947, all drugs and supplies imported from other countries were distributed by the occupation authorities. Since that time, however, procurement of imports has been a responsibility of the Japanese government. Indigenous supplies have always been distributed by the Welfare Ministry under allied supervision. It is anticipated that prefectural expenditures for these items will total approximately twenty million yen yearly.

The Pharmaceutical Section is also responsible for administering a program of inspections. Public water supply is examined regularly. The program involves, too, inspections of foods and beverages, including those served in restaurants and other public establishments.

The Section is charged with the regulation and control of narcotics.

National Government Organizations in the Prefecture

The Ministry of Welfare maintains no branch office in Kanagawa prefecture. However, the following institutions in the area are operated by the national government:

Three national hospitals
Five sanitariums
The port quarantine station for the port of Yokohama

All of these installations are operated independently of the prefectural administration, and the Sanitation Department has no voice in either their organization or management.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

24 October 1947

MEMORANDUM FOR THE RECORD

SUBJECT: Branch Offices of the Ministry of Transportation

A meeting was held in Government Section at 1000 22 October 1947 with the following representatives of the Ministry of Transportation: Messrs. IWAUCHI, SHIMOJIMA, MIKI, SAWA, HATAKEYAMA and ARAKAWA. Mr. KANAZASHI of the Administrative Research Bureau arranged the meeting and served as interpreter. Present for National Government Division was Mr. Kent.

It was explained that the compilation of branch offices of the executive branch of the national government, prepared and submitted by the Administrative Research Bureau, was, in some respects, not in agreement with a report of such offices located in the city of Osaka. Two of the branch agencies in question operate under the Ministry of Transportation. The Japanese representatives were requested to describe the nature of these organizations and indicate briefly their size, responsibilities, number of personnel, and fields of operation. Two agencies were discussed: the General Supervisory Offices for the Manufacture of Railway Equipment (Unyusho Tetsudo Sokyoku), and the Weather Bureau (Kisho-dai).

NAT GOVT DIV FILE

General Supervisory Offices for the Manufacture of Railway Equipment

There are three General Supervisory Offices for the Manufacture of Railway Equipment, located in Tokyo, Osaka, Yawata. These Offices have been in existence for more than 10 years. Each employs approximately 30 individuals.

When the Transportation Ministry places an order for the manufacture of rolling stock or other railway equipment, a General Supervisory Office for the Manufacture of Railway Equipment supervises the production of the equipment within the factory to insure that the plans and specifications of the Ministry of Transportation are adequately and effectively executed. This procedure eliminates any necessity for dissatisfaction upon the delivery of equipment to the Ministry.

Weather Bureau

Approximately 200 weather stations are presently functioning throughout Japan. These stations are controlled by nine Weather Bureaus, which are responsible for furnishing weather reports to all interested individuals. Their activity is in no way restricted to servicing railroads and other transportation and travel organizations. The Weather Bureaus have been under the jurisdiction of the Ministry of Transportation for almost 75 years and do not represent a recent expansion of the Ministry.

Guy J. Swope.

Prepared by
Paul J. Kent

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National Government Division

Nat. Govt. Div. Misc. 1948

Box 2046

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

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NAT GOVT DIV FILE

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

11 September 1947

MEMORANDUM FOR THE RECORD

SUBJECT: Newly Organized Central Supply Agency of the Japanese Government

A meeting was held in Government Section, 10 September 1947, to discuss the newly organized central supply agency of the Japanese Government. Present were Mr. Toyoichi NAKAMURA, Vice President of the Special Procurement Board and Mr. FUJISAKI of the CLO. National Government Division was represented by Mr. Kent.

The Japanese representatives were asked to describe the nature of the new organization, and explain the reasons for its creation.

Mr. Nakamura pointed out that the Eighth Army has recently centralized all procurement for the occupation forces, and that all requests on the Japanese Government are now processed by one office. The Chief of the Procurement Division of Eighth Army (Colonel Fregosi) suggested that the Japanese consider the creation of a central procurement agency in the government to insure more effective coordination with Eighth Army. The same idea had also occurred to various Japanese officials. Accordingly, on the first of September a new office was established under the office of the Prime Minister. This was authorized by an act of the Diet entitled the Special Supply Office Act. A copy of this act is attached. Mr. Nakamura remarked that the term Special Supply Office represented a poor translation from the Japanese and that a better title would be Special Procurement Board.

