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quotas by the Food Adjustment Committees upon the demand of local farmers. In the third, the resignition of the entire Food Adjustment Committee and the election of a successor committee on the 28th of April, indicates that final action will be delayed until about 11 May.

b. Over Quota Deliveries: 16% of the 3,000 koku over delivery rice quota had been collected by the end of April. Sweet potatoes deliveries have now reached 17% of quota.

3. FOOD DISTRIBUTION

a. Staple Foods: The rapidly expanding consumption of staple food supplies in the 1948 - 49 cereal year was arrested during April with distribution during the first ten days showing only a 5% increase over the average daily distribution of March, as compared with the February increase of 151% over January. During the second ten days of April the Food Corporation rationed 4 % less than in the previous period. While seasonal fluctuations and the manipulation of distribution procedures at the local level may tend to exaggerate the accomplishments of tightened restrictions on distribution, it appears that SCAPIN 1978 has already produced significant results in rationalizing staple food distribution.

b. Marine Products: A record supply of marine products at the Kyoto municipal market during April produced a situation where consumer demand based on average purchasing power was fully satisfied. Only 38% of the total supply could be distributed through ration channels although daily per capita distribution reached an average of 19.6 momme, nearly double the March average. One quarter of the total supply was disposed of by trans-shipment to other prefectures and the rural areas of Kyoto while an additional 20% was sold on the open market. Less than half of the 615 tons of frozen and salted whale meat available was accepted as rations.

c. Vegetables: Decontrol was followed by an immediate upsurge in prices to three or four times the previous official ceilings. Although a few varieties began to fall and most to level off near the end of the month, the general price structure appeared to be strongly entrenched with no immediate prospects of the free market price level returning to the average figure of the period prior to April. Coincident with and largely accounting for these price increases was the sharp reduction in supply. Despite the fact that producers and shippers began the witholding of vegetables from the market during the last week of March, because of the rumors of decontrol, total April receipts by the Kyoto municipal market fell to only slightly more than half the March supply and constituted less than one-third the quantity available in April of last year.

d. Meat: Consumption in April was down nearly 50 percent from the previous month, ascribable largely to a seasonal decrease in demand due to the warm weather rather than to availability factors.

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4. FERTILIZER

Delivery to farmers of the Jan-July allocation has been proceding as rapidly as quantities become available to the Kodan. Kodan stocks in Kyoto, expressed as a percentage of total receipts, are only one fourth the average stock level throughout Japan, indicating considerable progress in eliminating bottlenecks in distribution channels. Farmers in Kyoto have received substantially more of their allocations than for Japan as a whole. The greatest factor in those delays which do exist is the failure of the Kodan to receive bulk shipments from producers in other prefectures. The preparation of compost started around the middle of this month. Local officials express optimism that output will be sufficient to provide on average of 300 momme per tan of agricultural land. Production is expected to be completed by the end of May.

5. FISHERIES

a. Production: An unprecedented increase in catches for three consecutive months has caused all shipment quotas to be vastly exceeded. A tremendous mackeral run was largely responsible for the increase while some types of fisheries produced sub normal results. An immediate consequence of the quota breaking catchs was a tightened petroluem supply situation. Since original oil allocation were computed at link rates to meet only the assigned quotas, fishermen have become eligible for far greater individual allocations than were planned. Although supplementary allocation and the release of reserves have forestalled any immediate shortage, local compensatory measures seem inadequate to insure an adequate fuel supply in the ensuing months. In particularly short supply are lubricating oils. Fishing interests assert that the low percentage of such oils which are distributed in proportion to controlled fuel oil sales is resulting in the attempted use of fish oils and other unsatisfactory substitutes for lubricating purposes.

b. Fishing Cooperatives: Thirty preliminary meetings were held during the month of April for the dissolution of the old fishing associations. Only one association has not completed the preliminary meeting due to its inability to convoke a quorum. Military Government personnel were present at two meetings in Yoro-Mura, and Ejiri-mura, Yoza Gun. The basic questions asked concerned fishing rights. Fishermen feel that possible alteration of such rights will be a dominating factor in determining the forms which their cooperatives will assume.

Fishing rights are still being reviewed by Staff Sect. Govt. SCAP

6. FORESTRY

a. Pine Bark Beetle Control: The infested area cut during April slightly exceeded the March figure, however the total volume of timber was less than half that of the previous month. Although control measures are proceding somewhat faster than the rate of new infestation, recent gains are insignificant in

comparison to the impressive results achieved in the early stages of the program.

b. Forestry Production: Shortage of funds, aggravated by tax obligations at the end of the fiscal year, have accelerated the output of all forest products. Sawing of lumber has outstripped planned production to the point where Kyoto ranks third among all prefectures with respect to the percentage excess of production over assigned quotas.

7. TRANSPORTATION

Incoming freight tonnage was the largest since November 1948 although outgoing shipments were about 10 percent less than the monthly average for the past six months. Freight backlogs have been reduced to a point where transportation difficulties can be longer be considered a major chronic obstable to the smooth functioning of the local economy.

8. ELECTRIC POWER

Generation of electric energy during April followed a seasonal cycle in decreasing somewhat from the unusually high level reached in March, however total output was 67% larger than for April of last year. Average monthly generation for the period Jan - April 1949 was 15% greater than the wartime peak in 1941.

9. CONSTRUCTION

84 construction violations were discovered during this report period one-third more than in the previous month 14 were directed to tear down their projects while seven were ordered to suspend construction pending partial authorization. Only 82 cases were processed during the month. This period's 920 applications for permission to build added to the pre-April backlog of 1602 reflects the warm weather increase in construction plans. On the other hand the proposed cut in government personnel threatens to retard even further the number of applications processed per month. The oversupply of lumber in this prefecture indicates that construction regulations could be relaxed somewhat without causing increased cutting of limited timber supplies. It has been reported that the smaller operators face a financial crisis since the bulk of their operating capital is tied up in cut lumber for which no immediate market is available.

10. REDISTRIBUTION OF CRITICAL MATERIALS

The survey of aluminum stockpiles was completed during the month, with reported totals well below the figures recorded as of 31 March 1948 when the original survey was made. Although the fact that no compulsory purchase is intended was stressed both in newspaper and radio publicity and through personal interviews with factory officials, private enterprise has apparently been unable to forget the unpleasant experiences associated with Cabinet Order

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No. 65. Even the Commerce and Industry and CLB officials charged with administering the survey seemed unconvinced that the central authorities were not planning on a smaller scale another hoarded goods program.

11. STIMULATION OF CRITICAL INDUSTRIES

a. Rolling Stock: Kyoto's largest roling stock repair plant shut down all operations as of the end of this month. This plant was repairing approximately eighty freight cars a month until the Government's new policy of placing all orders for repairs of Government owned railway stock in Government shops closed this avenue of revenue and orders. This situation has resulted in the discharge of over sixty percent of the 900 workers employed by the factory. Approximately two hundred and fifty were transferred to the shipyard operated by the same company while an additional thirty will be employed by a projected paper pulp plant. A separate but even more serious shut down is expected in the shipyard itself, depending upon the decision on the application of the shipyard for expansion of their reconversion permit, which has been forwarded both through Japanese channels and by a special report of this team. The only other rolling stock repair yard in this prefecture, a small company with only narrow guage facilities, is now working on the last car of its final allocation of government railway cars. The yard has approached privately owned narrow guage railways in adjacent prefectures but no definite committments were obtained during the month of April.

b. The basic problems faced by the economy of Kyoto center on monetary and credit factors. Textile and fiber industries, which constitute Kyoto's major manufacturing industry, have been producing mostly for export at rates of 400 or more yen to the dollar. The recently established single exchange range is threatening many enterprises with bankruptcy. Delayed government payments have left many companies in a position where they are unable to meet operating expenses. Defaults on wage payments have reached serious proportions.

12. RELEASE OF ENEMY SUPPLIES EQUIPMENT, AND FACILITIES

Three hundred and fifty tons of scrap iron resulting from destruction of special purpose machinery and 15 buildings which were no longer required for custody of reparations equipment were released to the Japanese government during April. An additional 221,000 liters of assorted acids await concurrence of the tactical units in the proposed release. In addition the final release of five former Japanese Army-Navy installations including 91 buildings valued at ¥4,761,351 was accomplished during the month.

13. REPARATIONS

Inspections of reparations facilities during the last two months revealed that many plants had been lax in reporting "authorized use" machines which were no longer required due to production alterations. This matter was mentioned at

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the monthly meeting of the prefectural reparations association at which time each of the plant representatives agreed to investigate his own installation and report any such cases with the greatest possible expediency. Emphasis was placed on the importance of reporting only such machines as would not again be needed due to production changes scheduled for the near future. The result was an unprecedented total of 55 machines withdrawn from authorized use during this month. Maintenance in the 15 plants visited during April was satisfactory and all minor discrepancies observed were corrected immediately.

14. ECONOMIC RECOVERY COMMISSIONS

Highest priority is currently assigned the program for establishing both prefectural and district level Economic Recovery Commissions to implement the principles of the 9 point Economic Recovery Program. Initially, a prefectural general commission of over 160 members was nominated by the prefectural governor. At the suggestion of this team, all subsequent organizational activities were conducted by parliamentary procedure, with all officers and committee members chosen by popular vote, to avoid any possible criticism that the Commission was dominated by bureaucratic or political interests. The popular support and eager participation which resulted has confirmed, to date at least, the potential responsiveness of all phases of the economic society to the idea of a democratically planned recovery program. It appears significant that of six subcommittee chairmen elected, none is a politician or bureaucrat. With three university professors, one banker, and two industrialists heading these subcommittees, plus groups as standing members of the committees, there seems to be adequate assurance that the economic recovery program will be directed by capable and impartial leaders and supported by a broad base of the economic society. An initial budget of ¥1,502,000 has been approved, with ¥302,000 to be obtained from contributions provide half of the remaining ¥1,200,000.

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HEADQUARTERS
MIE MILITARY GOVERNMENT TEAM
APO 710 (Tsu Honshu)

ANNEX D

To Military Government Activities Report
Period Ending 30 April 1949

Director, Economics: Wendell L. Thompson, DAC, CAF-11
(Chief, Natural Resources: 1st Lt. H. G. Quinn)
(Chief, Food and Fertilizer: 1st Lt. H. G. Quinn)
(Chief, Commerce and Trade: Leigh Cooney, DAC, CAF-5)
(Chief, Manufacturing and Industry: Leigh Cooney, DAC, CAF-5)

ECONOMICS SUMMARY

1. Agriculture

a. Stone leeks, rape, radish, citrus fruits and coltsfoot (an edible flower) were the only crops harvested during April. Low temperatures during the past month have retarded the growth of grain. This is in direct constrast to the unseasonably warm weather which, until February, had adversely affected crop production.

b. Under the supervison of Prefecture, and with the approval of Central Government, the seed white potatoes which remain unsold due to high prices are being utilized for manufacturing alcohol, and as feed for cattle.

c. Land Reform, Land Reclamation, and Former Military Land:

(1) Following is the status of the purchase and sale of reform land, former military land and reclamation land, as of 30 April:

	Reform Land (including tax land) (cho)	Reclaimed Land (cho)	Former Military Land (cho)
Estimated Available	19,868	7,541	1,200
Acquired	23,011	6,048	1,238.5
Sold	22,761	181.3	1,062.3

According to Prefecture, 1,840 cho of land will be sold as reclamation ground during the 1949 fiscal year.

The goal for the purchase of reclamation land, set by Prefecture, is 1,411 cho; however, this amount has not yet been approved by Central Government.

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(2) As the raising of rent on leased land is now pending in Central Government, Prefecture has stopped all action on the lease contracts for tenant farmers until further instructions are received from Ministry of Agriculture and Forestry (Norin-Sho).

(3) As of 20 April, Mie Prefecture had paid for 86% of land purchased and had collected for 98.1% of land sold under the reform law.

d. Agricultural Cooperative Associations:

(1) During the report period, seven agriculture associations completed liquidation, bringing the total now liquidated to 319 of the 324 original associations, or 98.4%. Liquidation of the remaining five associations is expected to be completed in May.

(2) As of 30 April, 1,012 agricultural cooperative associations have been established in Mie Prefecture. Of these, 422 are general purpose associations, 480 are sericultural and 110 are associations for miscellaneous purposes, such as tea, fruit, livestock, etc.

(3) During the report period, the Agricultural Village Industry Federation of ACA was established and approved by Prefecture. Federations in Mie Prefecture now total twenty-nine.

e. Agricultural Extension:

(1) At a recent conference in Central Government, Prefecture officials learned that five hundred bicycles are to be distributed among the Prefectures for use by extension agents.

(2) Prefecture recently informed this unit that instead of the former five agricultural specialists, under the Prefectural Agricultural Reseatch and Extension Board, there will be seven.

2. Crop Collection

a. Status of 1948 fall crop collections, as of 30 April, is as follows:

Rice Quota:

Amount due government	-	3,915,523 bushels (764,900 koku)
Amount turned in	-	3,919,922 bushels (765,759.5 koku)
Percentage	-	100.1 %

21.5% (859.5 koku) of the 4,000 koku over-quota assessment has been delivered.

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Sweet Potato Quota:

Amount due government	-	154,282,486 lbs. (18,662,000 kan)
Amount turned in	-	242,524,181 lbs. (29,335,710 kan)
Percentage	-	157.1 %

b. Activities to stimulate over-quota delivery:

(1) On 14 April, a conference on excess-quota delivery was held with Economic Chiefs of district and city offices to discuss the expediting of further excess deliveries.

(2) On 21 April, a letter stressing the importance of turning in over-quota deliveries was sent to each city mayor and each district chief.

3. Food Distribution

a. The program of food distribution in Mie Prefecture is progressing satisfactorily.

b. A special course for educating general consumers in the proper utilization of imported corn meal was held by the Staple Food Distribution Kodan, Mie Branch, Prefectural Food Section, and the Public Health Section, in twelve different cities and towns from 6 through 26 April. The course was very successful at each place with the attendance of from two hundred to five hundred housewives and women representatives.

c. Several food warehouses, inspected during April, were found to be in satisfactory condition.

d. One of the warehouses of agricultural cooperative associations in Mie Prefecture was destroyed by fire on 15 April. Of 752 bales of government-owned indigenous rice, stored in the warehouse at the time of the fire, 430.5 bales were saved. 17,985 kilograms of salvaged rice, soy-beans, rye and wheat are being used for manufacturing soy-bean paste and soy sauce, and the remaining 738 kilograms of salvaged rice, buckwheat, broad beans and soy-beans have been distributed as feed for cattle, with the approval of Central Government.

e. The estimated consumption of meat in Mie Prefecture is 9.07 momme per person per day.

4. Fertilizer

a. Production:

(1) Ammonium sulphate production increased 27.6% during April, as com-

pared to March's production; and increased 13.3% as compared to the production of April 1948.

(2) Superphosphate of lime production, during April, decreased 17.8% under March and decreased 2.7% as compared to April 1948.

(3) Sulphuric acid production for this period increased 18.5% over March, and 3.3% over April 1948.

(4) The decrease in production of superphosphate of lime was due to reduction of the production quota, while the increases in production of ammonium sulphate and sulphuric acid were due to the prompt receipt of raw materials during April.

b. Distribution:

Mie Prefecture has received 91% of its fertilizer allocation for the spring period. 82% of the quantity received has been distributed to the farmers.

5. Fisheries

a. General:

The fish catch during April totalled 633,380 kan, 123% increase over March. Small sardines and yellow-tail were the principal fish caught.

b. Fishing Cooperative Associations:

(1) An example of an inspection of the fishing cooperative program can be shown by the following information, received during an interview with the chief of the Fishing Association, the chief of the Property Disposal Board, and the village chief, of Kurima-mura, Mie Prefecture:

(a) "Here in Kurima-mura, we held the preliminary meeting for dissolution on 3 April", it was stated. "By written secret ballot, five fishermen were elected to the Property Disposal Board. During the meeting, the directors of the fishing association submitted a financial report and an inventory of the properties. Both were approved. One meeting was held prior to the preliminary meeting, to explain the dissolution and organization procedures of the fishing association and the cooperative."

(b) The fishermen and part-time fishermen of Kurima-mura plan to hold a preliminary meeting for organization of the fishing cooperative association by the end of May, it was said. There are approximately eighty fishermen and part-time fishermen who plan to become members of the new fishing cooperative association.

(2) Through interviews with Prefecture Fishing Section officials in charge of fishing cooperatives, it was learned that:

(a) All fishing associations in Mie Prefecture held preliminary meetings for dissolution by 14 April; however, ten of the 141 associations in the Prefecture were unable to get the two-thirds vote necessary to attain a quorum. Subsequent meetings will be held in the near future.

(b) During the report period, one fishing cooperative and four fish-processing cooperatives were organized and approved by Prefecture.

(c) Prefecture fishing officials visited twenty fishing villages in the Prefecture during April, to explain the fishing co-operative law before meetings of fishermen. In all villages, the majority of fishermen were desirous of participating in the new cooperative program.

c. Fish and Vegetable Program:

(1) During April, the yellow-tail catch still remained very poor, although somewhat better than in March. The sardine catch this year has been extraordinarily small, hardly adequate to supply deep-sea fishing boats with bait. During the first four months of 1949, this prefecture shipped only 52.8% of its inter-prefectural allocation fish quota. Low catch is the reason. Each prefecture received its proportionate share of these shipments.

(2) Since removal of control, vegetable prices have risen to an average of more than twice the former official price. However, at the end of the month, vegetable deliveries had increased in volume. It is anticipated that when summer vegetables, such as cucumbers, egg-plant, pumpkins, and tomatoes, begin reaching the markets, prices will decline.

6. Mining

a. Anthracite coal production, during April, increased 24.3% over March, and 48.2% over April 1948.

b. Production of lignite increased 6.8% over March, but decreased 29.1% as compared to April 1948.

c. Pyrite production in April increased 5.1% over March, and increased 21.5% as compared to April 1948.

d. Increases were due to improved conditions of the veins, and a slight increase of electric power.

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7. Incentive Goods

a. Distribution of inventive goods to fishermen was satisfactory; however, it is desired that more work clothes and rubber boots be allocated.

b. Incentive goods for transportation laborers arrived at the receiving agency 28 April. The overall condition was satisfactory, and distribution will be made early in May.

c. 100% allocated incentive goods for excess summer crop deliveries has been distributed to the farmers.

d. Of the incentive goods received for excess fall crop deliveries, 100% has been distributed.

e. In the clothing received as incentive goods for farmers, approximately a 3% shortage was discovered.

f. The full April allocation of incentive goods for chemical fertilizer workers, consisting of canned goods, salt, rice, tobacco, soap, and margarine, was received and distributed. Allocation tickets were received for leather belts, rubber shoes, aprons, and work clothes, but actual delivery has not been made.

g. The April allocation of incentive goods for coal mine workers, consisting of underwear, was received and distributed.

h. The April allocation of incentive goods for lignite mine workers, consisting of rubber shoes and candy, was received and distributed.

8. Forestry

a. Reforestation:

(1) Prefecture recently disclosed its reforestation goal for the 1949 fiscal year as 5,000 cho. This goal is to be met through the cooperation of school children, private forest-owners, farmers and citizens of all walks of life.

(2) During the recent "Green Week", considerable publicity was given the reforestation plan. Over 3,000 posters of various kinds were distributed to district offices, cities, transportation companies and forestry organizations.

b. Pine Bark Beetle:

(1) As far as can be determined, there were no further pine bark beetle infestations in Mie Prefecture during the report period.

c. Lumber:

(1) The total production of lumber in April was 254,000 koku. This is a 22% increase over the preceding month.

