## GHQ/SCAP Records(RG 331)
## Description of contents

THE
NATIONAL ARCHIVES
OF THE
UNITED STATES

(1) Box no. 2041

(2) Folder title/number: (13)
Administrative Research Bureau

(3) Date: Feb. 1948 - Sept. 1948

(4) Subject:

| Classification | Type of record |
|---|---|
| 324 | c |

(5) Item description and comment:

Governmental organization

(6) Reproduction: (Yes) No

(7) Film no. Sheet no.

Ishiguro
577845

Translation

17 September '48

Dear Minister of State Funada,

With reference to the conversation we had several days ago on the subject of personnel, I wish to recommend Messrs. Onoki and Isomura mentioned on the attached statement as the most suitable candidates. Among the two, Mr. Onoki is more experienced in research and planning of administrative management and I believe is a stronger candidate.

Please find herein enclosed the statement on their experiences in administrative affairs with paticular reference to the Tokio To reform.

Yours faithfully

S. Yasui

Governor, Tokyo To

17 September 47

1. The history of the Tokyo Metropolitan Government reform is as old as the that of the Tokyo City itself. Soon after the intallation of the City Government in 1890, a movement to make it an independent and autonomous government began and continued ever since until the present Tokyo To Government came into being in 1943. Innumerable attempts to effect the reform were made by the representatives of the Tokyo citizens, City Government and the former Home Ministry. Sometimes they were stopped before arriving at the platform of the Diet, at other times passed by the Lower House but defeated by the Upper House.

It was about 30 years ago that Dr. Beard came to Tokyo at the invitation of an ambitious Mayor Shimpei Goto and the City Administration Research Board was set up which hence made valuable contributions to the successful reform.

The structure and function of Tokyo To Government is most complex and, as such, has no pallarel in Japan. It has the function of the prefectural government with cities (Hachioji, Tachikawa etc.), towns and villages under its jurisdiction beside its function as the government of Tokyo city proper. And further, as Tokyo city government, it has under its control 35 independent local entities called Wards with their Assemblies and elected Chiefs - an example shared by no other cities in Japan however big they may be. The whole structure can be likened to that of the entire

national government organization only on a smaller and compact scale.

2. Onoki's contribution to the reform

After acquainting himself with the investigation and planning under Social Bureau (includes administration and management of the Bureau), he was, in September 1942, made the Superintendent of the Councillors Room under direct control of the City Mayor and as such engaged in planning and programming the administrative structure and legislation for the City. However, with the structural reform into Tokyo To drawing near, his activities were vertually concentrated upon the preparation for the reform plan. His function however was advisory simply because Home Ministry had then taken the matter up in connection with the Diet. He represented the views of the City Government and the Assembly vis á vis the Ministry. It is interesting to recall that he advocated the general election of the Governership for the contemplated Tokyo To although it was turned down by the Home Ministry.

March 1943 the Reform Bill was passed by the Diet and made a law, upon which City Government set up Transformation Bureau with the sole and temporary function of transforming the City into To Government pursuant to the Reform Law. Onoki worked, though for a short period of a little over three months, for the Bureau as an active and energetic superintendent and showed his excellence and efficiency as the central figure in carrying out one of the most complex transformation in organization as well as personnel problems.

Later in 1946, he was again made responsible for the organizational and legislative planning, and the following year promoted to the Director of General Affairs Bureau of which post he still retains and as such responsible for over-all policies and planning for Tokyo To Government.

3. Isomura's career.

In early stages of his employment in the City Government, he was successful in the prize thesis contest on the subject of the city government management — which contest was then used to be held every year in memory of the service of Dr. Beard. Ever since he took an active interest in administrative management.

While he was working for the Ward Administration Sec., Supervision Bureau, (1933 to 1936) he made a special study on Ward administration on the basis of his office experience and published a book on the subject.

After his inspection and study in Europe and U.S. (1936 to 1937), he was made Chief of Documents and Archives Sec. in which capacity he was responsible for the organizational and legislative planning. (In Ministries and other Governmental offices, it is quite usual the said section chief assumes such responsibility beside routine filings).

ISOMURA Eiichi

Born in Jan. 10, 1903

1923. Graduated from the Foreign Language School (Russian and English Courses)

1926. Graduated from the Tokyo Imperial University, Literature Department.

1932. Chief Secretary of Tokyo Municipal Office.

1936/7. Official tour to Europe and the United States.

1937. Chief of the Documents and Archives Section.

1939. Headman of Toshima Ward.

1941. Headman of Ushigome Ward.

1943. Headman of Shibuya Ward.

1945. Chief of Liaison Bureau of the Secretariat.

Was designated as a purgee, but lifted in May, 1948.

In the employment of the General Affairs Bureau of the Tokyo Metropolis Office at present.

ONOKI Katsuhiko

Born in May 30, 1899

1924. Graduated from the Kyoto Imperial University, Law Department, Law Course.

May, 1924. Clerk of Tokyo Municipal Office.

1931/2 Official tour to Europe and the United States.

1933. Chief of the Investigation Unit, the Office Service Section, the Social Bureau.

1937. Chief of the Planning Unit, the Office Service Section, the Social Bureau. Chief of the

" Chief of the Occupation Section, the Social Bureau.

1939. Chief of the Secretary's Section.

1942. Superintendent of the Councillors' Room.

1944. Chief of the Finance Section of the Secretariat.

1945. Headman of Shinagawa Ward.

At present Chief of the General Affairs Bureau of the Tokyo Metropolis Office.

URAMATSU: Samitaro

Born Oct. 1, 1901

Mar. 1925 Graduated from Tokyo Commercial College.

May. 1925 Went to England for study.

Feb. 1929 Returned from England.

Oct. 1929 Attended the 3rd conference of the Institute of Pacific Relations.

Oct. 1931 Attended the 4th conference of the I.P.R.

Jun. 1932-Dec. 1935
Staff member of the Institute of Pacific Relations. (Taiheiyo-Mondai-Chosa-Kai).

Aug. 1933 Attended the 5th conference of I.P.R. (held in Canada) as one of the Japanese delegates.

Jun. 1936 Entered the Japan Mining Co., Ltd. (Nippon-Kogyo-Kabushiki-Kaisha).

Jul. 1939 Appointed Chief, Overseas Section, Inspection Division of the same.

Aug. 1939 Nominated Director, Nichinan Iron Mines Co.,Ltd. (Nichinan-Tekko-K.K.).

Sept. 1939 Nominated Director, Taiyo Mining Co., Ltd. (Taiyo-Kogyo-K.K.).

Jul. 1941 Appointed Staff member of the Japan Mining Co., Ltd.

[redacted]

Dec. 1941 Appointed Private secretary to the President of the Mines Control Association (Kozan-Tosei-Kai) concurrently Chief, Research Office of the same.

Since the Surrender

Contributing essays on American matters to periodicals.

# IWAMOTO KIYOSHI

| | |
|---|---|
| Mar. 1925 | Graduated from Tokyo Imperial University, political Science Course |
| Apr. " | Joined the International Communication Co. |
| Jun. 1936 | Entered the Domei News Agency and appointed Director of New York Branch office of Domei |
| Jun. 1937 | Chief of Foreign News Division of Domei |
| Apr. 1942 | Directer General of Central China Bureau of Domei |
| May. 1942 | Deputy chief of General Office for South Areas of Domei |
| Nov. 1945 | Entered the Kyodo News Agency and appointed chief in charge of compilation in the Compilation Bureau |
| Jun. 1948 | Appointed Director of General Bureau of Kyodo |

TANAKA Jiro

Born: July 14, 1906

Mar. 1929 Graduated from Tokyo Imperial University, Law Department, Political Science Course.

Apr. " Appointed Assistant to Professor of Tokyo Imperial University, and assigned to Law Department of the same University.

May. 1931 Appointed Assistant Professor and assigned to Law Department. responsible for Administrative Law

Mar. 1941 Appointed Professor of the same University and assigned to Law Department. responsible for Administrative Law

Feb. " Shokutaku of the Naval Ministry.

Jun. 1943 Ordered to be Secretary of the Investigation Committee on Penal Provisions for Economic cases.

Jul. 1946 Shokutaku of the Minister's Secretariat of Ministry of Education.

Aug. " Ordered to be Acting Councillor of Councillors' Room, the Minister's Secretariat, Ministry of Education.

Mar. 1947 Shokutaku of Investigation Bureau, the same Ministry.

Mar. 1947 Relieved of the post of Shokutaku of the Minister's Secretariat, Education Ministry,

Mar. 1948 In consequent with the abolition of Shokutaku System under Cabinet Order No. 56 of 1948, relieved of his post of Shokutaku.

Apr. 1948 Appointed to Investigating Official of Investigation Bureau.

Concurrent appointments

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*Concurrent appointments*

# SUGGESTED STEPS TO BE TAKEN IN AN ORGANIZATIONAL STUDY OF A GOVERNMENT AGENCY

(Note: The organization of a government agency cannot be treated in precisely the same way that one treats the organization of an agency in private industry. In industry or private employment, one is not bound by specific and detailed provisions of law and official regulations such as pertain to the existence of a government agency. On the other hand, the purpose and motive behind the organization of an agency in private enterprise is almost invariably profit making, while the purpose in government is to perform a service to the people at cost. These distinctions must be borne in mind at all times whenever we are dealing with organizational problems in government agencies. Professor John M. Gaus, of the University of Wisconsin, defines organization as "the arrangement of personnel for facilitating the accomplishment of some agreed purpose through the allocation of functions and responsibilities of individuals and groups engaged upon a common task in such a way as to secure the desired objective with the least friction and the most satisfaction to those for whom the task is done and those engaged in the enterprise."

In any government agency existing under the principles of a democracy, "those for whom the task is done" are all the people of the country, as a unit. "Those engaged in the enterprise" are the Diet and the Executives of the administration, who, in turn are also answerable to all the people. With these fundamental concepts in mind the following steps are set forth as suggestions of the sequence which may be followed in any planned study leading to reorganization of a government agency.)

1. The first step in approaching an organizational study of a government agency is to collect and study all laws, rules or regulations which control the function of the agency. A description of those functions with an explanation of the legal background for the function should then be made. In the Japanese Government, this means that consideration must be given not only to acts of the Diet, Cabinet Orders and Ordinances and official Japanese rules and regulations, but also to any orders and memoranda of SCAP.

2. With a full understanding of the functions of the agency and the legal background thereof, a functional chart should be prepared. This chart should show in detail how the functions may be divided into their most important but separate elements. These elements should include such subjects as plans, programs, operations, services, etc.

3. From a functional chart, analyses should be made of the details of those functions so as to reveal varying degrees of responsibility which may be assumed by the personnel performing the functions. Some indication should be shown as a result of a functional study as to the volume of the flow of work.

4. It is helpful at this point to prepare what is generally known as a "work flow chart." A work flow chart should show what happens to any piece of business as it enters the agency, its progress through the agency and its final disposition insofar as the agency is concerned. If the <u>volume</u> of work is to be indicated accurately in a work flow chart, it will depend upon the existence of statistics built up over years of experience. Otherwise, volume of work will depend upon estimates.

5. A study should then be made of the most expeditious method of accomplishing desired results in terms of man-hours of labor. As to executive functions an estimate can be made on the basis of degrees of responsibility attached to executive functions.

6. From such study and estimates of the degrees of responsibility and the connection of one function with another function, it is then possible to make an organizational chart.

7. The organizational chart should show a rational explanation of the functions of the agency as a whole with lines indicating the connection of one function with another and lines indicating how responsibility for the performance of functions is delegated from the head of the agency down through all units to the subordinate employees.

8. When this point has been reached, if the agency has been in existence over any period of time, it is desirable that an organizational chart be prepared showing how the organization is existing at that moment. In this way it is possible to compare the two organizational charts and if they differ radically, to check all points of difference so as to see whether any information concerning functions and their relation have been overlooked.

9. If it appears that the new organizational chart is a better plan than the one in existence from the point of view of the efficiency and economy of the operation as a whole, and with particular reference to the number and the concentration of personnel, a program should be planned for the application of the new form of organization. In general, it is unwise to sweep an old organization out of existence entirely and attempt to replace it with a new one. Adjustments of the organization should be made gradually so as to disturb morale of the staff and operation of functions as little as possible.