The following additional facts were presented:

The Board now consists of approximately 500 individuals, all located in Tokyo. It is contemplated that this number will be increased to 1000 in the near future. All of the persons are expected to be transferred from other government agencies formerly engaged in procurement. Moreover, eight branch offices (Sapporo, Sendai, Nagoya, Fukuoka, Yokohama, Kyoto, Osaka, Kure), each employing approximately 200 individuals, are to be opened. These branch offices will process contracts and requests formerly handled by the governor. A chart showing the structure of the Board was presented, together with descriptive material clarifying the chart.

It is expected that the Board will, at a later date, administer procurement for the Japanese Government, as well as for the occupation forces, but this idea has not yet been crystallized.

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Mr. Nakamura stated that, in his opinion, the present Diet law is inadequate and must be amended. A new law, describing the functions and powers of the Board in greater detail, is now being prepared, and will be presented to the Diet during the present session.

Guy J. Swope.

GUY J. SWOPE
Chief, National Government Division

Prepared by:
Paul J. Kent

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

6 June 1947

MEMORANDUM FOR THE CHIEF, GOVERNMENT SECTION

SUBJECT: Relationship of Foreign Office to Radio Press

The following report is submitted covering this Division's investigation of the relationship between the Japanese Foreign Office and the organization known as Radio Press.

The following individuals were interviewed by this Division:

Mr. SHIMODA	Japanese Foreign Office, Chief, Accounting Section
Mr. HOGEN	Japanese Foreign Office, Chief, Press Section
Mr. MASUDA	Japanese Foreign Office, Interpreter
Mr. OGISHIMA	Organizer and President, Radio Press
Mr. KYOTO	Vice President, Radio Press

Conferences with the representatives of the Foreign Office were held on 27 May, 3 June, and 5 June. Mr. OGISHIMA was interviewed on 27 May and 5 June. The facts presented herein represent the statements of the above-mentioned individuals, and have not been verified by supplemental investigation. To substantiate their remarks, the Foreign Office personnel submitted for examination the following documents, copies of which are attached:

Request for Authorization to Lease Foreign Office Facilities
Subscription Fee Paid to Radio Press
Receipts for Payment of Radio Press Subscription (5)
Statement Requested by National Government Division Regarding Radio Press
Request for Authorization to Disburse Funds for One Year's Subscription - Fiscal Year 1946-47
List of News Services Purchased by the Ministry of Foreign Affairs
Information on Radio Press submitted by the Foreign Office

In the Autumn of 1945, following the termination of hostilities, financial limitations compelled the Foreign Office to reduce its personnel approximately eighty-four per cent. It became apparent that the large monitoring staff necessary to the operation of the Office's short wave listening post could not be maintained. A decision was made, therefore, to permit the staff of the listening post to leave the Ministry and establish an organization of its own. The group was to provide the same service it had provided while under the jurisdiction of the Foreign Office. Inasmuch as the personnel of the new enterprise were virtually all former employees, and because no other facilities were available, the Ministry determined to sanction the organization's use of the necessary monitoring

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equipment in its possession. In addition to receiving the use of this equipment free of charge, the organization, now called Radio Press, was subsidized by the Foreign Office with a grant of 100,000 yen. In exchange for this amount, it was agreed that the Foreign Office should receive thirty-five copies of all news editions published by Radio Press throughout the first four months of its operation (1 December 1945 - 31 March 1946).

It must be observed that the establishment of this organization was accomplished in an unorthodox manner. No formal contract was prepared covering the obligations of the two parties. No corporate structure was created for the enterprise, and no stock was issued. Radio Press was, and is, licensed as a non-profit organization, similar to an American Foundation (ZAIDAN HOJIN).

Following its separation from the Ministry, Radio Press expanded its coverage of news and greatly increased its circulation. Newspapers and magazines were added to the list of subscribers. Being printed entirely in English, many allied personnel evinced interest. GHQ SCAP, alone, now receives through the Japanese Government copies valued at 40,000 yen per month. For the period 1 April 1946 - 31 March 1947, the Foreign Office paid Radio Press 250,000 yen for forty-five copies of its daily editions. For the fiscal year 1947, Radio Press will receive 400,000 yen from the Ministry. Estimating the monthly gross income of the company at 320,000 yen per month, it will be observed that Radio Press is dependent upon the Foreign Office for only one-tenth of its income. The Foreign Office estimates that a minimum of 1,000,000 yen per year would be required, should it attempt to operate the facilities itself. Or, to put the matter another way, the Office receives adequate service for two-fifths of the amount it would otherwise require.