(2) Intra-prefecture shipments of lumber during the report period totalled 122,442 koku, 22% more than amount previously estimated.

d. Charcoal, Firewood and Gasumaki:

(1) The 1949 fiscal year's allocation figures for charcoal, firewood and gasumaki, as compared with 1948 allocation figures, are as follows:

	Charcoal (tons)	Firewood (koku)	Gasumaki (tons)
1948:	30,500	1,294,100	6,000
1949:	32,000	997,800	14,500

The large increase in gasumaki is a result of the new gasumaki burning apparatus, which produces a combustible gas for use in trucks and automobiles. Use of this new apparatus is expected to result in great savings in charcoal consumption as trucks change to the more economical gasumaki burners, for which the seasoning of wood is not necessary.

9. Transportation

a. Transportation Control:

(1) The following commodities were confiscated by the police during April:

Rice	5,409	kilograms
Sweet Potatoes	2,782	"
Barley and Wheat	3,033	"
Other Staple Foods	340	"
Fresh Fish	3,983	"
Processed Fish	1,331	"

(2) The Marine Security Office inspected twenty-five vessels during April. No blackmarketing was discovered.

10. Electric Power

a. Electric power consumption totalled 44,967,452 K.W.H. during April, an increase of 11% over March consumption, and 11.3% over April 1948.

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b. Hydro-electric power generation increased 17.9% over March, with a total of 4,450,370 K.W.H. April's generation was 12.2% greater than April 1948. This was due to increased water flow.

c. Fines for violations of electricity regulations totalled ¥ 4,581,720, a decrease of 39.3% under the previous month.

d. An estimated 20% of this prefecture's electric power continues to be pilfered. Continued encouragement to the Japanese electric power officials has reduced the pilferage, but the problem is far from solved.

e. In this prefecture, watt-hour meter consumers total 48,120, as compared to the 259,891 non-meter consumers. During 1948, an average of 1,530 meters were installed each month.

11. Construction

a. During the past month, construction was begun on 352 houses and 243 other buildings. Construction of 399 houses and 220 other buildings was completed. Two important housing projects in Tsu and Ujiyamada cities, consisting of fifty-two homes, were also completed during the reporting period.

12. Redistribution of Critical Materials

a. No redistribution of critical materials was made during April. The Industrial Recovery Corporation purchased materials valued at ¥ 2,585,293.96, a decrease of 44% as compared to March. Allocations of these materials will be made during May.

b. The Mie District Economic Investigation Board disclosed violations of materials valued at ¥ 611,902.37 during the month of April, a decrease of 98.7% as compared to the previous month. Forty-nine investigations disclosed thirteen violations.

c. The Mie District EIB increased its staff 23% during April, with the employment of four investigators and two janitors. This brings the Board to 97% of its authorized strength.

13. Import - Export

a. During April, four allied vessels and one SCAJAP vessel entered the Port of Yokkaichi. Cargo loaded or discharged totalled 8,182.4 gross metric tons.

b. Cargoes imported at Yokkaichi during April were as follows:

Cargo	Quantity
American Raw Cotton	14,672 bales
South African Greasy Wool	887 bales
Australian Greasy Wool	2,792 bales
Rock Phosphate	3,700 metric tons

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c. Exported cargoes, during April, were 399.6 metric tons of cement and 1,282 cases of sheet glass.

d. A recent survey at the Port of Yokkaichi disclosed that the average rate of discharge was 119 bales of cotton per hatch, per gang hour. This rate is believed highly efficient in comparison with other ports of Japan. Only three to eight allied vessels enter this port monthly. Since facilities are good, it is felt that considerably more import-export cargo can be handled. Discharge rates, on all types of cargo, are being computed for comparison with rates of other ports.

e. Production of export commodities, during the month of April, totalled ¥ 247,887,017, a decrease of 9.4% below the previous period, but an increase of 41% as compared to April 1948 production. The decrease was due to a smaller number of orders.

f. Trends reflecting the effect of the new yen exchange rate will be reported in next month's Activities Report.

14. Blackmarket

a. There was little change during April in the fish black-market, due to continuation of this year's extremely poor catch.

b. Current retail prices for vegetables, compared with the March official prices, are as follows:

Item	Current Price (Yen per kan)	Former Official Price (Yen per kan)
Burdock	250	73
Carrots	200	51
Coltsfoot	130	77
Bamboo-Shoots	80	85
Radishes	50	15
Spinach	60	67
Lotus	250	81
Onions	150	72

15. Release of Installations

A total of seventy-three OGA Form 1 releases, for all known former military installations in Mie Prefecture, have been made by this unit. However, due to use by Occupation Forces and housing of reparations machines, nine of these installations have been only partially released. No additional releases can be made at the present time.

16. Reparations

a. All reparations installations were inspected during April for compliance

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with existing SCAPINS and directives. All machines and equipment were found to be in good condition and ready for dismantling and packaging.

b. During April, one machine (groove grinder, inventory code number 09-20-IA5-276) was moved into the Toyo Bearing Co. Ltd., Kuwana Plant (23-19) from the Kumano Plant (Gifu Prefecture, 09-20). Plans are being made to move all of the reparations machines and equipment from the Kumano Plant (09-20) to the Kuwana Plant (23-19), to reduce maintenance costs. The two plants are located approximately fifteen miles apart.

c. Corrections of the evaluation report, forwarded to SCAP in April, are as follows:

(1) 2nd Naval Fuel Depot (23-13)

Additions to evaluation	473 items
Corrections	238 items
Duplications	109 items

(2) Nagoya Military Arsenal, Kusu Factory (23-9)

Additions to evaluation	5 items

d. Surveys are being made to determine the possibility of reducing reparations plant maintenance personnel in this prefecture. Results indicate the feasibility of a 15% to 20% cut. Further details are being gathered to ascertain if such a reduction will result in unsatisfactory maintenance. Actual reductions will be made during May.

17. Restricted Industrial Operations

a. Restricted Concerns:

During April, spot-checks on restricted concerns were made to ascertain compliance with exsisting SCAPINS and directives. No violations were disclosed. To date, only three concerns in this prefecture have been removed from the restricted list.

b. Shipbuilding:

(1) During April, construction was completed on 3 cargo vessels and 3 fishing vessels (total of 306 gross metric tons) for domestic use. This construction constituted a decrease in orders.

(2) At present, 21 cargo vessels and 17 fishing vessels are under construction.

(3) So far as could be ascertained, there is no illegal construction of ships in Mie Prefecture.

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18. Finance

a. On 26 April, Mie Prefecture received approval from the Ministry of Finance to hold the Fifth Prefectural "Grand" Lottery. The purpose of this lottery is to obtain funds for public works and improvement of rural roads. It is estimated that revenue will approximate ¥ 4,430,000, the average income obtained from the previous four lotteries.

b. Permission was also obtained from the Ministry to hold the Second Prefectural "Speed" Lottery. This lottery differs from the "Grand" lottery, in that the winning numbers are already publicized. The corresponding numbers, contained in some of the sealed tickets on sale, win the prizes. A revenue of ¥ 900,000 is expected from this lottery, approximately the same amount as received from the first "Speed" lottery. Funds obtained from the "Speed" lottery will be used for the same purpose as those obtained from the "Grand" lottery.

c. During the past month, Mie Prefectural Government received instructions from the Ministry of Finance to promote a forthcoming savings campaign. The purpose of this savings campaign is to encourage taxpayers to save toward payment of their taxes. Prefectural plans include notification to all savings associations in Mie Prefecture (totalling more than 1,000), and establishment of a special committee for publicizing the campaign.

19. Closed Institutions

Of twenty-six closed institutions in Mie Prefecture, ten are being liquidated by the Osaka Branch of the Closed Institution Liquidation Committee, and fifteen by the Central CILC. To date, only one closed institution in this Prefecture has completed liquidation. It is estimated that it will be some time in the 1950 fiscal year before the liquidation of the remaining institutions is completed.

20. Economic Rehabilitation Committee

a. The Mie Economic Rehabilitation Committee held its establishment meeting on 25 March. A total of fifty members constitute the committee, which is broken down into the following sub-committees:

Executive	10 members
Finance	7 "
Price	3 "
Foreign Trade	4 "
Production	17 "
Natural Resources	9 "

Each-sub-committee will hold meetings twice a month, and the committee will meet when necessary.

b. During April, the sub-committees held two meetings each. The committee held none.

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c. The members seem to be conscientious and capable. It is believed that a much more rapid economic reconstruction of Mie Prefecture will be made through the efforts of this organization.

21. Stimulation of Critical Industries

a. Textiles:

Production of textiles, during April, increased 31% over March. The principle reasons for this increase were improved delivery of raw materials, more orders for domestic use, and increased allocations.

b. Tires and Tubes:

April production of tires and tubes totalled ¥ 99,604,118, an increase of 37.6% over the previous month, due to improved allocation of raw materials, for bicycle tires. Automobile and truck tire production actually decreased.

c. Sheet Glass:

Sheet glass production totalled ¥ 101,648,000, in April, an increase of 17.2% over March, and 335% over April 1948. This was principally due to increased production quotas.

d. Cement:

The production of Portland cement during April totalled ¥ 34,897,366, 42.9% more than in March, and 142% more than April 1948. Greater coal allocations were the major factors.

22. Cultured Pearls

a. On 24 April, the Shinju Yoshoku Kyokai (Cultured Pearl Society) was formed in Mie Prefecture. This society consists of 227 pearl cultivating farms.

b. During April, spot-checks of pearl retailers in Mie Prefecture disclosed no illegal sale of pearls.

23. Visitors from Higher Headquarters:

a. Major Burns and Mr. Walker, Economics Section, Tokai-Hokuriku Mil Govt Region, and Mr. Pfeiffer, Assistant American Consul to Japan, on 4 April to inspect economics, labor and consul problems.

b. Lt. Col. Nunn and Lt. Col. Julian, Eighth Army Military Government Section, on 13 April to inspect economics and labor sections.

c. Mr. Harrington, Mr. Allen, Mr. Bundy, Mr. Locker, and Mr. Nagata, SCAP, 21 - 23 April, to inspect fisheries.

d. Mr. George, Economics Section, Tokai-Hokuriku Mil Govt Region, on 28 April, to inspect economics.

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HEADQUARTERS
Miyagi Military Government Team
APO 547

Reports Control
Symbol MG-11(R2)

ANNEX D

to

Monthly Military Government Activities Report for April 1949

ECONOMICS SUMMARY

Prepared by William O. Adams, Capt., QMC

1. Agriculture:

a. Spring planting has been delayed about a week or ten days because of unseasonably cold weather.

b. Sufficient seed rice (2,800 Koku) was obtained from AFM to distribute to those farmers victimized by the September 1948 flood. Also seed potatoes were distributed accompanied by lectures to increase control of ring rot.

c. Rehabilitation work of flood damaged farmlands and irrigation systems was 39% complete as of 20 April. National subsidies for this work were eliminated from the 1949-50 fiscal budget. Farmers complained that it will be impossible to clear their flood damaged lands without financial help.

d. Land Reform:

(1) No purchases of cultivated land or virgin soil were made by the government this month. However, 280 cho of cultivated land and 84 cho of virgin soil, previously purchased was resold.

(2) A lecture meeting followed by a practical demonstration of the utilization of animal and machine power in land reclamation was held at the Kawatabi Reclamation Farm, Tsumatsukuri-gun.

(3) During the month two local land commissions were inspected:

(a) Funaoka-machi, Shibata-gun was inspected on 27 April. The purchase program here is 100% complete and resale 99% complete. This commission experienced no disputes that could not be amicably settled. Ninety percent of the new owner farmers paid cash for their land. During the war a large area of land near this town was purchased or confiscated by the government for

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the construction of a large arsenal. The people decry the fact that there is a shortage of land in the area and are desirious of regaining the use of the arsenal land.

(b) The commission at Natori-machi, Natori-gun was also inspected 27 April. The purchase program in this town exceeded the goal by 20%. All purchased land has been resold. Average prices for land were 365 yen for paddy and 380 yen for upland. This is an unusual situation as paddy land generally brings from 75 yen to 150 yen more per tan than upland. This commission had only one dispute to be settled by the prefectural commission.

c. Agriculture Cooperatives:

(1) Twenty seven cooperatives completed the transfer of Nogyokai assets this month bringing the cumulative total to 149 or 74% of the total. Assets transferred so far amount to 402,030,000 yen. No property was transferred from the Prefectural Nogyokai this month.

(2) Two agriculture cooperatives were visited this month.

(a) At Funaoka the membership of 459 includes every farmer in the village. The interest in the cooperative here is intense. At the election of officers the farmers expressed their gratitude for the new cooperative by not electing a single ex-Nogyokai official. The chairman of the cooperative, an old and inactive man, was elected because of the deep respect held for him by the community. He is aided in the administration of the cooperative by younger, able men. The members of the cooperative expressed complete satisfaction with this arrangement.

(b) The cooperative at Natari-machi was inspected 28 April. The transfer of property from the Nogyokai was completed on 26 March 1949. This cooperative is not as active as some that have been inspected. Savings deposited with the cooperative are less than 1/3 of the deposit last year. Farmers are complaining of a critical financial situation. Cooperative members are being asked to purchase additional shares in order to increase the operating capital.

ANNEX D to Mo Mil Govt Activities Report for April 1949

2. Crop Collection:

a. As of 30 April 1,034,062 koku or 104.3% of the total rice delivery quota was collected. Although this is considered exceptionally good the Prefectural Government is continuing to exert all efforts to collect more rice.

b. Preplanting quotas have been distributed to all farmers with the exception of those in two small villages in Kitari-Natori district. These exceptions resulted from prolonged disputes over the arbitrarily set productivity rate of the area. Completion of quota allocation is expected by 4 May in these villages.

3. Food Distribution:

a. The distribution of allocated imported food releases for April (JDF-75) amounting to 1,346 m/tons of cereals was delayed at the Central Government level. The Sendai Food Office distributed 891 m/tons in April and the remaining 455 m/tons will be distributed during the first part of May.

b. The release of 1,800 m/tons of sugar for general ration in April was delayed due to absence of instructions from the Central Government.

c. This headquarters released 974 lbs of damaged sugar held by the Groceries Kodan Sugar Bureau. The sugar was released to a winery to be utilized as a sweeting agent for wine.

d. The critical staple food allocation for rationed farmers was alleviated to some degree with an additional allocation of 600 m/tons of rice for April. Rationed farmers averaged about 12 non-ration days. However, sufficient allocation is authorized to make this up in May in addition to normal ration for May.

e. The decontrol of vegetables produced a marked immediate increase in prices amounting to 20 to 25%. This change was chiefly due to the scarcity of vegetables during early April which is considered to be in the off season period. However, during the latter part of the month prices declined to about 5 to 10% over control prices. The supply of vegetables was steady and increasing in quantity.

4. Fertilizer:

Distribution of spring fertilizer is progressing very well. Percentage of allocations received is as follows:

	Prefecture	Dealers	Farmers
Nitrogenous	93%	78%	63%
Phosphates	92%	74%	56%
Potassic	72%	37%	9%

5. Fisheries:

a. The total catch for the month was 5,164 tons, a slight decrease over last month. Seasonal decline was held responsible for the decrease.

b. The April oil allocation of 1,438 kilo litres was considered sufficient in view of the curtailed activities due to poor catches. 225 kilo litres was sold in advance to bonito fishermen who set out for their first trip of the bonito season.

The petition was received and forwarded to SCAP

c. A petition has been received (and forwarded thru channels) requesting that a portion of the whaling vessels to be disposed of by the three whaling companies subject to dissolution be alloted to this prefecture. It is proposed to organize a prefectural whaling company to operate the station at Ayukawa.

d. .During the month 64% of the fresh fish allocation for intra-prefectural distribution and 58% of the allocation for inter-prefectural distribution was met.

e. Fishing Cooperatives:

(1) As was reported in previous annexes all available media of propaganda has been utilized to publicize the fishery cooperative program.

(2) As of May 30 two embryo fisheries cooperatives and three processing cooperatives had held preliminary meetings. Of 54 associations in the prefecture, 44 have held meetings preliminary to dissolution and have elected property disposal boards.

(3) .Two fishing ports were inspected to observe the conduct of the cooperative program.

(a) In Yuriage three general information meetings have been held; one sponsored by prefecture, one by the district and the other by the town. Buraku meetings have also been held. The local fishing association held it's meeting preliminary to dissolution and elected a property disposal board. However, no general meeting preparatory to forming a new cooperative has been held. Interest is high and all types of fishermen are preparing to participate in the new venture.

(b) At Arahama the meeting preliminary to dissolution of the association was held on 23 April and a property disposal board elected. As in most other fishing

towns the three main meetings held by prefectural, district, and town were followed by buraku meetings. Pamphlets and posters have been distributed and it is believed that most fishermen are cognized of the provisions of the law. The people interviewed expressed a unanimous desire to form a single new, financially stable cooperative. They are hoping to rid themselves of boss domination.

6. Mining:

a. Thirty-four lignite mines in this prefecture have been designated as superior by the mining bureau and have been given top priority for obtaining materials and funds for completion of dressing and processing plants. Operators of these mines have formed a cooperative to aid each other in the mine improvement program.

b. Concentrate and lignite production for the month was:

Lead	217.4 tons	Sulphur	147.6 tons
Copper	2.8 tons	Pyrite	1,549.7 tons
Zinc	546.1 tons	Gypsum	398.0 tons
Arsenic	5.8 tons	Lignite	32,061.0 tons

c. Shipments from the Hosokura mine were:

Pyrite	1,138. tons	(concentrate)
Lead	49. tons	(electrolytic)
Zinc	282. tons	(electrolytic)

7. Incentive Goods:

a. Allocation and distribution of incentive goods for over quota delivery of rice started. However, insufficient allocations of goods and lack of instructions regarding details of distribution have hampered prefectural efforts for quick distribution. Many small scale farmers complain that desirable items of incentive goods require too many points and the large scale farmers obtain most of the best items.

b. For the first time in this prefecture class "B" fishing port operators received released U. S. Army clothing as incentive goods. This move was hailed with great satisfaction by the fishermen in the four class "B" ports.

c. The AFM, the central EIB and the local EIB all sent men to make a joint investigation of the fishing incentive goods program to confirm abuses described in a special report by this headquarters. It is doubted that these agents actually were able to confirm the report since most abuses were corrected as a result of the word of mouth publicity received from the Military Government investigation.

ANNEX D to Mo Mil Govt Activities Report for April 1949

8. Forestry:

a. Greenweek programs were held through the week of 1-7 April. All available personnel of this team participated in tree planting ceremonies. School children planted a total of 567 cho with seedlings during the week.

b. Charcoal and firewood production and delivery exceeded all expections due to the unusually mild winter. This Prefecture has been designated by the AFM as self sufficient for both charcoal and firewood.

9. Construction:

a. During the month permits for 1,170 houses were issued. Fifty cases of building code violations were dealt with by the Prefectural Government.

b. Sixteen shops erected without permission on Sendai city property were ordered to be razed by 18 April. On this day the Prefectural Government moved in 200 laborers and forcibly removed the shops. Two hundred police were on hand to maintain order as huge crowds gathered to watch the proceedings. There was no disorder and the area was levelled in a few hours.

c. Mr. Potts, Welfare Section, Tohoku Military Government Region, held conferences with Prefectural Officials concerned regarding experimental construction of adobe houses to alleviate the housing shortage with fireproof buildings.

10. Public Works:

a. Considerable work was accomplished by volunteer groups on village and Prefectural roads during "National Road Week". Prefectural Officials estimated that the work was approximately 20% of that done by permanent road personnel during one year.

11. Import-Export:

The 1949 seed oyster shipping season ended on 8 April with the sailing of the S.S. Java Mail. This ship carried 6,367 cases of seed oysters as deck cargo bringing the total amount of seed oysters shipped during the season to 44,659 cases. Representative samples of all oysters shipped were inspected by Mr. Cedric Lindsay for the Pacific Coast Oysters Growers Association of Seattle, Washington. Mr. Lindsay departed for the United States aboard the Java Mail.

