DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
ECONOMICS SECTION

CCAR 319.1 (D-St) 16 October 1950

SUBJECT: Report of Field Trip, Hiroshima City, Hiroshima Prefecture, 13 October 1950

TO : Chief
Economics Section

PREPARED BY: E. Kawamura, Distribution & Industry Division

1. REFERENCE:

O.D. 11

2. PURPOSE:

To attend the Regional Economic Recofery Committee.

3. BACKGROUND:

None

4. DISCUSSIONS:

a. Electric power situation

"The actual and prospect supply and demand by electric power supply in Chugoku Region September and October in 1950 and 1949" is in our file.

b. Demand and supply of chloride

Operable capacity: as of 30 June 1950
unit, ton per month

Name of Plant	Caustic Soda	Synthetic Hydro Chloric Acid	Bleaching Powder	Chlorine (Liquid)
Nisshin Kagaku Okayama	116 ton	150 ton	90 ton	0
Toyo Soda Tonda	390 "	810 "	108 "	0

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Total in Chugoku Region	506 ton	960 ton	198 ton	0 ton
Total in Japan	14,020 "	17,458 "	7,189 "	2,461 "

Name	Aggregate operable capacity(per month)	Chugoku Region
Caustic Soda	14,020	3.6%
Hydro Chloric Acid	17,458	5.5%
Bleaching Powder High Quality	271	Nil
Liquid	4,232	Nil
Ordinary	7,189	2.7%
Chlorine(Liquid)	2,461	Nil

Prospective Production and supply:

Name	Whole Japan			Chugoku Region		
	Demand in 3rd Qtr	Prospective production	% of supply	Demand in 3rd Qtr	Prospective production	% of supply
Hydro Chloric Acid	37,100	36,000	97%	3,915	2,400	61%
Bleaching powder	11,950	11,500	96%	885	230	24%
Chlorine (Liquid)	4,450	4,400	99%	380	Nil	Nil

unit, ton per month

c. Demand and supply of cotton yarn and cotton textile.

1950 Cotton Yarn Production	Planned Allocation		
	Export	Designated production	Welfare
500,000,000 lb (on the assumption of importation of 1,380,000 Bale's of raw cotton)	250,000,000 lb	150,000,000 lb	250,000,000 lb
100%	50%	20%	30%

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NOTE: 1949 allocation for welfare was 96,000,000 lb.

Total raw cotton imported from Jan - June 1950, 741,602 Bales

Export of cotton textile:

Under contracts (Jan - May 1950)	Actually exported (Jan - May 1950)	Estimated export (Jan - Dec 1950)
762,762,000 Yd	371,355,000 Yd	1,000,000,000 Yd (Target 1,000,000,000 Yd)

Price of cotton manufactured goods:

200 times the prewar price.

Effective demand in 1950 for cotton manufactured goods:

Presumed there will not be no radical increase over that of 1949.

Item	Price started to go up from	As compared with official price
Cotton yarn	approx. Mar 1-10, 1950	approx. 300%
Cotton textile	Mar 20-30, "	200%

Production of School Uniforms and fatigue clothing: unit, suit

Item	1950 May	1950 June	Ratio
School Uniforms			
Whole Japan	504,634	2,383,184	100%
Chugoku Region	207,446	773,030	32.4%
Fatigue Clothing			
Whole Japan	347,433	2,905,426	100%
Chugoku Region	142,907	1,086,102	37.4%

d. Monetary financing:

Chairman of the Financing Sub-Committee briefed the member regarding the prevailing trends of monetary financing.

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He pointed out overloan on the part of the local banks and the resultant difficulty to meet the demands from the small and medium enterprisers for extention of credit. As counter-measures, the utilization of the U.S. Aid Counterpart fund and the Deposit Bureau's fund was mentioned. In brief, he emphasized that in order to accommodate the expanding revolving funds of enterprisers, accumulation of capital is paramount and enhancement of national spirit for savings is fundamental.

e. Effects of the Korean War on the industrial plants.

Toyo Kogyo, Chugoku Haiden, Ube Kosan representatives briefly explained the effects of the Korean War on their plants. Written reports only were submitted by Itozaki Nippon Cement K.K. and Hiroshima Gas K.K.

According to the Chugoku Haiden reports no change has been effected on the consumption of electric power by machine, non-ferrous, metal, electric wire and cable industries but the consumption of power has been going up since the Korean War in steal and locomotive industries. The referenced graph is in our file.

Ube Kosan representative reported that these has been no direct effects but indirectly its Ammonium Sulphate, Cement, Iron Works, Anthrasite and Bituminous Coal industries are being stimulated. Consequently volume of demands for respective product is increasing. However, a bottle-neck exists in the transportation of materials and products by land and sea.

Toyo Kogyo representative reported that a tremendous stock of three wheel truck has been almost completely marketed due to the war and that demand is still increasing. Since the war, cash transaction is necessary to obtain required materials with the result financing and aquisition of sufficient revolving fund have become two major problems. With the increase in the volume of special demands, adjustment of importation and exportation of steel materials must be carefully executed according to the representative.

Hiroshima Gas K.K. reports that as yet no substantial change has been effected with the exception of sales increase in coke but more concrete war effects are expectedto be felt around the end of 1950.

Itozaki Nippon Cement K.K. reports that reduction of the number of airstrips from 13 to 8 or from approximate projected consumption of 130,000 tons to 80,000 tons of cement and cancellation of the export of 60,000 tons of cement to Korea were attributable to the Korean war.

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However, the passage by the Diet of Local Tax Revision Law, broad utilization of the U.S. Aid Counterpart Fund and potential demands for cements in home market that is being stimulated economically due to the Korean war appears to bolster up prospective demand for cement production together with the bright future for exports.

unit, ton

Month	Production (cement)	Shipment (cement)	Stock		
			Clinker	Cement	Total
August 1950	357,698	439,256	151,132	229,641	380,773
Sept. "	418,455	418,693	140,566	229,086	369,652

f. Excepting Hiroshima Prefecture, four prefectural government representatives presented their resume on the general trends of 1950 rice, charcoal and firewood.

g. Mr. Itagaki of Chugoku Liaison Coordination Office spoke a few words about the changes that have been brought about in the Occupational Force structure with regard to the jurisdictional area of each command, moving of Civil Affairs Section, GHQ, SCAP from Manunouchi to Echujima, prohibition of unauthorized use, reproduction, etc of the UN flag.

h. Hiroshima Railway Administration Bureau representative outlined the theft of communications lines and counter-measures being taken at present.

During the period from April through October 1950 in the area under the jurisdiction of said Bureau, there is a total of 53 theft cases amounting to ¥680,925,000.

5. CONCLUSIONS:

a. The meeting was well conducted and successful in presenting various subjects on a basis of prepared data. Members were found to be interested in enlarging their sphere of knowledge on the subjects discussed that have directly and indirectly some important bearing on their respective business.

b. Sincere attitude to take up subjects before the season, and to forestall the confusion in Japanese economy was in evidence.

c. It appears that the Economic Bureau will function better as a coordinating organ if the EC collects all data from each prefecture and integrate them into a report on a regional basis for presentation at the meeting to give a regional picture of a common subject.

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6. RECOMMENDATIONS:

It was recommended to the officials that:

a. They prepare the data for speach with plans and make a concise report and deliver it at the meeting in less time than they usually take for it.

b. They pay attention to a manner in which public money is expended and try to get as much benefit out of it as possible.

c. They endeavor to eliminate excess and/or corrupt government officials to reduce the burden on the nation.

d. They exert their efforts to put the incoming harvested rice to put on the regular ration channel in order to ensure the present control and ration system.

R. G. STRADLEY
Chief, Distribution and
Industry Division

D/RGS/hk

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HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
ECONOMICS SECTION

CCAR 319.1 (D-Ka) 14 October 1950

SUBJECT: Report of Field Trip, Regional 9 - 12 October 1950.

TO : Chief
Economics Section

PREPARED BY: Tetsuro kajiya, Distribution & Industry Division.

1. REFERENCE:

O.D. 9.

2. PURPOSE:

Economic Coordination Conference.

3. BACKGROUND:

None.

4. DISCUSSION:

Economic Coordination Conferences were sttended in Okayama, Tottori and Shimane. Yamaguchi was unable to hold a conference since lack of topics.

The following is a summation of topics discussed:

a. Investigation of the Staple Food Kodan.

EIB reported that investigations will commence on the kodan on 15 October 1950 with emphasis placed on acceleration and smooth dissolution of the kodan. This investigation will also cover various debts to be collected by the kodan.

The Food Offices requested that the EIB give aid in collection of serveral million yen owed by the kodan for sale of starch and potatoes last year.

b. Invistigation of the Fertilizer Kodan.

So far no violations have been uncovered credit sales of the kodans is the main problem involving a smooth dissolution of the kodan.

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Due to monetary stringency on the part of the Agri. Coop. accounts collectable is almost nil.

c. Investigation of Rape Seed Delivery.

As a result of this investigation it was found that delivery status at prefectural level is good but when broken down into counties deliveries are "lopsided". That is to say, the delivery status in Shimane where the lowest delivery is amounts to 37% of the quota and the highest 690%. Therefore inequality of allocation is obvious. Pref. official claimed that allocations are very difficult to determine on rape seeds.

5. CONCLUSIONS:

Something is definitely "screwy" on rape seed situation and more detailed investigation is necessary.

6. RECOMMENDATIONS:

Following the conference it was recommended that more active participation by all agencies represented be made. On reports made by Mr. Stradley on the Economic Coordination Conferences it was noted that activity was limited to EIB and the police while the remaining enforcement agencies were compartively idle. It is recommended that the chairmanship of this conference be changed every meeting so that active participation can be induced.

TETSURO KAJIYA
Distribution & Industry Division

R B Stradley

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CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 192 (TK) 2 Aug 1950

SUBJECT: The 16th Meeting of Chugoku Regional Economic Recovery Committee

TO : Chief, Chugoku Civil Affairs Region
(Attn: Chief, Economic Section)

Submitted herewith for your information are summary minutes on the subject conference, held on July 27 at Hiroshima Regional Economic Bureau.

OSAMU ITAGAKI
Director
Chugoku Liaison & Coordination Office

Inclosure: as per attached sheets

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Major subjects covered by the meeting

1. Amendment to the Committee Regulations

Necessary amendments were made to the regulations of the Committee due to the merger of Hiroshima HSB, Hiroshima HIA & Hiroshima Price Bureau into Hiroshima Economic Bureau.

2. Election of Chairman & Vice-chairman of the Committee

As a result of the Committee members' mutual election, Mr. Ohmori, Director of Hiroshima Economic Bureau, was elected Chairman and Mr. Fujita, President of the Association of the Chambers of Commerce & Industry, Vice-chairman, respectively.

3. Feasibility of utilizing Ube coal as a substitute fuel of motor-vehicles

Data collected and researches made on above, which were laid before the Committee by IT & I Bureau, Coal Bureau & Land Transportation Bureau respectively, can be summarized as follows:

(1) From economical view-point, experiment of Joban coal on this has proven excellent. However, much room is left for study as to Ube Coal, whose quality, is quite different from it.

(2) As to the quality of Ube coal, it is a strong point to have less clinker. On the other hand, a weak point lies in taking much time to work engine for its low calory. Therefore, a question exists in gas generators and this is a point to be improved.

(3) Adequate guidance should be given to enterprisers, whose majority is reluctant to use coal as a substitute fuel of motor-vehicles, due to the fact that the actual supply of gasoline & charcoal is not so pinched now.

Mr. Hara, Director, IT & I Bureau, suggested that the matter be taken up from a viewpoint of disposing stockpiles of Ube coal and research be made on utilising dust-coal as coagulated coal (mame-tan). This was agreed by the attendants.

4. Whether or not banking rate can be lowered.

Summarizing discussions exchanged at the Financial Sub-Committee Meeting, held on June 20, Financial Sub-Committee Chairman reported as follows:

Banking daily interest of bills in Japan, which had been 1.3 sen in May, 1946, has risen up now to 2.5 sen with the progress of inflation. Following reasons are pointed out for this rise.

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(a) relative decrease of deposit

	(A) total amount of deposit	(B) total amount of circulating currency	(A)/(B)
1930	10,600 million	1,400 million	7.6
1950	870,000	310,000	2.7

(b) increase of banking overhead expense

(c) increase of risk to be accounted for loan

While some measure of self-restraint is necessary by banking firms as their returns are better than those of other enterprises. There is little room for local banks to regulate banking rates because they are determined by the President of the Bank of Japan.

In conclusion, the reason why banking rate is so high may be attributed to scanty accumulation of capital as well as fragility of Japanese economy. According to Kogyo Bank survey, the proportions of banking interest to production cost by industries are as follows. This indicates that the effect of banking interest upon enterprises is not so serious that most industrial men complain.

gas supply	1.01%
industrial medicine	2.18%
textile	2.76%
machinery & metallic	1.02%
iron & steel	0.77%
coal mining	2.52%
warehousing	4.95%

5. Effect of removal of subsidy for iron & steel and counter-measures thereof.

The following statement was made by a representative of the Tokuyama Teppan.

It was notified as late as at the end of June that national subsidy for steel which was to be removed on June 30 would be cancelled before that date for budgetary reasons. Loss incurred by this governamental measure is estimated to amount to 1 billion yen. This measure has also brought forth for a while confusion in the steel market and impediment to smooth circulation of steel. In order to keep the present operational level of this industry against the decline in effective domestic demand due to the rise in steel price, there is no other way than to depend on export, promotion of which, however, will also be checked by high price. In view of the above, following steps should be taken.

(a) Maintain prices of coal, crude petroleum, electric power & ore which occupy a big part of production cost on international level.

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(b) Arrangement should be made to acquire fund necessary to improve facilities as well as operating fund required for production on prospect.

(c) In order to get smooth transaction with full knowledge of foreign markets, overseas representatives of trade firms should be despatched.