10. Usually the existence or nonexistence of supernumerary employees will be revealed by the comparison of a new organizational chart with an organizational chart based on existing form. If a considerable number of employees are found to be supernumerary, a carefully developed plan should provide for a reduction of staff, not all at once, but in installments.

Rec'd
APR 21 1948

Gist

of the

General Report of the Administrative Inspection Committee

of the

Ministry of Foreign Affairs

February 29, 1948

# Preface

The Administrative Inspection Committee of the Ministry of Foreign Affairs has been established with the Ministry of Foreign Affairs and its extra-ministerial office, namely, the Liaison Office, as its objects of inspection.

With regard to the Ministry of Foreign Affairs proper, which does not have much of the character of the Government offices for domestic administration, and which is in a peculiar position pending the conclusion of the peace treaty, inspection was conducted with emphasis on the administrative efficiency of the personnel, the maintenace of secrecy, the state of handling of business, etc., and efforts were made to observe the actual state of service and to find out measures for the future.

In the case of the Liaison Office, importance was attached to the inspection of the local offices on the spot, and actual inspection was conducted as to how such offices were performing their task of cooperation with the Allied Forces in the respective localities with different conditions and with the local government and local offices of the Central Government.

## Section I. The Ministry of Foreign Affairs.

I. Matters relating to the Service of the Personnel

(1) Attendance, Absence and Late Coming

Since the bulk of the present business of the Ministry of Foreign Affairs comprises preparatory works for the reopening of diplomatic relations and there are few matters to be daily disposed of except in a few bureaus and sections, discipline is likely to become lax. However, it was found as a result of inspection that the state of attendance, absence and late coming was generally satisfactory. Namely, during the period from October 1947 to January 1948, which was the period of activity of the Committee, the average rates of absence and late coming throughout the Ministry were respectively 4.8% and 13.5%, which are not unsatisfactory figures in the light of the existing economic circumstances, transportation situation, etc. This is believed to be due largely to the strict enforcement of the attendance-book system.

(2) Official Discipline

The Ministry of Foreign Affairs, on account of its character, has little contact with non-governmental circles. Because of this and the traditional integrity of its personnel, no case of the so-called corruption was discovered.

(3) Living Condition

The question of salaries and allowances in general is a serious one concerning not only the personnel of the Ministry of Foreign Affairs but all of the Government personnel. Needless to say, a

<u>very</u>

very substantial part of the purpose of the establishment of the Administration Inspection Committees, which includes the reformation of official discipline, the increase of administrative efficiency, etc., can be attained by the solution of the question of the salaries and allowances of the Government personnel.

In the case of the Ministry of Foreign Affairs, there is little flexibility in its budgetary appropriations; accordingly the consumers' cooperative society and other welfare facilities are all of a small scale and poorly equipped. In this respect, its personnel are suffering from still worse living conditions as compared with the personnel of the other Government offices with a far larger organization. It is urgently required that the Government adopt measures relating to the question of the general treatment of the Government personnel as far as the national finance permits.

(4) Activities of the Employes' Union

Following the trend of organizing unions of Government workers, an employes' union has been formed also in the Ministry of Foreign Affairs and joined the Federation of All Government and Public Workers' Unions. Its activities are comparatively moderate, reflecting the traditional character of the personnel of the Ministry to take a middle-of-the road course. Stress is laid in its activities on the enhancement of the cultural background of

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the personnel, and no tendency to make extreme claims or to take a drastic attitude in connection with the question of the improvement of treatment and other questions has been observed.

II. State of Administration.

The peculiar position of the Ministry of Foreign Affairs pending the conclusion of the peace treaty which has previously been mentioned manifests itself also in connection with matters of administration.

(1) Number of Personnel

With the dissolution of the Ministry of Greater East Asiatic Affairs and overseas governmental organizations, the Ministry of Foreign Affairs took over matters of their liquidation and once comprised a huge number of personnel. Subsequently, however, a reduction in personnel, amounting to 84 per cent of the total number including the personnel of those organizations and the original personnel of the Ministry, was effected. The fixed number of its personnel with the proper status of Government official was 819 as of January 1, 1948, including 527 officials who were retained as officials to be in the service of the diplomatic and consular offices abroad. (As a result of the creation of the Liaison and Coordination Office on February 1 this year, those figures have been somewhat changed.) Their retention is purposed to maintain a minimum of number of experts in preparation for the reopening of diplomatic relations in future. The majority of these officials are in practice assigned

to various bureaus and sections of the Ministry of Foreign Affairs proper and the Liaison Office, serving to supplement the shortage of personnel arising out of the increase of official business.

The actual numbers of personnel as classified by the bureaus and sections of the Ministry proper are listed below (as of January 10, 1948)

| Bureau or Section | Number |
|---|---|
| Secretariat | 24 |
| Personnel Section | 63 |
| Accounts Section | 61 |
| Archives Section | 71 |
| General Affairs Bureau | 57 |
| Treaties Bureau | 40 |
| Research Bureau | 105 |
| Control Bureau | 76 |
| Public Relations Bureau | 35 |
| Foreign Service Training Institute | 30 |
| T o t a l | 562 |

It does not appear that the number of personnel assigned to each section is insufficient, except in the secretariat, in the present state of official business of the Ministry of Foreign Affairs. It is considered substantially insufficient, however, in the case of the secretariat, especially the Personnel Section

and

and the Accounts Section, in consequence of the increasing complexity of regulations and procedures. The disposal of matters relating to the pensions of officials who were formerly connected with overseas governmental organizations involves political questions, and it is believed necessary to quickly increase the personnel in charge of such matters.

With the dissolution of the Liaison Office on February 1 this year, there wer newly established in the Ministry of Foreign Affairs a Civil Property Bureau, and a Special Records Division, and a new section was added to the Control Bureau. The personnel of these newly established offices is being filled with those who have been transferred from the Liaison Office and by the re-assignment of the original personnel of various bureaus of the Ministry. Viewed as a whole, the Ministry has already affected a reduction of 84 per cent in personnel as above-mentioned, and there remains now a minimum number. It is believed that there is no room for further reduction of its personnel through administrative retrenchment, etc., if the future reopening of diplomatic relations is taken into consideration.

(2) Training of Personnel

The Ministry of Foreign Affairs retains, as above-mentioned, a minimum number of personnel for service in the diplomatic and consular offices abroad. However, their knowledge and skill (particularly proficiency in special languages) are apt to decrease on account of the long severance of contact with foreign countries.

countries. Moreover, the majority of those who were employed by the Ministry during the war as officials to be trained as staff members have no experience of foreign service because of military service, etc. It is believed a matter of utmost importance to educate or train them so that there may always be capable foreign service personnel ready for the reopening of diplomatic relations. The Ministry has been making efforts for the re-education and training of its personnel principally at the Foreign Service Training Institute. Meanwhile it has also assigned some of its personnel to such sections of various Government offices for domestic affairs as are in charge of liaison with the General Headquarters so that they may have the opportunity of practical training. The Committee considers that efforts in this respect should be further intensified.

In addition the Committee desires to recommend the following two matters:

(a) In view of the importance which matters relating to commerce and trade will assume in future, increase of suitable personnel in this field should be effected.

(b) In view of the special character of foreign service personnel, a Foreign Service ~~Public Servants~~ Law should be enacted as a special law of the National Public Serv~~ants~~ice Law in order to ensure the efficient execution of foreign affairs.

(3) Maintenance of Secrecy

The maintenance of secrecy is a matter of which the Ministry of Foreign Affairs should, on account of its character, take a serious view. Its strictest enforcement, however, appeared difficult because of the peculiar circumstances under the occupation, the structure of office rooms, the shortage of cabinet and other material equipment, etc. Still it is extremely regrettable that in the beginning of December last year a newspaper story alleging that a part of documents of the Ministry relating to the preparations for the peace treaty leaked out to foreign correspondents was published and the matter had to be officially taken up. The Committee took that opportunity to urge the officials concerned to further intensify the proper and effective steps for the prevention of the leaking of important documents. As a result measures have been adopted to exercise particular care in the selection of typists, the collection and custody of documents circulated, etc.

III. Question of Organization

Having inspected the method and substance of administration and other matters in the Ministry of Foreign Affairs, the Committee reached the following conclusion:

(1) The Organization of the Ministry of Foreign Affairs has been reduced in consequence of the suspension of diplomatic relations after the end of the war, and the Ministry took charge principally of the disposal of outstanding matters relating to

the

the end of the war and the investigation and research of general conditions abroad. (With the dissolution of the Liaison Office on February 1 this year, a Civil Property Bureau and a Special Records Bureau, and a Repatriation Section in the Control Bureau, were newly established.) However, the Committee considers that it is time now, when more than two and a half years have passed since the end of the war, that the Ministry, with the understanding of various circles concerned, adopted a positive policy in connection with its organization and administration with a view to strengthening the preparatory system for the reopening of diplomatic relations, instead of following the former negative policy to deal with the disposal of outstanding matters only. A substantial reorganization may, as a matter of course, be difficult to carry out until the time when diplomatic relations have actually been reopened. As an interim measure, however, some reorganization in line with the above-mentioned policy will be necessary.

(2) In this connection the Ministry of Foreign Affairs submitted an interim reorganization plan, which is in general considered proper, to the Administrative ~~Investigation~~ Research Department of the Cabinet in the middle February. However, the fact that the organization relating to international economy and commerce is treated somewhat lightly in the plan may require reconsideration. Whatever form the organization relating to trade after the reopening of

<u>diplomatic</u>

diplomatic relations may take, the Ministry of Foreign Affairs should naturally take charge of a principal part of trade relations, since they should form a substantial part of postwar diplomatic relations. It is believed, therefore, that at least a separate bureau should be created if circumstances permit, in order that it may take charge of detailed studies and preparations in connection with international economy.

IV. Conclusion.

By way of conclusion from the above observations, the Committee hereby points out the following matters and hopes that officials concerned will formulate carefully considered measures for improvement:

(1) Efforts should be made to train and retain capable diplomatic officials in preparation for the reopening of diplomatic relations in future; in this connection, request should be made for the enactment of a Foreign Service ~~Public Servants~~ Law, which is needed on account of the special character of foreign service personnel.

(2) Main efforts should be devoted to studies concerning international economy in preparation for matters of trade relations in future and efforts should also be made for the strengthening of the organization for such studies.

(3)

(3) Scientific measures should be worked out in connection with the maintenance of secrecy and the handling of secret documents.

(4) Organic coordination should be effected with the domestic Government offices.

(5) The livelihood of the personnel should be stablized.

## Section II. The Liaison Office

The Liaison Office was dissolved on January 31 this year, in the course of the duration of the functions of this Committee. It will therefore make a report only in reference to matters which, it considers as a result of the inspection of the local Liaison Offices on the spot, will have to be kept in mind in the future operation of the new organization.

(1) Further efforts should be made in connection with the appropriateness and speed of direction and communication from the central authorities to the local offices. As a result of local inspection, the Committee discovered cases where direction from the central authorities was frequently delayed and its contents were not appropriate. For example, there were cases where about a month had elapsed before the contents of directions received by the central authorities from the General Headquarters were transmitted to the local offices and cases where the gist of memoranda of the General Headquarters as transmitted by the central authorities to the local offices was so ineptly worked that a delay in the execution of official business was caused. With regard to these matters, study and improvement are needed.

(2) Appropriations of the expenditures of the local offices, especially traveling expenses, communication expenses, etc., should be increased.

In the case of local offices with special duties such as the local Liaison Offices, their activities directly depend upon the amount of their appropriations. To cite by way of example the case of the Tokai-Hokuriku Liaison Office and that of the Osaka Liaison Office, the monthly total appropriations are respectively a little more than 40,000 yen and a little more than 86,000 yen.

Among the expenses of the local Liaison Offices, the most insufficient are traveling expenses, communication expenses, automobile fuel expenses, etc. In connection with the execution of official business, such a state of affairs in which there basic expenses are so lacking should be speedily improved.

(3) The assessment of the costs of construction works, procurement, etc. for the Occupation Forces and the payment to contractors and dealers should be expedited and simplified.