12. Black Market:

a. Efforts to maintain strict control of the staple foodstuffs were intensified this month. 1412 arrests were made and 1332 persons were sent to court for trial. Confiscated items included 26,569 kg of rice and 1817 kg of other cereals.

Reports Control
Symbol MG-11 (R2)

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1st Lt FA
Natural Resources

HEADQUARTERS
MIYAZAKI MILITARY GOVERNMENT TEAM
APO 24, UNIT 2

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT
Period Ending 30 April 1949

ANNEX D

1. Agriculture

a. The chief of the local food office of the Ministry of Agriculture and Forestry reported to this team that he will recommend a twenty percent reduction in the wheat quota for this prefecture. This revision was necessary, he said, because of two factors: (a) Only 90% of planned acreage was actually planted, and (b) the unfavorable winter growing conditions. This team feels that this is an excessive reduction. In view of present disease damage, crop conditions, and other loss factors, a revision downward of 6-10% would appear more in keeping with actual conditions.

b. The local government had received 16,000 kilograms of DDT for seed bed use. This was being distributed to farmers along with BHC powder and solution for leaf hopper control.

c. In spite of continued activities of this team to discourage the use of moth-killing lamps the prefectural government was continuing its plans to increase the number of this equipment in accordance with the Ministry of Agriculture and Forestry's plan.

2. Land Reform

a. KITAGO VILLAGE:

(1) The Kitago Village Agricultural Land Commission completed the land transfer program by acquiring 91.9 cho, which exceeded the original purchase estimate by 7 cho. The successful completion of the land transfer program, and the collection and payment program was attributed to the efforts of the 10 member commission assisted by a capable and industrious clerk. The present tenanted area was 6 percent of the total arable land area of this village.

(2) This land commission held meetings at all the blocks,

inviting all the farmers of the block to attend the meetings and observe the operation of the commission. This method of orientation minimized the number of disputes and appeal cases presented to the commission. The attendance rate of individual commissioners to commission meetings was excellent, with an average attendance of 96 percent for the seventy-seven meetings held to date.

(3) The local farmers interviewed indicated utmost confidence in their commission and voiced no dissatisfaction over the commission's administration of the reform. Evidently farmers felt that the reform has come to an end and their reliance on the commission to administer the program might adversely affect the progress of this work. It was suggested that the information activities be expanded with full coverage given to activities listed in NRS Weekly Summary number 180.

(4) Indications of job insecurity on the part of the clerks were noted. Prefectural government officials tactfully evaded this question. Further information on the effect of personnel readjustment and budget are necessary to carry out successfully the remaining phases of this program.

b. MINAMIKATA VILLAGE:

(1) Minamikata Village had a total of 869 cho of arable land. This area was divided into 20,350 plots and cultivated by 1,420 households. The average cultivating acreage per household was 4 tan 3 se for paddy and 2 tan 1 se for upland.

(2) The Agricultural Land Commission had 16 members and held 42 meetings since their election in December 1946. They acquired 207 cho of arable land and resold the entire amount to 835 households. The payment for lands purchased was completed. The collection program is 99 percent completed. A total of 134 cho of reclamation land has been acquired by the commission, of which, 21 cho have been resold to local farmers. An additional 49 cho have been sub-divided among potential cultivators and will be sold to them in the near future. One cho of arable land, two cho of pasture land, and 2 cho 5 tans of reclamation land remained to be acquired.

(3) Tenant-landlord lease contracts were still in their initial stages of implementation. The clerks and commissioners were rotating lease contract discussions thru the blocks. Farmers interviewed were in many cases unfamiliar with the contents of the model lease contracts; besides, they were under the false impression that after the expiration of the contract, the landowner could deny them the right of renewal. Misconception as to length of tenure and higher rentals were clarified by the prefectural authorities.

(4) There were sixty disputed cases presented to the commission. Tenant eviction cases made up the greater portion of these. A total of fity-eight cases were amicably settled by the local commission and two remaining cases were forwarded to the prefectural commission for disposition. All but three of these cases were settled in favor of the tenants.

(5) The knowledge possessed by the average farmer on land reform was meager. Local and prefectural officials were encouraged in strengthening their information program, with emphasis placed on the information activities listed in NRS Weekly Summary number 180.

3. Agricultural Cooperatives

a. Inspections were made of the Agricultural Associations of Nobeoka City and Takanabe-Machi during the reporting period. These areas were selected because they are two of the three associations that have not presented liquidation plans to the prefectural governor.

b. The Nobeoka Nogyokai had a membership of over 5,000. Seven cooperatives have replaced this association, and have operated successfully for nearly one year. The distribution of the lands and buidlings among these cooperatives was a problem of considerable perplexity. In addition, a bad debt of ¥2,300,000 has further complicated the situation. A group of specialists were working on plans which were to be submitted 13 May, to the governor for his approval.

c. The Takanabe Nogyokai suffered a loss of ledgers and other valuable files which complicated collections and settlements of debts. Plans were almost complete and were to be submitted to the prefectural governor by 4 May. Only one capital stock cooperative replaced this association. It operated with a fair profit last year, and was eagerly awaiting transfer of Nogyokai property.

d. Progress chart of cooperatives - number of applications on cooperatives submitted - - - - - - - - - 242
Number of applications on cooperatives - - - - 241
Number registered and operating approved - - - - 227
Number of Federations registered and operating - - 9

4. Crop Collection

	Quota	Purchased	Percent
Rice	362,100	377,486.9	104.2
Sweet Potatoes	21,590,000	35,978,131	166.6

a. Collection of the 20,000 koku over-delivery "goal" appeared to bog down at 78% collected.

5. Food Distribution

a. Wataru Yoshimura, the alleged recipient of "ghost" rations reported in March Activities report by this team, was released from jail in the custody of his physician because of a nose infection. He was to be tried on 11 May on at least five charges. Two trials were held during March on violations of the Food Administration Law. The procurator was confident of a conviction, and is demanding a 15 year prison sentence and a ¥100,000 fine. Wide publicity has been given this case, and will be increased following the conviction.

b. The prefecture received 470 tons of imported corn and wheat for distribution in March. A committee was formed for the purpose of educating the people in the preparation of food from their products. A total of 30,000 leaflets and 1,642 posters were distributed, and 59 meetings held all over the prefecture to teach proper cooking methods. In addition the information officer of this team had recipes published in the prefectural papers for ten days. No complaints were noted by the team from the public concerning the distribution of corn.

6. Fertilizer

a. On 30 April, the Kodan had received 21,300 tons of fertilizer against an allocation of 28,319 tons. Distribution to farmers had reached the following percentages (March percentage included for comparison).

		March	April
Nitrogen fertilizers	-	51%	69%
Phosphorus fertilizers	-	42%	59%
Potassium fertilizers	-	39%	54%

7. Fisheries

a. An ¥8,000,000 loan to the Prefectural Fisheries Association enabled more bonito boats to operate during March with favorable results.

b. The associations of Akamizu and Tomishima were inspected during the month. In akamizu the general meeting scheduled for 14 April was unable to proceed because of lack of attendance. The meeting was postponed until 1 May to enable prefectural officials to hold four interum meetings to inform the fishermen of the program. Interest was low among fisherman, particularly during this busy season.

c. In Tomishima the liquidation meeting was held 1 April with a quorum attending. Six fishermen were elected as members of the property disposal board. Fishermen were generally of the opinion that the co-operative would simply be a new name for the old association. It was recommended that weekly meetings be held to explain the purpose of the law to prospective cooperative members.

d. The prefectural council has not yet approved the ¥2,000,000 budget requested by the head of the fisheries section to push the co-operative program. However, he has five men in the field constantly and is trying to double this number.

8. Forestry

a. Only 38 cho of forest received insect damage during the month. Plans were being completed for rapid identification and treatment of future damage.

b. This year's plan for the planting of 5,500 cho of forest was met only 82% during March and April. Four thousand-five hundred (4,500) cho were planted with 9,900,000 seedlings, mostly Cryptomeria.

9. Reparations

a. Inspections revealed no negligence or improper maintenance of machinery. Maintenance personnel have been reduced, and were being reduced still more at the end of the period.

HEADQUARTERS
Nagano Mil Govt Team
APO 181

Reports Control
Symbol MG-11 (R2)

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT FOR THE MONTH OF APRIL 1949

ECONOMICS SUMMARY

Submitted by: Robert F Hall, DAC

1. Agriculture

a. Routine surveillance was conducted over progress of the land reform program. The following local land commissions were formally inspected:

(1) Igara-mura, Shimoina-gun

(2) Kawaji-mura, Shimoina-gun

(3) Torii-mura, Kamiminochi-gun

A series of "rice paddy" interviews were conducted with farmers of each of these communities. Farmers agree that land commissions appear to be functioning smoothly. No unusual occurrences happened during the month and the program is progressing satisfactorily.

b. The following three general agricultural cooperative associations were formally inspected:

(1) Toyoi-mura, Kamiminochi-gun

(2) Wakatsuki-mura, Kamiminochi-gun

(3) Shinano-mura, Kamitakai-gun

"Rice paddy" interviews were held with farmers and conferences were held with prefectural officials regarding the cooperative movement. Elections of officials in cooperatives inspected appeared to be conducted democratically. Approximately seventy percent of old cooperative officers were re-elected. Secret ballots were used during elections. No candidates were nominated for these elections, but the farmers' union played an important part in influencing the voters. Farmers indicate satisfaction with their new cooperative officials. Cooperative associations appear to be functioning smoothly and at a profit.

c. Prefectural Government sponsored two open forums to educate and inform people of the status of the cooperative movement in this prefecture. One forum was held in the northern area and the other in the southern area. Both meetings were well attended by actively participating spectators. A short talk was given on the importance of the coming general election of cooperative officials at the northern area meeting by a member of this section.

d. Forty-nine agricultural cooperative associations and one federation of agricultural cooperative associations on a "gun" level were established during April.

e. Due to peculiar weather during the month, it appears that disease is already hitting barley and wheat crops. Disease formerly found only in

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BASIC: Annex D to Monthly Military Government Activities Report for the Month of April 1949.

the southern part of the prefecture is fast spreading northward. Prefectural government warned farmers of the necessity of early spraying of the young plants.

2. Crop Collection

During the month, awards and entertainment were given farmers for outstanding contribution in recent crop collection drives. Ninety-eight farmers were awarded certificates by this headquarters and certificates with a small incentive were awarded by prefectural government. Twenty-two families, representing each county and city of the prefecture, were awarded with a prefectural sponsored tour either to Nagano City or to a well know spa. A vaudeville act was given in localities throughout the prefecture with farmers who met their rice quota as honored guests. Short speeches were given at events attended by representatives of this headquarters.

3. Food Distribution

a. Complaints were registered during the month by retailers and consumers in the Matsumoto City area about the "combined sales" and poor quality of certain fish. Members of a wholesale company were questioned and a thorough investigation is being conducted by prefectural officials. Transportation delays and lack of refrigeration appear to be main causes for fish spoilage.

b. It was noted during surveillance that distribution of staple foods remained steady.

4. Fertilizer

Fertilizer distribution to farmers remained steady during the month. Farmers questioned by this headquarters seem satisfied with the improved fertilizer situation. In the course of the month, three fertilizer distribution stations were inspected by this section. Inadequate storage of fertilizer in these stations was noted and corrective action was initiated immediately by the respective managers.

5. Fisheries

a. Three fishing associations were formally inspected:

(1) The Shimoina Fishing Association with headquarters in Tatsuemura, Shimoina-gun, is comprised of 1800 fishermen along the Tenryu River, which extends through one city and twenty-four villages. Eighty percent of these members are part time fishermen. The dissolution meeting of this association was held on 14 April. A quorum attended. A property disposal board of nine members was elected using secret ballots. No candidates were nominated for this election. The financial report and inventory of property of the fishing association were read, discussed, and approved. The initial meeting of the cooperative is expected to be held during the first week of May. Members of the association appear satisfied with the cooperative movement.

(2) The headquarters of the Shimoina-gun Branch of the Pond Breeding Special Fishing Association of Nagano Prefecture is located in Matsuo-mura, Shimoina-gun, Membership totals 298, approximately 150 of whom belong to the Shimoina Fishing Association. Members are spread throughout eight villages of the "gun". This association raises carp in rice paddies for rationing to expectant mothers. The dissolution meeting of the association was held on 14 April and the

BASIC: Annex D to Monthly Military Government Activities Report for the Month of April 1949.

initial meeting of the cooperative association is expected to be held 1 May. One member of this branch organization was nominated to the property disposal board of the association.

(3) The Neba River Fishing Association of Neba-mura, Shimoina-gun, has a membership of 256. The dissolution meeting of the association was held on 2 April. A property disposal board of seven members was elected using secret ballots. No candidates were nominated for this election. A thirteen day notice was given prior to holding this dissolution meeting and a quorum assembled. The initial meeting of the cooperative is expected to be held towards the end of May. Members of the association are only part-time fishermen and one-half of these members fish only for sport over weekends. Therefore, it appears that one-half of the present membership will not be eligible to become members of the cooperative. However, these may become associate members.

6. Incentive Goods.

Distribution of incentive goods for excess staple food delivery is now in process. Distribution of incentive goods for delivery of fall crops is nearly completed.

7. Forestry

This section worked in close coordination with forestry officials in launching an intensive forestry campaign. Localities in widely separated parts of the prefecture were visited where tree planting activities were going on. Shrot speeches were given and active participation in arbor ceremonies aided the program. Schools were visited and children were encouraged to plant school forests. Japanese Boy Scouts were addressed regarding forest assets and a ceremonial tree was planted. As a further stimulation to the program, sixty trees were donated by this section, ten trees being planted in each of the prefecture's six cities.

8. Transportation

a. Routine surveillance was exercised in various parts of the prefecture and transportation certificates were checked. Violations noted were referred to the National Rural Police for action.

b. Repair work on rolling stock was checked and progress noted was very good. Quota work continued ahead of schedule.

9. Electric Power

Four power plants were inspected. The Yasuoka Plant, Shimoina-gun, has under construction a huge tunnel, circumventing the end of the dam at a level approximately forty feet below the river bed. This project was instituted to help carry out soil washed into the dam and thus deepen the water bed. Each year water backs up and floods large areas of arable land. Rock sections of the river's banks will be blasted to broaden the river allowing smoother flow of water. Attention was directed to the fact that sound technical engineering should be attained in order to avoid useless destruction to surrounding country side by loosening earch and rock during blasting operations.

BASIC: Annex D to Monthly Military Government Activities Report for the Month of April 1949.

10. Construction.

Building permits for construction and repair work on private dwellings, factories and business establishments were checked. Two violations were noted, i.e., no construction permits. Construction work was ordered stopped on these two dwellings pending further investigation.

11. Public Works

Prefectural officials were taken on a road and bridge reconnaissance through Nagano City and vicinity. Unsafe road conditions were pointed out and repair work was immediately begun. Road repair was much improved due to small teams working throughout the prefecture.

12. Black Market

Over thirty-five tons of staple foods were confiscated during the month, fourteen tons of which were rice. Three tons of fish were confiscated.

13. Reparations

Twenty-one plants were inspected. The "temporary use" of needed machines was approved and the formation of an "assembly line" system was recommended.

Reports Control Symbol MG-11 (R-2)

HEADQUARTERS
NAGASAKI MILITARY GOVERNMENT TEAM
Nagasaki, Kyushu, Japan
APO 24-5

ANNEX D

ECONOMICS SUMMARY

Period Ending 30 April 1949

(Prepared by : Cornelius J McMahon, CAF-11)

1. Agriculture

a. The growth of wheat and barley has been considerably accelerated by warm weather and sufficient rainfall, bringing the stage of these crops to normal. Heavy frost has damaged wheat and barley in some mountain areas. The laying of seed sweet potato beds has been delayed about ten days in some areas due to the weather. Crops being harvested at the present time are summer oranges, cabbages, and onions.

b. Numerous conferences were held throughout the month by prefectural government officials with directors of Farming Execution Associations (Jikko Kumiai) in connection with the extensive guidance program being initiated on Agricultural Co-operative Associations. A lecture course for technicians was held at Isahaya City on 18 April which was attended by 200 farmers. Prefectural officials were sent to Isahaya to teach and guide those present in methods of dissemination and management of Agricultural Cooperative Associations. On 2 April a conference of Agrarian Committees was held to discuss such things as exchange, partition, or annexation of farmlands, documentation of lease of tenancy, and completion of registration. During this conference, it was resolved to continue and to strengthen the Agrarian Committees.

c. The liquidation of Nogyo Kai is progressing very slowly at the present time. During the month, 17 applications for property transfer were received, bringing the total to 146. 18 applications were approved, bringing the total to 142. 16 registrations of liquidation settlements were made, bringing the total to 21 as of this date.

d. The Agricultural Cooperative Program shows a marked slow-up in that only 3 applications for establishment were

received during the month, giving a total of 409 against 406 as reported at the end of March. 395 applications have been approved to date, against a total of 391 for last month. Lecture courses and meetings have been held, and newspaper and radio publicity has been used to stimulate the interest of the farmers throughout the prefecture. During the month, 24,918 leaflets and 6,315 pamphlets were distributed to farmers throughout the prefecture through prefectural and local channels. The titles were "Foster Our Agricultural Cooperative Associations", and "Conference of Agricultural Cooperative Associations".

e. To date 88 candidates for positions as Agriculture Extension agents have successfully passed the required examinations for appointment. The lists of successful candidates were sent to the various Agriculture Extension Committees for selection of the most desirable appointee for each area.

f. The shortage of farm implements was eased somewhat by receipt of a large number of tools. Production is still hindered by shortages of several items.

g. The 1949-1950 pre-planting quotas were 100% allocated to the farmers as the first of the month. The rice quota is 256,100 koku, an increase of 31,300 koku over the previous year's quota. The sweet potato quota is 28,656,000 kan, an increase of 1,512,000 kan.

h. On 2 April, a major conference was held in order to emphasize the fact that 31 March 1949 had been the deadline for release and disposition of all farmland. Several delays have been experienced in completing this phase of land reform. On 16 April, all district offices and branch offices were asked by the Prefectural Agrarian Section to render a complete report on the status of state-owned farmland to the Board of Audit and to the Ministry of Agriculture and Forestry.

2. Crop Collection

a. The 1948 rice delivery quota of 224,800 koku was met with an actual purchase of 228,148.7 koku, or a percentage of 101.49%. The prefectural added quota of 3,000 koku was met with a figure of 3,585 koku, or a percentage of 119.5%, on 10 April 1949.

b. Sweet potato production has progressed to a figure of 143.79% of the original quota of 27,144,000 kan.

c. Most of the major difficulties affecting crop collection have been overcome at this time and no further slow downs

are expected.

3. Food Distribution

a. The average monthly per capita meat consumption during April was 0.044 kg.

b. Strict measures are in force to eliminate over quota distribution of food. Consumers are required to present their "chit books" to receive food. The books are compared with food distribution ledgers to verify the legality of the ration. The books must be stamped by city offices to become valid for food receipt. Periodic population checks are made between villages, and towns, and prefectural authorities on the basis of the number of people receiving food rations. Any discrepancies are immediately investigated to eliminate any possibilities of "ghost rations".

c. The systematic cross-check of fish shipments has disclosed a great many discrepancies. Allocations are not being carried out in all cases. Some areas which are paying higher than official prices are receiving above quota shipments, while areas paying only official prices receive less than their allocated amount of fish. These discrepancies are under full investigation by prefectural officials and the Economic Investigation Board.

4. Fertilizer

Fertilizer distribution appears to be progressing normally. The receipts of the farmers are approximately one third of the Kodan receipts. The delay is due to the time consumed in sub-allocating shipments and actual purchase by farmers. The receipts of ammonium sulphate, super phosphate of lime, and imported potassium have met 28.5% of the farmer demand.