6. Effect derived from removal of subsidy for chemical fertilizer and counter-measures thereof.

What was stated by Ube Kosan as a representative of producers and respective Kencho men as representatives of consumers can be summarised as follows:

Removal of subsidy for fertilizer will cause seasonal fluctuation of price according to the demand and non-demand seasons. This will give plants troubles in off season by excessive piling up of stocks while the high price in demand season will harass the farmers.

Following items are contemplated as measures to be taken.

(a) Stabilizing price of fertilizer.
(b) Leveling regional difference of prices.
(c) Adjustment of demand and supply of fertilizer as well as price control thereof by releasing stocks of Kodam.
(d) Financing farmers with purchasing funds for fertilizer.

In addition to above, emphasis was laid by prefectural officials on research for effective use of fertilizer, encouragement of composts production and strengthening of agricultural cooperatives as a handling agency of fertilizer.

7. Steps taken to cope with the situation created by application of revised power rate and regulation.

Mr. Hara, chairman of Power Sub-Committee, made an explanatory address on subject above, in which he stated that, generally speaking, increase of power allocation as well as gradual improvement in way of use by consumer plants for the last few months have alleviated the situation to some certain extent. As to thermal power charge, decision was made to reduce 29 sen from 8.89 yen to 8.60 yen per 1 KWH for major consumer plants effective 15 July. He added also that overall revision would be made in or about October.

8. The 6th new ship building program.

Vessel Division Chief, Maritime Bureau, called the attention of all attendants in connection with subject matter to the pessimistic situation by which most shipbuilding companies in Chugoku Region will be confronted.

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Shipbuilding yards in Chugoku Region are constructing eleven new vessels amounting to 70,000 gross ton plus 40,000 tons of conversion of A type vessels. Even with this workload they had to dismiss 47,000 employees in total for the last one year. As the 5th new ship building program is anticipated to be of smaller scale than the 5th, it is a pressing need for them to obtain orders from foreign countries, in order to keep up the present operational level. On the other hand, removal of subsidy for steel, which will naturally cause rise in unit construction cost, makes it difficult to secure overseas orders. Such being the circumstances, shipbuilding enterprise in Chugoku Region is on the dark road.

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FIELD TRIP REPORT

R.G. STRADLEY

11 August 1950
Hiroshima

1. Purpose:

To attend the 17th Chugoku Regional Economic Recovery Committee.

2. Background:

Surveillance in accordance with O.D. 11, 10 April 1950.

3. Discussion:

a. Mr. Fujita, President of the Fujita-Gumi K.K. and chairman of Chugoku Federation of chambers of Cimmerce and Industry was introduced as the new vice-chairman of this committee to take over theposition vacated by Mr. Takewaka, the former vice chairman and Director of Regional ESB.

b. Mr. Omori, the new chief of Economic Board and concurrently the new chairman of this committee announced a few revisions to be made of the Regional Economic Recovery Committee Regulations as follows:

The names of "Chief of Hiroshima Railway Bureau" and "Chief of Ube Coal Bureau" be deleted from Article 2 and "Chief of Hiroshima Railway Administration Bureau" be inserted instead as the result of the recent changes in the said governmental structures.

c. It is presumed that the total tonnage to be allocated to the shipbuilders in the whole country according to the Six Period Shipbuilding Program will be somewhere around 150,000 tons. The consensus of opinion was that the above tonnage is too low to warrant a appreciable volume of orders to the Chugoku Region which has been allotted one fourth of the total tonnage for the Fifth Shipbuilding Program as follows:

Status of the Fifth Shipbuilding Program in Chugoku Region

Classification	No. of Ship	Total Tonnage	Total Value
Chugoku Region	11	69,700 ton	¥ 5,194,000,000
Whole Country	45	277 540	Approx ¥ 22.000.000,000

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Prospective effects of the Six Shipbuilding Program on Chugoku Region are as follows:

Surplus workers involved balance

Prospective Allocation	1950 Aug.	1950 Nov.	1950 Feb.	1950 May.	Between revenue and expenditure
In case of no allocation	132	1,745 10%	5,817 34%	7,410 43.2%	¥ 1,015,136,000
5 Ships	17	1,269 7.4%	3,471 20.2%	4,660 27.2%	¥ 545,309,000
8 Ships	0	166 1%	1,725 10%	3,184 18.6%	¥ 525,412,000
10 Ships	0	146 0.8%	1,204 7%	1,656 9.7%	¥ 600,100,000

NOTE: The above table is based on a survey conducted on the shipyards that are connected with receiving orders according to the Six Period Shipbuilding Program i.e., Mitsui Tamano, Hitachi Innoshima, Hiroshima West Japan, Hitachi Mukaishima, Kasado Dock, Sanyo Takuma.

It is also based on the assumption that the Mitsui Tamano would get orders for 5 ships; Innoshima 3; West Japan 2; Mukaijima 1; Kasado 1; and Sanyo 1.

% indicates the ratio as compared with the aggregate total of 17,104 workers.

The shipyards capable of building a steel vessel of 4,000 tons or over are qualified for receiving order according to the Six shipbuilding Program.

In view of the fact that the more orders Chugoku Region gets out of the Six Shipbuilding Program, the more work will be spread over many enterprisers connected with the shipbuilders such as in the lines of machines, paints, furnitures, electrical appliances, etc., therefore, it is essential, they contended, to file a petition with the central government authorities concerned so that the reported total tonnage of 150,000 ton may be substantially increased. The motion was unanimously carried and chairman Omori stated that he would immediately take action to that effect.

Chiefs of the Chugoku Telecommunication Bureau and Hiroshima Postal Service Bureau briefed the committee members on the status of rehabilitated services of their Bureaus.

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Hiroshima Overseas Telephone Office has been recently opened at the Hiroshima Telegraph Office, Moto-machi, Hiroshima City. Information on the service area abroad and yen rate is in our file.

The chief of Chugoku Tele-Communication Bureau reports to Capt. Caswell its monthly activity. However. he requested thisheadquarters, in light of frequent obstructions being perpetrated by subversive elements on the communications, to take up the matter with the police at the time of conferences with them in the future.

e. As the representative of Hiroshima Bureau of MITI faild to be present at the meeting no explanation on electric power situation was made as was previously scheduled.

4. Conclusions:

Mr. Omori, the new chairman. presided the meeting orderly and in a democratic manner.

With considerable changes among the representatives of private industry and labor and with new chairman and vice-chairman the Region Economic committee appears to be improving in many respects.

5. Recommendations:

It was recommended to the members that:

a. Efforts be made by the new representatives. who are inherently connected with the economic recovery of the country. to contribute to the objectives for which the committee was originally established.

b. The high standards of tele-communication and postal services be continuously maintained and further improved as they contribute to a large extent to a nation's industries culture and civilization.

R.G. STRADLEY
Chief, Distribution and
Industry Division

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CHUGOKU LIAISON AND COORDINATION OFFICE

File

CHL No. 212 (TK) 15 September 1950

SUBJECT: The 18th Chugoku Regional Economic Recovery Committee.

TO : Chief, Chugoku Civil Affairs Region
(Attn: Chief, Economic Section)

Submitted herewith for your information is a report on subject conference, held on Sep. 8 at the Hiroshima Economic Bureau.

OSAMU ITAGAKI
Director
Chugoku Liaison & Coordination Office.

Inclosure: Summary minutes of the conference as per attached sheets.

18 Sept '50

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Summary Minutes of the Meeting

1. Recent Economic Trend in Japan

Following address was made on subject above by coordination Div. Chief of Hiroshima Economic Bureau.

a. The reason why essential basic materials have now risen up in price is mainly due to the rise of those materials in the world market, but not to the unbalance in demand & supply thereof in the domestic market. Hence, it is presumed that the present rising trend in prices of commodities will be stabilized.

The Government has no intention of reopening economic control over various commodities, accordingly. It has been decided, however, that supervision will be made to illegal dealers, whose conducts of unfairly raising price and hoarding should be stemmed by transfer order or some other appropriate measures.

b. An utmost effort is being rendered by the Government to attain a self-supporting economy, basing upon the 3 principles i.e. 1) development of foreign trade 2) raising self-feeding ratio in Japan 3) driving the national overall development program. As for the foreign trade, it is in a favorable condition, showing $65,000,000 of export in June, $74,000,000 in July respectively. Hence, it is quite sure to amount at least to $700,000,000 in export for this fiscal year, whereas the import, which is necessary to keep up our progressing export, is smoothly being done in-as-much as essential raw materials such as cotton, wool, iron ore, petroleum, rock phosphate, crude rubber etc. to say nothing of rice and flour, are slated to be imported with advance import funds amounting to 74 million dollar and with automatic authorization system import funds. As for "Tokuju", a special demand, findings collected by Industry Bureau, Price Bureau and Chamber of Labor of Economic Stabilization Board reveal that the "Tokuju" contracts up to the end of Aug. amount to 58 million dollars equivalent to 20.8 billion yen. A major demand is for motor vehicles amounting to 10 million dollars and there is a possibility of oppressing the domestic market.

2. Economic Investigation made by Economic Stabilization Committees of the House of Representatives into Chugoku Region.

A representative of Hiroshima Economic Bureau made an explanation on subject above as follows:

Messrs. Iwakawa & Nagai, economic stabilization committees, H.R. made an inspection trip over Chugoku Region for a period from Aug. 21 to 23, especially making minute surveys on Asahigawa Overall Development Program in Okayama, Kurashiki Rayon Co. in Kurashiki, Toyo Kogyo K.K. in Hiroshima and Sanyo Pulp K.K. in Iwakuni. They accepted also as many as sixty and odds petitions covering various

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subjects, such as preservation of forest, flood control, electric power, medium and minor enterprises, fertilizers, etc.

3. Trend of Power Supply and Demand

The following address was made by Power Division Chief of Hiroshima IT & I Bureau on subject above as follows:

The natural flow for the month of August generated 66,700 kw in average. This dearth of water, which shows the lowest record for the last five years, is next to that in 1939, which was the severest one in recent years. The reason why despite this severe dearth of water a big difficulty was not encountered in power supply & demand can be attributed to the completion of Kaminose Power Generating Plant as well as Chugoku main transmission line and also the improvement of facilities in Okayama Sub-station. Abundance of water in the central part of Honshu and in Kyushu Region also contributed to alleviate the bad power situation created in Chugoku Region.

4. Elimination of Disqualified Persons in the Electric Power Enterprise.

In connection with the anouncement of dismissal made by Nippatsu and power distribution companies or Aug. 26, the following deliveries were made by Vice-President of Chuhai, Guard Division Chief of National Rural Police and a representative of Densan Labor Union, respectively.

The gist of address made by Vice-President of Chuhai.

In view of the peculiarity of the power enterprise whose up-keep in safety is essential for maintaining social order and welfare, decision was made to lay off those elements who might be considered harmful. The total number of persons dismissed in Chugoku Region amounting to 75(Chuhai 50: Nippatsu 25) indicates a relatively low figure in comparison with 2,137 persons dismissed throughout Japan. One of Chuhai and two of Nippatsu out of 75 persons refused to accept the suggestion of the companies for resignation and the companies had to send dismissal notes to them. The outline of delivery made by Mr. Sogabe, Guard Division Chief, Hiroshima MRP.

MRP does not interfare with labor affairs in principle. However, as the effect to be produced by this dismissal could not be neglected, necessary measures were taken from an independent standpoint of MRP to protect key power facilities with the stationing of an appropriate number of guards. Fortunately, nothing has happened since the anouncement of the dismissal. In view of the order and tranquility which have prevailed, guards stationed at these facilities will be called off shortly.

The outline of Mr. Hashimoto's address.

Since the criticism made to the Japanese Communist Party by the Komin form last February and the subsequent drastic change of J.C.P. policy.

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a move to eliminate communistic elements has occurred inside the Densan Labor Union. Owing to the fact that the action coincided in time with the dismissal made by the companies, misunderstanding has been conceived by the general public to the effect that the Densan L.U. tied up to lay those harmful elements off together with enterprisers. It is a misunderstanding.

There are some persons among the dismissed who have now turned to a moderate view. An effort is now being made for those persons by D.L.U. to make them resume their jobs.

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FIELD TRIP REPORT

Edward Kawamura

Hiroshima
8 August 1950

1. Purpose: To attend the 18th Chugoku Regional Economic Recovery Committee at the Hiroshima Regional Economic Bureau.

2. Background: Surveillance in accordance with O.D. 11.

3. Discussion:

a. Chief of Coordination Department of the Economic Bureau briefed the members on the current economic trends with respect to the central government policies, national budget, clothing coupon system, Deposit Bureau Fund, etc. Mr. Sekiya, chief of Ship Department of Chugoku Maritime Bureau stated briefly that negotiations are underway between GHQ, SCAP and ESB and the Ministry of Transportation to obtain the additional 3 billion yen from the U.S. Aid Counterpart Fund over and above the 6.3 billion yen as previously earmarked for the Sixth Period Shipbuilding Program and that when approved, the aggregate total tonnage to be built under the Sixth Period Shipbuilding Program would amount to around 300,000 tons.

b. Mr. Mochizuki, chief of No. 2 Section of the Economic Bureau reported the activities of two members of Parliament, Messers, Iwakawa and Kagawa who toured in Okayama, Kurashiki, Hiroshima cities and Otake-machi during the 21-23 August 1950. The Asahi River Project, the rehabilitation of Hiroshima city, effects of the Korean war in the region were among the many subjects brought to their attention. Major plants inspected in the course of their tour were Kurashiki Rayon, Shinko Rayon, Sanyo Pulp and Toyo Kogyo plants.

c. Mr. Kojima, chief of Electric Power Department of Hiroshima Bureau of MITI made a brief explanation of the current electric power situation by quoting pertaining figures from the "Actual and Prospect Supply and Demand of Electric Power in Chugoku Region in August and September in 1949 and 1950" and "Table showing the supply of electric power and graph indicating the regional thermal power curves both in the periods before and after the construction of two additional trunk circuits" which are in our file.