In addition to the absence of a contract, certain further unusual aspects of the relationship between the Ministry and the enterprise must be mentioned. All payments to Radio Press by the Foreign Office have been in the form of cash, although it is customary for the Office to use checks in settling its accounts. Moreover, these payments have been made from a so-called "Special Reserve" or "Secret" fund which was not subject to audit, and which was appropriated for no particular purpose. Radio Press specifically requested that payment be made in currency.

The company is desirous of separating itself from the Ministry completely through the purchase of the monitoring equipment, still the property of the Foreign Office. This was not considered favorably by the Office, which attempted to postpone such a purchase for a period of at least ten years, although previously it had indicated a desire to cooperate. Inquiries have also been made as to the possibility of obtaining new equipment from the United States. This, however, is impossible under present export-import regulations. If the total amount of equipment can be duplicated in the United States for $5,000.00, as Radio Press

contends, the question of facilities does not constitute a major issue in the financial problem. In exchange for the use of the equipment, the Foreign Office receives copies of Radio Press publications for one-half the quoted price paid by other subscribers.

The Foreign Office insists that its sole object in this relationship is to insure adequate news service at lowest cost. If it becomes necessary to treat the company on the same level with other organizations, the Ministry would be compelled to request funds for the reestablishment of its own listening post. It is not desired to put the service on a competitive basis or throw it open to bids, because reliable service is imperative, and the individuals with Radio Press have proved themselves both trustworthy and efficient.

Prepared by
Paul J. Kent

GUY J. SWOPE
National Government Division

Noted: CLK

Samples of Radio Press reports
also attached to original.

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CONFERENCE WITH REPRESENTATIVES
OF THE JAPANESE FOREIGN OFFICE

On 5 June, discussion was continued concerning the relationship of the Japanese Foreign Office to Radio Press. The conference ~~xxxxxxxx~~ followed the interviews held 28 May and 3 June. The Foreign Office was represented by Messrs. Shimoda, Masuda, and Hogen. Present for National Government Division were Mr. Swope, Mr. McLean, and Mr. Kent.

The Foreign Office representatives submitted ~~xxxxxxxxxxxx~~ a further written statement regarding Radio Press, in compliance with instructions given them at the conference of 3 June. A copy of this statement is attached.

Mr. Shimoda explained the viewpoint of the Foreign Office with respect to the organization. He insisted that the services now furnished by Radio Press are of concern to the Foreign Office, and that if it became necessary to treat the company on the same level as other organizations, the Foreign Office would be forded to request funds for the formation of its own listening post. It is not desired to put the service on a competitive basis or throw it open to bids, because reliable service is imperative, and the individuals with Radio Press have proved themselves trustworthy.

The Foreign Office does not attempt to control or influence the organization, as ~~xxxxx~~ its only interest is in receiving adequate service. It does advise Radio Press as to the kind of news and information in which it has interest. This is presented to the company only for its information, and does not involve coercion in any way. It is inevitable that the relationship between the two groups shouldbe very close, as the company's employees are virtually all former personnel of the Foreign Office. Many personal friendships exist.

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Although this collaboration has been close, as commercial demands have grown, Radio Press has expanded its ~~facilities~~ coverage and paid attention to the desires and requests of other organizations such as newspapers and radio stations.

Mr. Shimoda indicated that the Foreign Office approves of the present arrangement with the company, and requested that he be permitted to explain his viewpoint more completely at a later date, should SCAP consider the issuance of an order altering the present situation.

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Radio Press

SECOND INTERVIEW WITH MR. SHIMODA
OF THE JAPANESE FOREIGN OFFICE

On 3 June a further interview was held with Mr. SHIMODA of the Japanese Foreign Office, in connection with the leasing of radio facilities by the Foreign Office to Radio Press. In addition to Mr. SHIMODA, the Foreign Office was represented by Mr. HOGEN and Mr. MASUDA. Present for National Government Division were Mr. Swope, Mr. McLean, and Mr. Kent.

Mr. Shimoda explained that the designation, Secret Fund, which had been mentioned at the conference of 28 May, was a poor translation from the Japanese. He offered Special Reserve Fund as a more accurate and reliable translation. This fund represented approximately 10 million yen in 1945. It differed from other monies held by the Foreign Office in that it was not subject to audit. Any surplus remaining in the fund at the conclusion of the fiscal year was carried over into the ensuing year. At the present time, however, all surplus must be returned to the Finance Ministry, so that similar transactions are no longer possible.