The proportion of the occupation expenditures as against the total amount of the budget of this country is so large that their curtailment is a matter of urgency.

In

In this connection, attention should be paid to the fact that, by expediting and simplifying the assessment and payment in connection with construction works, the maintenance and custody of dwelling houses, etc. for the Occupation Forces, much will be done in consequence to help curtail the occupation expenditures.

Namely, little authority has been delegated to the local offices in the assessment of the costs of construction works; therefore the majority of works is subject to assessment by the central authorities. For this reason contractors are defraying large amounts of expenses for trips to Tokyo and other necessary activities to obtain approval. They also suffer from financial difficulties caused by the delay of payments by the Government after the completion of works.

All this adds up to the increase of the unit price of the cost of the next construction work. The Committee believes that measures for improvement in connection with these matters should be speedily worked out by the Special Procurement Board.

Recd
APR 21 1948

# The final report concerning inspection of the welfare administration.

We have had the following opinion on the result of the inspection held for half a year.

1. The achievement of the function of the welfare administration.

As the word "welfare administration" shall be construed to mean health preservation, sanitation, social welfare, social insurance and etc. and the abovementioned works have the close connection with each other, it is eagerly required to make the connection between each of bureaus concerned more closer. Accordingly we are of opinion that special care should be taken of the organization and personal affairs of the three bureaus concerning health.

Beside the general administration business, there are many facilities under the jurisdiction of the Welfare Ministry, such as 261 National Hospital and National Sanatoria with 95,000 beds and 34,000 employees. Regarding the management of the above mentioned facilities, consideration should be given to the following matters.

A) Utilization of the facilities.

The percentage of utilization of the tuberculosis sanatorium is ~~about~~ 50% for its beds. For the national health it is serious that the sanatoriums cannot accomodate the persons who want eagerly to enter in them even under these circumstances. I suppose that such situation is due to the following cause.

(a) Difficulty of getting the physician and nurse.

(b) Bad condition of the facilities.

(c) In spite of many facilities being under its jurisdiction, they have no adequate managing mechanism.

B) Arrangement of the managing organization.

It is necessary to arrange the organization so that officials may act with responsibility for the adequate management of the organization.

(a) To devote themselves to the management of facilities by the mechanism under which they are not bothered by the general administrative affairs.

(b) The principal object of management shall be the consolidation, attention, guidance, supervision and etc., of employees. To be as the guide with the care for livelihood.

(c) Positive arrangement of the facilities, the acquirement of materials for medical treatment and management of the facilities.

C) Acquirement of employees for medical treatment.

The shortage of physicians and nurses interupt the functioning of hospitals and sanatoria. The following counter-measures must be taken for erplenishment.

(a) Improvement of allowance.

(b) Allowances and other payment for dangerous business and etc.

(c) Replenishment of welfare facilities.

D) Exhibition of function of the Health Centers.

As to the exhibition of function of the Health Centers as front organizations, special guidance and

training must be performed by arrangement of control system and definiting the meaning of the responsibility for the state and the urban or local prefectures, specially by smoothening management concerning expenditures.

2. Improvement of allowances.

It goes without saying that it is a urgent business to improve the allowance system aiming at the security of minimum livelihood. I am sorry to say, but the decision concerning this problem by the government have been late, and now on the process of the argument. Considerations for allowances should be as follows:

A) To define allowances for the remaining business, night service. The facilities for the recreation and the diet should be established for the above mentioned service.

B) To take the idleness, efficiency into consideration.

C) To prevent the delayment of the payment for the official trips.

3. Accountant business.

Sub-division of budget to the facilities under its jurisdiction, delivery of subsidy for the urban or local prefectures and the drawing of the cheque of Japan Bank have been delayed tolerably and in addition such arrearage have existed in respect of official travelling expenses. Regarding such arrearages, the following counter-measure should be taken.

A) Training of the official from the point of view of accountant. (As the training of the official in the field of accountant business have been neglected from the begining of the war, the imperfection of the documents and the procedures have existed still now, and became the cause of the arrearage. So the special guidance is necessary for this training.)

B) Simplification of the procedure in the Ministry of Finance and Japan Bank.

4. Prevention of the injustice.

The principal objects of this inspection was not to make the injustice open, but the following items should be considered as its counte r-measure.

A) Improvement of the allowance.

B) Initiative guidance by leaders.

C) Establishment of the training system.

D) Replenishment of the inspection system.

E) Expsnsion of the supervision of the outside association.

5. The training system.

The promotion of the temparament of the official is much due to the influence by the guidance and their own voluntary training. So I insist that the special facilities for the study should be established to give the oppotunity for the training. And the facilities for study shall be construed to be the training of culture of newly adopted persons by the Welfare Ministry and for the reeducation of persons who have served for a fixed term and the fostering of the head official. And them, the object of training shall be as follows:

A) Establishment of the culture as the public official and the idea of the public servant.

B) Acquirement of the knowledge concerning the general welare administration.

C) The practical training of administration.

(a) The training of the foundamental ability such as the documents, accountant business, the formation of the budget, etc.

(b) The cultivation of the commonsense as the administrative official.

D) Recognition of the social situation and cultivation of the knowledge.

6. The inspection of administration.

Present organization and the authority are deemed to be unadequate for the achievement of this object, but I expect the considerable result by the replenishment of the present organization. The following methods should be considered regarding counter-measure.

A) Increasing of number of civilian of members of committee.

B) To set up the full time committeeman.

C) To set up the full time official in the office.

D) To clarify the meaning of the authority. (so that the official may inspect the various administrative organizations such as the local government, city, town, and village and the various facilities.)

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APR 21 1948

Report of Price Board Administration

Inspection Committee.

The present Committee has been established on November 10, 1947. and since then it has been conducting elaborate inspections on the Price Board and the Price Adjustment Kodan under its jurisdiction. Although it cannot be claimed as yet that thorough inspection has been carried out due to delayed starting, the following report will be submitted tenbatively as to those inspected heretofore in accordance with the provisions of Article 7 of the Administration Inspection Committee Ordinance.

Furthermore, even after the submission of the present report, it is expected to continue the inspection according to need.

1. Environment of engagement in business.

As such circumstances in connection with attending to business as conditions of governmental buildings, arrangements of various articles for business use, etc. give without doubt a great influence to the business efficiency, this point is first reviewed as follows.

(1) Governmental office.

The governmental office of Price Board, though renting a portion of the Japan Hypothec Bank Building, is not only extremely narrow, but also in bad conditions about ventilation and lighting, as nearly half the space, being used as office rooms, is the one-time dining room and auditorium, which therefore is regarded as badly unsuitable as office rooms, hampering the business efficiency exceedingby.

Furthermore, while a closest relationship on business should be kept between the Price Board and Economic Stabilization Board, as the Director-General of Price Board is charged concurrent by with the Director-General of Economic Stabilization Board, there are virtually considerable inconveniences to keep liaison business because both the offices are located far apart.

Surveying the conditions in using various governmental offices, it is found that some of them still have some room to spare, having comparatively small personnel against the space used and two ro more governmental offices which are hardly connected on business relationship are occupying rooms within the small building. Therefore, it seems to help greatly for promoting the business efficiency of the Government workers, if the Cabinet or other competent authorities are to take steps for readjustment and rearrangement of those governmental offices elaborately, after reviewing all the conditions of them.

(2) Automobiles and other articles for office use.

As a general threnda for the newly established governmental office, the Price Board too is provided extremely in short of automobiles, telephones. Calculating-machines and other articles for office use, for which much of the business efficiency is being impeded.

In case of establishing newly any governmental office, due considerations should be taken as to the appropriations from the budget to the usual preparedness for these arrangements.

In addition to the above, as daily actual number of working Automobiles is even below one-falf of those in possession due to

frequent troubles, a special care must be taken for their arrangements. On this point, it is needed to take adequate steps to make the drivers work without complaint through bettering their treatment, as the present drivers employed by Government offices are being much more ill-treated than those in the civilian circles, resulting in the conditions that they could not be expected to display their all-out will to work.

2. Treatment of Government officials and employes.

The treatment of Government officials is the fundamental problem in connection with strict enforcement of Government discipline and promotion of efficiency.

They are now being paid with so low salaries as to able to keep hardly their minimum living standard and driver into the depths of misery. Far this reason, they are now placed in a position where they could not devote themselves to their duties and consequent by their state of work have proved to be worse. And this undue treatment constitutes a major factor for inducing, such dishonest and unjust actions as corrupt practices, abuse of authority and the like. Furthermore, as there exists a considerable difference of salaries between government officials and civilian employes, the superior Government officials are in a trend to retire and on the other hand, it is almost impossible for the Government to employ instead able and efficient civilians, even if utmost efforts are made, thus the nature of Government officials being deteriorated gradually, resulting in decline of their efficency. Accordingly, for the purposes to enforce the Government discipline and to promote their efficiency, it would be the categorical imperative, as the fundmental prerequisites, to better their

treatment and to raise their salaries up to just the same level with those paid in the private enterprise.

It seems to be a prevailing tendency at present that the promotion in post and raise in payroll are being carried out in a mechanical uniform without making any discrimination according to individual dilizence and efficiency, but at should be required, to promote the business efficiency, that a discrimination is to be made in their promotion and salaries on a basis of the disciplinary as well as encouraging spirit.

3. Public service regulations.

(1) There is a general tendency prevailing in the Government offices that the hours at which the officials stay in office and meet in conference are not observed strictly, which are extremely impeding the business efficiency. Further, the closing time of a meeting is not known previously in general and it is likely to be delayed needlessly which put the attendants from outside to trouble in many instances. Strict observance of the hours for service and meeting as well as previous notice and strict observance of the closing time of meeting should be enforced without fail.

(2) As there happens sometimes that a meeting of the officials is held during the hours of service, those who come from the outside cannot manage to dispose their businesses, resulting in much inconvenience caused upon them. A rally of the worker's union should be held in principle off the business hour and it should be required not to cause any inconvenience in executing their official duties even in the case such a rally might be held unavoidably.

4. Problem of delay of business.

Although there are some complaints from the private enterprisers that they are put in much trouble since such matters as the decision of official prices or the approval of exceptional prices are unduely delayed, one of the causes in originated from a shortage of the officials, especially the superior officials in charge. Although, in an attempt to carry out smoothly the price administration, it is regarded adequate that those superior civilians who are acquainted with actual conditions in the economicial circles are to be employed as officials by the Price Board, as there exists, as mentioned in 2. a broad difference of allowances between the Government officials and those of private enterprises, the situation is that the employment of such civilians is almost impossible. On this point too, the treatment of officials has become a fundamental question.

5. Problem of "counter" Administration.

(1) Because of absence of such equipments for the benefit of those who come from the outside as drawing rooms, waiting rooms, etc. at present within the Price Board office, they are obliged to wait standing in the narrow business room, feeling much in convenience, but, as stated in 1, it is difficult to solve this question, so long as the problem of governmental office buildings is not settled.

(2) In an attempt to cope with inquiries from the outside about official prices and similar matters, it is needed to install a counter within the Price Board office. (As a result of the present inspection, the expense needed for arranging the cards for official prices is demanded in the 1948 budget and consequently the said Counter is expected to be instituted shortly).

6. Problem of allocation of personnel and allocation of business.

(1) As for the allocation of personnel in Government offices, prejudiced by the academical clique, even superior officials, if they were not graduates from the Government universities, especially not qualified by the higher civil service examination, have hitherto been liable to be engaged in miscellaneous affairs for a long period, resulting in their inability to display fully their talents. It is needed, therefore, to single out those superior officials for promotion and well-treatment on the leasis of the "right person in the right place" principle, without any prejudice to their educational courses.

(2) It is inclived to the fact that much of the official business is being dilayed due to inadequate allotment of business among the officials and extreme difference of business burden to be borne by individual officials, some persons being put in charge of too much work. Therefore, such responsible persons as Division Director, Section-chief, etc. should pay due attention as to proper allotment of business among their subordinates.

7. Problem of adequacy of official prices.

The opinion exists in the private enterprising circles that the official prices do not meet the real condition , lacking in their adequacy.

The following are the counter measures needed to be taken therefore.