5. Fisheries

a. The catch of fish throughout Nagasaki Prefecture from 16 March to 15 April 1949 was 6,202,200 kan. The National plan called for 3,991,000 kan of fish to be shipped to other prefectures during April, of which 3,783,857 kan had been shipped on the 15th of April. 1,596,913 kan was utilized for local consumption and for processing, and 821,430 kan was allocated to other points throughout the prefecture.

b. Fishing conditions have been generally more favorable this month than during March. Ocean fishing showed an increase of approximately 23% over the previous month.

c. Fuel oil allocations are arriving at proper intervals. The allocations are not sufficient to cover all needs at the present time.

d. The shortage of nets and ropes still affects the catch of fish, despite receipts of some allocations. A very small percentage of the current allocation has been received to date. An estimated one fourth of the nets and ropes consumed are purchased through black market channels due to the lack of these supplies through legal sources.

e. A total of 142 fishing associations have held preliminary dissolution meetings. None have been dissolved to date. No fishery cooperatives have been formed as yet. During the month the following two (2) areas were visited in connection with the fishery cooperative program, and progress was observed as noted:

(1) Areas visited: Shimabara City and Yamada Mura, Nanko.
(2) Both areas have cooperatives in the introductory stage.
(3) Military Government activity in both areas has consisted of routine surveillance in conjunction with prefectural officials working on the program, publicity, and stimulation.
(4) No great problems have arisen up to this time.
(5) Cooperatives have not progressed far enough in this area to observe the methods being taken to prevent domination.

6. Mining

a. Coal production for April was approximately 281,790 tons, which was 97.42% of the 286,300 ton quota for the period. The main obstacle confronting the mines at the present time is a shortage of funds to pay wages due.

b. One mine, the Fukae Coal Mine, suspended work the end of March due to insufficient funds to pay wages.

c. Coal Kodans were inspected and no discrepancies were noted.

7. Incentive Goods

a. Food delivery incentive goods for the 1948 year have been allocated and distributed to town and village level.

b. Incentive goods for firewood, charcoal, and vegetables for the fourth quarter of 1948 have not been received as yet.

c. Most of the incentive goods for coal production have already been released. A small percentage has not yet been received.

8. Forestry

a. High labor wages and transportation costs still affect both lumber and charcoal production.

b. Actual lumber output came to 53,440 koku.

c. Charcoal production was 2,628,135 kilograms.

d. Pine bark beetle control facts are as follows:

(1) Preparation of the program and general execution by prefectural and local officials shows good practice. Much emphasis is being placed on bark beetle control.
(2) The infected forest area (in cho) upon which trees have been cut and the bark peeled and burned: 1,132 cho.
(3) Salvage in terms of volume (in koku) of timber cut: 5,529 koku.
(4) Salvage in terms of volume (in koku) of timbers removed from the forest area: 20,411 koku.
(5) Estimate of the area (in cho) of the infected forest: 3,726 cho.
(6) Estimate of the volume (in koku) of the infected timber: 88,198 koku.

e. Reforestation showed progress during "Green Week", 1-7 April 1949. Much publicity was given to the program during the week preceeding and heavy emphasis was placed on tree planting. During the week, a total of 85 cho was replanted throughout the prefecture.

9. Transportation

a. The railroads carried an unusually large amount of traffic this month. This is because the month of April is considered the best season for traveling by city dwellers who have been confined throughout the cold winter months. Another great factor affecting increased passenger traffic has been the transfer of railroad administration from national control to the Public Utilities Organization. The railroads have emphasized better service to the passengers. Changes in train schedules have been made to conform with the change-over to summer time. The railroads are accepting all applications possible for pre-arranged party tours. There has been a large increase in pre-arranged party tours throughout April. Short distance travel increased a great deal throughout April, probably due to the expected 60% increase in transportation fares in May. Actual cargo transportation within the jurisdiction of Nagasaki Prefecture went over its quota with a percentage of 101.5%.

b. Due to favorable weather, marine transportation progressed well. The Taiko Maru (100 ton) ferry which is operated by Nomo Shosen K.K. has re-established ferry service between Hakata and Fukue, in the Goto Islands. This gives residents of Goto direct water transportation to the port of Hakata and thus relieves rail traffic from Nagasaki to Hakata.

c. A greater number of people utilized bus transportation than ever before. Public Utilities Dept. of Kencho is planning to purchase 15 new buses on the first of May. This is to provide for the heavy tourist travel during the summer months, and also to prepare for the St. Xavier Festival to be held in Nagasaki the 28th of May. The Shimabara R.R. Co., Ltd. is also planning to purchase three (3) new buses.

10. Economic Investigation Board

a. At present, twenty five (25) second class investigation positions are filled, leaving only five (5) vacancies. Seventeen (17) of the authorized eighteen (18) third class investigation positions have been filled, leaving only one (1) vacancy.

b. During the month of April, the Prefectural E.I.B., with close cooperation from the Fukuoka Region E.I.B., investigated a number of price control violations and failures to deliver allocations of fish to the consuming areas.

Purposes of Investigations:

(1) Maintain price control.

ANNEX I (MG-11) (R-2), April Rpt, Nagasaki Mil Govt Tm.

(2) To encourage shipments, according to Prefectural Plan, and emphasize compliance.
(3) A cross check of transportation certificates, receipts and invoices concerning quantity shipped, quantity received at designation, and payment.
(4) To discourage forging receipts by receiving agency.
(5) To discourage special compensation to carrier boats by receiving agency.

Results of Investigations:

(1) The carrier boats from producing areas are charging special compensation for delivery of allocations to consuming areas.
(2) Producers in Nagasaki Prefecture are shipping fresh fish to dealers in Kumamoto Prefecture. These dealers are operating strictly on a black-market bases. In the last six months, the transactions between the producers in Nagasaki Prefecture and the receiving agencies in Kumamoto Prefecture have amounted to 11,085,655 yen over the official price.
(3) The agencies in Kumamoto are issuing forged receipts to the carriers and producers.

Conclusion of Investigations:

The Regional F.I.B. should coordinate the programs between the Prefectural F.I.B. so that inter-prefectural violations can be stopped throughout the Island.

c. Further investigations were made of the following: Coal distribution, cotton products and marine products.

11. Reparations

a. Nine (9) reparations plants were inspected during this period and all were found to be compling with current directives.

b. Corrections of evaluation work sheets were received from the following plants:

(1) 27-9 Nagasaki Precision Machine Works
(2) 27-3 Sasebo Naval Arsenal, Sasebo

c. Mr. Papagna, Civil Property Section, GHQ, SCAP, inspected plants 27-1 (Kawatana Naval Arsenal) and 27-4 (Naval Air Depot, Omura) from 13 to 20 April 1949.

d. 27-5 (Naval Air Depot, Omura) is to submit an addition to the evaluation work sheet on items (approx 20 items) recently discovered as not evaluated.

12. Shipbuilding

a. All steel shipyards were inspected during this period and were found to be complying with current directives.

b. Koyagishima Shipyard completed construction of one 750 gross ton cargo vessel this month and turned it over to the owners.

c. The Zuiun Maru, a 10,045 gross ton Japanese ship was converted from cargo to tanker and turned over to the owner on 20 April.

13. Import - Export

a. During April, two oil tankers (one American and one Japanese) arrived in the Port of Nagasaki laden with imported fuel oil from the Persian Gulf.

b. Exports for this period were mainly coal shipped to Korea and seven barges of 50 tons of coal each shipped to USSR.

14. Building Construction

Fifty prefecture sponsored dwelling houses were completed in Nagasaki city this month. The houses are for rent to the general public and it is estimated that over 500 people will apply for the houses.

15. Nine Point Program

a. Continued emphasis has been placed on the nine point economic stabilization program. A plan is being formed to guide industry throughout the prefecture with a view toward eventual economic stabilization.

b. Steps are being taken to stop indiscriminate subsidization of coal mines. The most efficient mines are being given highest consideration in an effort to increase production and lead toward self-supporting coal mines.

c. Conferences have been held and will continue in order to stimulate and encourage peak production of both agricultural and industrial commodities. The relation of increased production to future economic stabilization is being heavily stressed.

END

 Reports Control Symbol
MG-11(R2)

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4

ANNEX D to Monthly Military Government Activities Report for April 1949

ECONOMICS SUMMARY
Prepared by THURMAN G. RIDGE, DAC

1. AGRICULTURE

As of 31 January, ¥14,201,000 had been paid by 127 out of 142 Nogyokai branches as termination pay to 1,650 employees, 70% of whom immediately went to work for the newly created coops. The Nara prefecture Nogyokai expects to pay about ¥9,000,000 under the same circumstances.

All steps have been completed in establishing the farm extension system here except the one important step of putting personnel to work. Sixty-five persons passed the examination for 62 positions, and 48 of them are available for appointment. But, although there are 15 second class and 33 third class positions available, the Ministry of Agriculture refuses to authorize any but unclassified appointments.

Distribution of agricultural coops is as follows:

	March	April
Farm	158	159
Reclamation	30	30
Livestock	7	8
Mushroom	1	1
Production	1	1
Flower export	0	2
Plant export	0	1
	197	202

Transfer of assets: Through March, 122 ex-Nogyokai to 131 new coops
Through April, 128 ex-Nogyokai to 142 new coops
Still incomplete 14 ex-Nogyokai to 16 new coops

Progress of land reform:

	March	April
Land avaialble (cho)	10,696.5	10,716.3
Land purchased	10,696.5	10,716.3
Land sold	10,395.5	10,450.9

The prefecture government estimates that 25,900 koku of wheat and barley has been lost due to weather, disease and animal damage. Preliminary investigation indicates that these figures are high, and the summer grain collection should not be materially affected.

2. FOOD DISTRIBUTION

As a result of prodding by this team, prefecture authorities have

a. Rationalized local records to eliminate about 23,000 former residents from the village ration books. This is a preliminary step to a prefecture-wide investigation to eliminate "ghosts" among the general population.

b. In intensive raids by NRP, uncovered 300 "ghosts" among transient dormitory dwellers.

c. As a result of investigations by Labor Standards Bureau, reduced supplementary rations to laborers by 129 per month.

Meat consumed was 7,925 kan (.34 momme per person per day) 800 kan of which was imported from other prefectures.

Fish received was 105% of the quota. Since controls were lifted from vegetables on 1 April, receipts have increased 30% (a normal increase for this time of year) and median price for April was 63% higher than in March. At the end of the month, however, prices were only slightly higher than in March.

3. FERTILIZER

Chemical fertilizer has been distributed to the farmers as follows:

Nitrogeneus	68%
Phosphate	75%
Potash	39%

Distribution will be complete by the end of May, and observations indicate that this will be in plenty of time.

Most important cause for delay in distribution is that fertilizer arrives irregularly in small quantities, and farmer do not wish to make frequent trips to pick it up. This is particularly true of nitrogenous fertiliser, which cannot be broken down until it arrives because it is not known in advance whether it will be ammonium sulphate, ammonium nitrate or ammonium cyanide. Farmers prefer ammonium sulphate, so each batch must be broken down and distributed equally upon arrival.

From 10% to 40% of the fertilizer (mostly ammonium sulphate) is bought in the black market (a) from producing factories and (b) from Hokkaido and other maritime regions who do not need their allocation because they have plenty of fish fertilizer.

ANNEX D to Monthly Military Government Activities Report for April 1949, Reports Control Symbol MG-11(R2) cont'd.

4. FORESTRY

Reference is made to NRS Weekly Summary No. 181. Distribution of Green Week Posters mentioned on page 28 was described in the March report from this team. Page 29 refers to Reforestation posters which were not requested by Nara prefecture. Notification was received from Shinrin Aigo Kyokai (not from any government agency) that 200 copies were available for Nara, but the understanding here was that the posters were for Green Week. Reforestation posters designed by the Information Section of this Team have been distributed to the number of 3,000.

Page 27 cites production percentages to January 1949. Percentages through 31 March, the end of the fiscal year, are as follows:

All Logs	General Use Logs	Mine Timbers	RR Ties	Telephone Poles	Pulp Logs	Other Bamboo
113	118	0.6	13.5	81	108	61

The reference to moso bamboo in the Weekly Summary was evidently in error, since Nara has received no quota for this kind of lumber.

Upon receiving their quota for mine timbers in 1948, representatives of the Nara Forestry Association went to the Mine Operators' Association and the Government Coal Office in Fukuoka to solicit orders. Orders were received for only 0.6% of the quota. Likewise, on railroad ties, only 13.5% of Nara's quota was ordered by the railroads.

Pine bark beetle damaged 895 koku of lumber, which was treated and disposed of.

Three million cedar and cryptomeria yearlings were transplanted, and 4.8 koku of seeds were planted.

5. ELECTRIC POWER

Power was suspended on C class lines one day a week from 0800 to 1600. Power generation (all hydro) was slightly below April 1948. The Bureau of Commerce and Industry made a 20% increase in the power allocation to medium and small factories, but only 5% increase was actually received.

6. CRITICAL MATERIALS

Out of 33 excess, hoarded or confiscated cases referred, the Sangyo Fukko Kodan purchased 26, with a value of ¥1,147,000, and sold three for ¥975,931.

7. IMPORT-EXPORT

Export activity was negative, presumably because of the new exchange rate. Attention is invited to the Nara booth at the Yokohama Trade Exposition. Although one of the smallest prefectures, Nara is one of the only six to have individual exhibitions. This indicates the intensity of efforts being made here to break into new commercial fields.

8. ECONOMIC INVESTIGATION BOARD

Thirty-six of 39 positions in the Nara EIB have been filled. No more appointments are contemplated, since a cut in authorized personnel is anticipated.

In April, the EIB investigated 138 cases, and found 81 violations. Eighteen were referred to the procurator, and 41 dismissed with a warning.

9. ECONOMIC RECOVERY

The prefectural Economic Recovery Committee has evolved the following plans (in addition to those previously reported) for implementing recovery plans on a prefectural level.

a. Organizing tax savings associations in each community

b. Organizing a finance conference to agree on priority funds in member banks.

c. Investigation by trade associations into the taxable incomes of their members.

d. Information program to d[illegible] expensive wedding and other celebrations.

HEADQUARTERS
NIIGATA MILITARY GOVERNMENT TEAM
APO 547

Report Control
Symbol MG-11(R2)

Prepared by:
Harvey L. Hartle
1st Lt., Cav.
Economics Section Chief

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT FOR THE MONTH OF APRIL 1949

ECONOMICS SUMMARY

1. Agriculture

a. Due to a long winter, the seeding of rice is late this year as compared with previous years.

b. Prefecture agents have advised farmers to treat rice seed for blight and root decaying diseases this season.

c. Sweet potatoes for seeding purposes have been purchased for farmers of the prefecture by the prefectural government; also materials for hot beds were distributed to farmers.

d. Planting of spring vegetables has been completed, as scheduled by the prefecture.

e. Chemicals for farming purposes were distributed for the month of April as follows:

Arsenic Lead	8,000 kg.
B.H.C. Mixture	9,000 kg.
Lime Arsenic	1,500 kg.

Land Reform

a. Shibata-shi Farmland Reform Commission:

The land commission in this city is exercising strict enforcement of the provisions prohibiting acquisition of agriculture lands in excess of legal limits. All land subject to purchase by Local Land Commission has been acquired and the land was sold to the people as prescribed by law. The land purchase was completed 30 March 1949 and the documents of purchase were completed and submitted to the Nippon Kangyo Bank through the Landed Farmers Section, Niigata Prefectural Government. This commission does not know if all payments have been completed since the Nippon Kangyo Bank pays directly to the individual. Purchase and sale writs, transfers, and collection for land sold by the government, are all made promptly.

b. Sekitani-mura Local Farmland Commission:

All land subject to purchase by Local Land Commission has been acquired except school land and land owned by people who are in foreign countries. The land has been sold to the people as prescribed by law and the land commission in this village is exercising strict enforcement of the provisions prohibiting acquisition of agricultural lands in excess of legal limits. The Government has paid for approximately 40% of all land purchased, the remaining 60% to be paid in near future. The Government has collected approximately 90% of land it has sold and the remaining 10% will be collected by the end of April 1949. No one in this village is paying on the 24 year installment plan. The transfers of titles and purchase and sale writs were issued promptly.

Agricultural Cooperative Association

a. Sekitani-mura Agricultural Cooperative Association:

The farmers in this village have been fully informed of their privileges and responsibilities under the law. Strict enforcement is being made relating to organization and operation of this Agricultural Cooperative Association. The members are making certain that this association is not being dominated by non-farmer interest. This association would like to have control of incentive goods for the Cooperative in order to cut down storage expense.

b. Shibata-shi Agricultural Cooperative Association:

Strict supervision is being made relating to organization and operation of this Agricultural Cooperative Association. This association is handling the purchase of all staple goods for farmers. It has its own warehouse and the storage fees collected are being used to improve the association. They have in storage 90,000 bales of rice that belongs to the Japanese Government. Liquidation of former Nogyo Kai will be completed by the end of April 1949.

BASIC: Annex D to Monthly Military Government Activities Report for the Month of April 1949

2. Crop collection

This prefecture has encountered many difficulties collecting the wheat quota this year, however, the quota was completed 100% during the reporting period. The excess rice quota was reached this month. With the two mentioned quotas above, this prefecture has completed all staple food collection allocated by the Central Government during this fiscal year. Listed below are the crops and the collection percentages as of 30 April 1949:

Crop	% of Quota
Wheat	100.0
Potatoes	116.7
Rice (Preplanting quota)	116.5
Rice (Excess-delivery quota)	102.2
Sweet Potatoes	166.2

During the reporting period the prefecture completed the breakdown of all preplanting quotas to the individual farmers for the coming year.

3. Food distribution

A total of 43 ration stations were inspected by members of this team and general conditions were good. The prefecture has distributed during the period 21 March to 20 April 1949, 12,153 tons of non-imported staple foods and 1,674 tons of imported foods. The ration of 362 gram per capita per day of foodstuff, is being maintained with no delay in distribution.

4. Fertilizer

a. Chemical fertilizer: During the month of April three of the six manufacturers in this prefecture exceeded production quotas. In comparison with the production of March, a 6.58 percent over-quota production of nitrogenous and a 30.10 percent over-quota production of phosphoric fertilizers was achieved. The ammonium sulphate production of the Niigata Toyo Gosei K.K. which was 95.6 percent of the Government quota, continues to be hampered by mechanical failures in the plant equipment. Overall fertilizer production in this prefecture during month of April is as follows:

Type	Quota	Actual Production Result	Quantity Turned over to Kodan as of 30 April
Ammonium Sulphate	750 M.T.	717 M.T.	676 M.T.
Calcium Cyanamide	15,900 M.T.	15,580 M.T.	16,408 M.T.
Calcium Superphosphate	5,500 M.T.	7,304 M.T.	6,774 M.T.

Two manufacturers exceeded the Government required nitrogen requirements by two percent and one manufacturer exceeded it by one percent.

b. Sulphuric acid: 4,865 M.T. of 50° Baume' and 1,395 M.T. of 66° Baume' were produced during April. This production shows a daily average increase of 15.5 M.T. over March.

c. Pyrite procured by the producers from iron and copper mines, in addition to regular pyrite allocations, and sufficient electric power supply, are responsible for the increased rate of calcium superphosphate and sulphuric acid production.