It is significant to note that the average natural stream flow for August was estimated at 66.700 KW which is the lowest recorded in the past five years (1945-1949) and is equivalent to 78.8% of the monthly average in the past 8 years (1942-1949).

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In spite of the such extra-ordinary dry season there has been no difficulty in the supply of electric power in August 1950 by virtue of the facts that (1) the complextion in February 1950 of the Kannose Power Station (Authorized capacity 20,000 KW), (2) the Chugoku and Fukuyama trunk transmission lines and Okayama Substation facilities have been respectively doubled in their capacity and enabled this region to receive 130,000 KW from the Kansai District, (3) the generation power of the thermal power generation stations has been restored to the pre-war level and (4) the extremely high natural stream flow in Kyushu made it possible to supply electric power to this region.

d. Vice-president of the Chugoku Haiden, NRP representative and Mr. Hashimoto, chairman of Chugoku Chapter of Densan presented the different view points in relation to the recent mass-discharge of the rodical elements among the electrical industry workers union. To date no damage to electric facilities and use of violence due to the retrenchment have been reported. Status of retrenchment is as follows:

Classification	No. of Prs discharged	No. of Prs who complied with discharge	No. of Prs who rejected discharge
Chugoku Haiden Co.	50	49	1
Chugoku Branch of Nippatsu Co.	25	23	2
Total	75	72	3

e. The members of the Committee were requested to bring with them some concrete data on the following subjects at the next meeting. Mr. Mochizuki especially urged the private company representatives to contribute to discussions.

Prospects of the demand and supply of firewood, charcoal, and cotton goods in the near future.

Prospects of the production and delivery of rice.

Future supply of bleaching powder and other chloride.

4. Conclusions:

With the exception of the explanation on the current electric power situation the subjects discussed today were relatively of general nature with little insight to the root of the problems.

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The presence of 12 representatives from nine private companies and three labor unions and the voluntary expression of Mr. Hashimoto on the mass-discharge of electrical industry workers from the sound union stand point were gratifying to observe at the meeting.

5. Recommendations:

None

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CHUGOKU LIAISON AND COORDINATION OFFICE
KURE, HONSHU

CHL No. 200 (TK) 24 August 1950

SUBJECT: The 17th Conference of Chugoku Regional Economic Recovery Committee

TO : Chief, Chugoku Civil Affairs Region
(Attn: Chief, Economic Section)

Submitted herewith for your information is a report on subject conference, held on Aug. 11 at Hiroshima Economic Bureau.

Osamu Itagaki

OSAMU ITAGAKI
Director
Chugoku Liaison & Coordination Office

Inclosure: as per attached sheets

Encl 1 - 42 - 47

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CHUGOKU LIAISON AND COORDINATION OFFICE

23 August 1950

Summary Minutes of the Meeting

1. Amendment to the Committee regulation

Decision was made to delete Chief of Hiroshima Railway Bureau & Chief of Ube Coal Bureau out of the Committee members and to add Chief of Hiroshima Railway Control Bureau thereto due to the abolition of the former two bureaus and the new establishment of the latter.

2. The 6th New Shipbuilding Program

Vessel Division Chief of Hiroshima Maritime Bureau made a statement at the last conference on subject above, in which he explained various difficulties most shipbuilders are confronting (reference: CHL No. 192). In connection with the above, Hiroshima Economic Bureau took up the matter and made a proposal to submit to CCAR, Ministry of Transportation, ESB and other Authorities concerned a petition to the effect that the amount of the 6th shipbuilding be maintained to the same level with that of the 5th.

This was agreed by all committee-members who were present. The following supplementery explanation was also made by Vessel Division Chief of Maritime Bureau in connection with his statement made at the last meeting.

The amount of new ships constructed and being constructed throughout Japan in the past one year is roughly estimated 400,000 gross tons (construction under the Programme: 300,000 tons, construction under overseas orders: 100,000 tons), while the construction capacity in the whole country is estimated about 800,000 gross tons. It can be said, therefore, that shipbuilding enterprise is obliged to reduce its operation to half of its capacity.

Future prospect also reveals that Chugoku shipbuilding enterprise will be confronted by a more serious situation with the difficulty of getting overseas orders, due to high construction cost originated from removal of steel subsidy and also the possible reduction of the 6th construction program by half, compared with the 5th.

A

List of Surplus Personnel on Prespect of
the Main Shipbuilding Companies in Chugoku Region

	July 1950	August 1950	Sept. 1950	Out 1950	Nov 1950	Dec 1950	Jan 1951	Feb 1951	Mar 1951	Apr 1951	May 1951
In case no vessel obtained in 6 period programme	181	132	496	1,603 (9.3)	1,745 (10.0)	4,125 (24.0)	5,022 (29.3)	5,817 (34.0)	7,172 (41.8)	7,088 (41.3)	7,410 (43.3)
In case 5 vessels obtained in 6 period programme	62	17	93	828 (4.8)	1,269 (7.4)	2,748 (16.0)	2,910 (17.0)	3,471 (20.2)	3,803 (22.2)	4,235 (24.7)	4,660 (27.2)
In case 8 veseels obtained in 6 period programme	0	0	135	221 (1.3)	166 (1.0)	1,123 (6.5)	1,353 (7.9)	1,725 (10.0)	1,212 (7.0)	2,238 (13.0)	3,184 (18.6)
In case 10 veseels obtained in 6 period programme	0	0	132	147 (2.8)	146 (0.8)	917 (5.8)	1,035 (5.9)	1,204 (7.0)	343 (2.0)	902 (5.2)	1,656 (9.7)

Remarks: Above-list is compiled with data collected from Mitsui Zosen, Tamano Dockyard, Hidachi Innoshima Dockyard, Hidachi Mukaishima Dockyard, Western Japan Hiroshima Dockyard, Kasado Dockyard and Sanyo Zosen, which are highly interested in 6 period construction program.
Figures in ( ) indicate proportion to the number of whole laborers (17.104) employed in these companies.

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B

Income & Outgoing Expense on Prospect for the Year (from June 1950 to May 1951) of Main Shipbuilding Companies in Chugoku Region

Unit: 1

	Income						
	Vessel				Miscell-aneous	Engine works	Gr to
	New construction	Conversion	Repair	Total			
In case no vessel obtained in 6 period progm.	4,167,638*	1,130,330	596,450	5,894,418	771,923	135,310	6,80
In case 5 vessels obtained	5,882,486	1,004,330	596,450	7,483,266	771,923	135,310	8,3
In case 8 vessles obtained	7,144,934	1,004,330	596,450	8,745,714	1,459,746	135,310	10,3
In case 10 vessels obtained	7,520,672	1,004,330	596,450	9,121,452	1,459,746	135,310	10,7

Remarks: Above list is compiled with data collected from the same companies mentioned in "A"

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(from June 1950
oku Region

Unit: 1,000 yen

			Outgoing expense				Balance
iscell-neous	Engine works	Grand total	Material	Labor	Overhead expense	Total	
771,923	135,310	6,801,651	3,406,506	3,391,174	1,019,107	7,816,787	-1,015,136
771,923	135,310	8,390,499	4,254,442	3,560,910	1,120,456	8,935,808	-545,309
,459,746	135,310	10,340,774	4,932,324	3,674,740	1,208,298	9,815,362	525,412
,459,746	135,310	10,716,508	5,178,566	3,696,740	1,241,102	10,116,408	600,100

mpanies mentioned in "A" list.

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3. Rehabilitation of tele-communication & postal service in Chugoku Region. Delivery was made on subject above by representatives of Chugoku Tele-communication and Hiroshima Postal Administration Bureau respectively as follows:

a) Tele-communication

Tele-communication works in Chugoku Region suffered serious damages incurred by excessive use of facilities and air-raid against main cities during the war-time. Specially, the facilities in Hiroshima City were competely destroyed by an atomic bomb to such an extent that their function was totally suspended for the time being.

Backed up by the general opinion so as to speddily rehabilitate tele-communication facilities and regularize the operation thereof, the utmost efforts rendered by the authorities with the aid of organizations concerned have succeeded in reaching prewar level in its facilities and operation thereof.

1) Telephone

A list indicating progressive trend of no. of subscribers in Chugoku Region

as of the end of	1938 FY	60,414
"	1941 FY	63,922
"	1947 FY	58,000 (estimate)
"	1948 FY	61,615
"	1949 FY	68,661

Extension status of telephone subscription by prefectures
(as of the end of March, 1950)

Pref.	No. of subscribers	Population	No. of subcribers per 100 heads
Hiroshima	21,241	2,045,923	1.07
Tottori	5,853	592,863	0.97
Shimane	6,643	903,576	0.74
Okayama	17,648	1,680,285	1.05
Yamaguchi	17,276	1,505,532	1.15
Total	68,661	6,728,179	1.02

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Extension ratio 1.02 indicated above is less than that of 1940, which shows 1.11 per 100 heads. It is anticipated, however, that no. of subscribers per 100 heads will reach 1.16 with increase of 10,000 subscribers by allocation at the end of 1950 FY, thus getting over prewar level.

Rehabilitation of war-damaged telephone installations. In the prewar time there were 22,500 installations subscribed in Chugoku war-damaged seven cities, out of which, 22,000 installations equivalent to 94% of the total were damaged by the war. Number of telephones in operation of these cities has now reached 20,600, having rehabilitated 91% of prewar level.

Rehabilitation of trunk circuits (as of 1 March 1950)

Prewar circuits number	Circuits number damaged	Percentage of damage	Circuits number rehabilitated	Percentage of rehabilitation	Present circuits number
1,636	619	38%	997	123%	2,014

Above list reveals that number of present circuits has already surpassed that of prewar level by 23%. Even with this number, it is still far to meet demand of trunk calls, due to the fact that increase of trunk circuits is unable to comply with trunk call demand.

2) Telegraph

Rehabilitation of telegraphic circuits (as of 31 March 1950)

Prewar circuits number	Circuits number damaged	Percentage of damage	Circuits number rehabilitated	Percentage of rehabilitation	Actual circuits number
237	125	53%	156	113%	268

Trend of telegraph utilization.

Number of telegraphs dispatched has increased from year to year after the end of War up to reach 6,330,000 at the end of 1949 Fiscal Year, whose figures are more or less equivalant to those in 1938. Actual monthly utilization ratio of domestic telegraphs is as follows:

Hiroshima	Pref.	1 to 12.8 heads
Tottori	"	1 to 18.4 "
Shimane	"	1 to 16.8 "
Okayama	"	1 to 15.7 "

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Yamaguchi Pref.	1 to 11.4 heads
Average in Chugoku Region	1 to 13.9 "
Average in the whole country	1 to 12.0 "

b) 1) Number of mails & percels handled.

Number of mails handled for the fiscal year 1949 in Chugoku Region amounts to 200 million, whose figures surpass those of 1948 by 6%, but still far to get to prewar level. Number of percels handled for the same FY amounts to 2,400,000, which show decrease by 6% and 43% respectively, compared with figures in 1948 and 1939.

2) Hours required for delivering mails.

Delivery point	Ordinary mail	Express
From Hiroshima to Tokyo	3 days	32 hours
" to Nagoya	3 days	16 hours
" to Osaka	2 days	11 hours
" to Okayama	2 days	8 hours
" to Matsuyama	2 or 3 days	20 hours
" to Tottori	2 or 3 days	17 hours
" to Matsue	2 or 3 days	30 hours
" to Yamaguchi	2 days	10 hours

On above list are shown hours required for delivering mails at present, which are still slow in delivery, compared with those in prewar time. The reason why it takes more time in delivery than in prewar time is attributable to decrease in number & circuits of carry-mail trains.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSG NO. _____

CHUGOKU LIAISON AND COORDINATION OFFICE
KURE, HONSHU

CHL No. 175 (TK) 22 June 1950

SUBJECT: Report on the 15th Chugoku Economic Recovery Committee Conference.

TO : Chief, Chugoku Civil Affairs Region
(Attn: Chief, Economic Section)

Submitted herewith for your information is a report on subject conference held on June 9 at the Hiroshima Regional Economic Bureau.

Osamu Itagaki
OSAMU ITAGAKI
Director
Chugoku Liaison and Coordination Office.

Inclosure: as per attached sheets.

I-42-R

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DECLASSIFIED E.O. 12065 SECTION 3 402/NNBS No:

Major Matters Covered by the Meeting

1. General view of Chugoku Region against a Overall Regional Recovery & Development Tentative Plan prepared by Central ESB.

Mr. Nozawa, assistant superintendent, Secretariat of Chugoku Regional Overall Development Committee, briefly outlined the circumstances under which decision has been made as to how to get local amendment opinions to the plan into shape and as to where to lay particular emphasis on as follows:

a. Manner of investigation

At the Chugoku Regional Overall Development Committee meeting held on March 11, decision was made that this committee should be responsible for compilation of local amendment plan to the Central ESB tentative plan and that the following survey divisions should be set up within this committee to cover each specilized field.

General Affairs Division

Chief:	Director, Hiroshima Economic Bureau
Members:	Chiefs of each division
Object of study:	Liaison & Coordination of each division, population & employment problem

Agriculture, Forestry & Fishery Division

Chief:	Chief of Planning Division, Okayama Agricultural Land Office
Members:	Section Chiefs, local gov'ts & local government agencies concerned
Object of study:	matters concerning agriculture, agricultural land, forest, linestock & fishery

Public Works Division

Chief:	Chief of Planning Division, Chugoku & Shikoku Construction Bureau
Members:	Section Chiefs, local gov'ts & local government agencies concerned

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Object of study: reconstruction of damaged area, flood control, irrigation, drainage, reclamation of land and housing & school project

Transportation & Communication Division

Chief: Chief of Engeneering Division, Hiroshima Railroad Bureau

Object of study: Matters concerning railroad, maritime & land transportation, communication and sight seeing

Industry & Power Division

Chief: Chief of General Affairs Division, Hiroshima ITI Bureau

Object of study: Matters concerning industry, mining & electric power

b. Wherein stress should be placed in connection with a local revision plan to be prepared?