(1) As mentioned in 4, the number of superior officials in charge shall be increased.

(2) When the prices are to be determined, they shall be required to listen positively to opinions in the private enterprising circles and to investigate fully the real state, visiting the actual field of the company and factory.

(3) When the prices are to be determined, due attention shall be paid as to the order of determining the prices so as not to occur such a case as that the prices for finished goods have first been fixed, while those for principal raw materials are be decided later.

(4) They shall be required to see to it that any Government office concerned shall not announce such a opinion as liable to be misunderstood by the public, keeping closest contact wi th them prior to the determination of prices.

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APR 21 1946

Summary of the Inspection Report made
by the Administrative Inspection Committee
of the Agriculture-Forestry Ministry.

I. Present situation of service ~~of service~~ of the personnel.

1. Condition of attendance of the employees of the Agriculture-Forestry Ministry is as follows:

| | | Absence from duty (Including leave of absence.) | Rate of being late. |
|---|---|---|---|
| October | Men | 6.2 % | 16.3 % |
| | Women | 9.8 % | 14.7 % |
| November | Men | 7.2 % | 11.2 % |
| | Women | 11.3 % | 7.5 % |
| December | Men | 9.2 % | 14.5 % |
| | Women | 11.4 % | 11.8 % |
| January | Men | 8.7 % | 13.4 % |
| | Women | 12.4 % | 10.5 % |

Note: The long period absence due to illness is included in the above figures.

2. There are many persons who engage in business remaining behaind the closing hour of the office, but, in order to supply them with the allowances in accordance with the provisions of the Labor Standard Law, there is a problem of shortage of budget.
Each office is equipped with the attendance record book is well kept, but more scientific device such as "time recorder" is requested.

3. To inspect the manner of conducting business, it is necessary, first of all, to consider the living conditions of the personnel and the state in which how the responsibility for business is allotted to each member of the personnel.
The livelihood of the Government personnel is hard

pressed by the low pay with which they cannot follow the high prices under the present inflation.

The fact that the discipline of the government service is still kept despite such unprofitable payment for the employees may be attributable to their consciousness of responsibility.

The allotment of the responsibility has not been established clearly up to the assistant of the lowest grade, as same as in other government offices.

4. As for the discipline in the office, the orders of superior official with respect to the management of business are generally well observed by the subordinates.

But, in order to establish better discipline in the office, the superior officials must win the confidence of their subordinates by their capacity, experience, sincerity, etc.

5. As for the proper allotment of the personnel, it is regrettable that there are some defective points.

6. The prevailing criticism against the poor efficiency of governmental business apply also to the Ministry of Agriculture and Forestry.

There are much to be improved in this respect for the better efficiency of the Ministry's business.

7. The business in direct contact with the citizens is generally conducted well both Central office and the local branch offices. The Agriculture-Forestry Information Office has been established in order to better service for general public.

8. As for the abuse of authority, and other acts taking advantage of the official position, the discipline is generally maintained satisfactory.

9. Situation of equipment of official buildings obstructs the efficiency of business considerably on account of the scattered locality of official buildings, overcrowded condition of offices, and ill-equipped fixtures, etc. Particularly as for the newly-established local branch it is exceedingly ill-equipped.

10. With respect to the affair concerning the welfare of the personnel, the Welfare Section has been established recently in the ministrial main office, but the welfare facilities are extremely insufficient.

The establishments for training and culture of the staff is also very poor.

11. As for the local government agencies.

(a) Particularly both the number of the personnel and the official buildings of the newly established agencies

have not yet been equipped completely. On account of it, the efficiency of the business is obstructed. However, the personnel generally makes a great effort to conduct business.

(b) The amount of pay is on a level with that of the ministrial main office but there is a problem of delayed payment.

(c) Condition of activity of its labor union is not so active as in the central office due to the comparatively stabilized economy in local area.

(d) As for the method to grasp the situation in which the governmental policy has been instilled among the people, there are only few offices which take measures such as administrative inspection and others. However, for instance, the Material Adjustment Office and others have their consultative institutions.

12. As for the feminine personnel,

(a) Condition of female attendance is worse than that of male. It appears to be based on the fact that women are bothered by their household affairs, and they are lacking in their sense of responsibility.

(b) There is generally no discrimination in pay between both sexes.
However, on the appointment of the staff in each bureau, local office, etc., there are certain discrimination in their treatment.

(c) Their business to engage in, except the particular business such as typist, are generally of minor importance, and on account of it, they take no interest in their works, and they come to lack in sense of responsibility.

II. Improvement policy.

1. In order to have the personnel devote themselves to their official duties, first of all, it is necessary to give assurances for their livelihood.
Of course, under the present economical circumstances of our country, it is difficult to pay cash corresponding to the rise of living expenses.
However, the Government should consider the method guaranteeing their livelohood with parental feelings as much as possible.
At least, with respect to welfare facilities, the means of concrete settlement should be found out.

2. With respect to the welfare facilities, the subjects to be considered are as follows:

(a) Expansion of dwelling accommodations.

(b) Expansion of lodging accommodations for the persons on official trips.

(c) Complete equipments of health center.

(d) Establishment of hospital.

(e) Establishments of the recreation facilities.

(f) Expansion of the business of consumers' co-operative association.

(g) Establishment of entertainment facilities.

(h) Complete equipment of library.

(i) Assured distribution of goods for the field employees.

3. As for the requisites to be qualified for the responsible positions of the staff, excellence in character, view and understanding, and capacity is requised, and merely the conventional requisites such as educational qualifications and others are not sufficient. Just and fair system of appointment is essential to it.

Moreover, the officials in responsible position should be concerned positively about the guidance of the subordinate personnel, and must not let it take its own course.

4. As for the labor union, in order to attain the sound development of the union, and to maintain order in government office and to accomplish business, the attention must be payed on the following points.

(1) In view of the nature of the public service, the struggle between government and the union, ~~especially~~ the struggle beyond necessity, must be avoided by all means, especially.
The dispute have to be settled peacefully.
Furthermore, the director of bureau and the chief of section should take a proper conciliatory step either to talk with his subordinates in a friendly way or to enter into direct negotiations with them, and it is inappropriate to let the situation take its own course.

Besides this, as the authorities are deficient in understanding for the union, there is a tendency to

raise unnecessary friction, therefore for the sake of conducting sound collective Bargaining, it is to be hoped that still more understanding for the activities of the union is obtained among the authorities.

(2) As for the union, it is necessary for it to give special consideration to its so-called democratization, systematization, and still more to lead the union members, namely the central control of the union. In connection with it, it is regrettable that the upper-class officials who are the union member show evasive attitude from the activities of the union.

(3) The union has driven the so-called government office democratization campaign, and in view of the mission of being the Governmental staff, it carried out the positive activities such as promotion of business efficiency, kindness in business in direct contact with the public, and the purge of deteriorated bureaucrats, etc., and from the standpoint of healthy development of the union and the national reconstruction, it is desirable that still more such a positive activity will be carried out.

(4) If it is admitted that the fundamental reason for occurring a dispute is due to the existing living condition of the staff, the authorities must undertake this solution quickly in all sincerity.

(5) However, in view of the fact that almost all the (problems cannot be solved merely by the authorities of the Agriculture-Forestry Ministry, and they are the problems of the whole Government, the Government should undertake the settlement of the dispute with parental feelings, and in case where the Government cannot admit the dispute by all means, the Government should face the problem with firm attitude, and it should not evade the settlement of the problem.

(6) In view of the fact that the failure in settling the labor problem of the government employees chiefly due to the lack of the comprehensive political power of the government, the establishment of a responsible agency for handling this problem is needed.

The conplicated stuggle between the Government and the National Civil Service Union which is now pending indicate the urgent necessity of the establishment of such agency in order to aboid the unnecessary conflict.

5. Allotment of responsibility to be made thoroughly.

The system of the business management in the ministrial main office is concentrated mainly upon the vice-minister, the director of bureau, etc.

This is matched with the demand for intensifying the inclusive coordination and other subjects, but this is an obstacle to promote efficiency.

It is necessary that those subjects which are not fundamental important are to be made the items decided chiefly by the lower grade officials as much as possible, & and at the same time, the structure of the office to be further subdivided into section, branch, etc. As for the lack of inclusiveness resulting from it, it will be one of the methods to have a vice-director under the director of the bureau.

6. As for the disposition of documents, the procedures are complicated, and they hamper the increase of efficiency. Scientific means of disposition must be devised.

7. In order to improve the service of the staff, it is necessary to devise the above-mentioned seceral policies, but fundamentally it consists in the consciousness of responsibility of each member of the staff.

8. Since its establishment, the Administrative Inspection Committee of the Agriculture-Forestry Ministry has been carrying out the inspection, but there are a great number of subjects to call for investigation hereafter.

Thereupon, it is proposed to establish the two following committees under the Minister.

1. One of the committees shall aim at the investigation concerning the organization of the Agriculture-Forestry administration, the position classification system, appointments and dismissals, pay, efficiency, etc., and the establishment of the counter-measure draft in accordance with the above-stated investigation.

2. The other committee shall aim at the inspection of the condition in which the governmental policies have been instilled to the lowest grade among the people, and the service of the staff.

General Report

Administriation Investigation
Commitee in the Food Management
Bureau.

1. Results of Investigation.

The investigation by the Administration Committee of the Food Management Bureau was, due to a limited time and wide range of objects, ~~was~~ not enforced with sufficient effect about the basic matter. And much importance was placed rather on matters demmed common than on special problems.

As objects of investigation,,the Food Management Bureau, the Ibaregi Food Office (principal), the Tsuchiura Food Office in the same Prefecture, the Kanagawa Food Office (principal) and the Kanagawa Prefectural Food Distribution Corporation were designated. Civil committee members (3) delegation of government offi-cials and officials of the General Affairs Bureau enforced a joint investigation and they listened to the talk of the food distribution corporation, the agricultural cooperative association, the potato corporation and processors as the case might be. The summary of the investigation was as follows:

(1) Disposition of General Affairs.

Regarding matters to be licensed of authorized, their disposition was generally good. There was no delay of disposition of affairs but owing to the fact that ~~the fact that~~ the first investigation was made by the local government, speed with which business was transacted became a question to applicants both in the centre and locality. As for dispositio n of general affairs, there is an addition of great amount of affairs to be conducted, following the wholesale adjustment of outside corporations to

be enforced in near future and impoveme-nt of organs for collection products. It could not be denied that there were dark clouds hanging ~~over food s~~ over food administration.

The fundamental cause of this unfavourable circumstances isto be traced up to the overaburdance of work allotted to officer, especially so in business and wages relations in the Bureau, in the affairs sections and th e finance sections of food offices and to the officials of branch offices in the periods of farm product presentation.

This phenomenon can be clearly discerned if the service hours of these offices be compared with those of oth er bureaus or business places.

Though some increase or transfer of personnel to raise potentialith may be made, such measures are not so effective as to solve the fundamental difficulty of food controlling business, excepting some part of it. it requires special technical skill. It is very difficult to acquire this skill in a short time and were shift of personnel cannot solve this problem.

It is, therefors, necessa-ry that presonnel on short time service should be trained and a large presonnel transferred fromlocal governments should be reeducated in the new work.

It is clearly seen that one of the basic measures to smooth disposition of affairs is to make the amount of business as little as possible and to simplify it as much as possible. From this point of view, adjustment of business relations between the offices and the outside corporations would surely become an important matter for dispute. But circumstances are not always favourable to us to take the above measures.

The second important problem regarding disposition of affairs, is the substance of quality of them. Food administration should

be founded wholly on statistic figures and enforced logically.