5. Fisheries

a. The fishing catch increased 11.5% as compared with last month. This increase is contributed to weather conditions and the opening of the fishing season.

b. The fishery section of the prefectural government is exerting every effort to obtain a sufficient amount of materials for the fishermen. The following shows the species caught during the month of April utilizing a total of 489 boats:

Species	Amount
Mackerel	101.84
Cod	90.17
Shark	40.56
Squid	35.36
Halibut	4.43
Flatfish	13.37
Others	214.39
Total	500.12

* Above figures are in Metric Tons

Fishery Cooperative

a. Matsuhama Fishery Cooperative Association

A general meeting to dissolve the old association was held 10 April 1949 and a dissolution committee consisting of seven new members were elected by secret ballot. The Chief states that practically all fishermen are well pleased with the new program, and that a meeting for the establishment of a new cooperative will be held in May or June 1949. A-B-C pamphlets were distributed to all fishermen. The major complaint of the fishermen is the increase in price of materials with no increase in the price of fish.

b. Mazo-mura Fishery Cooperative Association

A preliminary dissolution meeting was held 10 April 1949. Six (6) new members were elected for the property disposal board. In the near future this association will organize separate groups throughout the cooperative to assure democratic procedures. The Chief and several fisherman were interviewed and all stated they were well pleased with the new program. This fishery association is short of materials and incentive goods, however, they expect to be able to meet all the needs for the fishermen in the near future. The major problem of this association is the poor condition of the port but the Chief states that the association intends to start repairs soon.

6. Mining

The metal content of ore produced during the reporting period is as follows:

Item	April 1949
Gold	21.725 lbs.
Silver	299.650 lbs.
Copper	20.788 tons
Lead	29.732 tons
Zinc	101.281 tons
Coal	1,661.000 tons
Electric Lead	47.741 tons

Mine production for the month of April showed an increase of all ores as compared with the month of March.

7. Incentive goods

Recently the incentive goods to the farmers have been reduced in price and the quality improved. This has greatly improved the attitude of the farmers and extra production is expected. In some instances clothes have been slow in reaching this prefecture.

8. Forestry

There was a slight increase in production of all lumber products during the reporting period. Production figures are as follows:

Lumber	5,885,640 bd.ft.
Logs	11,306,880 bd.ft.
Pulp	275 tons
Paper	4,367,496 lbs.
Charcoal	2,149 tons
Firewood	8,047 tons
Veneer	41,795 bd.ft.
Plywood	58,647 bd.ft.
Bamboo	1,345 kg.

9. Transportation

a. Rolling Stock: During April this prefecture's output of rolling stock amounted to: five (5) freight cars (TOKI) for the Govt. Railways; twenty (20) refrigerator cars (REOTE) and thirteen (13) tank cars (TAKI) for the Japanese Board of Trade (Boeki-cho) for export to the USSR.

b. Freight Shipping: Of the 2,800 freight cars under jurisdiction of the Niitsu Railroad Control Dept. only 1,614 cars were in operatable condition. The Prefecture utilized 16,252 cars to meet this months traffic load of 186,108 metric tons. This figure shows a 12.4 percent decrease in comparison with last months shipping freight capacity.

10. Electric power

During the period of 1 to 30 April the overall quantity generated by fifty-nine (59) hydro electric and one (1) thermal generating plant totaled 372,293,807 K.W.H., an increase of 6.7 per cent over the previous month. Of the aforelisted accumulated electric power 62.5 percent was transmitted out of this prefecture. On Sado Island the hydro electric and thermal generated power amounted to 1,599,992 K.W.H. This was a decrease of 6.5 percent over March. These figures include an estimate 29% transmission loss.

11. Petroleum

The production of crude oil and natural gas for the month of April 1949 showed an increase in production, as compared with the month of March 1949. Shown below are the production figures for this reporting period:

Crude Oil Production for April 1949:

No. of Wells in Operation	Quantity Produced in Gallons
1,438	1,135,309

Natural Gas Production for April 1949:

No. of Wells in Operation	Quantity Produced in Cu. Ft.
405	51,357,764

12. Construction

Application for construction permits received during April showed a 5% increase in the rural districts, while the number of permits actually issued indicated a 16 percent decrease. It is anticipated that the number of permits issued in the future will suffer a further reduction until this prefecture has received the construction material allocation for the 1st quarter. Construction permits issued in the rural districts recorded a two percent gain while all permits issued during March and April indicate a greater building demand. The statistical records showed an adverse ratio which is attributed to:

(a) lack of currency in the urban districts
(b) current spring planting season
(c) existing shortage of construction materials.

The Prefectural Government will request the Construction Ministry for an increase of material allocations for this prefecture by submitting survey reports prepared by each Public Works Local Branch Office (Doboku Shucho-sho).

13. Import-Export

Export: Niigata Prefecture export sales of outstanding commodities such as western style table ware, portable sewing machines and textiles totaled $38,226.00 (¥13,761,509) for the month of April, of which 8.14

percent represents contracts with buyers in the Sterling Area and 91.86 percent in the Dollar Area. In response to SCAPs inauguration of the Japanese 9 Point Economic Program and in order to further the prefecture's export industry, the Prefectural Government has formed the "Niigata Prefecture Credit Council". The sole function of this council is to accomodate credit to medium scale enterprises. Rationalization of management and reduction in production costs are two current designing factors.

14. Elimination of control associations.

a. Only one indictment has been initiated against the Niigata Food Distributing Corporation for violation of liquidation instructions from SCAP to the Ministry of Agriculture and Forestry. Eiichi KAMIYAMA, former Managing Director of subject corporation, received a verdict of guilty and was fined 70,000 yen. Mr. KAMIYAMA has appealed his case to the Tokyo Higher Court.

b. A prefecture wide investigation under the auspices of Mil Govt is currently being conducted by the Pref Govt in order to determine the status of the "Voluntary" Liquor Retailers Association. This association has been established under the provisions of the Trade Association Law No. 191, 29 July 1948.

15. Blackmarket

Plans have been formulated for the purpose of bringing to the attention of the people, the objects of control and rationing of staple food. Plans include new posters, radio communications and newspaper reports, to combat inflation and blackmarket activities. Strong supervision is being stressed in regards to the distribution of staple foods. It has been discovered that an apparent over-distribution of staple food is being made and a renewal of the anti ghost town population drive has been initiated. Special emphasis will be stressed on the following:

a. Forgery, re-issuance and false application in connection with pass books, special purchasing coupons, and meal coupons.

b. Pawning or exchanging coupons for staple food.

c. Duplicate registrations.

d. Failure in reporting a death or a move to another section.

e. False report on the number of workers.

f. Misrepresentation of the kind of work to obtain the additional ration for laborers.

All police forces will take an active interest in the enforcement of this program to insure the proper distribution of staple foods. Schedules for terminal inspections have been changed to coincide with the lay over of trains. In the event of short lay overs, the police conduct the inspections while the trains are enroute.

16. Reparations

a. (1) A total of nineteen (19) reparation installations (inclusive of dispersal areas) have been inspected by this Team during the month. Equipment in dead-storage at seven (7) plants was rated excellent for maintenance. All other facilities (inclusive of those in authorized operations) were rated satisfactory for maintenance, service and repair.

(2) On or about 1000 hrs, 12 April 1949, two (2) USSR representatives accompanied by a representative of GHQ, SCAP, were permitted to enter the compound of Reparation Plant No's 29-15 and 29-25, Ono Iron Works, without proper authority and clearance by this Headquarters. The two Soviet Representatives, while in the plant area, did not enter buildings of reparations value but spent approximately 45 minutes, prior to corrective measures taken by this Team, in a released section of an office building. Travel Order, GHQ, FEC, file AG 200.4 AGPO No. 88-2, 11 April 1949 for subject personnel stipulated authority only for purpose of conducting "Inspection of ice plants". A complete explanation of this incident by the Prefectural Government, including an account of corrective action taken, is pending.

(3) Upon request of this Headquarters, the following items were initiated by the Prefectural Government during the reporting period:

(a) An extensive resurvey of reparations equipment in operation (with particular emphasis to Reparation Plant Code No. 29-02) to determine whether or not specific equipment, now in authorized use, qualifies under the definition of "currently necessary to support permitted operations".

(b) Equipment brought into Plant Code No. 29-02 under the provisions of SCAPIN 1938 is being marked in consecutive order beginning with the next highest inventory (evaluation) code number. This practice is to be put into effect in all plants shortly and will serve as identification in a color contrasting to the markings of other evaluated and inventoried facilities.

c) A competitive program for custody and maintenance based on a merit system. A designated number of credits will be issued after each inspection which will reflect upon the work and cooperation of each Custodian and Chief Guard. A resignation will be requested from personnel on the reparations pay-roll credited with an excessive number of de-merits.

b. Inspections revealed that items of equipment, listed in the evaluation report of specific pooled item, reparation plants, have been re-classified and were unofficially dropped from plant inventories by the Japanese Evaluation Committees without knowledge of this Team. Upon conclusion of the investigation now in progress corrective action will be initiated immediately.

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Reports Control Symbol MG-11 (R2)

OITA MILITARY GOVERNMENT TEAM
APO 24 UNIT 2

ANNEX D

to
Monthly Military Government Activities Report
Period Ending 30 April 1949

Report prepared by: Jasper D. Frazee, CAF-11,
(Chief, Economics Section)
Jack S. Childers, 1st Lt, INF,
(Mfg & Industry Officer)

ECONOMICS SUMMARY

1. Agriculture

a. A preliminary survey conducted by the Crop Reporting Office indicates that damage to the wheat crop from weather and disease will reduce the crop to about 75% of normal. Some damage is recognized in 20,777 cho out of an approximate 40,345 cho under cultivation, as of 1 April. A further survey will be made between May first and tenth.

b. Land Reform

(1) Inspection was made at Asahi-mura, Higashi-kunizaki-gun. Of 1,466 cho, only 236 cho is arable land. All land available for purchase, 51.8 cho, was purchased, and all was resold except 1 tan 4 se, which will be used by a school with the governor's permission. The local land commission has purchased 25.5 cho of reclaimable land, and all has been resold. Pasture land purchased amounted to only 8 se 2 bu. Every tenant who purchased land has paid cash in full. Recently the village land was surveyed to correct the records of the local land commission. Each farm household contributed 100 yen to cover the expenses.

(2) Inspection was made at Nakamusashi-mura, Higashi-kunizaki-gun, which has an area of 621 cho. Arable land amounts to 269 cho, of which 54.2 has been purchased and resold. Tenants paid cash for all but about 6% of the land, and those who did not pay cash have made their initial payments. The local land commission has purchased 8.2 cho of pasture land, which has been resold, and 25 cho of reclaimable land, none of which has been resold.

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(3) Two members of the Prefectural Land Commission have been indicted on a charge of receiving bribes in connection with land reform decisions, and one more is being investigated by police. This headquarters requested the investigation of one of the men a year ago, but no evidence against him was found.

c. Dissolution of Nogyokai and Operations of Cooperatives

(1) Inspections were made of the agricultural cooperative associations at Nishitogo-mura and Kunizaki-machi, Nishi-kunizaki-gun. Both are carrying on general cooperative functions and appear to be operating satisfactorily. Nogyokai assets have been transferred to both associations.

(2) There have been 694 cooperatives formed to date, and 21 federations, 8 covering the entire prefecture, and 13 with one gun as their area.

d. Agricultural Extension Service

(1) A meeting of the Prefectural Extension Committee was held on 22 April to discuss assignment of agents and employees, but definite assignments have not yet been made.

(2) It is understood that a meeting was held in Tokyo on 25 and 26 April to determine the number of personnel and the amount of money to be allowed the prefecture for the extension program. The result of this meeting has not yet been reported to this headquarters.

2. Crop Collection

a. The prefecture's quota and over-quota allocation were met a month ago, and very little additional rice and sweet potatoes were turned in during April.

b. The assignment of pre-planting quotas to farmers was completed by April 30th. These assignments were late due to the lateness of rice delivery, and the detailed surveys made by most Agricultural Adjustment Committees to see that quotas are as fair as possible.

3. Food Distribution

a. During April checks were made on several cities, towns and villages to ascertain whether food distribution records were up to date. No discrepancies were discovered. Individuals growing staple food on over 2 se of land have been classified as farmers.

b. Nine classes in preparing cornmeal were held during the month, and were well attended. Pamphlets were given to consumers at ration points, posters were displayed, and the radio carried talks on cornmeal preparation.

c. Average per capita meat consumption for March was 52 grams.

4. Fertilizer

a. Distribution of fertilizers has been delayed by the lateness of decisions by Agricultural Adjustment Committees as to the area under cultivation. Where final allocations have been made, the farmer is reluctant to buy fertilizer until he is ready to use it.

b. Percentage of fertilizer in the hands of farmers as of 25 April is as follows:

Phosphates	46%
Nitrates	55%
Potash	23%

5. Fisheries

a. Fisheries Cooperatives

(1) Attendance at programs for the explanation of the new fisheries cooperative legislation was considerably higher during April than during March. The increase is attributed to improvement in the advance publicity for the meetings, and increased activity on the part of officials of district, town and village offices. The Aquatic Products Section of the prefectural government held lecture meetings which covered all 73 associations in the prefecture. This schedule ended 6 April, but second lectures were given at 23 villages where attendance was poor at the first meeting. The meetings during May will have assistance of the Young Men's Association and Agriculture Cooperative leaders.

(2) Every fisheries association held a dissolution meeting prior to 14 April, but despite detailed instructions given them by the prefectural government, many of these dissolution meetings will have to be reheld. The principal shortcomings were:

(a) Insufficient attendance.
(b) Unsatisfactory inventories or financial statements.
(c) Less than ten days notice given members.

(d) Financial statement not given auditors 7 days prior to meeting.
(e) Improper voting procedures.
(f) Failure to explain the Fisheries Cooperative Association Law.

(3) Members of this team visited 19 fisheries associations this month. It appears that in general the officials of the old associations are doing nothing to assist this program, and too much dependence has been placed on them to publicize information meetings on the fisheries cooperatives which have been held for the benefit of fishermen. A high percentage of these officials are not working fishermen. Many fishing laborers are not yet aware that they are eligible to join cooperatives. Women have generally not been sufficiently encouraged to become members. There has been a tendency on the part of both fisheries association officials and leaders of the Fishermen's Union (Gyomin Kumiai) to rush the formation of cooperatives before the information program has had a chance to take effect. For this reason, at the suggestion of this headquarters, the prefectural government has requested that formal steps toward the formation of cooperatives be delayed until 15 June.

b. Fish Collection and Distribution

(1) Inspections were made of collecting agencies, receiving agencies, wholesalers and retailers, and many discrepancies were found, such as purchases and sales at over official price, failure to post prices, and improper use of transportation certificates. The prefectural E.I.B. warned fish handling agencies, and called the attention of police to the poor state of enforcement. The regional E.I.B. made an administrative inspection of the prefectural Aquatic Products section, and it is expected that some action will result.

(2) Charges have recently been made that the distribution of ropes and nets by the prefectural branch of the Materials Adjustment Office of the Agriculture and Forestry Ministry has been unfair. The local E.I.B. has requested an administrative inspection by the regional E.I.B. to determine whether there is any foundation for complaints.

6. Incentive Goods

Distribution of incentive goods is slow, and recently spot-checks of reports of the prefectural government indicate that their reports are inaccurate. Beginning this month, reports will be made by all guns and cities on receipt and distribution of incentive goods.

7. Forestry

a. Reforestation. The prefecture reports that reforestation for the fiscal year up to 25 April totaled 6,623 cho against a quota of 6,000 cho. The total number of pieces is 14,618,680. This figure will probably not be increased, as the planting season is over, and it is believed all reports are in.

b. The bark beetle appears to be under control, as there are at present no infested areas reported.

8. Transportation

a. Police discovered only two violations of the law requiring transportation certificates during the month. There was some improvement in the returning of certificates to the issuing agencies by consignees.

b. The Transportation Ministry has been taking soundings in Beppu Bay and placing markers preparatory to construction of the "Beppu Yacht Harbor" as a tourist attraction. This headquarters has done everything possible locally to discourage such a project, but it appears they are now receiving central government backing.

9. Construction

a. Sixty violations of Construction Ministry Ordinance No. 2 were discovered during April, and 13 cases were carried over from March without disposition. Five cases were sent to the procurator, 45 disposed of administratively, and action to be taken on the 23 remaining cases has not been decided.

b. During the month, five cases were tried in court. All were adjudged guilty, and fines ranged from 2,000 to 10,000 yen.

10. Public Works

a. The prefectural road section has decided to treat timbers used in bridge construction. The present life expectancy of wooden bridges is about four years. It is expected to increase this to about twelve years by the use of creosoted timbers, with an extra amount of creosote used in the piling.

b. The chief of the road section is making road signs to serve as standards for all guns and cities, so that similar signs will be used throughout the prefecture.

c. A road gravelling campaign is in progress, similar to the one held with considerable success last fall. As of 20 April, ten of twelve guns had reported the following figures:

Participating villages	166
Laborers man days	93,521
Gravel spread in tons	29,484
Truck days	1,381
Horse cart days	1,772

11. Redistribution of Critical Materials

Competent government agencies have received authority to sell 934 kg of aluminum, 353 lbs. of rope, 1,000 kg of lead, 19 meters of leather belt, and 1,269 lbs. of paper from stocks in the possession of the Sangyo Fukko Kodan.

12. Import-Export

a. The Usuki Iron Works has completed one 25 ton tug boat and one 115 HP diesel engine built for the Russian government. Trial run and inspection are to be made in May.

b. The year's first export shipment of mushrooms was made 27 April, 8,000 pounds for Malay.

13. Elimination of Control Associations

Plans for the dissolution or reorganization of fifteen associations which were operating in conflict with the Trade Association Law were checked by this team and forwarded to higher headquarters in early April.

14. Reparations

All reparations installations in the prefecture were inspected during April, and maintenance is considered to be satisfactory except at the Hita Factory, Kokura Military Arsenal, 30-3. Maintenance is difficult here because of the extreme dampness, and maintenance workers have always been insufficient. Contracts have been let by the Kumamoto Financial Bureau for the cleaning of 2600 machines, and have sent a man to Tokyo to obtain about 4,700,000 yen in order to have the rest of the machines cleaned.

15. Restricted Industrial Operations

Check was made on the building of wooden ships over 100 tons, and no violation was discovered. A 150-ton cargo vessel, #4637, being built by the Oita Shipbuilding Company, is 70% completed, and a 150-ton cargo vessel, #SP910, being built by the Nandai Shipbuilding Company is 98% completed.

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HEADQUARTERS
OKAYAMA MILITARY GOVERNMENT TEAM
APO 248

ANNEX D

Economics Summary
(Reports Control Symbol MG 11 (R 2))

Prepared by: Mr. Alexander F. McGimpsey, CAF 11
Captain Laurence M. Corcoran
Captain Marin W. Green
1st Lt. Victor E. Rawlins, Jr.
Mr. Tetsuro Kajiya

1. Agriculture

a. Weather

The mean temperature for the period 23 March 1949 to 20 April 1949 was 47° F (normal is 66°). Rainfall for this period was 33.7 m (normal is 81.3 m).

b. Mugi Crops

It is estimated that the yield of mugi crops will be approximately 25% less than normal years. This is due to the plant diseases, namely Akasabi and Udonko-byo, also because of the warm weather during the planting season and cold weather during March and early April.

c. Agricultural Cooperative Associations

There have been no reported violations of the Agricultural Cooperative Law for the month of April 1949.

The Ken received the following literature:

(1) 10,000 copies of pamphlet number 5 "Conference of Agricultural Cooperative Union". 9,850 copies were distributed throughout the Prefecture. The balance is being kept for Ken use.

(2) 12,080 copies of "Women and Agricultural Union". These were distributed throughout the Ken during Women's Week.

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(3) 172,000 copies of "Let's Support Our Agricultural Union". These were distributed to the County Offices for redistribution.

d. Land Reform

During the period 1-31 March 1949, 334 chobu of land was purchased under the Land Reform Law.