The Foreign Office representatives submitted for examination certain documents clarifying their relationship with Radio Press. (Translations of these documents are attached.) Mr. Shimoda stated that payments to Radio Press were always made in cash, and that receipts were kept acknowledging payment. Mr. Swope asked if it was customary for the Foreign Office to make all disbursements in cash. Mr. Shimoda replied that most payments were made by check, and that the use of cash was unusual practice. When questioned as to why checks had not been used, he answered that Radio Press had specifically requested to be paid with currency.

Mr. Swope turned over to Mr. Shimoda a series of questions. He asked that these be answered in writing over the signature of a responsible official and submitted to National Government Division before noon, 5 June.

Copy

Mr. Shimoda explained that Radio Press monitored only spoken broadcasts in the English language and that it was not concerned with commercial wireless. Equipment in its possession does not include facilities for recording Morse signals.

It was pointed out that Radio Press is not registered with SCAP because there was no requirement that an organization be registered at the time Radio Press was formed. The company is ~~not~~ registered with the Japanese Government. It is the opinion ofthe Foreign Office that SCAP encouraged the formation of the organization (Col. Green, CI & E).

When asked why the Foreign Office found it necessary to subscribe to the services of Radio Press in addition to those of other agencies such

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as the United Press, the representatives said that the service was comparatively inexpensive. Moreover, its coverage was both more complete and more rapid.

INTERVIEW WITH MR. SHIMODA
OF THE JAPANESE FOREIGN OFFICE

On 28 May an interview was held with Mr. SHIMODA, Chief of the Accounting Section, Foreign Office, in connection with the leasing of radio facilities by the Japanese Foreign Office to Radio Press, a private organization consisting of former employees of the Foreign Office. Present for National Government Division were Mr. Kent and Mr. McLean.

KENT: For what reasons did the Foreign Office abandon the operation of its listening posts?

SHIMODA: For financial reasons the Foreign Office was forced to reduce its personnel by 84 per cent and cancel its plans to continue operation of these listening posts.

KENT: What was the cost of operation of this equipment during the war?

SHIMODA: The approximate cost of operation prior to the end of the war was 100,000 yen a year. Since Mr. KABAYAMA, in charge of the listening posts, died last year and since many of our records were burned, we are not sure of the exact figure.

KENT: What is the cost of operation per year now?

SHIMODA: Because of recent price rises, it would cost much more now than before. The cost of services is at present 400,000 yen a year. If the Foreign Office should attempt to operate these facilities themselves the cost would be at least 1,000,000 yen a year.

KENT: Is Radio Press incorporated?

SHIMODA: No, Radio Press has been set up as a foundation. (ZAIDAN HOJIN)

KENT: Do you now have a formal contract with Radio Press?

SHIMODA: Up until now there has been no formal contract in writing, although according to a new law government property may not be leased free of charge to private individuals. Consequently, we intend to draw up a formal contract in the near future.

KENT: If any deterioration in facilities occurs does the Foreign Office demand compensation?

SHIMODA: No such clause is contained in the agreement as of now although one will be inserted in the new contract with

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Radio Press. We regard such an informal agreement as a highly unusual procedure and the Accounting Section has long disagreed with this arrangement, but because these individuals were formerly associated with the Foreign Office and are considered to be trustworthy the matter was felt to be entirely proper.

KENT: Is the 400,000 yen used in payment for these services carried on the books of the Foreign Office?

SHIMODA: The Diet approved the Foreign Office budget in which allocation had been made for certain news services. We are free to spend it as we see fit.

KENT: Who approved this agreement initially and is there a copy of it available?

SHIMODA: The agreement was sanctioned by the Vice Minister on the recommendation of the Chief, Accounting Section. Since the latter handles only actual salaries, disbursements, etc., this Section does not at present have a copy of the document. However, since the Public Relations Division initiated action on this matter, it is probable that they have the document.

KENT: Why was it not possible to retain the services of Mr. OGISHIMA and other former members of the Foreign Office to operate the listening posts?

SHIMODA: Because of a reduction in appropriations for the operation of the Foreign Office, these former employees could not be paid as much as they had asked. However, since the Foreign Office still wished to continue receiving the benefits of these services the decision was made to let them form their own company and provide news service to the Foreign Office at reduced rates in return for the use of the Foreign Office property.