During the war, it became gradually impossible to obtain exact figures and this tendency has become more remarkable until the present. The substance of business is, as a result, necessarily separated from logical basis and is decided by the influence of local go-vernments of of the authorities on the spot. It was natural that the substance of business was sometimes decided by mere supposition. These facts allowed the intervention of vile waywardness of personal considerations in business transaction with a result that the substance itself became important. For instance there was a wide difference as to late distribution and non-distribution of food according to different prefectures, but the committee was not given any understandable explanation about it. To cite a case of the Ibaragi prefecture where there was li-ttle non distribution, there was not o nly difference between the explanation given by the management. Bureau and that by the local office on matters of the affairs, but also there were some doubts as to whether the Management Bureau of the local office could know the exact amount of the stock held by the food distribution corporation at the tim e of deciding the amount of product to be sold. Moreover, the amount of food transported from a prefecture did not always coincided with the demand and supply of an import prefecture. It was sometimes decided by the relations betweenthe sender and the receiver and the Bureau took very weakmeasures agai nst it. There seemed to exist many questions as to sale, carriage, allotment of raw materials to be processed, arbitration of verious materials and charge s. Here is a question to be raised as to the daily interest for delay of payment of prices of products sold. To citeinstances of the Ibaragi and the Kanagawa Food Offices food distribution corporations are allowed 14 days to pay in the prices of food to the offices, but the payment of the prices had been seldom completed during the fixed period, especially payment of much money was delayed more than a week with a result of

Placing heavy burden upon the national treasury Complete sending in the price of canned food of ten took one and a half month.

The rate of daily interest for delay is far lower than that by money market, that is, one sen during the payment period and 1.2 sen per day after that period (daily interest for delay of payment of the prices of canned food being 1.8 sen in either period) and moreover money market was hard pressed.

This speaks of the loosenss of the official financing and is a good instance which shows that the substance of disposed matters is more important than the amount of time needed.

Considering the substantil problems of disposing affairs, there is no other way for it than establishing a system of permanent inspedtion of business and this system will be more important whe n we think of bulkiness of the special account and its influence upon the nation.

Furthermore, the committee, in consideration of the grave influence that might work upon the food administration by"the Main Point of the System of Collection and Distribution of the Staple Food". Decided by the Cabinet Council on November 28 last year, investigated whether the enforcement of the "Main Points" woul d work smoothly or not.

As for the way of paying the purchase prices, provided in the "Main Points", the opinions entertained by the Committee were strongly against it, taking its enforcament to be impossible. The committee contended that if this method be carried out with force, the number of inspectors in the Ibaragi Prefectural Food Office had to be increased instantly three times as many.

In order to carry out the method as prearranged in the Main Points, towards flour milling and wheat and barley thrashing it is of prior necessity to increase the nomber of the personnel in food offices on the spot and the Bureau and to adjust, business conditions.

On the contrery, the change of such important matters was made both in the centre and the locality without being fully investigated. It was very regrettable that the stages of its enforcement should have

been left to take its own course by the persons concerned without self-confidence.

(2) Circumstances of Service.

The service of food office personnel was generally good. Recognizing the importance of food administration, they worked assiduously in spite of their bad con ditions of labou r and most of them worked over time and their service hours were twenty or thirty percent more than those in other offices.

The food administration investigation happened to be enforced in the busiest period of presenting quota rice. The attendance roll for the terminal pereonnel showed that all the members were working from the 1st of January until now without taking a holiday. Furthermore, as the imported food hither to guarded by the police was placed in charge of food officials, the officials of the Tsuchiura Branch Office guarded the food depository day and night in turn.

On the other hand, the Bureau officers kept on Working till late at night all most every day, bacause the rice quota conference would soon be opened. Considering the present food situation, it maybe unavoidable that the Food Management Bureau officers have to work very hard in response to the call of their duties, but is it not proper that some special measures be taken for the relief of them from the view point of official system ?

It is a bad practice common to all government offices that the percentage of late attendance of officials higher than section-chiefs is much higher than that of lower class officials. In the case with the Food Management Bureau, it is deemed tobe one of the causes which prolong the service hours of lower class officials.

Improvement in the mode of discharging office duties as well as in this point should be made.

The nature of the duties of the lowest class inspectors in food offices makes it necessary for them to have bicycles. Though they must use bicycles, to discharge their duties not to speak of tires, tubes or raincoats and in addition, they have always to pay themselves the repa iring expenses. It is of course necessary that instant improvement of this system, be made, in consideration of the importance of their duties to accelerate the presentation of quotarice. No more than fifty days' travelling expenses were allowed to terminal food personnel per month. Most agencies and branches of food offices rent a few rooms of town or village office buildings or buildings of agricultural cooperative associations as their business places at a low rent of ten or fifteen yen per month. Expenses allotted to business and office appliances were surprisingly small. It is rather wonderful that they worked so assiduously under such bad conditions. But it does not mean that the high potentiality of their labour is independent of possibility of many evil accurrences under bad conditions. These bad conditions should not be left as they are, in view of the importance of Labor Basic Law.

It is extremely regrettable that there have been a few scandal cases this year in the Food Management Bureau. The cause of which is probably traced to the three following points.

1) In spite of over-abundance of food administration affairs and increase of official competence of late, adjustment of personnel and improvement of potentiality have not been made. Young persons who are not endowed with sufficient commonsense and ability as officials are entrusted with important business. Not with-standing supervision and guidance to them are not effectively conducted. The existence of such drawbacks can be inferred from the fact that even in the Bureau there is no special competent section established for guidance, control, training and welfare towards thirty-two thousand officials, When the outside corporations are abolished, officials will be directly connected

with dealers and there will remain much anxiety about occurrence of the same scandal. In order to prevent such an unhappy occurrence, adjustment of official organization and renovation of the method of conducting affairs should instantly be made.

(2) It is needless to say repeatedly that official wages are too low. It is absolutely necessary that official wages should not be lower than those of civil employees. Without raising the official wages as high, enforcement of official discipline can not entirely be expected. The lavor association of the Food Management Bureau is now demanding special allowance. In view of the substance of their duties, it must be given them as a matter of course.

(3) Demoralization as a result of social uneasiness in and after the war.

Demoralization, which originated in the wartime and continues to the present, accompanies by the social unrest. Demoralization is one of the most deplovable features in all the classes of our society and our nation not to say of the personnel of the Staple Food Management Bureau. This is traced back to the fact that people are too heavily pressed by the difficulty of their present living to look deep within themselves. Life without self-introspection in meaningless, furthermore a live of corresption. What is the object of our livehood? What are we doing now? What is the aim of our living? This self-introspection is xource of our activity and the breath to our live. The first important matter of self-introspection is to live by reconsideration of ourselves. It is an adequate recognition of self resulted from proper judgment. Nothing is more meaningless than a live without criticism. Our live should not be a series of non-criticism and non-introspection. We, therefore, earvestly hope that will we shall be able to have a favorable time to think rightly and that we shall soon have such good circumstances and opportunities.

2. Problems concerning the administration

Investigation Committee Itself.

(1) Common Defects of the Administration Investigation Committee.

a. Though the objectives of the committee were to inspect the conduction and steering of affairs by government officials and the work done by employees in offices, more than half of the members of the committee were selected from the government side. As a result, the committee was prove to take official colour and could not scrutinize deep into the long-timed evils in bureaucracy.

b. Due to much shortness of the inspection period, minority of committee members and lack of positivity of the members from the official side because of their different stand points, though the delegates of the labor association were very active, partial inspection only was carried out, making the systematic activity of the committee impossible. This disadvantage was probably caused by the weakness of the affairs bureau, therefore, it was necessary that the committee should have a special clerk of its own.

c. It was absolutely necessary for the Committee, in order to give fullswing to itselfs, to stand outside of the scope of the administration investigation committee and to inspect its system fundamentally, but the nature and capacity of the committee made it impossible for it to do such inspection.

(2) Results of the Administration Investigation Committee of the Food Management Bureau and its future expectation. The Committee, too, and the above stated defects, the results of whose investigation therefore, are not always satisfactory. But is could attain a conclusion concerning some important matters and find out where difficult questions existed. The Committee can claim its existence and at the same time its mission will remain to be discussed and reconsidered further in future.

It is keenly felt that the organization and mission of committee

to be established succeedingly hereafter should be thoroughly adjusted and that the above stated defects should never be repeatdd again.

## 3. Advice to the Minister of Agriculture and Forestry.

Based upon the results of inspection over the administration by the Food Management Bureau and upon the self-criticism by itself, the Administration Inspection Committee makes the following advice to the Minister of Agriculture and Forestry, regarding the under mentioned matters. It also desires that the same be carried out as soon as possible.

### Advice

1. Constant Inspection on Administration.
   Constant Promotion of improvement and renewal of administration by government offices. For instance to establish a food administration democratization committee as an integral part of the Agriculture-Forestry Administration Democratization Committee.
   (Refer to the Draft Main Point in the annexed paper.)

2. Adjustment of Business Expenses and the number of personnel.
   The present number of the personnel amd their capacity are too far inefficient to meet the sharp increase both in quantity and quality of food administrative business and in view of the fact that such conditions are the chief causes of official scandals, it is necessary that a wide range adjustment of administration business, first of all, should be made. If there be a limit to it, then it is necessary that administrative adjustment should be stopped, as far as the Food Management Bureau is concerned, and that the increase of necessary personnel and their training should be made.

3. The salaries of government officials are very low compared with those of private business employees, which is the cause of obstruction to the advance of their efficiency. It is, therefore, desired that their salary be speedily raised, at least, to the level of the salary of private business employees.

4. Especially to the employees of local food offices, their branches and sub-branches, tires and tubes shouls be provided at government expenses and at the same time, office buildings, office-appliances and business expenses shouls be adjusted and expanded.

Food Administration Democratization Committee

1). Objectives

When increase in production is the key to the rehabilstation of Japanese economy, the duty of the Government and their officials it to carry out administration to their maximum efficiency so as to achieve this great goal. Whether food administration and administration relating to the contral of other essential materials to the national living be Carried out successfully or not has an extremely important effect.

It is, therefore, absolutely necessary to root out self-assumption of bureaucracy, formalism prone to be accompanied by inefficiency, to promote mutual understanding among laborers engaged in production, to democratize administration thoroughly in order that laborers may be able to work with ease for the increase of production under given conditions and at the same time to enable officials to reject private influences, discharging their duties fairly and reasonably.

In view of the recent scandals of some officials, measures to stop such official Corruption should be taken immediately.

The Administration In spection Committee which has ended its mission was not able to discharge its duty to the full extent, hindered by its defects as feared beforehand. Even Civil Service Law, which chiefly aims at the fromation of official efficiency and independence of rights, is far from this of fact

It is urgent that, in the Agriculture and Forestry Ministry, especially in the Food Management Bureau, a administration democratization Committee should be established, the defects of which should be thoroughly rooted out and which can conduct its duty systematically and democratically in a wider scope. and that be speedily done

2). Character of this Committee and Scope of its Business.

A Food Administration Democratization Committee be established in the Food Management Bureau and in the Food Office by the official organization as one section of the " Agriculture and Forestry Administration Democratization Committee".

and inspect and examine the affairs concerned and submit a report or necessary advice to the Minister of A. & F. The Object of inspection, shall include not only Government Offices concerned, but associations and dealers related thereto.

Scope of the business of this Committee shall be as follows.

(a) Permanent inspection of the business and the improvement thereof.

(b) Rational management of "Food Management Special Account "

(c) Improvement of the administrative system and rational arrangement of the personnel

(d) Matters regarding the actual state of officials livelihood, their salaries and other allowances and improvement of wefare conveniences.

(e) Other necessary matters for attaining the objects

3). Authority and System of this Committee.

(a) The Food Administration Democratizing Commisioner shall have authority to investigate necessary matters and the Committee shall be composed of four official and six-eight civilian members .

(b) The Committee shall have business bureau in itself and have a clerk who exclusively disposed general affair.

(c) The Committee may, When it is necessary, employ a specialist or may establish a sectional committee.

The construction functions of the E.S.B. are essentially different from its functions with regard to the installation of facilities and equipment. It is recommended that two units be established under the Construction and Repairing organization, one in charge of industrial construction, the other of the industrial facilities and equipment.

(d) It is stated that the planning business of the Price Board, Coal Board, and Reconstruction Board will be transferred to E.S.B.. It should also be made clear that the policy-making personnel if these boards will be transferred to E.S.B., together with the policy-making personnel of various other Ministries engaged in economic affairs.

2. It is requested that the names of all personnel to fill E.S.B. positions, down to and including unit heads, will be submitted to E.S.S. for review before their appointment, May I press upon you the urgency of securing a capable staff for E.S.B. at the earliest possible moment?