As of 31 March 1949, 98.18% of land purchased or seized by the Japanese Government under the Land Reform Law was resold to qualified persons.

e. Agricultural Extension

An examination for improvement and extension workers was held from 24 to 28 March 1949. There were 904 applicants, of these 676 passed the examination.

f. Live Stock Breeding

The Live Stock Section of the Ken Office is encouraging sheep breeding to the farmers as a secondary business and have plans to raise 1,200 sheep by the end of this year. As an incentive each farmer receives ¥ 20 per sheep to maintain animal for the Ken.

g. Crop Yield Investigation

EIB reported to this headquarters of their results in the investigation of crop yield in Inbe-cho, Wake-gun. This investigation complement consisted of 23 Ken Foodstuff's Section investigators, 3 district office officials, 3 local foodstuff's officials and 7 EIB investigators. The investigation bore out the fact that the farmers' complaint of overquota allocation was in error. The excess rice was evaluated as 129 koku so the ken is seeking the 75 koku necessary to make up their delivery quota.

h. Undeclared Arable Land

From spot checking, the crop reporting office of Ministry of Agriculture and Forestry found that there was 4.275% more paddy land than reported for the 1948-49 rice land.

2. Crop Collection

a. Rice Crop

As of 30 April 1949, the delivery of rice amounted to 886,784 koku or 102.5%. The excess quota delivery, which is a definite amount set above 100%, amounted to 21,484 koku or 126.4%. The police (Autonomous, National Rural and Railway) are cooperating with each other in the surveillance of illicit rice transportation.

b. Sweet Potato Crop

As of 30 April 1949, the delivery of sweet potato crop amounted to 14,573,611 kan or 222.1%.

3. Food Distribution

a. The distribution of indigenous staple crops such as rice, mugi, potato, bean, and cereals amounted to 10,387,354 kg (in terms of unclean rice) for month of March 1949 and, of that, approximately 75% consisted of rice and 20% mugi.

The distribution of imported foodstuffs for the month of March 1949 amounted to 11,269,000 kg (in terms of unclean rice) of which cereals comprised about 99%, the balance cornflour.

b. Imported Foods

Plans for distribution of corn meal has been drawn up and carried out for the latter part of April. Extensive information program on the use of corn meal by the Okayama Branch of Food Distribution Kodan has been carried out.

On 9 April 1949, Chiefs of Branch offices of Food Distribution Kodan and experienced housewives were given instructions on methods of cooking corn meal. They, in turn, taught housewives in their community of what they learned.

Bread consisting of 75% wheat flour and 25% corn flour was distributed for general consumption at a price of ¥ 6.50 per loaf which is 5 sen cheaper than the prevailing price.

Imported food processing mills handling barley, wheat, and corn were visited. There are eleven mills in this prefecture and all of them were found to have improved their protection against rats and vermin infestation of storage facilities. Lack of fire fighting equipments was noted in all mills and remedial actions were recommended.

4. Fertilizer

Production of super-phosphate, which is the only type of fertilizer produced in this prefecture, was 6,408 tons against the production goal of 6,400 tons. The above figures are based on 16% content of phosphate.

Distribution of fertilizer has been very good. The following is the status of distribution as of 30 April 1949 based on allocation notices.

	Receipt by Kodan	Distribution by Kodan to Retailers	Distribution To Farmers
Nitrogenous	80%	75%	73%
Phosphatic	89%	86%	72%
Potassic	70%	69%	52%

Mr. W. Suzuha, President of Fertilizer Distribution Kodan of Tokyo, paid a visit to this team, and in the course of discussion the Kodan was found to be very perturbed over the rumor that ammonium nitrate consigned for Japan has been diverted to Korea. This team has had no information of this rumor and advised Mr. Suzuha as such.

5. Fisheries

a. The fishing season is dull at present time but the weather has been fair for fishing.

The fish catch consisted of sardines, sea bream, flatfish and others and totaled 283,629 kan from 1 April to 20 April, 1949. The shell variety fish totaled 38,012 kan for same period.

b. Fishing Cooperative Association

All the fishing villages in this prefecture have been visited by a member of the Economics Section following the Ken Officials' lectures and meetings on Fishing Associations. It is the concensus of opinion among the fishermen that these associations will be of great value to them.

6. Mining

a. Coal Mines

92% of quota allocated by Ube Coal Board was produced.

b. Lignite Mines

Production for April was 90.5% (2,018.5 MT) of previous month.

c. Pyrite

Production for April was 100.1% (29,840 MT) of previous month.

7. Incentive Goods

Distribution of incentive goods is progressing very well considering the receipts of allocated items. Complaints were received by this team of tattered shirts (U.S. Army) being received by this Prefecture for distribution. Samples were observed and this team advised that shirts in such conditions be returned to Ministry of Agriculture and Forestry for exchange.

This Prefecture has 2000 pairs of trousers yet to be received as incentive goods, for the overquota delivery of mugi. Repeated requests by Prefectural Government have brought no appreciable results.

Farmers continue to complain of high prices for incentive goods.

8. Forestry

a. 200 cho were afforested during the past month.

b. Pine Bark Beetle

Reference OD 40, Hq Eighth Army, dated 30 June 1948, subject: "Pine Bark Beetle Control", the following answers are furnished:

Infested Forest Areas in which trees have been cut, bark peeled and burned: 250 chobu.

Salvage of timber cut: 30,500 koku

Salvage of timber removed from forest: 23,093 koku

Estimate of the area of infested forest - 760 chobu and 94,000 koku of damaged lumber.

Monthly Activities Report, Okayama Mil Govt Team, APO 248, for period 1-30 April 1949. Annex D cont'd.

Remaining area of affected trees: 130 chobu and 16,500 koku of damaged lumber.

9. Transportation

The movement of freight for natural resources was healthy during period of 21 March to 20 April 1949. Availability of cars for transportation leaving and arriving intra-prefecture was 88% of domand and for outgoing freight from points within the prefecture the percentage was 70. As regards movement of staple materials such as rice and mugi, the available cars were 41% of demand; for coal, 148%; for charcoal 292%; for minerals, 106%; for cement 113% and for movement of fertilizer, 77% of demand. The overall picture, indicates that 108% of demanded cars was supplied.

10. Electric Power (Hydro and Thermal)

Supply during past month has been in excess of quota set. Large consumers have received a special supply.

11. Petroleum

The stocks on hand of petroleum products at end of March 1949 is about the same as that of beginning of the month. This indicates that the allocations received were only distributed.

12. Construction

a. Applications for building permits have been increased monthly. There were 11% more permits requested in March 1949 than in February. 80% applications were for buildings and 20% for annexations and repairing. Most of the permits were for war-damaged Okayama City of which the bigger demands were for shops and offices jointly shared with living quarters.

Number of	City	Gun	Total
Applications	717	3,450	4,167
Permits issued	585	2,579	3,162

Many applications were rejected because they were defective in form and/or in fact.

b. Building Violations

The biggest source of violations for month of March was the building of something different than what permit granted but, generally speaking, the violations are decreasing in number. The amount of building inspectors for city of Okayama increased from six to nine and this extra personnel had something to do with better enforcement of the building regulations.

13. Public Works

Road maintenance building and water power works have temporarily been halted for this Japanese fiscal year because the budgets for same have not been approved as of 30 April 1949.

The tidal land reclamation areas of this ken are steadily making progress towards completion. During the period from 21 March to 20 April 1949, 1316 mandays were worked for aforementioned reclamation areas against a total 10,483 mandays accrued to date.

The Economics Officer inspected the site for proposed irrigation and hydroelectric control at Tazuta-son, Kume-gun. The planning calls for a dam 45 meters high from bedrock (38 meters from river bed) and 211 meters long. This dam will check 55,320,000 cubic meters of water. The surface area of retained water is 4.21 square kilometers. It is a five year project that is estimated to cost ¥ 2,600,000,000 (index March 1949). It will include two hydro-electric plants, one a 20,000 KW and another a 7,000 KW. At the 7,000 KW plant another dam 18 meters from bedrock (15 m from river bed) and length 148 meters. Both dams are to be constructed without reinforcement in concrete.

This project will irrigate 8,800 chobu of ken's choicest fertile rice land.

As of 30 April 1949, the ken assembly has not voted any budget for this project but Governor is convoking a special session for this project in near future. A number of approvals from concerned agencies of Central Government are required favorably for this contemplated project. A special report will be submitted by this headquarters through channels.

14. Redistribution of Critical Materials

The Okayama Branch of Hiroshima Commerce and Industry Bureau have reported heavy transit movement of surplus stock of critical materials from place of inventory to designated user. Most of the items consist of structural steel shapes.

steel scraps and other metals.

All excess items, except six, were turned over to Sangyo Fukko Kodan (Industrial Recovery Commission) for redistribution. The excepted six items are steel, cast iron pipe, electric wiring, secondary iron products such as wire and nails, pig iron scrap and steel scrap which are handled by Ministry of Commerce and Industry. 90% of Ministry of Commerce and Industry items were redistributed to the steel industries requiring them. The Mitsubishi scrap is handled direct by Hiroshima Ministry of Commerce and Industry.

15. Exports

During the month of March, this prefecture manufactured the following goods for export: camphor, oil of peppermint, straw hats and braids, artificial pearls, cotton textiles, a 3,500 G.T. steel cargo ship, and fancy straw mats. Considerable quantities of the foregoing were shipped.

16. Stimulation of Critical Industries

a. Raw Silk

For month of March, the amount of raw silk produced in this ken was 3,433 kan by machine and 555 kan by hand.

b. Pyrite Mining

The Economics Officer on 13 April was in conference with management of Yanahara Mines about the pricing of Yanahara pyrite ore. It seems to this team that the official price set up is discriminatory and is actually retarding production. A special report is being submitted by this headquarters on Pyrite Ore pricing.

c. Financial Situation

Due to retrenchment policy of government, the banks are most careful on the loans they make to industry. It is customary for banks in this ken to make loans up to 65% of their deposits. Industrialists are having a difficult time in negotiating loans. According to Bank of Japan, Okayama Branch, unless some kind of effective financial control measures be adopted, about 50% of industry will be faced with a shut-down. Suspension of operation has already taken place in lumber, saw-mill, woodworking, lignite, small machine, instrument, and tool industries. Generally speaking, the production curve was rising prior to September 1948 and has subsequently leveled off but, at present, the curve is

descending. Some small factories have already closed down from January to March.

The Okayama Branch of Bank of Japan stated that an investigation was conducted in September 1948 concerning 100 industries with capitalizations of ¥ 200,000 and said investigation disclosed that they were obtaining materials from blackmarket or at blackmarket prices to the extent of 23% of their needed raw materials. It is assumed that aforementioned condition still is status quo because the official and blackmarket prices are within close range of each other. In a number of cases, even with allocation coupons, the raw materials are not available so the plant gets it from the blackmarket.

This September investigation also disclosed that 9% of firms were operating at a loss and in March 1949, the firms who suffered losses increased to 10%. The alleged reasons for such losses were high wages, shortage of raw materials, power shortage, poor grade of fuel, and difficulty in collection of outstanding accounts thus hazarding bank loans.

d. Shipbuilding

All shipyards were visited during the month of April and no violations of illegal shipbuilding was noted. There are 8 tug boats (15 ton) being constructed for U.S.S.R. in 4 different shipyards. Completion of all boats is expected by the end of June.

On 2 April 1949 the "Meiten Maru", 3700 ton steel cargo ship was launched. The construction of this vessel was authorized under SCAPIN 6082-A dated 4 September 1948.

Other constructions underway at Mitsui Shipyards in Tamano City are as follows.

(1) One 3,700 ton Cargo-ship (SCAPIN 6393-A) for Japanese concern.

(2) One 2,400 ton Cargo-ship (SCAPIN 6495-A) for Japanese concern.

(3) Two 5,170 ton Cargo-ship (SCAPIN 6415-A) for Denmark.

Construction of a tanker (17,900 ton) and a cargo ship (5,170 ton) for Denmark authorized under SCAPIN 6415-A will be initiated in the near future.

17. Blackmarketing

a. The EIB seized the books of the Okayama Drug Manufacturing Company

and sealed their warehouses on 15 April 1949. This Company is to be investigated for blackmarketing drugs and materials allocated by the Central Government. The Surveillance Section and the EIB have proof that this Company has been blackmarketing these materials, but whether it will turn out to be a large case, will depend on facts found from the investigation.

b. The Surveillance Section, this team, and EIB patrolled the Inland Sea on 11, 12 and 13th April. During the patrol, a boat load of illegal steel, a boat load of illegal lumber (700 koku at least) with 130 kan illegal fish, and a boat with 180 tons of coal were caught and turned over to police for investigation and trial.

c. Investigations were started against Nippon Cotton Cloth Manufacturing Company at Ebara-son and the Nippon Cloth Manufacturing Company at Kotouracho. At the present time the investigation has revealed that these companies are making an over production and selling this over production in blackmarket. Investigation is not completed at this time.

d. Critical Inventory

Investigation was started against the Mitsubishi Heavy Industries. This investigation is not complete at this time.

e. The blackmarket cases against the Teikoku Fiber Company and Tei Sene Air Craft Company of Tamashima-cho were completed and turned to the procurator for trial on 4th and 11th April 1949. Also recommendations were given the procurator to investigate the fire that destroyed a warehouse of this Company in August 1948. The cases were discussed at length in previous activities report.

f. From 16 March to 15 April, 1949, the total amount of blackmarket transactions were as follows:

Number of cases	1,329
Number of persons arrested	1,356
Total amount of transactions	¥ 26,940,815.00

Most of the violations were illegal rice, beans and mugi.

g. The railway police were very vigilant during month of April. They confiscated, for most part, rice and flour. One violation was a carload of briquettes (35,000 kg), mixed with coal and this case was referred to Procurator's Office for necessary action.

h. Since the removal of controls on vegetables, the people seem more satisfied because they can get a better grade of vegetables and also because the current prices are beginning to approach the recent official prices.

18. Reparations

Eight of the elven reparation plants were inspected by this headquarters during the month of April. The fire prevention equipment, the storage places, the maintenance and custodial care of reparation items ranged from good to excellent condition as judged by this team.

On 5 April, a conference of reparation plant custodians from the entire region was held at Kurashiki Cotton Spinning Company's main plant in Kurashiki City. The Economics Officer as well as an Assistant Economics Officer of Region sat in on the conference. Both representatives of military government stressed the need of complete well indexed documentary evidence of reparation items.

A seven weeks program has been set up for most vigilant efficient custody of reparation items such as "Guard and Fire Prevention Week"; "Factory Cleaning Week"; "Maintenance" weeks; and "Document Perfection Week". The foregoing program started 4 April and runs until 22 May 1949.

An ex-Japanese Naval small boat, the KO 14 has been taken into custody by the Ken Reparations Section upon advise from this headquarters in accordance with instructions and letter AG 560 (25 February 1949) CPC/RP, GHQ, SCAP, dated 22 March 1949, subject: "Ex Japanese Naval Small Craft". In locating this boat, another boat (KO 26), that was not listed for this ken, was found and it also is impounded by the Ken Reparations Section until further orders. As soon as estimates are completed for getting these aforementioned boats in operable condition, a final report will be submitted by this team.

19. Restricted Industrial Operations

The Konoshima Chemical Company was removed from the restrictive concerns list as of 9 April 1949 by SCAPIN 1991.

The Kurashiki Cotton Spinning Company, Limited produced as follows:

Items	February	March
Cotton Cloth	37,221.5 tan	37,512.48 tan
Cotton yarn	766,132 lbs	741,930 lbs
Spinning yarn	95,133 lbs	207,628 lbs

The Kurashiki Rayon Company, Limited:

Items	February		March	
Rayon fabrics	147,900	lbs	22,100	lbs
Synethetic fabrics	2,449	lbs	2,227	lbs

Nissan Yogyo Company, Limited:

Fire bricks	383	tons	557	tons
Chromic bricks	79	tons	114	tons
Fire proof mortars	26	tons	80	tons

Chugoku Railway Company, Limited:

Running Distance	112,427	km	130,269	km
No. of passengers	191,570		218,476	

Shikishima Koku Kogyo Company, Limited:

Cotton yarns	324,300	lbs	387,440	lbs

20. Economic Recovery Commission

The Economic Recovery Commission is composed of 69 members. The Governor is chairman, the president of one of the local newspapers and the principal of Sixth Higher School are vice chairmen. The Commission has selected seven special committees; viz., financial, monetary, price control, mining and industrial, trade, foodstuffs and labor.

The first committee meeting took place 18 April 1949 at Vice Governor's office and an Economic Officer attended. The Committee decided that they would work for the rationalization of management of the existing mines and also for the exploitation of new mines henceforth.

Reports Control Symbol MG II (R2)

HEADQUARTERS
OSAKA MILITARY GOVERNMENT TEAM
APO 25

ANNEX "D"

To Monthly Military Government Activities Report
Period ending 30 April 1949

ECONOMICS SUMMARY - Prepared by Mr HENRY C KEISEL, CAF-11

1. Agriculture

a. There were no purchases or sales of farmland during this report period.

b. Fifteen land reform court cases were placed on the court docket during the report period. The total number of court cases as of 30 April 1949 is 281 involving 1,171 cho of land.

c. 394 agricultural cooperatives have been established with a membership of 95,768 voting and 14,373 associate members. 29 Nogyokai completed transfer or liquidation of assets during April. Of the 193 Nogyokai organizations, 122 have completed liquidation or transfer of assets as of the end of April. 67 cooperative associations held re-elections during the report period.

d. The greatest concern over the barley and wheat products has been the susceptibility to disease due to their unnatural growth. The barley products in some localities in the prefecture are affected by mildew, mosaic, and rust diseases. The prefectural officials have launched a wide publicity program to educate the farmers concerning preventive measures. The preventive measures that have been taken involve the usage of disinfectants and germicides.

2. Crop Collection

a. This prefecture was allocated 5,000 koku as its over-quota rice delivery goal. On 30 April, 7,847.9 koku or 157.3% had been collected. Of this total amount, 2,797 koku was confiscated rice.

b. Certificates of commendation were awarded to the following for being first to reach the over-quota delivery goal:

(1) First city in the prefecture to reach goal
(2) First village in the prefecture to reach goal
(3) First village in each of the six guns to reach goal.

Annex D, OMG Act Rpt Pd ending 30 Apr 49

3. Food Distribution

a. Approximately 36,124 metric tons of staple food were distributed to the residents of this prefecture for consumption in April. This figure includes 4.5 days of advanced ration distribution for May. The total distribution was 33,540 metric tons as rations for the general consumers, 2,257 metric tons as supplementary rations for laborers and 327 metric tons as special rations. The distribution to the general consumers for the month was approximately 13.3 days of rice, 1.6 days of barley, 7.8 days of wheat flour, 3.3 days of corn meal, 2.6 days of bread and 0.6 days of sweet potato flour in urban areas.

b. Investigation conducted at 42 bakeries revealed that the ratio of 25% corn meal and 75% of wheat flour for baking of bread was not being followed. More wheat and less corn was being used. This is due to lack of instruction in the use of corn meal by the prefectural government. It was also disclosed that the sanitary requirements are not being met. These facts were reported to the proper Japanese officials for immediate correction.

c. Receipt of fish at Central Market is increasing daily due to the beginning of the fishing season. Approximately 2,900,000 kan, including whale meat, was received during the month of April as compared with 2,500,000 kan for April 1948. Of this amount, approximately 50% of the fresh fish was put into ration channels. A breakdown of the distribution is as follows:

(1) Fish Receipt and Distribution for April 1949

(a) Fresh Fish - Unit: kan

	Whale Meat	Fresh Fish	Total
Total Receipt	365,611	2,117,394	2,483,005
Released from Storage	-	48,945	48,945
Ration	316,614	977,422	1,294,036
For fish-cake	16,120	523,532	539,652
Free sale	32,072	482,745	514,817
Others	540	63,972	64,512
Stored	-	106,266	106,266
For animal food or manure	265	12,401	12,666

(b) Processed Fish

Total Receipt	460,055
Released from Storage	152,101
Ration	195,275
For processing into other type of food	81,729

Free sale	163,007
Others	24,659
Stored	147,411
For animal food or manure . . .	75

(2) Comparison of the receipts during April 1948-1949

	1948	1949	Percentage	Increase over Last Year
Fresh fish	2,279,864	2,483,005	108.9 %	8.9 %
Processed fish	210,978	460,055	218.	118.

d. On 12 April 1949, a meeting was held in Takatsuki City to discuss the ration system with the general public. After an explanation of the ration system by the head of the Prefectural Fisheries Section and representatives of the receiving agencies, retailers association and the retailers, statements were requested from those attending concerning the amount of rationed fish they received during the past 15 day period. These figures were compared with the figures from Central Market showing amount of fish sent to this city. Needless to say, the figures did not agree. The people had received only a small part of the amount sent to Takatsuki for ration. The retailers were then asked for an explanation but no satisfactory one could be given. The outcome of this meeting was that the Mayor and the Chief of the Police called a meeting of all retailers and had them sign a pledge of honest business. Subsequent inspections revealed that a more equitable distribution has resulted. Future meetings of this sort will be held in other cities in the prefecture.

e. The committee, recently formed to pass on suspension of licenses of fish dealers, has reviewed two cases to date. Action taken resulted in suspension of licenses of two retailers, one for 30 days and the other for 80 days.