Discussion at the General meeting on April 4 attended by members of all survey divisions, reached the conclusion that this survey should be, as a fundamental policy, developed basing on a standpoint whether or not investment takes effect, however, consideration should also be given to development of backward area, such as San-in Area, for the reason that this area would be placed on unfavorable condition in that respect, speaking only from the view-point of investment-effect.

c. Progress of the survey made to set forth local revision plan.

Findings of the survey made by each division were presented to the Chugoku R.O.D.P. Committee opened on 8 June for discussion & study. As result, it was determined that further amendment and addition to the plan would be required and that the corrected plan would be resubmitted for further discussion by General Affairs Div. and then it would be forwarded to Tokyo ESB.

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2. "Nishiki" River Overall Water-Resources Development Special Committee.

Mr. Hara, Director of Hiroshima IT & I Bureau, summarized the purpose & intent of the subject Special Committee recently established as a part of Chugoku Regional Overall Development Committee as follows:

The subject Special Committee is aimed not only to make a overall development plan of the Nishiki River area, by making extensive survey of Nishiki River water resources from the view point to aid flood control, supply of irrigation & industrial water, and to produce, hydro-electric power: but also to contribute to the exploitation of national resources.

Organization of the Committee

Chairman: Director, Hiroshima IT & I Bureau

Advisor: Director, Chugoku & Shikoku Construction Bureau
Director, Oksyama Agricultural Land Office
Director, Hiroshima Regional Economic Bureau
Director, Hiroshima Land Transportation Bureau
Director, Hiroshima Railway Bureau
Governor, Yamaguchi Prefecture
Chairman, Yamaguchi Prefectural Assembly

Committeemember: Mayor, Iwakuni City
Mayor, Tokuyama City
Mayor, Kudamatsu City
and officials in eharge, local government agencies concerned & Yamaguchi Prefectural Gov't

The Area where survey will be made

a. The mainline of the Nishiki River
b. Iwakuni, Tokuyama, Kudamatsu Cities and outlying area

Way of survey

a. The first survey will be conducted on utilization of water at the adjacent area of the Nishiki River mainline as well as Iwakuni, Tokuyama, Kudamatsu.

b. The second survey will be conducted on utilization of water, flood control, and mining at the area of the Nishiki River tributaries.

c. In order to take care of this survey, the following sub-committees will be set up.

Hydraulic utilization subcommittee
Industrial subcommittee
Transportation subcommittee

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3. Research on the feasibility of utilizing Yamaguchi anthracite as a substitute fuel of motor vehicle.

As a direct measure to dispose of excessive piling up of coal stocks and as an indirect measure to aid flood control to a certain extent by eliminating reckless cutting down of fire wood for use as a substitute fuel, Mr. Yamamoto, Hiroshima ESB, presented a plan in which he proposed the use of Yamaguchi anthracite as a substitute for fire wood or charcoal being generally utilized as a fuel of motor car.

In reply, rep. of Hiroshima Land Transp. Bureau explained the actual trend of fuel consumption by motor car in Chugoku Region and endorsed the possibility of using anthracite as a substitute fuel as follows;

Fuel consumption by motor car for 1950 Fiscal year in Chugoku Region is estimated to amount to about 64,000 KL, of which 52.8% will be gasoline and 47.2% substitutes. Of the total quantities required for substitute fuel, about 20,000 tons of firewood and 15,000 tons of charcoal are short in supply. This will mean the further reckless cutting down of wood as substitute fuel.

In view of above, it is considered a pressing need to make thorough study of the practicability of utilizing Yamaguchi anthracite in lieu of charcoal and firewood but the following conditions must be met if the coal were to be used as substitute.

Substitute fuel, as a general, must have the following quality;

1. even calorification
2. less moisture
3. high fusion temparature, less clinker
4. prompt gas generating quality
5. less damaging effect to engine

In addition to quality of coal, there are some other factors, such as additional cost required to convert charcoal or firewood gas generator into coal gas generator, the study for which also cannot be neglected. The discussion has arrived at a conclusion that a thorough research and study is required before the project can be realized. Decision was made that Hiroshima Land Transp. Bureau, Ube Coal Bureau and Yamaguchi Pref. collect pertinent data and forward it to Hiroshima ITI Bureau so that subject will be taken up again for further discussion at the next meeting.

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4. Mr. Stradley's comment

What was delivered by Mr. Stradley at the end of meeting is summarized as follows:

a. Two troubles industrial circle envisages

There are two troubles at present with which businessmen worry themselves.

One is high power charge, having effect upon production cost, solution of which is being studied by Hiroshima IT & I Bureau in order to take necessary measures. Another is high interest of loan, which actually ranges from 10% to 14% per year. It is very high in comperison with the rate of interest in the world which averages from 5% to 7%.

Why is it so high?

According to informal informations, it is said that most of banks not only pay 20% of dividend to stockholders, but also expend special allowance plus good salary. Is it not significant to check into this matter and study the high interest which troubles most industrial men?

For Mr. Stradley's suggestion, Mr. Yokoyama, Chairmen of the Committee, replied that the matter would be taken up and studied by the Financial Sub-committee.

b. Allocation of Budget

They say that public work funds allocated by the Central Gov't for 1950 JFY are not available, hence works are unable to start yet.

Therefore, study on budgetary arrangement should be done so as to enable public works to start as soon as possible. Mr. Wakuda in turn stated for this question that trouble was not to get allocation of funds, but to get audit, which was recently obtained with aid of Col. Kowalski, CCAR.

c. Attendance of industrial leaders

In this meeting, discussion has been developed with attendance of six industrial leaders. However, it is desirable to have this number increased five times as many in the future.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

FIELD TRIP REPORT

R. G. STRADLEY

9 June 1950

1. Purpose:

To attend the 15th Chugoku Regional Economic Recovery Committee.

2. Background:

Surveillance in accordance with O.D. 11.

3. Discussion:

a. Major opinions regarding the tentative plans for the recovery and development of Chugoku Region.

Mr. Nozawa, deputy chief of Secretariat stated;

(1) Five investigation committees have been formed to study the problems of population, mining and marine products, agricultural and forestry, public work, transportation and communication for the recovery and development of Chugoku Region. The details of which will be printed and distributed to the members of the committee in the future for further study prior to the final submittal to the central ESB.

b. Management of the special committee for overall development of the Nishiki River. Mr. Hara, director of Hiroshima Bureau of MITI briefly outlined the progress made by the special committee on the overall development of the Nishiki River as follows:

(1) Date of preparatory meeting, 2 May 1950.

(2) A spot survey by approximately 80 persons concerned was made on 19 May 1950.

(3) Objective,

construction of power station, utilization of irrigation and industrial water.

(4) Area concerned,

Main stream of Nishiki River,
Iwakuni, Tokuyama, Kudamatsu areas.

Their neighboring areas.

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(5) Final plans for the overall development of the Nishiki River will be formulated in the latter part of December 1950 and final proposal will be made to the plenary session in January 1950.

c. Electric power situation.

"The actual and prospect supply and demand of electric power in Chugoku Region in May and June, 1949 and 1950" is in our file.

d. Study on the use of Yamaguchi Anthrasite coal as fuel for the automobile.

Mr. Yokoyama, chief No. 1 Section, Economic Board (Former ESB) presented the following data and requested opinions on them from the members present;

(1) Cost, (Raw material)

approximately 1/3 of firewood,
1/4 of charcoal,
1/6 of gasoline.

(2) Installation of equipment,

¥30,000 for new one,
¥15,000 for remodelling the charcoal burning equipment.

(3) Speed attained, about 63 kilometer per hour.

Mr. Yokoyama suggested an intense study be made on the use of Yamaguchi Anthrasite coal in view of about 100,000 tons of anthrasite stock pile in Yamaguchi, shortage in charcoal and firewood in winter, prevention of reckless cutting of timber. Mr. Yokoyama stated that he could not guarantee the above data to be correct. A representative of Land Transportation Bureau, having summarized the present status of consumption of different kinds of fuel by car, number of cars, kind of substitute fuel used, suggested that the study on the use of Yamaguchi Anthrasite as fuel for automobile be made with respect to its heat value, compactness, simple device of equipment, moisture, ash content, uniform shape, quick generation of gas, effects on valves and piston-rings, melting point of ash, and the equipment that must be easy to handle and repair.

Hiroshima Bureau of MITI will consolidate the data on the subject matter in the future.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

e. Reports by the Secretariat.

(1) Securities countermeasures.

Mr. Yokoyama stated that the ban on "Shikiri Baibai" or transaction of shares by the members of stock Exchange through the registration with the stock exchange has been partially relaxed and that he referred the securities countermeasures brought up at the previous meeting to the Director of Central ESB when the latter came to Okayama on 22 May 1950.

(2) Unemployment relief measure.

Vice-Governor Wakuda stated that with BCOF unit going home in the near future approximately 8,000 people who are serving with BCOF Units in Kure and Hiro area as interpreters, house girls, etc., will be thrown out of jobs and that this matter will be presented to the committee in the future to realize some special countermeasures.

4. Conclusion:

a. As thermo and hydro electric power generation facilities have improved recently there is no necessity of restricting power supply in the foreseeable future, stated Mr. Hara.

b. The conference was started punctually at the designated time and conducted in a democratic manner.

c. The name of ESB was changed into Economic Board (Keizai Kyoku) and consists of former ESB, EIA and Price Board. Mr. Takewaka is temporarily acting as its director.
The director of the EB will be official appointed in the latter part of June 1950.

5. Recommendations:

a. The members present were advised to study the prevailing high rate of interest on the loans from the bank and to see if something can be done about it.

b. Attendance to the conference by private citizens five times the todays six persons was encouraged for the conference.

RGS

R. G. STRADLEY
Industry Division.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

Mr. Steadley
+
file

CHUGOKU LIAISON AND COORDINATION OFFICE
KURE, HONSHU

CHL No. 154 (TK) 22 May 1950

SUBJECT: Report on the 14th Meeting of Chugoku Economic Recovery Committee.

TO : Chief, Chugoku Civil Affairs Region.
(Chief, Economic Section)

Submitted herewith for your information is a report on subject meeting, held on 12 inst. at Hiroshima ESB.

Osamu Itagaki
OSAMU ITAGAKI
Director
Chugoku Liaison & Coordination Office.

as per attached sheets.

I-42-2

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. _____

A Gist of Matters Covered by the Conference

1. Action to be taken for the jobless.

Mr. Hashimoto, representative of Power Labor Union (Densan) outlined the current employment problem as follows:

The unemployment problem had been virtually obscure under the swell of rising inflation tide at the early stage of occupation. But the balanced budget having been strictly maintained by the government, it has began to loom into the limelight since last spring. Thus, this issue has forced the government to regard it as an acute social problem. Then, what should be done to cope with it? It needs, as its fundamental counter-measures, shifting the direction of national economic policy. But such action requires drastic change of the whole economic system. The only emergency & concrete measure, which will bring a workable solution for it, will be the extensive undertaking of such public works as development of hydro-electric resources, flood control, irrigation, road construction & housing project, wherefore a large percentage of unemployment can be absorbed. To improve and expand the existing unemployment insurance system is essential to provide for more adequate compensation to those being out of job.

In connection with Mr. Hashimoto's address, Chairman of the Committee requested representatives of five prefectural Governments to explain the actual situation of unemployment in their respective areas and the action taken therefor.

In response to the chairman's request, the first delivery was made by Okayama Kencho man, whose talk can be summarized as follows:

According to statistics on employment compiled by Public Employment Security Office, demand and supply in labor had been balanced up to April, 1949. Since then, number of the jobless has substantially increased that proportion of a job-seeker against a job available had risen to 4 to 1 and the proportion of a job seeker against one who got a job to 10 to 1 by the end of March, this year.

(1) If reduced this in figures, labor demand & supply for the month of March, this year, reveals the seriousness of its unbalanced status as follows:

Total No.	of job-hunters during March	19,440
"	of situations vacant March	4,555
"	of persons who got job March	2,000

(2) Action taken by prefectural government to cope with the situation
a) with "Emergency Unemployment Relief Works" funds.

No. of the jobless covered by funds from national budget	1,040	per day
No. of the jobless covered by funds from pref. budget	150	"
Total	1,190	

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b) With "Public Works" funds

No. of the jobless covered by the same funds 1,000 per day
In sum, both funds covered only 2,200 per day.
This will provide a laborer with a work only once in every two or three days.

Representatives of other prefectures government who followed him gave the brief account of the unemployment situation in their own prefectures, which revealed that the condition was similar to that of Okayama. When deliveries have come to an end, Mr. Yokoyama asked committee-members whether or not to submit to the competent Central Ministries petition on the items requested by pref. Gov'ts as stated below, which was promptly concurred with by all attendants.

(1) Increase in appropriation for the "Emergency Unemployment Relief Works" funds to cover all jobless day-workers.

(2) Minimize the Regional difference of wage.

(3) Increase "vocational education" funds.

(4) Budgetary arrangement & fiscal prodedure at the end of fiscal year should be so streamlined as to enable continuous flow of funds to finance public works or unemployment relief works.

2. Measures to be taken to cope with depression in securities circles.

In view of the depression in securities circles, mainly attributable to fall-down in price of stocks, both Mr. Yokoyama, chairman of Chugoku Regional Federation of Chambers of Commerce & Industry and Mr. Kamada, managing director of Hiroshima Stock Exchange alternately explained the gloomy & depressed situation of securities market and stated what must be done therefor as stated below in order that long term industrial funds could be acquired thru the stabilization of stocks market.