APR 21 1948

Complete Report of Inspection on Economic Stabilization Board made by Administrative Inspection Committee

## Chapter 1 Introduction

### Paragraph 1 Establishment of the Committee

The Administrative Inspection Committee for the Economic Stabilization Board was set up by the Prime Minister's Office Notification No. 47 of October 1 1947 issued in accordance with Article 2 of the Prime Minister's Office Ordinance No. 16 of 1947 "Regulation concerning the Central Administrative Inspection Committee and the Administrative Inspection Committee for the Prime Minister's Office". Members of the Committee which is composed of seven men, three government officials and four non-officials are a follows:

KAWADA Teiichi, Deputy Director of Bank of Japan representing financial circle,

NAKAJIMA Ichiro, Professor of Tokio Industrial University, as a man of knowledge and experience,

SAKURADA Takeshi, Director of Nisshin Spinning Co., representing industrial circle,

MATSUKATA Yoshisaburo, Chief of Editorial Bureau, Kyodo News Agency, representing publicity group,

NAGANO Shigeo, Deputy Director, ESB

TOKUNAGA Hisaji, Chief, Planning Sec., Secretariat, ESB

ITO Kazuo, Executive Office, Production Bureau, ESB

the last three being government official members. Their appointment was announced on October 7 when the Committee was formally established.

Under the same date and following the establishment of the Committee, an office attached to it was set up in ESB with MOTOYAMA

Shusaku, Chief of Executive Section, Secretariat, ESB, as its director and several other ESB officials as its members.

Paragraph 2 Summary of Committee Activities

At the first Committee meeting held on October 14, Kawakita and Nakayama were elected as chairman and vice-chairman respectively, and drafting of overall inspection program was entered into, with enthusiastic views expressed by each member. After due deliveration, it was agreed that a proper attention must be paid in executing the administrative inspection to the charateristics of ESB being a new organization and responsible for "overall planning" -- drafting plans and programs concerning emergency economic stabilization measures, coordination and propulsion of affairs under each ministries control, supervision of the execution of various measures and enforcement of economic controls related thereto. And a final decision was reached at the third meeting held on October 22 as to the comprehensive inspection program as shown on the attached paper No. 1, in which, above all the general line of inspection, special emphasis would be placed on

1. reviewing whether or not the present organization is appropriate,

2. reviewing whether or not the business connected with drafting plans and programs and coordinating various ministries is being effected adequately, and

3. ascertaining the extent to which the function of supervising the execution of proposed measures is successfully carried out. It was further decided that the Committee would attempt fact-finding as to the actual state of affairs from various angles and study the

possible ways of improvement, with a view to attaining the mission with which the organization is charges as an overall planning agency and making active effort to bring about clear-cut and efficient management of its business.

Since then the actual work of inspection was started and prosecuted from various angles, each Committee member being charged with the affairs of different Bureaus, holding the meeting at least once a week, and interviewing officials of different Bureau and Sections as well as representatives of economic and press circles and others. Further their inspection activities were not limited to the central office but extended to local fields, Sapporo and Fukuoka Regional ESB office being visited by Committee members for checking on the spot.

## Chapter 2 Main activities

### Paragraph 1 Review on the present organization

During the course of inspection, it was made a subject of discussion whether the present set-up of ESB presents a satisfactory basis for its activities under the current economic situation in its relation with various Ministries concerned, or further organizational enlargement and strengthening is necessary.
The conclusion arrived as follows.

1. Views on the function of ESB.

In order to comply with the requirement of Occupation Policies and to reconstruct and stabilize the now devastated economy of Japan, brisk, comprehensive and timely actions along the line of controlel

economy in accord with the changing economic situation are reguired and at the same time energetic prosecution of well-directed and consistent programs extending over a length of time is of vital importance. For this purpose, what is regarded as most appropriate is an overall planning agency such as ESB under the Prime Minister's control and charged with the function of formulating fundamental policies and plans, and guiding and supervising the Ministries which are to execute them. In view of the fact that the fundamental principles as to its structure and function were indicated by SCAP at the time of original establishment and subsequent reform (reference to the attached paper No.3 "Record of contact with SCAP as to the establishment and subsequent reform of ESB"), it is advised that its function under the circumstances should not be limited to the planning of allocation of materials and money and other individual planning but be extended so as to include comprehensive and persistent planning of all kinds of economic programs resulting in a still more active management and execution of overall economic administration.

2. Views on the present structure

Due considerations have been made as to the structural history of ESB, the current economic circumstances under which it is placed and the manner in which its functions have been administered. It was found advisable in so far as the Board's structure is concerned that a qualitative strengthening should be sought to enable them to discharge its duties more energetically. It was further found out that part of economic administration of certain Ministries which falls under the category of fundamental flowing is better be transferred and amalgamated in the funtion of ESB. Specifically

following steps are recommended for the synthetic, consistent, amalgamated and efficient management of EDB programs.

a. Certain parts of certain Ministries are still charged with the function of fundamental planning and as such overlaps with the function of EDB which, in turn, is lacking in its comprehensiveness and which fact is liable to invite friction in fundamental planning. Speedy action to transfer such function from the Ministries concerned to be amalgamate in EDB together with necessary staff is deemed advisable

Particularly;

1) Laying out the fundamental principles for budgetary programs is still administered by Budget Bureau of Finance Ministry. It not only forms one of the major portion of the economic stabilization programs but also inseparably connected with the allocation programs of materials and money. All these economic programs are best administered by a single agency from a synthetic point of view. Whether the Budget Bureau should continue to remain with Finance Ministry or, better be transferred to the Prime Minister's Office is open to discussion, but as to that part of administrative function for determining fundamental principles of public finance, certain steps should be taken so that it be transferred to EDB or at least both parties concerned be placed in a much closer relationship with each other than heretofore.

2) Planning part of labor administration of labor Ministry, viz. the function of Labor Administration Bureau is also one of those which should immediately be collected under the authority of EDB and

properly administered as an integral part of economic programs.

b. The present set#up of ESB vis a vis Ministries concerned and the SACP memorandums indicate that the fundamental planning in economic administration be collected under the authority of ESB, that in all economic adainistration it will be positively responsible for basic plans and policies and that each Ministry is in charge of their execution. In performance, however, it often so happens that the fundamental planning extends into the realm os execution function of Ministries and, in turn, planning part of execution touches the fundamental planning of ESB. This relationship gives rise to friction between ESB and Ministries and also causes ESB to seek direct contact with private business interest, which tendencies are not welcome for ESB to carry out its proper mission. Speedy demarkation and detailed adjustment and coordination between the planning function of ESB and the executive function of Ministries are therefore essential.

c. In order to make the economic stabitization program really effective and win the positive support of the public, it is essential that during the course of formulating plans and policies extensive referrence will be made to the practical views to be expressed by varibus social groups -- political, industrial, financial, scientific, labor, press and so on, and also that utmost support and cooperation of the public be by some way or other obtained in the stage of execution. Especially when drafting an all-important programs such as long-range economic reconstruction plan, it is deemed necessary to set up a special organization, say, Economic Stabilization Conference which is not of mere advisory nature as has been contemplated in the past but so construed as to partialy participate in orientation and so composed as to include real representatives of various professional fields who are not likely be affected by political situations but

can devote them-selves in the continued planning work.

d. The system of Advisor, though being properly operated at present, is to be improved with a view to adjusting its relationship with the system of Economic Stabilization Council.

e. Under the present system of Deputy Director-Generals, two of them are supervising business belonging to several bureaus divided between themselves according to the nature of bureaus and another taking charge of business related to policy enforcement. However, in view of the experience of its practical operation, this system is to be revised so as to give each Deputy Director-General a responsibility completely different in nature. For instance, a new system may be deviced, under which each Deputy Director-General takes charge of liaison business with the Allied Authorities, business pertaining to the Diet and supervision business over all bureaus and sections respectively.

f. The present division of bureaus and sections of the Economic Stabilization Board was worked out in a comprehensive way at the time of its establishment with a due consideration of the organization of the General Headquarters of the Supreme Commander For the Allied Powers and of each Ministry. However, in view of the experience of its practical operation since its establishment and in order to have its original function as an office for overall planning more powerfully exercised it is necessary to re-examine the present division of bureaus and sections with a view to enlarging or reinforcing those bureaus and sections which are not functioning properly, while abolishing or amalgamating those which may be made more compact.

There was a consensus of opinion among many committee members for the following concrete plans for reorganization, although the present Committee could not reach any final conclusion:

1) It is necessary to enlarge sections which are in charge of planning of fundamental ecnomic stabilization policies such as the Planning Section, Demand and Supply Section and Coordination Section.

2) It is proper to enlarge the Investigation Section and Statistic Section which are in charge of investigation of basic data for planning of ecnomic stabilization policies and, at the same time, to establish an Investigation and Statistic Division by merging these two sections in order to establish a closer organic relationship between them.

3) As for the Production Bureau and the Civilian Rationing Bureau, it is proper to lay a main stress on the Demand and Supply Section and Coordination Section respectively and to reduce the member of other sections approximately by half by way of an intensive merger.

g. With a view to intensifying the unity of the Economic Stabilization Board and the Price Board a proper measure is to be taken upon reexamination of the possibility of carrying a step furtner the present system of a personal union through the concurrent holding Director-Generalship to a real union in the execution of business of the two offices.

h. The Economic Stabilization Board has a peculiar character as an office for overall planning. It is therefore requisite that its personnel be appointed freely from among a wide range of learned and experienced civilians as pointed out in a SCAP memorandum.

However the present systems of wage and appointment of government officials are hampering their employment. It is necessary to take such special measures as indicated by the SCAP memorandum for the employment of civilians in the Economic Stabilization Board.

i) There have been established either by the E.S.B Order or by instruction various committees which are functioning with particular responsiblities. However, some of them are not properly operated and some are existing only in name lying dormant. With regard to such committees, the following measures are to be promptly taken:

1) The Fertilizer Examination Committee, which was established by the E.S.B. Order, is existing merely in name lying dormant. It is, therefore, to be promptly abolished and its revival might be considered when deemed necessary in future in connection with the problem of state control of fertilizer and others.

2) As for the National Committee for Foodstuffs and Nutrition, no member has yet officially been appointed since its establishment by the E.S.B Order more than a year ago. The necessity for establishing such a committee by the Order is to be reexamined and its continuance or discontinuance is to be decided.

3) In connection with the organization of the Central Committee for Labor Incentive Goods, the relationship between the Civilian Rationing Bureau and Labor Bureau is to be examined and, if necessary, adjusted so as to make more practicable the jurisdiction and execution of business

for securing labor incentive goods.

4) In connection with the jurisdiction of business pertaining to the Unemployee Relief Enterprise Committee, the relationship between the Labor Bureau and Finance Bureau is to be reexamined from the point of view of the actual operation of the Committee.

In operating the committee system it is necessary to have not only a permanent committee but also a temporary committee which may be established when necessary and promptly abolished upon completion of its work.

### Paragraph 2. Business operation concerning planning overall supervision and investigation of ministerial business

1. Opinion on Business Operation: The Economic Stabilization Board is an office for planning which takes charge only of planning and drafting of policies and no more, and the responsibility to execute such policies rests with each Ministry as an office for execution. It is, therefore, necessary for the Economic Stabilization Board to avoid meddling in execution aspects of policies and transfer as quickly as possible its policies planned or drafted to the offices for execution. On the other hand, the Economic Stabilization Board, which has the responsibility of coordinating business of various government offices as well as expediting and supervising the enforcement of policies, is required to give a constant direction to each Ministry in order to see to it that its policies are strictly executed. For the

effective, appropriate and smooth exercise of the above-mentioned functions of the Economic Stabilization Board, the following measures are requisite:

a. In planning or drafting an economic policy the Economic Stabilization Board has heretofore been consulting opinions of bureaus and sections of Ministries concerned toward its own draft and then made with a due consideration for such opinion, a final draft to be submitted to the Cabinet Council for approval. However, due to the lack of understanding of importance of the plan on the part of each Ministry, especially of its upper circle, the execution of the plan by each Ministry tends to be lukewarm and its effect contrary to expectations. In view of such tendency, a new procedure of planning or drafting is to be adopted, by which fundamental ideas of any important draft of economic policy will be thoroughly discussed in the Cabinet Council and decided upon by the Ministers concerned on their own responsibility who will, in their turn, order their subordinate officials to draft a plan based on such fundamental ideas.

b. In order to succed in realizing various economic programs, it is necessary to introduce practical aspects of economic circles into the drafting of programs. Therefore, the opinions of each ministry concerned as an operating agency as well as the opinions of business circles concerned are tried to be presented to drafting stage of each program, of which efforts deemed to be carried out successfully to a certain extent.