KENT: Does Radio Press provide service other than for the Foreign Office?

SHIMODA: Radio Press sells their service to anyone, the Foreign Office is but one of their customers.

KENT: What is the price of each copy put out by Radio Press?

SHIMODA: Each copy costs 1500 yen a month, although the Foreign Office receives a discount of 50 per cent.

KENT: You say that a four months' fee for these services was paid in advance in order to provide working capital for the new organization. How was this paid and are there records pertaining to the transaction?

SHIMODA: The fee was paid in cash out of secret funds until the end of 1945. These secret funds were provided for in the budget which was passed by the Diet. However, at the end of the 1945 fiscal year it was no longer considered necessary to establish the secret fund account. Although disbursements are usually made by check, when a firm so requests they are made in cash. However, receipts on the transaction should be in existence.

KENT: Government Section requests that you furnish us any documents and receipts which are in existence concerning these transactions.

McLEAN: It is my understanding that a reduction in personnel of 84 per cent occurred after the war. Did this take place immediately?

SHIMODA: Except for personnel stationed abroad, an immediate reduction was made in the staff of the Foreign Office. As soon as personnel abroad were repatriated all but essential personnel were discharged.

McLEAN: In that case why were the number of subscriptions to Radio Press increased from 35 copies to 45 copies in April 1946 in view of this over-all reduction in personnel?

SHIMODA: There was an increase in the number of personnel in the Foreign Office desiring to receive copies of this publication.

McLEAN: How many members of the Foreign Office are there who might read this publication?

SHIMODA: Approximately 500.

McLEAN: Government Section requests that the Foreign Office submit to this Section information concerning registration of Radio Press with GHQ, including the date and place of registration and the name of the SCAP officials handling the matter. Does the Foreign Office utilize facilities of other private news agencies? If so, how much is the fee?

SHIMODA: KYODO, UP, AP, JIJI and FRENCH press services are used. However, I do not recall the charges to the Foreign Office for these services.

McLEAN: In that case it is requested that the Foreign Office submit this information to Government Section as soon as possible. When it was decided by the Foreign Office to suspend operation of their listening posts, were bids received for lease of these facilities by other private organizations?

SHIMODA: Since it was felt that no suitable organizations existed capable of operating these facilities, no public bids were entertained.

McLEAN: Did the Foreign Office attempt to ascertain whether other organizations might exist capable of handling these facilities at less cost and under terms more favorable to the Foreign Office?

SHIMODA: No, they did not.

McLEAN: With what individual or individuals did the Foreign Office deal in making a contract with Radio Press?

SHIMODA: The Foreign Office dealt directly with Mr. OGI as head of the organization and he signed all the agreements.

McLEAN: Who handled this matter for the Foreign Office?

SHIMODA: Mr. KABAYAMA, who died six months ago, handled this matter for the Foreign Office. Dealings with Radio Press are now handled for the Foreign Office probably by Mr. HOGEN, Chief of the Information Section.

McLEAN: Did Mr. HOGEN agree to the increase in the fee charged to the Foreign Office for service rendered by Radio Press?

SHIMODA: Yes, probably.

McLEAN: Is this secret fund of which you spoke audited regularly and if so, were any questions asked concerning the use of these funds? Are records kept concerning transactions out of the secret fund?

SHIMODA: Secret funds have never been audited and as a result bookkeeping methods have tended to become slipshod. When I assumed office in August last year I found no records of the transaction. I assumed office from Mr. KIMURA, although Mr. WAJIMA, now Chief of the CLO in NAGOYA, was Chief of the Accounting Section of the Foreign Office at the time of the initial agreement with Radio Press in October, 1945. No questions concerning these dealings have been asked by the auditors since I assumed office as Chief of the Accounting Section.

McLEAN: Who is responsible for the administration of the secret funds?

SHIMODA: The Chief of the Accounting Section, the Vice Minister and ultimately the Foreign Minister are responsible. At that time Mr. SHIGEMITSU was the Foreign Minister and either Mr. MATSUMOTO or Mr. KAWAI was the Vice Minister. Mr. WAJIMA should be able to answer any questions regarding the initial agreement with Radio Press.

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Interview with Mr. OGISHIMA of Zaidan Hojin, Government Section, 1400, 27 May.

SWOPE: The purpose of this interview is to ask you to tell us how you took over the radio press, how you came to organize radio press and what your relations were with the Foreign Office, how you acquired the business and financial standing.