(1) to make much of local stocks & bonds in order to promote the growth of local industries.
Experience has shown that Bond Coordination Committee and Capital-Increase Coordination Committee (set up in the Nippon Bank), virtually authorized to coordinate issue of bond and increase of capital respectively by taking into account of the market condition, are apt to attach more importance to central bonds and stocks than to the local. Hence, it is necessary to convince them & let them make much of local bonds and stocks as well as they do of the central ones.

(2) Positive back-up for Securities Accomodation Co.

Hiroshima Securities Accommodation Co., recently set up with a capital of ¥ 10,000,000, is reported contemplating action to increase its capital in order to extend its loan capacity. It being considered difficult for them to raise enough money, it is desirable that assistance be extended by the government to enable them to acquire Counter-Aid Funds for the increase of its capital.

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(3) Loan by the Nippon Bank on the security of shares.
In view of the present tight financial condition, it is essential that financial loan be made to commercial banks on the security of shares by the Nippon Bank, which only permits loan on the security of bonds at present.

(4) Lift the ban on "SHIKIRI" transaction (free transaction at any other plase than the stock-exchange) of securities registered in stock-exchange.
"SHIKIRI" transaction is prohibited as required by "Securities Transaction three principles".
This, hindering smooth circulation of stocks, is considered one of the major causes, having created the actual stagnation in securities market, which will be stirred up upon lifting the ban on "SHIKIRI" transaction. At least the ban on buying or selling stocks among members of a stock exchange should be lifted.

(5) Formation of a Securities accepting Co.
In prewar time there were some banks which had accepted securities. However, as there is no such bank at present, it is considered necessary that a certain organization be established in lieu of such bank to perform the function.

After debates as well as explanations thereof having got thru, decision was made with unanimous consent of all attendants to submit petition pertaining to items stated above, not only to such Japanese competent authorities as ESB, Ministry of Finance and Nippon Bank, but also, GHQ, SCAP thru Chugoku Civil Affairs Region. Asked by Chairman of Committee whether or not CCAR would accept and take up the petition, Mr. Keisel, representative of CCAR, replied that it would be decided later upon talk in detail with a few technical committee-members.

3. Coal output for the fiscal year ending 31 March.

General trend of Coal production was outlined by Chief of Ube Coal Bureau as follows:

General trend of coal production in Chugoku Region

(Unit: ton)

	Total output	Amount delivered	No. of laborer	Output per head	No. of coal mine
(A) for the fiscal year of '48, ending 31 March	2,999,287	2,951,610	30,456	96	91
(B) for the fiscal year of '49, ending 31 March	2,792,500	2,658,090	20,385	115.6	64
(C) (B)/(A)	93.1%	90%	66.9%	120%	70.3%

Remarks: Output per head indicates only that of coal mines in Yamaguchi Prefecture.

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FIELD TRIP REPORT

R.C. STRADLEY

14 April 1950
Hiroshima

1. Purpose:

Attending the 13th Regional Economic Recovery Committee meeting at ESB.

2. Background:

Surveillance in accordance with O.D. 51.

3. Discussion:

a. Conferees,

Mr. Yokoyama, Director ESB.
Mr. Yamamoto, Chief of No. 1 Sec., ESB.
Mr. Hara, Director of HITI

Representatives of
Hiroshima Taxation Office,
Hiroshima Finance Office,
Hiroshima Railroad Bureau,
Hiroshima Land Transportation Office,
Hiroshima Maritime Security Office,
Hiroshima Higher Procurator's Office,
Hiroshima District Price Bureau,
Hiroshima Telegram Administration Office,
Hiroshima Branch of Bank of Japan,
Hiroshima Gas Company,
Ube coal Board,
Chugoku and Sikoku Construction Office,
Chugoku Denki Communications Bureau,
Respective (5) Prefectural Commerce and Industry Dept. or Sec. Chiefs
Nippon Kogyo Kawayama Mine,
Tokuyama Teppan Company,
Nippon Kayaku Company,
Regional Chamber of Commerce and Industry,
Government Railway Workers Union,
Mr. Ishido, Densan Union, and others ---- approximately 40 persons.

b. Agenda,

(1) Progress report on electric power rates countermeasure.

(2) Re Electric power situation.

(3) Re Foreign Trade Department meeting.

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(4) Re Securities Countermeasures.

(5) Re Construction of Gan Nishi Railway Line.

(6) Re Current Economic Situation.

c. Proceedings (Summery)

(1) Progress report or electric power rates countermeasure.

Mr. Hara stated that negotiation are going on in Tokyo between GHQ and Price Board as to the reduction of thermo power rate in Chugoku Region taking into consideration the special local conditions especially of the low grade and cheap Ube Coal. Nippatsu, Price Board and other government offices concerned have already agreed on the reduction and only waiting for the GHQ's approval.

(2) Re Electric Power Situation.

Mr. Hara called the attention of members present to the prepared table showing the actual and prospect supply and demand of electric power in Chugoku Region in March and April 1950 as compared with that of 1949 as per attached sheet.

A HITI official in charge of electric power briefly summarized the situation as follows:

The consumption of power in excess of allocation in the case of large consumers registered at 7.9% during February 1950 as compared with 11% in January 1950. This fact, he presumed, is attributable to the efforts made on the part of industrial enterprisers for the rationalization of power consumption, an increased volume in natural flow and additional allocation through the good offices of CIC, SCAP.

Broken down by different type of industry those least affected by the new power rates are utilities, textile, paper, pulp, leather, etc. Cement, pulp and paper manufacturing industries with their own home generation facilities have been affected very little due to the excellent countermeasures taken by them. However, the power represented in the production costs of mining and machine industry are about two and three times that of last year respectively.

(3) Re Report on Foreign Trade Department Meeting which was held at Hiroshima District ESB on the 10 April 1950 at 1400 hrs - 1600 hrs with approximately 45 people attending---chairman Mr. Hara, director of HITI.

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Mr. Walter J. Simmons, general manager of R. J. Del Pan Co. in the Far East, spoke briefly about the CIG (certified Inspection Guarantee), of its objectives, functions and estimated benefits which follows:

One of its major objectives is to eliminate the number of claims (legal or otherwise such as market claims arising out of the fluctuation of prices). The inspector not only examines the products of company but conducts a through study of the company's products -- inspection system and a standardization of various parts of products. The CIG label will be put on the products to signify such certified inspection and guarantee against any claims. A fee of 0.5% of the total amount of FOB price will be charged for the service.

Despite the fact that only about 15 months have elapsed since the CIG was introduced in Japan there are already 31 branch offices functioning in Japan in addition to several offices in the Phillippine, Korea and Thailand.

Addresses of its main office and Hiroshima Branch Office are as follows:

P.O. BOX 601, Tokyo Central Main Office
Zenkoku Nenryo Kaikan,
No. 6 1-chome Ote-machi,
Chiyoda-ku, Tokyo

Tel. 23-1216

Hiroshima Branch Office
Hiroshima Chamber of Commerce
and Industry,
No. 12 [illegible]-machi
Hiroshima City

NOTE: The Del Pan and Co., marine and industrial inspectors and surveyors, forwarderd in Japan was granted permission to do business from GHQ, SCAP by letter No. FI-80 dated 21 May 1948.

(4) Re Securities Countermeasures:

A representative of Regional Chamber of Commerce and Industry opined the prices of securities have dropped to about one third of what they were worth a few months ago.

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Since the democatization of securities was given publicity to the nation extensively a large number of people have bought them and are loosing money in the stock market.

It is necessary at this time to take some concrete action to stabilze the present stalemate condition for the sake of the stock-exchanges and general shareholders.

In answer to Mr. Hara's question as to whether or not the representative of Regional Chamber of Commerce and Industry had any plans to work out a definite measures to be taken, the latter replied in the negative.

Mr. Yokoyama, chairman of the committee suggested that the chamber of Commerce and Industry representative ~~representative~~ as well as other members would study the problem by the next committee meeting and take up the matter again in order to eventually appeal to the Central Government and GHQ, SCAP.

(5) Re Construction of San Nichi Railway Line.

The consensus of the opinion of Hiroshima Railroad and Land Transportation Bureau is the realization of the construction of this railway line will be almost impossible within this fiscal year due to lack of budgetary allocation. An overall survey should be conducted in the first place to substantiate its merits or estimated benefits accruing to the project. According the officials concerned a conference will be held during may 1950 regarding railway construction program and an actual survey will be commenced probably in either this summer or autumn this year.

Mr. Hara, suggested that there is no alternative at the moment but to expedite the survey and the report on the results of the survey should be taken up in the future.

(6) Re Current Economic Situation.

Mr. Yamamoto hastily summerized the current economic situations with regard to foreign trade, monetary operation and tight money, issuance of note of Bank of Japan, stockpiles of various items, rationalization of industry, wages, small and medium enterprisers.

Mr. Ishido, representative of Densan Union requested that the committee should pay more attention to the prevailing unemployment problem in view of the serious condutions in Hiroshima, Mihara and Kure , and that the committee should not be too much wary about the behind the scene elements - the fact is that there are many honest people who are willing to work and can not find jobs.

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The Chairman Mr. Yokoyama answered that although the committee had taken up the very problem before Mr. Ishido became a member of committee and appealed to the Central Government but if Mr. Ishido so wished the matter would be taken up again at the next meeting and that until then Mr. Ishido as well as other members present should study the problem.

4. Conclusions:

Of approximately 16 members from among industry and labor only 8 members from industry and two members from labor were present. These civilian representatives did not stand and speak up as they should.

However, the proceeding of the committee meeting has improved as compared with that of a few months ago.

The next meeting is scheduled to be held on 12 May 1950.

5. Recommendations:

It was recommended to the members present that,

a. The meeting should be commenced at the designated time and members ought to be present at the meeting punctually in view of the valuable time for all members concerned. (Today's meeting was to begin at 1330 hrs but some of the members came to the meeting at 1440 hrs).

b. The number of civilian representatives should be increased for the purpose of giving those who are actually engaged in industry and labor chances to contribute to the discussions at the meeting.

c. As for Mr. Walter J. Simmons the committee will be informed further should there be any information that is deemed valuable for the committee.

d. Regarding the construction of the Gan Nichi Railway Line aside from processing it through the normal government channels it would be wise for the committee to explore the possibility of finding an individual civilian enterprisey who is interested and might invest money in this construction project.

RK

R.G. STRADLEY

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSS No.

Mr. Bradley

CHUGOKU LIAISON AND COORDINATION OFFICE
KURE, HONSHU

CHL No. 83 (MU) 15 March 1950

SUBJECT: Report on 12th Chugoku Regional Economic Recovery Committee Conference.

TO : Chief, Chugoku Civil Affairs Region

Submitted inclosed herein is summary report covering subject conference held on March 9, 1950.

R. Itagaki.

for
OSAMU ITAGAKI
Director
Chugoku Liaison and Coordination Office

Inclosure: as indicated above.

ECON 813

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

12th Chugoku Regional Economic Recovery
Committee Conference

1. Countermeasure for difficulties of finance of medium and small business (Chugoku Regional Chamber of C. and I.).

It might be concluded, according to discussions and explanations made by representatives of Chugoku Regional Chamber of C. and I., and ESB, I.T. and I. and other government agencies, that; the government has made arrangements to exploit credit for small business, however, the commercial banks are reluctant to follow the government policy, the business complains that the bankers are selfish. On the other hand, the way how to secure credit on the part of small business is not properly publicized. For example, 300,000,000 yen has been set aside from counter aid funds to finance small business up to the end of March. So far, 60,000,000 yen has been used, government estimates 120,000,000 - 130,000,000 yen will be the amount to be asked by the end of March.

Mr. Stradley of Chugoku Civil Affairs Region reasoned that the fault was on both sides - government and the private industry. The industry long since used to depend on government and lost initiative and ability to produce as private individual. He pointed out how a fishing net manufacturer was forced out of operation because he could not secure materials on coupon. He paid 60% of wage to workers during two weeks of plant closure - an idea based on fendalistic paternalism. He recommended Chamber of C. and I. to locate materials and pass around the information. He also menticned what he saw in Shimane last December. The Shimane Recovery Commission made new departure, where, 60 small business concerns grouped to-gether and hired efficiency official from Osaka.

Director Hara of I.T. and I. bureau reported how, "industrial diagnoses" system works. According to him, the prefectural authorities who are in charge of small business are consulted by medium and small enterprisers, give recommendations, send result to bankers with whom the enterpriser has business dealings.

2. Gannichi Railway line to exploit Kawayama mine (Hiroshima I.T. and I. bureau)

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Kawayama mine of Yamaguchi Prefecture produces ores which are rich in copper, pyrite and zinc contents. Present monthly production of 6,000 tons of ore will be made monthly 30,000 tons after completion of 4 year development plan. At present the ore is hauled to Iwakuni by trucks which will require 670 yen per ton hauled. If the ore is shipped by railway, the construction, of which is now proposed, transportation to Iwakuni will cost 120 yen per ton.

The proposed Gannichi line (between Iwakuni and Nippara) will also benefit to develop agricultural and forestry resources, along the districts covering borders of Shimane and Yamaguchi Prefectures.

3. Electrification of private railways (Hiroshima L. and Transportation bureau).

Hiroshima L.T. bureau, reported that in Okayama, Hiroshima, Kure, and Bofu cities private railways or municipal street car systems are contemplated to be either electrified or extended in milage of operation. It requested cooperation of the Committee to secure funds out of the counter aid fund.

Projected private electric railway connecting Okayama and Uno will require 400,000,000 yen, extention of Sanyo R.R. (Bofu) and Kure municipal street car system will cost 34,400,000 yen and 24,000,000 yen respectively.

Trolley bus newly projected in Okayama city will cost another 20,000,000 yen.

Committee chairman Yokoyama suggested he would sound opinion of Deputy Chief of Construction Division of Central ESB, who happened to stay in Hiroshima.