4. Fertilizer

a. Production

(1) March production of super-phosphate was 10,958 m/t, exceeding production quota by 1,658 m/t.

(2) 191 m/t of ammonium sulphate was derived from coal gas.

(3) The three super-phosphate producing plants in Osaka Prefecture are currently operating at 60-65% of capacity. A survey to determine factors limiting production revealed that shortage of pyrite is the only obstacle to 100% capacity operations. As there are no

pyrite mines in this region, available information regarding factors impairing adequate supply of pyrite is of a limited nature. Data obtained from the Osaka Bureau indicates that maximum distribution of stockpiled pyrite is being achieved, but that short supply of the ore is due to inability of the mines to produce at maximum capacity.

(4) The retarding effect of inadequate supplies of pyrite on the production of mechanical fertilizers was the subject of Operational Directive 49, Headquarters Eighth Army, 21 June 1947. OD 49 directs action to increase pyrite production at the mines, principally through elimination of the conditions which, at that time, were considered to be the factors most seriously handicapping production.

(a) The impairing factors, i.e., shortage of clothing and shoes for workers, non-receipt of rice rations by workers, and lack of adequate transportation to move ore from the mines to the processing plants, appear to have been eliminated or reduced to an ineffective state. The listed factors were not, in the course of this headquarters' current study, cited in reply to inquiries regarding current obstacles to maximum mine production.

(5) It was the unanimous opinion of persons interviewed that the low selling price of pyrite fixed by the Government is the only existing obstacle to efficient mine operation and resultant production increases. Mine operating costs have mounted steadily in pace with the inflationary trend, but the legal selling price is reported to be the same as it was eight months ago. It is further reported that the mines cannot afford to operate newly acquired equipment made available to the mines in connection with a SCAP-sponsored program designed to increase efficiency and boost production.

(6) Osaka super-phosphate plants alone could produce an additional 4,000 to 6,000 tons per month if pyrite supplies were adequate. A nation wide increase in fertilizer production on a similar scale would unquestionably be reflected in substantially increased crop production.

(7) It is therefore recommended that a study be made to determine further actions necessary to increase indigenous pyrite production. In this connection, it is believed that a coordinating and expediting agency is a primary requirement.

b. Distribution

(1) The current status of fertilizer distribution is as follows:

(a) Nitrogenous

Allocation	10,140 m/t
Received	7,258
Distributed	5,988

(b) Phosphate

Allocation	5,504 m/t
Received	4,381
Distributed	3,766

(c) Potassium

Allocation	1,348 m/t
Received	1,015
Distributed	393

5. Fisheries

a. 30 fishery associations held preliminary dissolution general assembly meetings during the reporting period. In two fishery associations less that 40% of the members attended necessitating another meeting being held.

b. 198 assets liquidation committee men were elected in the 31 fishery associations. As one fishery association had no assets, they did not require an assets liquidation committee. Of the 198 members in the assets liquidation committee, 161 persons are not officials of the fishery association.

c. This headquarters continued the program to disseminate information to the fishermen concerning their participation in the formation of the new cooperatives. Three meetings were sponsored by this team regarding the fisheries cooperative association law. Speeches were given and motion pictures on the cooperatives in the United States and how to conduct a meeting were shown. These meetings were held at Osaka, Kishiwada, and Takatsuki.

d. During the reporting period, the fish catch was 103 m/t, representing a 50% decrease over the preceding month. Abnormal cold weather during this period has prevented the normal rise in water temperature which is a contributing cause for this decrease.

6. Incentive goods

a. 156 socks, 136 woolen shirts, 177 cotton trousers, 102 undershirts and 1,031 drawers of U.S. Army surplus goods have been distributed to the farmers during April for the over-quota delivery of 1948 summer crops.

b. 408 sweaters, 1,262 cotton trousers, 1,239 socks, 1,628 woolen drawers, 830 cotton shirts, 786 woolen shirts, 187 cotton trousers, 825 woolen trousers and 716 woolen undershirts of U.S. Army surplus goods have been distributed to the farmers as incentive goods for over-quota deliveries of 1948 fall crops.

c. 53 rubber soled socks, 127 bicycle tubes, 41 bicycle tires, 5 tricycle tubes and 4 tricycle tires of indigenous good have been distributed to the farmers during the report period for 100% delivery of the 1948 fall crops.

d. 325 work suits, 209 trousers, 378 jackets and 622 shirts of U.S. Army surplus goods have been distributed to the workers in iron and steel industries.

e. 190 work aprons made from released U.S. Army laundry bags have been distributed during April to workers engaged in small scale transportation.

7. Forestry

a. During the report period, 752.8 cho of land was reforested with 2,199,159 seedlings. The main types of plantings have been pine, cypress and cedar. Other plantings have been red oak, tung wood, paulownia and chestnut.

b. It has been reported to this headquarters that cedar bark disease, which has never occurred before in this prefecture, affected 80 cedar trees on 6 cho of land, causing damage to 100 koku of lumber. At present, the greatest concern is the spreading of the disease to other trees. The prefectural officials stated that effective control measures will be taken in June when the beetles stop laying eggs.

c. During April, 6,884 trees involving 3,901 koku were infested with the pine bark beetle. Control measures will be taken.

d. Charcoal, Firewood and Gasu Maki

(1) Charcoal, firewood, and gasumaki allocation for Osaka Prefecture for 1949 FY, and collection, distribution, and stocks at the end of this period are as follows:

	Charcoal (bales)	Firewood (bundles)	Gasu Maki (Ts)
Allocation for 1949 FY	6,660,000	13,865,000	1,816,666
Collection During April	639,400	543,500	122,633
Distributed During April	265,572	430,482	115,054
Stock on Hand	373,828	113,018	7,579

8. Transportation

a. During this period, little change was noted in operation and utilization of units, compared with the preceding period.

b. There was no change in street car operation, a 2% increase in subway utilization, and a 4% decrease in utilization of bus units.

c. There was no change in tire shortages. A total of 4,070 tires are required for 450 vehicles of various types, while there are 3,428 tires on hand, a shortage of 652 tires exists.

d. There were sufficient allocations of electric power, gasoline, and charcoal.

9. Electric Power

a. During this period, the daily average natural stream flow in Kansai 60 cycle area was 1,438,600 K.W., a 9.5% increase over the preceding period, but showing a 7.5% decrease over the same period one year ago. The amount generated showed a decrease of 10% compared with the last seven year average. This decrease may be attributed to the lack of snowfall during the winter season.

b. Thermal generation showed a daily average of 199,500 K.W., a 39% decrease over the preceding period, but a 250% over the same period one year ago.

c. Power consumption in Osaka Prefecture averaged 7,509,000 K.W.H., a 9.5% decrease compared with the preceding period, and a 12% increase over the same period one year ago. There was an excessive consumption in Osaka Prefecture averaging 2,600,000 K.W.H. over the allocation, and Kansai Haiden was forced to suspend power to "B" and "C" class power lines 20 to 30 minutes eight days of the month. This excessive consumption may be attributed to the removal of restrictions on 4th Category Demands (General households, heating, use of exterior neon signs, etc.).

10. Construction

a. Construction of 2,380 new housing units, including prefectural projects and private construction, was completed. The construction was 14% less than the average for the preceding six months period.

b. The drop in housing construction is reflective of the spreading "tight money" condition in Osaka Prefecture and restrictions in Prefectural Government building projects as a result of reduced Central

Government subsidy grants of funds. Despite Central Government allocation and shipping instructions, the building materials manufacturers, both in and out of Osaka Prefecture utilize every ruse to route building materials to other areas, particularly Tokyo, where reasonably prompt payment can be expected. Improvement is not foreseen until the already reported stringent financial situation in Osaka Prefecture, which was reduced money in circulation from ¥39,000,000,000, on 1 January 1949, to the current estimated ¥23,000,000,000, is alleviated.

11. Public Works

a. Road repairs received priority attention. A total of 144,561 square meters was completed. 569.95 m/t of asphalt was consumed.

12. Redistribution of Critical Materials

a. Marked improvement is evident since deficiencies in the operation and administration of the program were reviewed, in March, with the Chief of the Kinki Region E.S.B. Frequent visits to this headquarters by administrative officials to discuss problems and report progress is indicative of the renewed energy which the E.S.B., EIB and the Sangyo Fukko Kodan are applying to the program. Previously, the officials would rarely appear at this headquarters unless summoned.

b. The purchase phase of the program, involving stockpiles of 76 items, is virtually completed. April purchases totalled ¥48,000,000. The only stockpiles remaining to be purchased are eleven items transferred to the Sangyo Fukko Kodan from the C.I.B. in February 1949. Purchase of the remaining items, marking the end of the purchase phase of the program as regards originally reported inventories, will be completed prior to the end of this month.

c. Volume of redistribution was also improved, totalling ¥24,000,000, for last month. Subsequent redistribution will be accelerated by the prior planning policy adopted by the Kodan at the instigation of this headquarters. Absence of prior planning was previously a principal inadequacy in execution of the program. However, a maze of entangling red tape renders redistribution a very slow process under any circumstances.

d. Close surveillance was exercised over E.I.B. operations in connection with PD Enforcement Nos 11 and 12. The thoroughness of operations as observed is indicative of the general improvement in E.S.B. and E.I.B. operations in Osaka Prefecture following discussions with the Chief of the Kinki Region E.S.B. cite sub a above.

(1) PD No. 11, investigation of cotton textile producers and processors, was particulary productive. The project began on 1 March. Of the 70 targets selected in the prefecture, investigation of 30 was completed in March. 19 violations were encountered, resulting in material

purchases totalling ¥3,488,223. The remaining 45 investigations were completed in April, but data is not yet available.

(2) Action on PD No. 12, investigation of rubber manufacturers, has been limited pending completion of PD 11. Investigation of 3 of the 13 selected targets has been completed. Surplus goods valued at ¥361,985 were uncovered, indicating that final results will be very substantial.

13. Import - Export

a. Sixteen foreign flag vessels and one SCAJAP vessel arrived and thirteen foreign flag and one SCAJAP vessel departed from Osaka Port during April with general cargo as shown below:

Vessels	Imports	Exports
Foreign flag	49,047 tons	20,728.78 tons
SCAJAP	3,490 tons	none
TOTAL	52,537 tons	20,728.78 tons

14. Restricted Industrial Operations

a. Shipbuilding

(1) Twenty-two shipyards were inspected. No violations of directives were observed.

(2) The Fukuzaki Dockyard Company recently resumed construction of 97 G/T wooden ship, the hull of which was laid prior to the end of the war. The Kinki Maritime Bureau was instructed to exercise surveillance to assure that gross tonnage does not reach 100 tons in the construction process. This headquarters will continue surveillance.

b. Production of Explosives

(1) Five fire works manufacturing plants were inspected. No violations of directives were observed.

14. Stimulation of Critical Industries

a. Coal Mining Machinery Production

(1) The six designated coal mining machinery manufacturing plants were inspected. The plants reported no major obstacles to production from the standpoint of raw material and power supplies. Coal mine orders are promptly filled. Quality of work is considered satisfactory.

(2) Financial stringencies faced by the plants as a result of non-payment of accounts by the coal mine operators grows progressively worse. April receipts averaged less than 30% of the cost of production. The plants are desperately in need of relief.

b. Railroad Rolling Stock Repair

(1) The six designated rolling stock repair plants were inspected. Raw materials and electric power are in near-adequate supply. Production schedule at each plant were met or exceeded.

(2) Financial condition of the rolling stock repair plants parallels that of the coal mining machinery producers. Government payments in April were considerably below operating costs. It is a moot question as to how long the plants can continue operations under present conditions.

c. The financial dilemma threatening the coal mining machinery manufacturers and the rolling stock repair plants has repeatedly been a subject of reference in preceding monthly activities reports from this headquarters.

16. Elimination of Control Associations

a. Of 32 fishery associations now in operation, 7 were investigated by this headquarters to ascertain that plans for dissolution in accordance with Law 243 were being observed.

(1) Preliminary meetings prior to dissolution were held during the month of April by the seven associations investigated.

(2) The Assets Liquidation Committees were elected by members of these associations, and plans for the formation of new Cooperative Associations were discussed.

(3) As the procedure for the disposition of fishing rights has not been acted upon by the Japanese Government, the dissolution dates of Fishery Associations are presently unknown.

b. The Osaka Prefecture Suit Materials Commerce and Industry Cooperative Association was dissolved 21 April 1949. Liquidation is expected to be completed by 31 July 1949.

c. The Osaka Prefecture Oil Commerce Cooperative Association was dissolved 19 April 1949. Liquidation is expected to be completed by 31 October 1949.

d. The Osaka Tar Commerce and Industry Cooperative Association was dissolved 14 April 1949. Liquidation is expected to be completed by 20 December 1949.

17. Blackmarket

a. During this period, autonomous, city, and National Rural Police maintained check points at main rail, highway, and water control points to check and control movements of staple food and critical materials.

b. 14,092 persons were apprehended and arrested by the above mentioned law enforcement agencies for violating transportation regulations as pertains to staple food and critical materials. The number of arrests show a 12% decrease over the preceding period. Of the total, 11,194 persons were disposed of administratively, while 2,898 persons, representing an 11% decrease over the last period, were referred to the Procurator's Office for judicial action.

c. Items confiscated were turned over to the proper Kodans for redistribution. Major items confiscated were as follows:

Rice	55,704.8 kgs	Raw rubber	1,500 kgs
Wheat	30,760.5 kgs	Confectionary	422 kan
Potatoes	58,124.4 kgs	Tobacco	12,230 pcs
Cereals	13,125.6 kgs	Tires	14 ea
Others	16,734.9 kgs	Textiles	26,319 yds
Fish	2,516 kan	Clothing	9,596 pcs
Processed fish	698.9 kan	Kerosene	360 litres
Sugar	1,013.5 kin	Coal	2,640 kgs
Paper	2,520. kgs	Lumber	65 koku

d. For the second consecutive month, an illegal shipment of rice, disguised as a shipment of apples sent from Aomori Prefecture and consigned to Osaka Central Market, was discovered by city police. This rice was reportedly concealed in 252 cases marked "Apples". Of the total 126 cases were confiscated, each case containing approximately 1.2 "to" of rice. The total confiscation was approximately 15 koku of rice. The police are of the opinion that another 15 koku was successfully delivered to the consignee. Investigation of this case is being continued by city police.

18. Reparations

a. 76 of the 93 installations in the prefecture were inspected. No major discrepancies were observed.

b. Packaging and crating of equipment at Kori Arsenal, 32-30, in compliance with allocation notices 1-54 (China), 2-45 (Netherlands), 3-35 (Philippines) and 4-49 (United Kingdom), has been completed. The crates will be stored at the Arsenal pending notification of ship arrival following which the crates will be transferred to Kobe Harbor so as to be available for immediate loading. Transportation and dock-side storage arrangements have already been made.

19. Waste Materials

a. Recent conferences held by members of this headquarters with Prefectural officials have resulted in an increased monthly income for Prefectural Government, to be derived from new contracts made with collectors of waste materials and garbage.

b. Prior to this time, the Prefectural Government had contracts in effect with waste material collectors, but the contracts did not call for any payment to the Government.

c. The total monthly collections to be paid by three collecting agencies are as follows:

(1)	Osaka Pig Farming Association	¥28,000
(2)	Toa Can Manufacturing Co.	2,000
(3)	Osaka Lighthouse Institution	15,000
	TOTAL	¥45,000

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(Reports Control Symbol MG-11) (R2)

HEADQUARTERS
SAGA MILITARY GOVERNMENT TEAM
Saga, Kyushu, Japan
APO 24-5

AJW

5 May 1949

Monthly Military Government Activities Report
for Period 1 - 30 April 1949

(Major Aloysius J. Walsh)

ANNEX D:

A. Crop Collection. The status of fall crop collection as of 30 April was reported by the Food Office, Saga Branch, to be as follows:

	Purchased	Confiscated	Total	Per cent
Rice (koku)	765,383.12	485.86	765,868.98	101.09
Sweet Potato (kan)	8,307,302	1,965	8,309,267	156.89

B. The wheat crop in Saga prefecture has been damaged by wheat rust which, it has been estimated, will result in a 20% to 30% loss.

C. Inter-prefectural Shipment of Rice: The inter-prefectural shipment of rice was completed as of 31 March 1949.

D. Meat Consumed Per Capita: The amount of meat consumed per individual was .103 lbs. This was computed on the basis of population divided into amount of meat prepared.

E. Mining Timbers: All coal mines in Saga prefecture have more than 30 days supply of mining timbers on hand as of 30 April 1949.

F. Critical Materials: Critical materials on hand in Saga prefecture have been advertised through use of newspapers and radio broadcasts, and tickets have been issued. It is believed that the material will move slowly due to the lack of purchasing power and the fact that most of the material is second-hand and therefore undesirable.

G. Control Associations: Under supervision of the prefectural officials, eight associations are being dissolved. A special report is to be submitted covering this activity on 10 May 1949.

H. Reparations: All reparations installations in Saga prefecture were inspected and found in good condition.

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I. Conversion of Vessels: All ports and ship yards in Saga prefecture have been inspected and found to be operating under provisions of Operational Directive 79, dated 21 September 1946.

J. Export & Import: The exports from Saga prefecture for the year 1948 reported to this office on 10 April are as follows:

Export Industry of Saga prefecture, from 1 January to 31 December 1948.

Item	Quantity	Amount ¥	Destination	Maker	Public or Private
Coal	89,914 tons	219,375,285	Korea		Public
Cotton yarn	12,513 bale	87,590,959	Textile Export Federation	Daiwa Boseki Co., Ltd.	
Cotton cloth	175,373 tan	60,902,069	"	Saga Kennel Co., Ltd.	Public
Cotton goods	336 dozen	155,800	"	Nihon Seni Kogyo Co., Ltd.	
Raw silk	11,671 kan 96,458 lbs	84,778,133	"	Katakura Kogyo Co., Ltd.	Public
Wooden boat	4 of 50 ton	4,600,000	USSR	Ariake & Yobuko Shipyards	Public
Vegetable Wax	11,200 lbs	804,232	USA	Saga Seiro Co., Ltd.	Public
Tea	7,729 kan 63,876 lbs	5,746,465	USA		Private
Lily Bulb	90,000 piece	3,150,000	USA		Private
Raw bamboo	8,500 bundle	543,930	Korea		Private
Bamboo rake	13,500 piece	243,000	USA	Hokko Bussan Co., Ltd.	Private
Cardboard	45 ton 100,800 lbs	735,840	Hongkong Singapore	Saga Itagami Co., Ltd.	Private
Slide rule	10,717 pcs	3,538,800	USA	Nihon Keisanjaku Co., Ltd.	Private

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Con't. Annex D Monthly Report (1-30 Apr 49) Saga Mil Govt Team

Item	Quantity	Amount ¥	Destination	Maker	Public or Private
Electric Snap-cap	100,000 pcs	450,000		Asahi Kasei Kogyo Co., Ltd.	Public
Pottery		20,097,034			Public
Insulator	2,130 ea	2,128,000	Korea	Koransha Co., Fukagawa Seiji Co., Ltd.	
Tableware Foreign	2,673 set 100 dozen	4,586,330	Hawaii CPO GHQ USA	Imaizumi Toen., Koeisha, Yamato Toen, Kojima Seikodo	
Tableware	1,900 set 837 pack	9,814,896	Hawaii Dutch Indies	Sakaisa-kakiemon, Shomura-Kichiro, Export Pottery	
Ash-tray, Vase, Butter-pot, Powder-pot		1,862,566	USA CPO GHQ	Federation Union, Yamato Tojiki Co., Ltd.	
Toy, Microscope	738 dozen	530,242	Hawaii		
Button	60,000 pcs	900,000	CPO		
Special resistance pottery	500,000 pcs	275,000	Korea		
TOTAL		492,711,547			

Remarks: The amount listed by the Textile Export Federation is only the manufacturing price, and the others are all FOB prices or mill prices.