However, more efforts are required to be paied in this connection. It is recommended to set up an standing organization consisting from sub-committees so as to take into consideration overall opinions of varions fields for the purpose of receiving collaboration of expert business organizations. And, furthermore, the results of positive activity of enforcement system is recommended to be fully put into the planning of programs.

c. In implementing the policies and measures which have once been adopted, it is necessary to take various steps as receiving outspoken criticism and collaboration of various classes of the people. In this connection, however, it cannot be overlooked some failures existing in publicity activities, where, sometimes, the worvings were too much difficult to be understood by the people in general, and where appropriate measures were failed to be taken in other cases.

In releasing such programs as the materials supply and demand program, therefore, an explanatory comment for the program is recommended to be prepared in easing the comprehension by the people in general. With regard to the measures of appealing to the psychology of the people, furthermore, every possible devices such as to utilize any opportunity of national cutomary events or to take up suitable concrete slogan concerning the ecoromic reconstruction would be adviced to be made.

d. In order to accomplish the expected result in realizing the economic emergency measures at the prepheral vines of administration, business operation of local offices is to be carried out in meeting to the actual and concrete conditions of respective places, with measures adjusted from overall viewpoints and with energetic promotion, in corresponding to the execution of policies and measures made by the central offices. And on the other hand, their business operation is to be actually, inspected and any defects found therein, shall be amended as soon as possible. Under these considerations, Regional Economic Stabilization Bureaus have been set up on July 1947, when the central structure was enlarged, with special responsibilities as the subordinate organizations of the Central Board. Since then, they have been concentration their whole efforts in operating coordination business with leadership over local authorities concerned and in performing appropriately the enforcement business. However as they are newly established agencies, suffering from shortage of staffs and various facilities such as office buidlings, it will not be able to conclude that they are performing full sesponsibities shouldered upon them. Therefore the following measures are recommended to be taken so as to accomplish t eir duties.

1) It is necessary to have close connection between the Central Office and Regional Offices in operating business for both sides. But many defects can be found in this connection. Therefore, the liaision structure with each

Regional

Regional offices in the Central Board is to be re-arrainged and enlarged, and periodical couriers are to be set up in aiming to have close contact specially with distant Regional Offices.

2) In view of the fact that there exist various local agencies detached from central economic ministries with responsibilities to perform various measures of ecanomic control the business operated by various local agencies are urgently required to be coordinated and smoothly promoted in corresponding to the actual situation of each district, of which duty is expected to be performed by Regional Economic Stabilization Bureaus. However, they are not fully accomplishing in this connection, due to lacking of initiatives and failure of overall coordination among various agencies based upon administrative inspections. Regional Economic Stabilization Bureau, therefore, are recommended to take leadership in taking appropriate steps to operate positively and powerfully overall coordination business. It is not necessary, however, to enlarge the present structures as they stand. Considering the responsibilities put upon the Regional Economic Stabilization Bureaus and their relations with other local agencies of the central ministries, full attention will be paid to avoid bureaucratic redtape. Re-examining the present operation of the business to find

out

out the parts which is necessary to be enlarged and which is necessary to be simplifed, the most effective measures to accomplish their responsibilities are expected to be taken.

Paragraph 3.

Enforcement of the Policies and Measures.

1. The opinion on the results of the enforcement of the polices and measures.

In order to achieve the expected effects of various economic programs under the control economy, to reconstruct various indueteries, and to stabilize the national livings, it is necessary to take every possible measure to promote powerfully the inplementation of various programs by E.S.B. and, at the same time, the execution by the Kodans and other organizations as well as economic ministries as operating agencies should properly be accomplished with positive collalorations of the people in general.

The Economic Stabilization Board has been taking two find of measures to that end. Firstly, powerful "promotion teams" consisted of officials of all divisions and sections concerned have been dispatched to necessary spots. Secondly, the so-called "administrative inspection" have energetically been made upon the administration of the economic ministries and other preperal offices by the Enforcement Bureau of ESB, so as to facilitate the amooth ø/ administration. ~~Many defects therefore on the admin-~~

~~administration.~~

~~administration~~. Many defects therefore, on the administrative procedures have been tried to be corrceted based upon the results of the inspections. And, furthermore, the said Bureau keeps close connection with the police and prosecution autionities in order to realize the strict enforcement of the economic control. The adequate allocation, on the other land, is expected to be made by the proper activity of the Appeal Board.

For the purpose of promoting production activity as well as securing distribution order, the spot inspections are now being taken place to survey the shipment, distribution and transportation of critical materials ~~materials~~ such as rice, wheat, coal, fish, vegetables and charcoals, and considerable results have already been achieved. However, the following steps are recommended to be taken to secure complete realization of the policies and measures.

a. As the present organization of ESB, throughout the Central Office and regional offices, is too much small in its personnel, only a certain part of various programs can be put under the survillance of the Enforcement Bureau, at one time.

Therefore, its organization is recommended to be enlarged so as to enable the overall inspection of various programs in due time, in corresponding to the necessary circumstances.

b. The results of the inspection is recommended to be made public, with some contrivance of enabling to receive positive cooperation of the people.

c. In case any defects are found in the administration of economic ministeries or Kodans as the results of inspections, it is necessary to take such measure as to give temporary recommendations on the one hand, but also to re-examine and readjust various economic programs, from overall viewpoints, with introducing such results of the inspections to the planning stage.

Paragraph 4.

The discipline of staffs and business efficiency.

1. The opinion on the discipline of staffs and business effeciency.

a. As RSB is a newly established office on August, 1948 and also it contains a considerable number of non-competent civilian officials such as those selected from among business circles, the pressmen and the representatives of various industrial circles acknowledge, that there exist no evils of unjustice based upon personal considerations and connections abuse of discretionary power, inclination of imprisoning superiors by junior officials and self-satisfied attitude of bureau carts, which happened to be found in the ordinary bureancratic cireles. These appreciable characteristics are expected to be kept for the future, so as to maintain bright operation of business.

b. Due to the fact that a considerable number of able non-competent Civilians are attached to this Board, the bureaucratic red-tape is hardly found in business operation of all officials, the discipline among the superions and juniors is well maintained, and the harmony is well kept among all officials with cooperative attitude.

c. The labour union of this Board has been formed recently in the middle of last January. As regards the fundamental policy of the union, it tries to avoid to take fanatic attitude of making mere strifes and is coopertively trying to introduce earnest wills of working mass under the present stringent conditions into various economic polices, recognizing the responsibility shouldered on BSB. Such movement is utterly different from those of unions of other government offices, and is quite welcome.

c. In view of recently established office, BSB have very poor equipments such as residents attached to the Board and so on, which considerably disturb business efficiency. It is necessary, therefore, to take possible measures to cover it as follows:

1) As the office is too narrow, some officials have to work in the corridors of the building, and also the Board has to refrain from filling up necessary personnels. It raises a serious problem, in view of decreasing business efficiency, sanitation of employees and observing secrecy. The re-allocation of buildings among government offices is

is earnestly recommended as a temporary measure.

2) The characteristics of the business operation of the Board lies in having various committees and conferences, which necessitates the Board to have a large member of rooms for committee or conference. However, as it has no special room for committee or conference, they are usally taken place in narrow business room or in the official residence of the Director-General, which adversely effects upon business effeciency. The construction of special room for committee should rapidly be planned.

3) In view of the special relation with G.H.Q. and other Government Offices, the ESB is bounded to have its office at convenient places from the said offices. However, it is almost impossible to find a building in such places affording necessary floor space. And, therefore, a plan to construct a new building is rasled to be made.

4) Any consideration of having facilities for culture, welfare and saintation of the Board employees has never been paid. It cannot be much blamed though, in view of a newly established office. However, it is regretable for qualitative improvement of employees and further for adopting able persons. Speedy measure are recommended to be taken to have necessary facilities.

Attached Paper I.

# Overall Inspection Plan of Administrative Inspection Committee of ESB

(Decided on 22 Dec.'47)

1. Inspection policy.

The Economic Stabilization Board which was established in August 1946 is a new typed overall planning organization dealing with the matters concerning the policy-making, coordination and propulsion of the affairs of Ministries concerned, enforcement on the execution of the policies and measures worked out by the Ministries and the enforcement of economic control thereof with respect to the emergency measures for economic stabilization. There will be no investerated bureaucratic abuses in ESB as often seen in other Ministries and no executive business directly connected with ordinary citizen. Moreover the ESB, from its charateristics, may take freely the men of knowledge and experience from the non official circles. Administrative inspection, apart from the general inspection, will be specifically made from the following angles, taking into consideration the administrative characteristics of ESB stated above.

1) Inspection whether or not the present organization is appropriate.

2) Inspection whether or not exeaution of the matters concerning policy-making and coordination of the business handled by the Ministries are appropriately operated.

3) Inppection whether or not the execution of the various policies and measures is successfully carried out.

Such inspections will clarify the actual situation of the administration with the result of discovering the ways to improve the administration, thereby trying to fulfil the mission of ESB as an overall planning organization and to increase the administrative efficiency.

II. Object of inspection.

1. The present administrative machinery.

The following is the main points to be inspected with a view to clarifying ~~m~~ whether or not the present machinery works efficiently as an organic body.

1) Organization of the Bureaus and Sections.

a. Necessity of revising, abolishing or merging the Bureaus or Sections.

b. Suitability of the Deputy-Director-General system.

c. Suitability of the Coordination Committee.

d. Appropriateness of the Deputy-Directors system.

e. Relationship between the Deputy-Director-General and the Secretariat.

f. Relationship between the Secretariat and the Bureau.

g. Matters concerning the Directors's conference.

h. Matters concerning the Advisors' Conference.

i. Relationship between ESB and Regional Economic Stabilization Board.

2) Division of works in the Bureau and Section.

a. Appropriateness of the works assigned to each Bureau.

b. Appropriateness of works assigned to each Section in a Bureau.

3) Personnel.

a. Is the present number of officials in excess or not as compared with the so-called appropriate number of officials?

b. Is the right man appointed in the right place?

c. Are the representatives who are familiar with the business of other Ministry appointed in ESB?

d. Is the appointment of civilians as ESB official made satisfactorily?

e. Is a qualified civilian appointed in the adequate post as a man of experience?

f. Is there any nominal committee in ESB?

2. Policy-making and the execution of the matters concerning the coordination of the affairs in the various Ministries.

The following points will be inspected with a view to efficiently carring out the coordination among the Ministries.

1) Is ESB actually taking a leading part among the Ministries in connection with the policy-making and coordination business among the Ministries? Is the present methods adopted by ESB in connection with the above matters appropriate?

2) By what means does ESB grasp the actual economic situation, in formulating the plan?

3) Is the relationship between ESB and other administrative Ministries, with respect to the administrative operation smoothly carried out?

4) Is the committee of ESB properly composed of or substancially and efficiently operated?

5) Are the necessary opportunity and data made public to the people for their free criticism on the policies and measures laid down by ESB?

6) Is the guidance of peoples' opinion on economic matters properly done?

7) Is the liaison with the Allied authorities smoothly carried out?

3. Securing of successful execution of the measures.

The following points will be carefully inspected from the viewpoint whether or not the economic measures are efficiently carried out in conformity with the actual economic situation.

1) Is economic enforcement under the present machinery executed strictly and positively?

2) Is there any economic inspector who lack the substancial ability as an economic inspector?

3) Is the object of economic enforcement properly sought out?

4) Is there any institutional defect on the power of an economic inspector?

5) Is the cooperation between an economic inspector and the economic police carried out smoothly?

6) Are the measures laid down by ESB properly executed by the Regional Bureau of Economic Stabilization and other local agencies?

7) Has any positive step been taken to secure the successful result of the economic measures?