4. Power Rate Problem.

Director of Hiroshima I.T. and I. bureau reported on progress of investigation of major plants. May plants used more than 10% in excess of regular allocation. Power prices paid by such plants ranged from 2 to 3 folds of corresponding month before rate hike. Almost all plants which were equipped with home henerating systems seemed to utilize the self supplying system to full extent in order to off-set effect of increased power rate.

The director concluded that he could not deduce any data which are sufficient to back up any concrete opinion to be submitted to the central government. He reported the investigation will be continued until the data for the month of March will be secured.

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In connection with power problem, representatives of Densan (electric workers union) voiced against the plan of de-centralization of power companies. Majority of the committee members seemed to be of the opinion that it was too late to argue against decentralization; however, they wanted that the business will be operated under new plan in such a way as to insure no additional power price to consumers of Chugoku Region.

Mr. Stradley riminded the committee that power allocations to Chugoku Region during January and February this year were respectively 7,000,000 KWH less than corresponding months last year. The committee was made to realize that the monthly 53,000,000 yen to be footed by consumers of the region as the result of lesser allocation is a very strong protest.

Mr. Stradley stated that most people overlooked benefit of the use of over night surplus power.

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CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 51 15 February 1950

SUBJECT: Report on Monthly Conference of Chugoku Regional Economic Recovery Committee.

TO : Chief, Chugoku Civil Affairs Region.

Submitted inclosed herein is the report covering the 11th monthly meeting of the Regional Economic Recovery Committee.

Osamu Itagaki

OSAMU ITAGAKI
Director,
Chugoku Liaison and Coordination Office .

Inclosure: as indicated above.

MU/yt.

ECON 704

DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

Conference of Chugoku Regional
Economic Recovery Committee

1. The 11th regular meeting was held on February 10. The discussion on "Financing of medium and minor export enterprisers" originally proposed by Yamaguchi Prefecture and included in the agends, was withdrawn on account of the reason that the problem called for further study.

2. High lights of the proceeding are as follows:

Hiroshima Railway bureau's representative explained the aspects peculiar to the freight movement in this region as follows:-

(1) Clearance is more in volume than arrival. Aggregated figures for the fiscal 1946 through current year are shown below:

(Volume in 1,000 tons)

	1946	1947	1948	1949			
				1st quarten	2nd qu.	3rd qu.	Jan 1950
Clearance	6,387	7,595	9,045	2,263	2,098	2,406	743
Arrival	5,189	5,977	6,757	1,717	1,558	1,854	529

(2) Another feature is that there are slightly more volume of cargo in transit than clearance and arrival combined. The result of (1) and (2) above is that vacant cars have to be sent into the region from other Railway bureau's area. The planning for car allocation is made by central bureau. During seasons with heavy shipments, the plan tends to fail.

(3) Among the items shipped from this area, coal dominates in volume with 20% of all merchandise cleared, seconded by forestry products with 18%.

b. Progress of rice collection.

Prefectural representatives explained the situation in individual prefecture. In Hiroshima and Yamaguchi Prefectures, division chiefs, section chiefs, and other officials concerned are on field trips to make last spurt for 100% collection. Shimane and Tottori Prefectures completed 100%.
Both prefectures still have guns and villages which failed to make complete delivery. Many of those farmers who completed 100% fulfilled their responsibility with assumption that there would be

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exemptions, and, the prefectural representatives maintained, in case there will be no exemption for this year, the collection of rice in next rice-year will be made difficult.

c. Distribution of charcoal.

(1) Hiroshima Pref.

Production is 84% of the goal as of the end of last year. The situation has been improved since January this year. The prospect for the end of March this year is 83% of the goal. Arrival from other prefectures is 38% at the end of last year of the schedule planned by Agriculture-Forestry Ministry. The prospect for end of March is 56% of the plan. As for distribution, 81% completed as of end of the last year. The prospect for the end of March is 89% of distribution plan. Decontrol is desired to be put into effect as from the end of February.

(2) Yamaguchi Pref.

Production, movement from and to other prefectures, and distribution are close to plans. Earliest decontrol possible is desired.

(3) Tottori Pref.

As producing pref. one third of production are shipped to other prefectures. Distribution condition is normal. Shippment to other prefectures is close to plan. After abolition of control, it is desired, the governor will be authorized to exercise control to such an extent as to enable him to regulate prefectural market.

(4) Shimane Pref.

Production is 85% of the goal, shipment to other prefectures is 52% of the plan. The producers want decontrol at the earliest opportunity.

(5) Director of ESB.

It might be difficult to abolish control with part of it allowed to continue to operate as proposed by Tottori pref. Opinions of prefectures, however, will be regaved to Economic Stabilization Agency, Tokyo.

d. Power situation during January.

Hiroshima I.T. and I. bureau officials reported that unusually faivorable condition prevailed during January due to great precipitation. They predicted another faivorable month for February.

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e. Report on activity of sub-committee on Electricity fees.

Activities of the said sub-committee since its organization was reported.

f. Outline of recent trend of economic conditions.

ESB officials explained national trend on bank note circulation etc. No comment on regional aspects made.

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CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 16

23 January 1950

SUBJECT: Minutes of the Conference - Chugoku Regional Economic Recovery Commission.

TO : Chief,
Chugoku Civil Affairs Region.

Attached herewith is submitted the report on the conference held on 13 January 1950 at Hiroshima Regional E.S.B., based on the notes and memories of the representative of this office, for your information.

O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

WO/yt.

C-22-R

ECON 632
24/1/50

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO.

SUBJECT: Minutes of the Conference - The 10th Regular Meeting of Chugoku Regional Economic Recovery Commission.

1. Appointment of new members among business circles.

Mr. Yokoyama proposed the appointment of the following personnel as new members of Commission. (The proposition was adopted unanimously by the Commission).

Mr. Murao,	Directing-Manager, Toyo Industry Co.
Mr. Sato,	President, Hiroshima Plant, West Japan Heavy Industry Co.
Mr. Furuya	Vice-President, Kure Plant, Amagasaki Steel Works.
Mr. Kodama,	Directing-Manager, Tokuyama Steel Works.
Mr. Kawasumi,	Presdient, Toyo Textile Co.
Mr. Iwanami,	Chief, Otake Plant, Mitsubishi Chemical Co.
Mr. Fujino,	President, Hiroshima Gas Co.
Mr. Ohta,	Chief, Fukuyama Plant, Japan Gunpowder Co.
Mr. Inoue,	Manager, Sanyo Pulp Co.
Mr. Morita,	Manager, Japan Cement Co.
Mr. Soda,	Manager, Ube Kosan Co.
Mr. Shimonoseki,	President, Oki Ube Coal Mine.
Mr. Shimada,	President, Chugoku Electric Supplying Co.
Mr. Nagata,	Chief, Chugoku Branch, Japan Electric Generation and Transmission. Co.

2. Explanation on the revision of freight rates.

Director of Hiroshima Railway Bureau made the explanation on the new freight rates which are to be increased by 80 percent as compared with previous ones. According to his statement, main reasons for the increased rates are as follows.

(A) As from this year, the Japan National Railway Corporation has to adopt the independent account system.

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(B) Up to date, the freight rates have been only 72 times of those in 1935. However, average commodity price has been 215 times in respect of wholsale price and 225 times in respect of retail price of those in 1935. Especially those prices of materials to be used by railway engineering have amounted to 250 times as compared with those in 1935.

(C) The ratio of previous freight rates against general price was only 2.3%; that is, the effect of 80% increase of freight rates against general price is considered rather little.

The Director further explained the incidental condition which was attached to the law concerning the increase of freight rates. By favour of the condition, the freight rate of anthracite is treated specially to the benefit of the anthracite mines; that is, from 1 January 1950 to the end of March 1950, the freight rate of anthracite is reducted 10% in short distance transportation and 15% in long distance.

3. Report on the reduction of car lot rate of anthracite.

Mr. Yamamoto, chief of the Firest Section of Hiroshima E.S.B. and chief secretary of the Commission, explained the result of the movement on the reduction of freight rate of anthracite. The contents of the explanation was the same as stated in previous paragraph. This movement was adopted as the decision of Commission at 7th regular meeting held on 14th October 1949.
After the above explanation, representative of Ube Coal Bureau and Mr. Shimonoseki (Oki Ube Coal Mine, new member) and Mr. Soda (Ube Kosan Co., new member) alternately expressed their thanks to the Commission for satisfactory result of the movement and at the same time requested further efforts of the Commission for the continuance of same special treatment after April 1950.

4. Foreign-trade program in Chugoku Region during 1950 fiscal year.
(The Report on the second meeting of Foreign-trade Sub-Committee).
In November 1949, Central Economic Stabilization Board in Tokyo instructed the local E.S.B. to work out the regional export program for 1950 fiscal year. The Hiroshima E.S.B. made close contact with each prefectural government in Chugoku Region to get necessary data and on 23 December 1949 the second meeting of Foreign Trade Sub-Committee was held at Hiroshima to study finally the data on export as obtained from prefectural governments. According to the program summed up by the Hiroshima E.S.B., the export in Chugoku Region for 1950 fiscal year will amount to 27,284,137,956 yen. (78,020,169 dollers).

Hiroshima	7,676,540,000 yen	22,239,760 doller
Yamaguchi	7,942,948,380	22,770,683
Okayama	10,445,603,100	29,458,018
Shimane	1,066,352,940	3,113,899
Tottori	152,693,536	437,809
Total	27,284,137,956	78,020,169

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Above figures show remarkable increase as compared with previous years. For your information, some instances of actual results of export will be quoted as follows.

1935	Approximately	1,300,000,000
1948	"	7,800,000,000
1949	"	6,000,000,000

5. Present situations of Ube Coal field.

The coal production in Ube area since last October has been increasing by month. Actual results are as follows.

October 1949	205,656 ton
November	208,980 "
December	220,992 "

However, above increased production is being made at the expense of low grade coal mines. After the abolition of Coal Distribution Kodan, the purchase and sale of coals, except those specific ones, have been put in free competition and thus the low grade coal has fallen from the competition. In such area as Ube field where low grade coal comprises more than half of its production, the effect of the new policy was especially serious. To some mine operators in Ube area the effect was quite fatal and they have been obliged to suspend their operation or even to close mines.
The number of mines idle or closed in Ube amount to as many as 21 since the decontrol of coal last year. The suspension or close of some mines naturally had the bad result of increase of jobless persons. The Number of mine workers who lost their jobs since the last October in Ube area amount to 7500 which reflects relatively the worst situation in the whole country.
According to the explanation of a representative of Ube Coal Bureau, such tendency as the close of mines and consequent increase of jobless persons will continue for some time. However, the quality of coal produced has much improved and managers of mines in coordination with mine workers have been making every effort for the rationalization of operation, saving of unnecessary expenses, increase of mining efficiencies, etc. The average price of coal in Ube area has been reduced approximately by 45% as compared with that under control.

6. Electric situation in Chugoku Region.

Representative of the Hiroshima International Trade and Industry Bureau made the subject explanation indicating the data as distributed at the conference.

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By favour of moderate rainfall during December and January, all the reservoirs in Chugoku Region are almost full in water and the prospect of power generation is very good.
The allocated production goal for January as instructed by Central E.S.B. is 164,500,000 KWH. which shows the decrease of approximately 17,000,000 KWH as compared with that of last December. The reason is, the allocation for January was made only to the electricity to which the charge be made by ordinary rate, that is, the electricity generated by hydraulic power plants. Since the enforcement of new power rates system on 13 December 1949, allocation has been taken up by Central E.S.B.) such measure for

7. New electric rate system.

Chairman Yokoyama made a brief report on the conference concerning new electric rates which was held on 9 January 1950 at Hiroshima with the presence of Col. Ayers, Mr. Tramptman, GHQ. and Mr. Stradley of Chugoku Civil Affairs Region.
As regards to the discussion at the conference, Mr. Ishido, representative of labor unions and chairman of Chugoku branch of union of electric industry workers and Mr. Shimada, president of Chugoku Electric Supplying Co., expressed their opinions from the view-points of worker's and manager's sides respectively.
Disadvantageous effects of the new electric rates to Chugoku Region as compared with such districts as Hokuriku, Kanto, Kinki and Tohoku regions are quite obvious. Consumers in this region have raised many petitions to the same effect before and after the enforcement of the new system. However, since there are no convincing data available yet Mr. Yokoyama (taking up the propositions of Mr. Nagata, chief of Chugoku branch of Nippon Hassoden Co., and Mr. Fujino, president of Hiroshima Gas Co.) decided to establish a special sub-committee on electricity to study this problem and collect reasonable and scientific data on such disadvantageous influences, if any. (The composition of sub-committee will be decided later by Mr. Yokoyama).

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CHUGOKU LIAISON AND COORDINATION OFFICE

KURE HONSHU

CHL No. 365 7 December 1949

SUBJECT: Summary Report on Economic Rehebilitation Conference.

TO : Chief,
Chugoku Civil Affeirs Region.

Submitted inclosed herein is the summary report covering extra session of Chugoku area Economic Rehabilitation Conference held December 2, 1949.

Osamu Nagaki

O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/yt.

3650 9/12/49 ECON-457 9/12/49

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

CHUGOKU LIAISON AND COORDINATION OFFICE

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O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/yt.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [redacted]

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Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/yt.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

Summary Report on Extra Session of
Economic Recovery Committee.

Date : December 2 1949

Place : ESB Conference Room.

Proceedings :

1. Mr. Yokoyama, Director of Hiroshima ESB, recommended Mr. Ishido, chairman of Chugoku region chapter of Electric Workers union(Densan), and Mr. Ueki, chairman of Chugoku Council of National Railway Workers union, as labor representatives of the Economic Recovery Committee. Unanimous consent was given for the admission of the new members.

2. Director of Hiroshima International Trade and Industry bureau had submitted list of industry representatives. The list, for some reason or other failed to be filed by the Committee Office. Arrangement will be made to decide industrial representatives by next session.