OGISHIMA: During the war the Foreign Office had a listening post - same work as we are doing now, monitoring foreign broadcasts. During the war the Army and Navy had listening posts. Foreign Office supposed to have listening post. Almost all members of the radio press at present time were working during the war in Foreign Office listening post. There were very few who could monitor broadcasts - if you were in listening post you didn't have to fight. There were 40 monitors on staff. After the war we wondered what to do since we were all used to radio work. We discussed this work with Dr. Claude Buss, former Director of OWI broadcasting in San Francisco. He wanted to know where his broadcasts were being monitored. We were out of the city at that time. He said he knew broadcasts were being picked up some place in Japan but wanted to know where. During talk with Dr. Buss we told him about our position at that time and the low pay and he asked why we didn't start a new organization away from the Foreign Office. We asked Dr. Buss if a thing like this would be all right. Buss said he would introduce us to Col. Green of CI&E and we went to see him. We told him we knew how to handle such a project but had no funds. We knew the Foreign Office wanted us to stay at the listening post. Boys were leaving for jobs at three to four times as much as we were getting. Col. Green said it was O.K. to start Radio regular press and we got together the latter part of September. I was on the committee to negotiate with

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the Foreign Office for equipment. We ppinted out that if we were working for Foreign Office we would quit because of no future and low pay - if they wanted us to continue they should loan us equipment and a temporary office - which we're still using now. We would sell to the Foreign Office at special rates and get subscribers from the general public - and meet expenses. When we came out with an offer like that it shocked the officials. I went down to negotiate with them every day. They didn't want to let us go; negotiations continued about 1½ months and we were operating during that time and keeping the boys together to take over if they acceded to our request. Nothing was done until the end of November - our committee gave an ultimatum that we would leave the end of November . We negotiated through an official of the Foreign Office - our former boss. I told him I would go to see the Vice Minister. On that day he went to the Vice Minister and it was all signed, sealed and we could start radio press as a separate, independent body.

On December 3 we put out the first edition. The Foreign Office the only subscriber then but we have picked up more now. We had no funds then so we put in 200 yen each. Worked without wages for the first two months. Then Foreign Office had promised to pay 100,000 yen for first two months for 35 copies per month - but didn't.

Government has fiscal period ending in March. They wanted 45 or 46 copies. They were going to let us have equipment and we were to give them 45 copies. At that time we were charging 1000 yen per month for one edition a day, (2 news and 1 commentary). Since then we cover war crimes, press conferences, Allied Council meetings, etc. - world news as we catch it. We have lost some original members of our organization but have picked up some new ones.

SWOPE: Are you incorporated?

OGISHIMA: Yes, we are incorporated under the Japanese Government. The name is ZAIDAN HOJIN - a non-profit organization. During the war when we were monitoring we noticed the difference between what was coming into Japan and what the people were allowed to hear. We felt that the reason the military had gotten into complete power was because the Japanese people didn't know what was going on in the outside world. Dr. Buss asked why we didn't tell our story - so introduced us to Col. Green.

SWOPE: Do you have capital stock?

OGI: We have no capital stock.

SWOPE: How could you incorporate as a non-profit organization on a basis of furnishing a news service for which you charge? You have no shares. What about the permanence of this organization? How is the organization perpetuated? Who has managing authority in such an organization?

OGI: A Board of Directors.

SWOPE: Elected by whom?

OGI: ZAIDEN HOJIN charter members select Board of Directors.

SWOPE: About the continuity - how is it perpetuated? If you withdraw who would take your place? These 27 original members were members of the monitoring force under the Foreigh Office. What do you do with the money you have - who pays salaries.

OGI: We pay own salaries - the Board of Directors.

SWOPE: If at the end of March you have 100,000 yen - what happens to it?

OGI: We can expand and we can do charity work. We can vote a bonus - the amount of which is limited by law. We can raise salaries. We consulted a lawyer about it.

SWOPE: Do you have an income tax as an organization?

OGI: The money belóngs to the corporation. Right now we do not pay an income tax. No Japanese law for income tax on non-profit organizations.

SWOPE: What if 27 associates withdraw? You would be the only member?

OGI: Actually that kind of thing wouldn't happen.

SWOPE: Your associates withdraw and you will decide to form a new organization and transfer all the assets to your new organization - a profit making one. Does the organization own anything besides regular stock?

OGI: A car, radios, typewriters, needed for work. Some of the receiving equipments belongs to the government right now.