4. Condition of officials service and efficiency.

The following points will be inspected in order to grasp the actual situation of officials service and efficiency and to correct the administrative flaws if any.

1) Are the instructions of higher officlals faithfully observed?

2) Is any method deviced so that lower officials opinion is properly conveyed to the higher ones?

3) Are officials from official circles on good terms with officials from civilian circles?

4) Is the condition of officials attendance good?

5) Are the petitions or applicantions submitted by civilians disposed with properly?

6) Is the secret rightly kept?

7) Are the savings of various maintenance items enforced?

8) Is the maintenance of office building and other facilities kept properly?

9) Are the cultural, welfare and sanitary facilities of ESB properly established?

III. The inspection method.

1. Inspection of ESB.

1) General inspection.

The inspection will be made periodically or occasionally to each Bureau and Section in connection with the points prescribed in between 1 and 4 in II. above.

2) Special inspection.

Overall systematical inspection will be made to the points provided for from the 1 to 4 of II above with respect to the important measures such as coal production increase plan, progress condition of public works and control on perishable foodstuffs delivery and distfibution.

3) In making the general or special inspections, advisors, councillors of ESB, representatives of ESB officials, committee~~men~~ members of this committee, representatives of industry, finance, economy, labor and press circles or political parties, Kei-yu club, officials concerned of the Ministries, officials of Regional Economic Stabilization Board or representatives of local government agencies will be called, if necessary, for consultation.

2. Inspection of local government agency.

A spot inspection, in accordance with the inspection to be made to ESB, will be made to the especially-chosen district.

3. Detailed inspection will be made every time when disgraceful affairs take place.

IV. Inspection schedule.

1. A regular meeting will be called for once a week for reviewing the week's affairs and for preparing for the next week's meeting.

2. The following is the inspection made or ~~of~~ be made, in order, from the end of November 1947 to the end of January 1948.

| | |
|---|---|
| 22 Nov. | Dicision on the overall inspection plan. |
| From the end of Nov. to the middle of Jan. | Inspection has been made to both central and local ~~g~~ organization. |
| At the end of Jan. | Inspection on the relationship between central and local organizations. |

Attached Paper II.

Assignment of the Works of the

Committee-member

| | Central | Local |
|---|---|---|
| Chairman KAWAKITA | Power and Finance Bureau | Fukuoka Regional Economic Stabilization Board |
| Committee-member NAKAYAMA | Price, Labour and Civilian Rationing Bureaus | |
| Committee-member SAKURADA | Production and Allocation and Foreign Trade Bureaus | Tokyo Regional Economic Stabilization Board |
| Committee-member MATSUKATA | Contsruction, Transportation and Communication Bureaus | Osaka and Nagoya Regional ~~of~~ Economic Stabilization Boards |
| Committee-member NAGANO | | Sapporo and Sendai Regional ~~of~~ Economic Stabilization Boards |
| All Committee-members | Secretariat and Service and Enforcement Bureau | |

Attached Paper III.

I. Details of Negotiations Conducted Between the Japanese Government and G.H.Q. in Connection with the Establishment of the E.S.B. and the Revision of its Machinery Worked out Thereafter.

The E.S.B. was first established in August, 1946. With regard to its establishment preparations had been under way for the purpose since the beginning of that year in the Japanese Government, and on March 1 opinions were expressed about the general conception of its establishment by the officials of E.S.B., G.H.Q. After that time several conferences were held among the officials of the Government Section, Economic and Scientific Section, on this question. On the basis of the informal agreement reached, a formal application for its establishment was presented to G.H.Q. through C.L.O., on April 6, and a final approval was given. The main points of opinions expressed by the officials of G.H.Q. in the series of conferences are as follows:

(a) Machinery of personnel shall be immune from a Cabinet change.

(b) The Director-general of the E.S.B. shall be a man of great caliber, a man of reputation in economic circles.

(c) The proposed office shall be so constructed as to reflect public opinion.

(d)

(d) It shall not only map out programs but be responsible for the supervision of enforcement of its policies.

(e) It shall be provisional machinery designed to cope with urgent economic situation.

As regards a revision of the mabhinery of E.S.B. an informal memorandum dated February 6, 1947 was issued to E.S.B. from E.S.S., G.H.Q. requesting that the following immediate steps are considered necessary to insure adequate handling of the problems of allocation and black market control in Japan:

(a) Promulgate all the necessary ordinances and instructions and create the macninery required in carrying out the E.S.B. program of allocations.

(b) Organize and properly staff the E.S.B. in order that it may successfully carryout its mission.

(c) Transfer from the Ministries concerned all individuals who are now making policy decision which are the responsibility of the E.S.B.

(d) Prepare a table of organization and salaries of employees under jurisdiction of the E.S.B. submit a copy of this table of organization to SCAP as soon as practicable.

(e) Inaugurate an effective program of education and information through public press, radio, voluntary trade organizations, labour unions, fishing and agricultural organizations, as well as all levels of level,

prefectural and national government to insure that all those affected their rights, privileges and responsibilities.

(f) Prepare a complete program for carrying out the following functions of the E.S.B., including table of organization, salaries and method of procedure:

(1) Appeals provisions of E.S.B. regulations

(2) Supervision of government corporations established for distribution control and rehabilitation of industry.

(3) Inspection service to effect compliance.

(4) Education and information.

In accordance with the above-mentioned memorandum, the Japanese Government decided to revise the machinery of E.S.B. based on the following principle.

1. To concentrate the business of making up fundamental plans for economic administration necessary for stabilization of economy in E.S.B., but not to change the characteristics of E.S.B. as provisional machinery.

2. To shift the business corresponding to the above-mentioned titem which has been transacted by the respective Ministries to E.S.B. with the personnel engaged therein.

3. E.S.B. will map out its fundamental plans for all the economic administration hereafter.

The respective government offices shall enforce the policies and plans worked out by E.S.B. But in connection with the problem of the concrete limits between planning business and its enforcement and with detailed method of harmony and liaison between the two, it shall be separately settled by conference.

4. A new machinery of E.S.B. shall be as shown in a separate table.

Necessary measures shall be taken to revise the Imperial Ordinance and Cabinet Order.

5. Personnel required following the expansion of E.S.B. shall be selected from among ~~by~~ men of knowledge and experience among the people and government officials. Both of them shall be full-time officials, and part-time ones shall not be approved in principle. In this case the salary of those employed from among the people shall be specially treated as in the case of the Kodan.

6. With planning business shifted to E.S.B. a revision of machinery of the respective Ministries and a reduction of personnel thereof shall be conducted. Taking into consideration the importance of the business and the actual state of the inefficiency of the machinery and personnel~~ef~~ of the said Ministries, necessary steps will be taken to cover the defects in this connection so that everything may go on smoothly in the transaction of the business. Moreover the respective Ministries

can

can maintain the machinery and personnel necessary for planning and coordination to the extent required for the actual execution. An application for approval dated March 17, 1947 was presented to G.H.Q., and on 28 of the same month an approval was given to the Director-general of E.S.B. by Maj. General Marquat in the form of a memorandum with the following advice. This is the way the revision was put in operation.

1. The reorganization plan of the E.S.B. dated 17 March, 1947 is approved with the recommendation that the following changes be made:

(a) Because solid fuels are the limiting factor in virtually all Japanese production, it is recommended that an additional Deputy Director-general for solid fuels be appointed. Matters concerning electric power may be handled by the solid fuels Director-general, if deemed advisable.

(b) Petroleum is important in every branch of industry, both as fuel and lubricant. It is recommended that provision be made for the allocation of petroleum under the Deputy Director-general for solid fuels.

(c) Under the Construction and Repairing organization there is a unit responsible for both industrial equipment and industrial construction.

Rec'd 23 April 48 for information from Admin. Research Bureau.

FILE: ADMIN. RESEARCH BUREAU.

Coordination and Integration concerning Reform of Administrative Organization and Increase or Reduction in Fixed Numbers

(Decision of Cabinet Conference of April 16, 1948)

The work concerning the reforms of any administrative organization has hitherto been handled by the Administrative Research Bureau as provided for in Article 1 of the Regulation governing the Temporary Establishment of the Administrative Research Bureau - Imperial Ordinance No.490 of October 28, 1946 and the Decision of Cabinet Conference of September 6, 1946 relative to "The Fundamental Reforms of Administrative Organization, Civil Service System and its Management". In view, however, of the present situation under which it is imperative to coordinate and integrate this work much more effectively, and, with due regard to the view of GHQ in this connection, it is hereby decided that hereafter cases involving any reform of the organizational structure of each Ministry or agency and any increase or reduction in the fixed number of its personnel be dealt with as follows:-

1. When each Ministry of agency intends to make any reform of its organizational structure or any increase or reduction in the fixed number of its personnel (the enactment and revision of regulations governing official organization, as well as any important revision similar thereto), it is invariably to submit a proposal therefor to, and consult with, the Administrative Research Bureau in advance.

2. The Administrative Research Bureau is to coordinate and integrate the proposal submitted by examining into and deliberating on its content.

3. When the Administrative Research Bureau has approved the proposal, it is to notify the original agency accordingly.

4. When the proposal is an amendment of law or cabinet order, the Administrative Research Bureau is to establish close liaison with the Attorney General's Office.

5. When each Ministry or agency had enacted or revised its own regulations governing the division of sections (except cases coming under item 1), it is to notify such action immediately to the Administrative Research Bureau.

Remarks:

1. In case of negotiating with GHQ (Administrative Management Division, Government Section) in regard to a reform of an organizational structure or an increase or reduction in the fixed number of personnel, the Administrative Research Bureau is to conduct such negotiation after liaison with the Central Liaison and Coordination Office, as provided for by the decision of Cabinet Conference referred to above, and each agency is to refrain from t taking such action independently. In case the proposal involved is a draft bill or draft cabinet order, it has to go through the procedure for official liaison with GHQ (Parliamentary and Political for official liaison with GHQ (Parliamentary and Political Division, Government Section) in the same way as cases for other draft bills or draft cabinet orders in general.

2. With the enforcement of the present arrangement, the Attorney General's Office is not to conduct its deliberation anew in regard to the content of the proposal which has already been deliberated upon by the Administrative Research Bureau.

3. In regard to the management of the present arrangement, close liaison is to be maintained with budgetary reviews to be conducted by the Budget Bureau of the Ministry of Finance with a view to obtaining the harmony in the actual prosecution of the work.

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# On the System of Administrative Inspection

(Decision of the Cabinet Meeting,
April 13, 1948)

In the present state of the service of the Government personnel and the execution of administrative matters, there remains much room for improvement by way of strengthening of official discipline and improvement of administrative efficiency, and the continuation of the system of administrative ~~system~~ Inspection is considered necessary. Therefore the system will be reorganized according to the following outline in order that it may contribute to the reformation of official circles:

1. There shall be established Administrative Inspection Committees under the supervision of the Prime Minister.
2. Members of the Committees shall be selected from learned and experienced persons in non-governmental circles and officials of the Government offices concerned.
3. The Committees shall be classified into two, namely, the Central and the Local.
   (a) The Central Committee shall consist of Government members who are Ministers of State, parliamentary officials or officials concerned of the central Government offices and non-governmental members who shall be appointed from among learned and experienced persons in extensive non-governmental circles in

consideration

consideration of the relations between the central Government offices and such circles.

The Central Committee may, if necessary for its operation, be divided into sub-committees.

(b) The Local Committees shall be established in the central city of each region (Tokyo, Osaka, Nagoya, Sendai, Sapporo, Hiroshima, Takamatsu, Fukuoka) to be organ for overall administrative inspection of the local offices of the central Government offices in the respective region.

The Local Committees shall consist of Government members who are heads or officials concerned of the local offices of the central Government offices in the respective region and non-governmental members who are learned and experienced persons in non-governmental circles of the respective region.

4. The duties and competence of the Administrative Inspection Committees shall be as follows:

(a) Point out the actual state of irregularities and defects by inspection, make a report thereof to the Prime Minister and recommend, with his approval, measures for the improvement thereof to the Ministers concerned or to the heads of Government offices concerned.

(b) The Central Committee gives necessary directions in connection with the integration, coordination and inspection

of