3. Regional differentration of electricity rates resulting from the decentralization of electric industry.

The plan to decentralize electric industry and zonal differentiation of power charges, has attracted great concern of prefectural governments and business circles in Chugoku area, because of the inevitable adverse effects on Chugoku area in view of the backward status of power source development caused by the Government policy in the past.

Petitions were filed jointly by the governors of Kyushu and Chugoku to GHQ, June 14 1949 and by the Chairman of Chugoku area Economic Rehabilitation Committee to Chugoku Civil Affairs Region, July 13 1949.

Recommendations were submitted by Hiroshima Regional ESB to Central ESB, July 8 1949.

The petition was again submitted by the Sperker of the Okayama prefectural assembly to ESB, GHQ, October 26 1949.

Upon the request of the Federation of the Chugoku area Chambers of Commerce and Industry a special conference of Chugoku Regional Economic Recovery Committee was convened to-day with the presence of Mr. Stradley of Chugoku Civil Affairs Region.

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(a) Chief secretary of Chugoku area Chambers of Commerce and Industry Federation, Governor of Yamaguchi, Directors of Hiroshima International Trade and Industry bureau, Hiroshima Price bureau, Hiroshima ESB, expressed their desires, and opinions, and discussed the government plan and the effect of the execution thereof, countermeasures to be taken, and relations between coal price and power charges.

(b) According to the formula as designed by the Government, power charges of Chugoku area will become twice that of Kanto and Hokuriku area, 60% increase comparing charges prevailing in Chugoku area. Under power charge schedule thus discriminated, steel industry(using electric furnance), oxygen industry, pulp manufacturing, metal refineries, etc., will not be able to continue operation in competition with those in other districts. In case zonal differentiation is limited to current 30% plus as against Hokuriku area, Chugoku area industry will be able to compete with that of other areas. Some relief may be expected if coal price reduces and the use of comparatively low priced Ube coal is available. However, coal price reduction will not be realized in the immediate future to a satisfactory extent.

4. Resolutions made and executed.

(a) Governors will wire Diet members elected within respective prefectures and Diet members League concerned with power problems, appealing the predicament of the Chugoku region.

(b) Economic Recovery Committee will wire Director-General of Central ESB, Deputy President of Price Board, Minister of International Trade and Industry.

(c) Chugoku area Chambers of Commerce and Industry Federation will wire central Government agencies concerned. The same will keep close contact with prefectural level chambers of commerce and industry.

(d) In the messages to be wired as mentioned above, put stress on desire to limit differentiation within 30% plus.

5. Recommendations made by Mr. Stradley.

(a) The problem rests with entirely the Japanese responsibility but Civil Affairs Region will stand back and render assistance.

(b) Make efforts to reduce power generating cost; development of power source; rehabilitation of power plants.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [redacted]

CHUGOKU LIAISON AND COORDINATION OFFICE

2 December 1949

CHL No. 351

SUBJECT: Report on Economic Rehabilitation Committee Conference.

TO : Chief,
Chugoku Civil Affairs Region.

1. Submitted inclosed herein is a summary report on the conference of Chugoku Area Economic Rehabilitation Committee held on November 13.

2. The above report is based on notes and memories of the representative of this office. Formal report will be prepared and submitted to your office by the committee office.

O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/te.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [redacted]

CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 351

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Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/ts.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [illegible]

CHUGOKU LIAISON AND COORDINATION OFFICE

2 December 1949

Minutes

At the opening of confernce, Mr. Itagaki, Director of Chugoku Liaison and Coordination Office, introduced the recommendation as made by Col. Kowalski and also by Mr. Keisel to appoint the representatives of labor unions as new members of Commission.

(1) The reason for civilian absence is difficulty of availability of representation. Some Prefectural level committees, like Tottori's, already have civilian members.

(2) Regional level government agencies are 90% located in Hiroshima City. Their representatives can meet in the conference with minimum of transportation and expense.

(3) On the contrary, there is not, in this region, any industrial or labor organization that is powerful enough to represent any one type of industry or labor on regional level basis. The only exception is Chugoku area Chamber of Commerce and Industry.

(4) Any business enterpriser or group thereof or labor union operating locally outside Hiroshima area will not be able to withstand time and expense involved in sending representatives to Hiroshima.

(5) Reasons for poor representation are reduced to the following elements:

a. Geographical.

Two divisions of the area, Sanin and Sanyo, are phisically segrated. Poor transportation facilities connect the two districts.

b. Economic.

Hiroshima's status as regional capital has been developed based on administrative expedience. Hiroshima's status as industrial capital within the region is not so decisive as that of other regional capitals.

(6) It calls for much publicity work to persuade business and labor to have say in the conference. Nontheless, the committee decided to induce civilian participation in line with the recommendations made by Civil Affairs Region. Mr. Yokoyama of E.S.B. is committed to the selection.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO.

Then the conference worked on the following agenda.

1. Trends of Yamaguchi coal mining industry after the abolition of Coal Distribution Kodan. (Ube Coal Bureau)

Representative of Ube Coal Bureau made the explanation on subject matters especially on the following items.

A. Shipping of Yamaguchi coal after decontrol.

After decontrol on coal, coal mine operaters have to find market by themselves. They have to make contract directly with consumers and/or with sales companies. However, as the price of coal has not yet been finally balanced, in most cases mines have been sending it to sales companies without consulting the price thereon.

The quantity of those shipped from mines as compare with production during one month beginning from 16 September 1949 was as follows.

Production	Shipped Quantity	Percentage
135,039 ton	103,135 ton	76%

When the stockpiles at sales companies, is taken in consideration the actually consumed quantity during the same period would have been supposedly much lower than above percentage.

B. Prices after decontrol.

The prices of coal after decontrol have been kept secret between mines operaters and sales companies and it is very difficult to grasp the actual price. The figures secured by the said Bureau are as follows.

Category	Lump-coal	Dust-coal
5700 calorie	3550 yen	3120 yen
5100 "	2890 "	2540 "
4500 "	2200 "	1900 "
4200 "	2100 "	1860 "
3600 "		1300 "

(Note; Above price shows the F.O.B price per ton)

Above figures show price decreuse of approximately 10% on 5500 calorie coal, 20% on 4200 cal. and 30% on 3600 cal. as compared with former official prices.

Financial difficulties on the part of mines operaters after November 1949 are feared to result in the further falls of price or even the dumping sales.

C. Rationalization of mining.

To cope with the free competition after the abolishment of Coal

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

Distribution Kodan, all operaters especially those medium and small operaters made their atmost efforts for the rationalization of their operation especially on technical sides. Following are those measures for rationalization taken by every operater much or less.

a. Concentration of mining spots and pit mouth.

b. Improvement of mining technic.

c. Mechanization of excavation.

d. Coordination of transportation system.

e. Stimulation of improvement of quality.

f. Reorganization and streamlining of staff.

g. Saving of unnecessary expenses.

2. Lowering down of transportation charge for anthracite (H.S.B)

This problem was discussed at the last meeting of the Commission and decided to set up special sub-committee for further study. The representative of Hiroshima Regional H.S.B. explained briefly the result of the sub-committee discussions. According to him, the sub-committee which was composed of representatives of Hiroshima International Trade & Industry Bureau, Ube Coal Bureau, Hiroshima Regional H.S.B., Hiroshima Price Bureau, Hiroshima Land Transportation Bureau, Hiroshima Railway Bureau, Yamaguchi and Okayama Prefectural Governments and Federation of Commerce & Industry Chambers in Chugoku Region, was held on 21 October 1949. At the meeting, effects of reduction of car lot rate of anthracite upon ordinary coal were studied and finally the sub-committee concluded to file a letter of petition to governmental agencies concerned. (See our letter addressed to your headquarters, CHL No. 324 subject; "Petiton for Reduction of Car Lot Rate of Anthracite", dated 11 November 1949).

3. Explanation on tax reform plan. (Hiroshima National Tax Bureau).

Director of Hiroshima National Tax Bureau explained the new tax reform plan which was worked out by central government in line with the recommendation made by Shoup Mission.

4. Explanation on the mimutes of the first meeting of Foreign Trade Sub-Committee (Hiroshima International Trade & Industry Bureau).

Representative of above Bureau made the report on subject meeting which was held on 28th October 1949. At the meeting the general situations of Japanese commerce and trade, especialy the influences of devaluation of pound which means the increase of yen value as much as 44% as regard the export to Sterling Bloc, were studied. Besides them, the probability of devaluation of yen in relation to new pound value, abolition of floor price as regard Japanese export, removal

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of permission system on export as recommended by Rogan Mission, etc, were explained.

5. Situation of charcoal and firewood production (each prefectural government).

Representatives of each prefecture explaind subject matter showing data as distributed at the conference.

According to them, in all the prefectures except Tottori, it is feared to fail to attain the production target for this fiscal year. The main reasons of inactivities of production are considered to exist on the decline of production will of producers owing to decrease of quantity of charcoal and firewood purchased by the government, the overdue payment for them and the general demand for especially qualified products.

6. Situations of fuel for automobile in Chugcku Region (Hiroshima Land Transportation Bureau)

Director of above Bureau explained subject matters stressing the shortage of fuel oil and necessity for saving it. According to him, the amount of cargo and number of passengers to be transported by land during this fiscal year are estimated at 18,260,000 tons and 67,500,000 persons respectively. In Chugoku Region there are approximately 20,000 registered automobiles of which 12,353 run on gasoline. The damand of gasoline for these cars are estimated at 25,750 kilo-litres while supply of it is prospected at 19,285 kilo-litres including substitute ail such as methanole, wood-oil etc. Consequently, 6,465 kl of gasline is deficient.

7. Setting up of land transportation office and commercial & industrial materials office in each prefecture (Hiroshima Land Transportation Bureau, and Hiroshima International Trade & Industry Bureau)

Directors of above Bureaus made brief explanation of new offices. According to them, these new offices were established and begun their operations as from 1 November 1949. It is considered that setting up of these offices is a new policy of central government to curtail its local agencies which accord with the requests of prefectural governors expressed many times up to date. However, the present functions of new offices are limitted to some nominal businesses which will not be satisfactory to governors.

8. Others.

Besides above agenda, Director of Hiroshima International Trade & Industry Bureau explained the electric sitnations in Chugoku Region and the representatives of each prefecture explained the problems of unemplayment in their prefectures. As regard the latter, the preposition was made by the official of Okayama prefecture to file a petition to central government requesting its consideration in regard to the financial aid to prefectural

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS No.

CHUGOKU LIAISON AND COORDINATION OFFICE

2 December 1949

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CHUGOKU LIAISON AND COORDINATION OFFICE

KURE HONSHU

CHL No. 346 26 November 1949

SUBJECT: Summary Report on Transportation Coordination Committee.

TO : Chief,
Chugoku Civil Affairs Region.

1. Submitted inclosed herein is the summary report on the 20th conferance of Transportation Coordination Committee held on November 22 1949.

2. Formal report will be submitted to your office by the secretary of the committee in due course. This report was prepared by this office for your reference.

Osamu Itagaki

O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: as indicated above.

MU/yt.

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EUON 402

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [illegible]

26 November 1949

SUMMARY REPORT ON 20TH CONFERENCE OF TRANSPORTATION COORDINATION COMMITTEE.

Date : 22 November 1949.

Place : ESB Conference room.

Participation: Representatives of:-

Regional ESB, EIA, Hiroshima gov. railway bureau, Yonago Gov. railway office, Land Transportation bureau, Food section offices of prefectural governments, Prefectural offices of Agriculture-Forestry Ministry, Prefectural Food kodans, and Japan Express company.

1. Explanation of ESB Chief:

Mr. Yokoyama, ESB, explained quota delivery status of the nation as of 18 November.

This year, 9,343,300 Koku were so far delivered. It was 22.9% against allocation. This compared with 42.1% on the same day a year before. As of the end of October this year, 394,397 Koku were delivered within Chugoku area or 13.1% of the allocation. This compared with 13.6% of the same date a year before. The result this year is slightly better, controry to the national trend.

Transportation by rail during October in Chugoku area, totaled 9,792 tons, or 54% of the planned transportation. During the same month last year, 17,300 tons were shipped by railroad, or 244% of the planned transportation.

Is the poor showing in transporation for this year attributable to unspeedy issuing of shipping instructions or short freight cars? It is necessary to keep contact with carriers. It is true that due to increase in volume of shipping of merchandise, there is shortage in railway cars.

Readjustment of quota allocation will be made on Governors' conference on coming 25th. Also price of quota rice will be shortly fixed. After that, shipment of rice will be quickened.

All the authorities concerned are expected to make efforts so as not to have rice accumulated at stations. Close contact with railway officials to have the benefit of priority is desirable.

ECON 402

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2. Status of Quota Delievery and Rationing:

a. Report of Prefectural Food Officers:-

Okayama

As of 20 November, 56,312 koku, or 6% of the allocation were completed. This is worse than last year. Almost all deliveries were early crop rice. There has been no shipping since early crop transportation period. Bad weather prevailed during barley planting season, which postponed processing of rice. After barley planting is completed, rice processing will be made. Disaster and the delayed readjustment also are attributable.

Hiroshima

The allocation is 665,200 koku. As of 20 November 118,884 koku or 17.8% were completed. Shipment will not be heavy until readjustment of allocation is made. The greatest reason for poor shipment is the weather condition which was worse than last year.

Yamaguchi

As of November 18, 147,776 koku, or 21.4% were completed. Prefectural authorities endeavored to make early shipment. However, processing of rice was delayed by about a week due to bad weather.

Last year, quota delivery had been completed 34% by November 20. Reasons for the poor record this year are greater hazard, unfixed rice price, and delayed allocation readjustment.

Tottori

By November 18, payments were made on delivery of 65,722.8 koku or 21.1% of the allocation.