SWOPE: What do you mean, right now?

OGI: I have been trying to buy from the government so we can be independent. They can always dictate to you just how much they are going to pay for the service.

SWOPE: Fairly expensive equipment, isn't it?

OGI: Instead of getting money for our service we want to exchange it for the equipment. We are trying to arrange for service for a certain length of time and we will get the equipment.

SWOPE: You have purchased some equipment since starting. Is all other equipment property of the Foreigh Office?

OGI: Yes.

SWOPE: Did it belong to the Foreign Office during the war? Is there any Army or Navy equipment?

OGI: No. My former boss asked me to start this monitor service here.

SWOPE: Equipment purchased after you came back to Japan?

OGI: Yes. Navy did not have listening post. . . . . My former boss

served in London and Rome and always had interest in radio and had short wave radio so when he came back to Japan to the Foreign Office he wanted to do something big and asked me what kind of equipment he should have.

SWOPE: When you took this over in December 1945 you bought nothing from the Foreign Office - just used their equipment?

OGI: Yes.

SWOPE: Foreign Office just paid you a fixed sum of money in advance for your services?

OGI: They did agree to pay at first but did not do so, so members had to put their own money in.

SWOPE: But Foreign Office did pay you later - and for what?

OGI: 100,000 yen for all editions of 35 copies for 4 months - 25,000 a month.

SWOPE: What are they paying you now?

OGI: We have agreed on a figure but are now drafting a contract. We have agreed on a figure of 400,000 yen a year as compared to 250,000 before. We haven't got paid yet.

SWOPE: Where do you deliver their copies - the 45?

OGI: We deliver them in one batch.

SWOPE: What do you do in your office in Osaka?

OGI: We sell to big companies, etc. - mostly a distributing branch. Also a monitor there.

SWOPE: Why do you monitor there as well as here?

OGI: Sometimes reception better there than here.

SWOPE: Do you duplicate receiving in Manilla?

OGI: We duplicate. Mr. Swope, what is the purpose of this interview?

SWOPE: We are interested in dissemination of information picked up out of the air and what the Japanese Government's interest is in this from a standpoint of the occupation. What license do you hold from occupation authorities?

OGI: We saw Col. Green and he said go ahead with it. In other words, verbal statement and since then we have been distributing copies to CI&E for their information and have been encouraged by CI&E.

SWOPE: I was not implying that there was something wrong. Government Section is interested in knowing whether it is O.K. under SCAP policy. Do you have any sending equipment?

OGI: Teletype for sending to Osaka - no wireless.

SWOPE: Is there any sending equipment in your possession?

OGI: No.

SWOPE: What is your total gross income from subscribers?

OGI: From 230,000 to 250,000 yen.

SWOPE: My final question was about authorization from the occupation.

OGI: Mr. Don Brown has said it is a perfectly legitimate service.

SWOPE: Are any of the press services your subscribers?

OGI: KYODO and OKUYAMA - not JIJI.

MCLEAN: How to they arrange payments? I mean the Foreign Office - by check?

OGI: That was one of the big issues. They want to pay us with checks. You can't buy anything with checks. We said at least half must be in cash. We finally reached agreement that they would pay us in 2-week installments - one half check and one half cash. There were no check dealings last year. Everything was done by cash. Cash-check arrangement started last August.

MCLEAN: Can't cash a check?

OGI: No. When you have a blocked account check you can pay your payroll with it. All cash so far.

MCLEAN: All payments up to now have been in cash?

OGI: Yes.

SWOPE: How about newspapers?

OGI: They give us half and half also now - formerly too.

SWOPE: Do you have an accumulation of cash at the present time?

OGI: Present cash position very low. We have two types of blocked accounts - one is frozen. Over half the money we got from Foreign Office was frozen. We had bank deposits. In August they froze all bank accounts - frozen at 15,000 yen. That applied to all individuals who had more than 15,000 yen in the bank. We were affected too - had to start with 15,000 yen in August. We are working in a raid shelter which is very unsanitary and we want to get out.

MCLEAN: What is value of your equipment - Foreign Office equipment- now?

OGI: In dollars about $4000.

MCLEAN: In Osaka also?

OGI: A maximum of $5000 in both Tokyo and Osaka.

SWOPE: Do you see a future in this business.

OGI: Yes. . . . . In regard to our relations to the Foreign Office - actually we are not associated with the Foreign Office as a business.