K. Economic Crime Control: The number of Economic Crimes committed during the month of April was 1,000 of which 800 were referred to the procurator's office. All material confiscated was transferred into regular channels and is now being sold.

L. Fishery:

1. Fishermen's Cooperative Association: All the fishery associations have held their preparatory meetings for dissolution except NAGOYA Fishery Association, which held a meeting on 14 April. This meeting was cancelled because of insufficient attendance. The majority of the fishermen were at sea at that time.

They will hold their meeting on 14 May.

The preparatory meetings for establishment of fishermen's cooperative associations were held at Higashiyoka and Takagushi-mura on 21 and 15 April respectively. All the fishermen were very active and much in favor of the new cooperative. Prefectural officials were present at the meeting and gave useful information and guidance concerning the Fishermen's Cooperative Association Law.

2. Fish: This month has been very satisfactory. Fish export was 396,630 kan, 339 percent of monthly quota. Distribution within the prefecture was 653,281 kan, 211 per cent of monthly quota. There were 391,674 kan imported from Nagasaki prefecture.

3. Blackmarket Activity: The Saga Prefecture National Rural Police have been very active in controlling blackmarket activities on fresh fish and processed marine products. As a result 67 cases were disclosed and 1,888 lbs. of fish were confiscated. Fish were turned over to proper authority and were disposed of through regular channels.

4. Report on Actual Shipment and Receipt of Marine Products: Inter-prefectural shipment of fish balances except for a small natural shrinkage. The percentage of availability for food averages about 90%.

M. Coal Production:

Month	Quota	Production	Percentage
March	160,700	162,797	101.3
April	150,700	152,564	101.23

The Regional Coal Team visited three mines in this prefecture.

N. Fertilizer:

Unit: Kilo ton RECEIPT

Type of Fertilizer	Allocation (A)	Total Amount Received (B)	Amount Rec'd This Month	$\frac{B}{A}$ Per Cent
Nitrogen	15,412.0000	12,044.0331	1,647.8876	78.1
Phosphate	8,298.0000	6,674.0282	1,673.3966	80.4
Potassium	1,996.0000	1,856.0321	145.5737	93.0

Con't. Annex D Monthly Report (1-30 Apr 49) Saga Mil Govt Team

Type of Fertilizer	Unit: Ton DISTRIBUTION Distributed (C)	Amount Distributed This Month	Amount on Hand in Kodan	C/A %	C/B %
Nitrogen	11,802.3337	2,339.2283	241.6994	76.6	98.0
Phosphate	6,344.9802	1,606.9414	329.0480	76.5	95.1
Potassium	1,602.1429	219.5429	253.8892	80.3	86.3

O. Forestry:

1. Pine Bark Beetle:

	March	April
a. Area infested	53 cho	2,694 cho
b. Area controlled	137 cho	1,379 cho
c. Area still to be controlled	81 cho	1,396 cho

2. Tree Planting: Tree planting is finished in this prefecture until fall.

P. Economic Investigation Board: The EIB instituted a campaign to force dealers to list prices in plain view to enforce price control. The period 5 April to 15 April was devoted to the education of storekeepers at meetings held at the Chambers of Commerce in seven communities. During the period 16 April to 25 April surveillance was conducted in these seven areas. At 1346 shops investigated only 19 violators were discovered. Violators have been referred to procurator's office. Further surveillance will be maintained by the police.

Q. Land Reclamation:

1. Total area of uncultivated land purchased to date . . . . . 4,215 cho
2. Total of uncultivated land resold up to date 840 cho

R. Land Reform: Total amount of money due on the land reform program is ¥196,984,975.80, of which ¥131,361,569.83 has already been paid. A balance of ¥65,623,405.97 remains. The delay in disbursement of this balance is that claim letters have not been sent to the prefectural government. Letters have been sent to all concerned, and radio broadcasts have been made to speed up the completion of this program. Investigations were carried out at two villages. Total number of families 584. No difficulties were found in purchasing land. Average price for paddy land ¥1,000 per tan. Average price for upland ¥630 per tan. There were no illegal activities.

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S. Agricultural Cooperatives: Members of this team investigated two cooperatives, Saga and Mikazuki-mura. Present members of Agricultural Cooperatives: 1,843 farmers, 95 non-farmers. All are given 15 day notice of meetings. Farmers of these two village are enthusiastic about the cooperative. Of the 122 nogyokai in this prefecture all have been transferred except seven, four of which are awaiting approval of the Finance Ministry.

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HEADQUARTERS
SAITAMA MILITARY GOVERNMENT TEAM
APO 201

Report Control
Symbol MG-11 (R-2)

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT
FOR THE MONTH OF APRIL 1949

Economics Summary - Capt. William V. Gordon

- -

1. Agriculture

a. Extension Program.

(1) During the month of April the selection of nine Area Agriculture Improvement Committees completed the required number of 151 for Saitama. By the 30th of April, 169 candidates were examined for the position of Agriculture Extension Agents, but, only 105 were announced officially qualified and appointed.

b. Crop Condition.

(1) Prefectural officials have expressed fear of damage to wheat and barley crops due to unusually warm winter followed by cold spells. Accordingly, steps are being taken to combat diseases that may occur. Chemicals and sprayers were distributed to various places in the prefecture. Advice and guidance were given on disease and insect control.

2. Crop Collection.

a. The prefecture, although completing and exceeding its quota by 12,535.68 "koku" on the dead line date of 31 March, has continued to collect over quota rice during the month of April. The collection totals for the four staple foods as of 30 of April were as follows:

BASIC: ANNEX D to Monthly Military Government Activities Report for the Month of April 1949

Staple Food	Quantity Collected (Unit: Koku)	Percent of Quota
(1) Rice	766,538.18	102.24
(2) Sweet Potatoes	55,209,294.	127.26
(3) Wheat & Barley	445,101.72	99.13
(4) White Potatoes	13,068,753.	105.9

3. Food Distribution.

a. Farmers who turned in their retention rice to meet their rice quotas are asking for supplementary rations. As a result, the number of farmers, being approved for supplementary ration by the Food Adjustment Committee are increasing daily. This number which was 312,306 in March increased to 393,544 during April, thereby, causing a major problem in food distribution.

b. Classes for baking bread were held in Yamashiro Bakery in Urawa City during the month of April. The classes were sponsored by the Prefectural Food Stuffs Section and were attended by bakers of this prefecture. Bread making with 25% fine corn meal and 75% American flour was demonstrated. This type bread was distributed to consumers for six meals during the month of April.

c. Seven warehouses storing 44,524.5 lbs. of imported canned goods were inspected during the month of April. Adequate precautions were taken against fire, theft, and spoilage.

4. Fertilizer

a. The receipts, production and distribution of fertilizer in Saitama for the month of April, were as follows:

Type of Fertilizer	Rec'd by Pref.	Del'd to Consumer (Unit: Metric ton)
(1) Nitrogenous		
(a) Ammonium Sulphate	2,915.280	4,093.1
(b) Calcium Cyanamide	956.475	1,609.1
(c) Ammonium Nitrate	none	558.0
(2) Phosphate	5,051.520	3,404.0
(3) Potash Fertilizer	1,658.247	450.1

BASIC: ANNEX D to Monthly Military Government Activities Report for the Month of April 1949

b. The Showa Denko, Chichibu factory, produced 771,480 metric tons of the calcium cyanamide listed above as received by the prefecture.

5. Mining and Refining

a. Ores produced in this prefecture in March as compared to production during the preceding month were as follows:

Mineral	Feb.	Mar. (Unit: Metric ton)
Refined copper ore	17.5	29.
" lead "	17.5	24.
" zinc	320.	425.
" sulfide "	700.	700.
Magnetic iron-sulfide ore	124.	134.
Magnetic iron ore		593.
Chrome iron ore	22.	10.
Carbon-calcium fertilizer		321.
Lignite	213.	203.
Crushed stone		651.
Lime stone	29,655.	41,922.
Total	31,069.	45,012.

b. Increased production was due to larger electric allocation.

6. Forestry

a. Pine Bark Beetle

(1) The warm weather during the past month has caused an increase in Pine Bark Beetle. The extent of area damage for April was 12 cho, or approximately 3,856 "koku" of lumber. P.B.B. Control during the same period by the prescribed method covered an area of 6 cho or 1,995 koku in quantity.

b. Charcoal

(1) During April, 1,297 kilns were in operation and produced 1,668 tons of charcoal. Charcoal imports to Saitama were 3,727 tons. The distribution was 4,200 tons. The warm weather caused a reduction in charcoal blackmarketing as reflected in police reports.

BASIC: ANNEX D to Monthly Military Government Activities Report for the Month of April 1949

c. Lumber

(1) A total of 743 sawmills, 13 of which were operated by the Forestry Association and the balance by private owners, utilized a total of 10,289 H.P. and produced the following quantities against planned production.

	Prod. Planned	Actual Prod.	Percentage
Material lumber	30,000 koku	52,229	174%
Sawn lumber	16,000 "	22,235	139%

d. Reforestation

(1) The Saitama Prefectural Government, in cooperation with private organizations, sponsored many activities in connection with "Green Week" for 1949. A total of 2,350 posters and pamphlets and 400 books were distributed to towns, villages, schools, forestry associations, lumber administration and city offices. Tree-planting ceremonies were held throughout the prefecture where fifty plants of both cedar and cypress were planted in each city, town, and village. One thousand zelkova trees, presented to this prefecture by the Emperor, were also distributed in Urawa, Omiya and Kawaguchi for planting.

7. Transportation

a. Roads

(1) The Prefectural Road Section sponsored a "Road Week" from 20 to 26 April 1949, to promote public interest in road maintenance. In response to this drive approximately 100,000 man-days of voluntary labor were expended during the week on road repairs in local communities by grammar and high school students, youth organizations and leading trucking concerns.

(2) In compliance with SCAPIN 1943 the Prefectural Road Section submitted to the Construction Board its plans for road maintenance and improvements during the three year period 1950 to 1952 inclusive. The plans call for a total expenditure of 1,200,000,000 yen to be spent for improving and maintaining 230 kilometers of paved road and 1,930 kilometers of gravel roads within Saitama Prefecture.

BASIC: ANNEX D to Monthly Military Government Activities Report for the Month of April 1949

b. Control

Transportation control during April was highly efficient with excellent coordination from the NRP and the Municipal Police. Spot checks were made on trucks that used State Route 11 between Urawa and Kunagaya City. During the reporting period, one hundred fourteen (114) cases of violations of transportation regulation were found and eighty (80) cases were sent to court for further action. The Saitama Material Adjustment Office reported that no transportation bottlenecks were encountered during the month.

8. Construction

a. Construction permits issued and construction completed in the prefecture during the month of April were as follows:

(1) Type of Building	Permits Issued	Const. Completed
Dwelling Houses	824	555
Dwelling Business Houses	252	67
Business Houses	394	577

b. Sixteen violations of building construction laws were reported for the above period.

9. Public Works

a. The Prefectural Public Works Department has drafted final plans for re-dyking 1,500 meters of banks of the Oyamagawa River, a tributary of the Tone River in Osato-gun. This river was the scene of many floods and is a constant threat to farmers in the area who are in danger of inundation after a prolonged rain. The project will cost 11,458,000 yen. Plans to begin full-time construction by the end of May 1949 are under consideration.

10. Import-Export

a. The Omiya silk factory of the Katakura Seishi K.K. was visited by technical representatives of USSR on 21 and 22 April to see machines in operation and to study various aspects of silk production methods. The Russian representative informed the Military Government guide that they planned to purchase forty silk reeling and re-reeling machines to be used to establish a government-operated silk factory in the Ukraine.

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b. The following items were produced by Saitama industries for export during March:

Item	Production
Artificial potted flower	250 gross
Bamboo slide rules	6,000 ea.
Alarm clocks	5,100 ea.
Canvas shoes	23,550 ea.
Binoculars	44 ea.
Pencils	1,460 gross
Cameras	72 ea.
Textiles	844,077 yds.
Gloves	2,500 dz.

c. The Nippon-ya and Co. has developed a new and superior silk fiber. The company anticipates an increase in silk exports because of the development. The development consists of braiding and twisting silk filaments directly from the cocoon and is the product of years of experimentation. The new product, K-silk has the following advantages over ordinary silk.

(1) 10% warmer than regular silk
(2) 26% greater elasticity
(3) Fabric is more brilliant in lustre
(4) Lighter in weight
(5) Cost of production is less

Production of the new product is planned by the Nippon-ya Co. to commence in August at the former Yokagawa Electric Works factory in Kawagoe City.

11. Stimulation of Critical Industries

a. To encourage production efficiency and the development of better techniques in textile manufacturing, particularly for export items, a successful sewing contest was held at the Uchida Dressing Co., Ltd. in Urawa on 15 April. One hundred ninety-five (195) contestants from forty-six (46) plants participated. Saitama Prefecture, Textile Goods Industry Cooperative Association and the Textile Goods Export Promotion Association were the joint sponsors of the contest.

b. The Saitama Promotion Section, in an effort to assist financially small and medium business enterprises, has established the Saitama Prefectural Credit Security Association. The association

is backed by the prefecture and has as its members small and medium enterprisers. The organization received 5 million yen of its capital from the prefecture and 5 million from its members. The association, under the chairmanship of the local Chamber of Commerce and Industry will loan money to its members and non-members for whom securities are offered.

12. Black-Market

a. Black-market control was further tightened during the month of April. Thirty-one (31) train raids were carried out by NRP and Municipal Police in conjunction with the procurator's office. The following were the results of the raids: Number of passengers inspected, 278,650; number arrested, 4,442; number admonished, 4,101; number referred to court, 341; number sentenced to confinement, 28. The amount of staple foods seized was 56,883 kgs. (378.8 koku) of rice or rice equivalent.

b. Joint action by Military Government and the local EIB has uncovered further black-marketing of fish in this prefecture similar to that reported in the monthly report for Nov. 1948. The four large scale operators are: Fuji Marine Product Co., Omiya Suisan, Tobu Suisan, and Saitama Joint Association of Livelihood Cooperative Union. The offenses committed include violations of price controls and distribution through illegal channels. Steamed and dried sardines were being sold at ¥650 to ¥750 per kan whereas the official price is ¥392.50. Fresh sardines worth ¥70 per kan officially were being sold at ¥200 to ¥210. Illegal profits realized by the afore-mentioned four dealers during April 1949 were estimated at ¥259,930. Fish destined for Saitama were being disposed of enroute from shipping points in Chiba and Kanagawa Prefecture to unauthorized buyers outside of this prefecture. This was accomplished by shippers falsifying invoices. The chief reasons for the black-marketing were attributed to poor catches and off-season fishing conditions. Shipping points were able to fill only half of their requirements. Another contributing factor was and still is the financial status of the fish receiving agents in this prefecture. They are small-scale concerns without adequate funds to compete with larger firms on a seller's market. They are unable to make advance payments to insure their supply. To offset this condition, the fish receiving agents in this prefecture are engaging in the illegal practice of making quick and large profits in order to remain in business with their limited capital.

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c. Raids were made on three illegal Chinese sembei (rice cracker) manufacturers in Omiya, Urawa and Kawagoe. It was necessary to obtain search warrants from 1st Cavalry Division CID as the factories were operated by Chinese Nationals. The Municipal Police of the cities involved confiscated approximately ¥90,000 worth of black-market staple foods. The owners of these shops were turned over to allied authorities at Camp Drake for trial.

d. For this reporting period there were 3,621 cases of food control violations of which 816 cases were sent to court for further action.

13. Reparations

a. Forty reparation inspections were made during the month with emphasis being placed on fire prevention and fire-fighting equipment. Most plants that were inspected were found to be inadequately supplied with fire extinguishers, fire barrels and sand boxes. To offset the shortage the Prefectural Government supplied a limited number of new fire extinguishers to all plants. Reparations officials informed this headquarters that additional fire-fighting supplies will be distributed in May. The biggest drawback on new supplies is the critical shortage of carbon-tetrachloride to refill present equipment.

b. Saitama Military Government sponsored a custodians' conference 12 April at the Niigata Engineering Works, Plant No. 34-51. Problems that confronted custodian and instructions pertaining to custodians were discussed. Custodians' major grievance was their reduced budget allowance for the past year; However, the decrease in the budget did not curb their activities to any great extent.

c. A complete change of personnel was made at the Kawagoe Arsenal, Plant No. 34-32 on 10 April. Inefficient general custody and control such as guards not checking personnel entering the plant, and custodians' extreme laxity in taking precautionary measures to prevent pilferage of machinery were the reasons for the change.

14. Rolling Stock

The manufacture of rolling stock by the Nihon Sharyo Co., Ltd., Warabi factory, was increased due to increased electric power and satisfactory labor conditions. The following cars were completed during April.

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Type	Number
Passenger cars	1
Street cars	5
Box cars	5
Gondolas	40

15. Land Reform

a. The Prefectural Farm Land Section, in compliance with instruction from the Agriculture and Forestry Ministry, distributed 7,270 pamphlets on the subject, "Brief Explanation of Farm Rents and Tenants' Contracts".

16. Agricultural Cooperatives

a. The Saitama Prefecture Agricultural Association is encountering difficulties in the liquidation of its property. The evaluation of the same assets by the prefectural cooperative federation does not agree with that of the association. This difficulty in property evaluation and the quantity of property involved will delay the complete liquidation until July 1949.

b. Agriculture Associations of city, town and village levels are progressing satisfactorily in the division of their properties. As of 30 April 90% of the 312 associations had completed this phase of their liquidation.

c. The formation of the federations has reached a total of 22. In addition to this large number, a federation for Stock Raising & Sales has submitted their application for approval. Further, it is expected that a federation will be formed for Saitama Ken Dairies.

d. Agricultural Cooperatives in Saitama total 1,645. This total is comprised of two major types, investment and non-investment of which the numbers are 435 and 1,210 respectively. Within these two groups there are a variety of 12 types of agriculture cooperatives as follows: Chicken Raising, Mushrooms, Reclamation, Night Soil, Fodder & Fertilizer, Horticulture, Irrigation, Dairy Farming, Stock Raising, Agriculture Products Mfg., Sericulture and Agriculture.

17. Incentive Goods

a. Surveillance of industries reveals that workers can not afford to purchase all the incentive goods made available to them.

BASIC: ANNEX D to Monthly Military Government Activities Report for this Month of April 1949

The official prices are considered out of the workers' reach after the purchases of necessities are made.

b. The receipt and distribution of link material for 1948 for rice and sweet potatoes are now in a favorable state. Of the 36 different items allocated to this prefecture 33 were completely received and delivered down to the farmers.