During same period last year, 80,800 koku, or 25% of the allocation had been turned over to the government. According to the delivery plan for 1949 rice, 101,400 koku should have been delivered by November 20 (or 31% of the allocation). Other prefectures explain that, they suffered from bad weather, resulting in poor crops. In reality agriculture in Tottori is the most liable to be affected by the weather conditions.

The will of farmers to make delivery is lowered. However, delivery is expected to be completed by the goal date, or the end of January (the law sets the date as the end of Feburary). The story will be different if heavy snow falls. The readjustment which has been delayed by the month is without question another reason for poor delivery record.

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Shimane

(Absent)

b. Rationing Situation was explained by Kodan men.

Okayama

Rice accounts 50% of the rationed foods during November. Due to acute short age in railway transportation, condition in southern part of the prefecture is critical. Trucks are resorted to. In northern producing center, 20,000 bales have been ordered to be shipped and not yet taken care of by railways.

Hiroshima

Rice comprises 50% of the rationed foods. Sweet potatoes account 30%, imported foods and others account remaining 20%, for the month of November. The condition is favorable.

Yamaguchi

Rice accounts 50% of the ration. Sweet potatoes account 20%, and imported foods 30%. The rice chiefly raised within the prefecture is used for the prefectural ration. The producing center is chiefly in inland district. Rationing condition for November and December is expected to be favorable.

Tottori

(Absent. Food section official explained that to his knowledge, rice accounts 70% of rationed foods, and there would be no fifficulty in maintaining adequate rationing.)

Shimane

Rice accounts 60% of ration, sweet potatoes and imported foods account 20% respectively. As far as November is concerned there is no difficulty to meet the ration requirement.

c. Overall pictures on food situation were explained by officers of food offices of Agriculture-Forestry Ministry.

Okayama

There was delay in fixing rice price. This year, inspection for rice delivery is stricter than last year. Some of the products were rejected. Moreover, processing was delayed due to unfaverable weather. As for transportation, in northern producting centers, where long haul carrying between farms and railway stations is necessary, the condition is bad. There is freight car shortage for inter and intra-prefectural railroad transportation. Comparing railroad transportation, short haul transportation to railway terminals is faverable.

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Hiroshima

Quota delivery condition is as explained by the prefectural officer. So far, 114,000 koku or 17% of the allocation is completed. This compares with 192,864 koku, or 32.7% of allocation, registered a year ago. The reason for the poor result this year is as explained by the prefectural officer.

Among the import from other prefectures, Okayama accounts 1,500 tons. So far, 173 tons or 11% arrived. Arrival is not satisfactory due to short cars available in Okayama, Hiroshima food office has contacted railway burea. Burley and related products to be imported from other prefectures amount to 11,000 tons. Import from Okayama accounts 9,304 tons. Already, 84.6% arrived. Hyogo pref. is planned to export another 1,000 tons. So far, that pref. exported 400 tons. Rationing is being made as scheduled.

As for the condition within the Hiroshima pref., shipping orders have been issued for producing centers to consuming centers amounting to 11,458 tons. The arrival is 5,905 tons, or 51.5%. Short haul transportation is considerably favorable. However, in comparison with the last year, issuing of shipping orders and transportation condition are not active.

Yamaguchi

Quota delivery situation is as explained by the prefectural officer. The situation is worse than last year because of bad weather and hazards. Only 21% has been completed. As for transportation, Japan express coorporated, and going on compeartively smoothly. Plan is being executed so as to get rid of accumulated rice by the end of this month. Rice counts 50% of the ration. Sweet potatoes account 10%. Remainder is made up by Japanese burley or wheat flours. Contact has been made with railway bureau.

Tottori

Quota delivery sitation is as explained by the prefectural officer. Completion percentage is half that for the last year. Tottori does not import rice. Some of the prefectural product are exported. According to export plan, shipments are 10,000 koku for October, 30,000 koku for November, 30,000 koku for December, and 30,000 koku for January. Availability of freight cars is favorable. There is no difficulty in meeting ration requirements.

Yamaguchi

Instructions were received for shipment of 300 tons (rice-sake rice) to Hiroshima pref. So far 16 tons were shipped. Authorities are endeavoring to have shipment completed within first ten days of December. Transportation will be started after concentrating rice bales to one shipping center.

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Shimane

(Food office man absent). Planned export is 8,500 koku to Fukuoka, 11,500 koku to Nagasaki, and 90,000 koku to Osaka. All the exports are to be made by land transportation.

3. Inter and intra-prefectural transportation.

Okayama

In northern producing center there is shortage in freight cars. Rice to be exported inter-prefecturally is accumulated at railway terminals. Okayama food office wired to Hiroshima food office about this. Accumulation on a certain day of November stood at 17,000 or 18,000 tons. Export shipment was completed 25% on an average. Hauling to Osaka and Kobe districts cannot be made by land transportation only. Hence, the use of sailing moter-ships is planned.

4. Sea and Land Transportation.

Railway bureau.

In reply to the urge made by the speaker for explanation in view of the difficulty reported in Okayama, Hiroshima railway bureau man explained as foelows:

During the month of October, cars effectively operative numbered 4,069 as against 4,200 cars on hand. For the first and the second ten days of November, cars on hand are 4,100, effective cars are 3,719; of which, box cars are 1,400 on hand and 1,027 effective. Situation has improved these two three days. It may be possible to meet rice hauling requirement to some extent, but it will be hard to meet 100%. Taking the area under Hiroshima railway bureau's jurisdiction as a while, 193% against the plan were hauled during September, 54% during October, and 91% by 20th of November. As for Hiroshima railway office's territory, the figures for November are 110% against the plan, 90% for Okayama and Shimonoseki offices (1st through 20th).

Railways bureau is surprised to hear the condition in Okayama.

Okayama food office.

Okayama food office man reported that his office had established plan two month preveous and contacted Okayama railway office. Recently, Okayama food office happened to receive instructions to transfer cleaned barley from Kasaoka to Hiroshima and contacted to Okayama railway office. The latter failed to make the cars available complaining that the transfer had not been listed in the planning table.

Railway bureau.

The railway bureau officer replied to the complaint that his office will give instructions to Okayama railway office. His bureau puts priority to

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rice transportation, he asseerted.

Yonago railway office.

Yonago railway office explained that shipment from Tottori and Shimane districts was 77% completed as of November 20th. The goal will be attained by the end of December.

Land Transportation office.

Hiroshima Land Transportation office commented that according to reports of all prefectures made at this conference, short haul transportation condition is satisfactory. Transportation requirements of the five Chugoku prefectures by trucks for this season are as follows (figures in tons):

	Hiroshima	Okayama	Yamaguchi	Shimane	Tottori
November	21,821	13,002	18,028	9,003	11,797
December	24,019	27,850	25,682	11,082	15,212

Results attained during the last season were as follows:

	Hiroshima	Okayama	Yamaguchi	Shimane	Tottori
November	30,900	15,639	15,439	9,818	9,334
December	28,862	10,597	28,606	10,769	13,309
January	21,456	38,491	29,235	6,597	11,648

The land transportation officer assured that extra hauling not called for in the requirement planning would be completed.

Japan Express company.

Representative of Japan Express company narrated that he did not have any topic specially to be mentioned. He said that there was no difficulty in short haul transportation. However, he reported, rice bales were accumulated in railway stations due to tight freight car situation. In reply to question concerning possible troubles involving the use of transportation certificates, Express man reported that he had not so far heard of any such trouble happened as the certificates ~~stealed~~ stolen and so forth.

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Mr. Stradley
Mr. Sprio
Mr. Kek

CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 324 11 November 1949

SUBJECT: Petition for Reduction of Car Lot Rate of Anthracite.

TO : Chief,
Chugoku Civil Affairs Region.

1. Economic Rehabilitation Committee conference of October 14 set up a sub-committ to study the petition proposed by Ube Coal Bureau chief.

2. As the result of the discussion by the sub-committee, the Rehabilitation Committee decided to file the letter of petition with the Director General of the Economic Stabilization Board, Minister of International Trade and Industry, Minister of Transportation, President of National Railways.

3. The translation of the petition is hereby forwarded for your consideration. Any assistance by you in this matter will be greatly appreciated.

O. Itagaki,
Director,
Chugoku Liaison and Coordination Office.

Inclosure: A copy of the letter of petition.

MU/yt.

ECON 80/

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

(TRANSLATION)

31 October 1949

CHU. KEI. FUKU. No. 143.

TO : Chief, Chugoku Civil Affairs Region.

FROM : Chairman, Chugoku Region Economic Rehabilitation Committee. (Seal).

SUBJECT: Petition for Reduction of Car Lot Rate of Anthracite.

The subject matter had been submitted by Chief of Ube Coal Bureau for discussion to the eighth Chugoku Region Economic Rehabilitation Committee conference. In order to study the matter carefully, this committee had set up a sub-committee. As a result of the discussions in the sub-committee, the subject matter was decided to be takes up by this committee. The following petition, accordingly, is hereby submitted to you.

1. The anthracite mining of Yamaguchi prefecture may be concluded as one of the most important industries in Chugoku area, in consideration of the weight the industry occupies among the national industrial set-up.

2. After the decontrol of coal industry, the business life of the coal industry chefly depends on the markets for its products. The anthracites of Yamaguchi used to be marketed mostly to far-flung Tokyo, Nagoya, Osaka, and Kobe districts. Moreover, 60% of its transportation rely on freight cars. Taking into consideration the above two factors, it might be said that the raise of freight rates now intended by the government would bring about a throat-cutting effect to the anthracite industry of Yamaguchi.

3. The chief use of the anthracite is, along with fire woods and charcoal, domestic fuels. (Briquette and bean-coal--processed domestic fuel--are from 85 to 90 % made of anthracite.) This justifies the notion that the anthracite, differing from soft coal, has the characteristic of consumers' goods.

4. In view of the above consideration, the classification of freght rate for the anthracite which is now graded as the 6th, should be reduced to the 11th, same as fire-woods and charcoal, or at least down to the 9th, same as the briquette or bean coal. In case the present classification is let alone, and general raising of freight rates are effectuated, the supply of anthracite will be ~~cout~~ cut off. As a consequence, the government cannot expect rationaliza-tion in consumption of various fuels. The government can neither establish general policy covering fuel consumption. On top of it, the nation's home life itself will seriously be affected. Supposing that the nation would have to depend solely on woods and charcoal as domestic fuels, the country might see devastating effects on ferestation which in the long run would ruin rivers and mountains. This country, half way along rehabilitation, cannot withstand the situation.

5. The above situation is explained in figures as follows.

(a) The attached list 1 shows that production of Yamaguchi

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anthracite is 54% of the national output. However, the production in Kyushu is mostly accounted by Amakusa fields, the products of which are consumed in the special industry or locally. From national point of view, the Kyushu production would better be disregarded. In that case, Yamaguchi production accounts 79% of the nation. Chugoku area as a whole, including 2% of Okayama, accounts 81% of the nation.

(b) The attached list 2, showing transportation records, tells us that 65.8% of Yamaguchi anthracite are shipped to Osaka or points farther therefrom. During the period when purchase was made by "Kodan", and there was no necessity of paying special attention to freight rates, higher percentage accounted for long range hauling, as shown by attached list 3.
As for the type of transportation, 61.8% of Yamaguchi anthracite depend on freight cars. As a result, freight rate dominates considerable part of the consumers' price for Yamaguchi anthracite.

(c) Per ton rates as shown in the attached list 4 are 812 yen, on an average for consignments to Kanto area; 771 yen for Hokuriku area; 589 yen for Tokai area; 515 yen for Kinki area. Comparison with briquette, bean-coal and woods and charcoal is as follows.

Shipped from;	Destination.	Km. / Class.	6th (coal)	9th (Briquette, Bean-coal)	11th (Woods, Charcoal.)
		km.	yen		
Omine-line	Tokyo	1,100	812	575	448
	Toyama	900	676	484	377
	Nagoya	750	580	416	324
	Osaka	550	453	325	253

Rate per car for various destinations are shown on the attached list 5, for reference sake.

(d) According to the investigation made by "Toyo Economic News" (Toyo Keizai Shimpo), consumers' prices in Tokyo markets are official 220 yen for charcoal (a 4 Kan bale) as against black market 280 yen; official 152.80 yen for briquette (a package of 14 cakes) as against black market 140 yen. Charcoal is sold in competition with coal-processed fuels, especially with briquette. It is self evident that Yamaguchi anthracite, which is consumed in the far east Tokyo, will adversely affected through sharp raise in freight rates.
It is recorded that 50 bales of briquettes are made from one ton of anthracite. One bale of charcoal (a 4 kan bale) has the same efficiency as two packages of briquettes. Following is the comparison of 50 packages of briquettes with 25 bales of charcoal in terms of the black market price in Tokyo.

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Black market price of charcoal, 280 yen x25=7,000 yen.
Muching briquettes to that price, a package of briquettes is 140 yen (7,000 yen ÷ 50 packages) including the freight rate of 812 yen for Tokyo. The 140 yen is slightly less than the official 152.80 yen for briquette. In case 90% freight raise (according to October 29 "Mainichi") is effecuated, we have to add 730.80 yen of additional freight rate. The computation, then is, 152.80 yen x 50 packages = 7,640 yen; (7,640 yen + 730.80 yen) ÷ 50 packages = 167.40 yen. The anthracite cannot compete with lowly classified charcoal with short distance of hauling.
Per ton cost for Yamaguchi anthracite after discontinuance of purchase by "Kodan", was, 2,517 yen in June, 2,570 yen in July, and 2,446 yen in August, (this reflected unusual situation consequent to the discontinuance of purchase by "Kodan". It seems possible to cut the cost further down).
The sales price (f.o.b.) for August shipment was around 2,200 yen. The producer will not be able to withstand to foot the 730.80 yen incurrable as the result of 90% freight raise.
We desire that you note the extent the freight rates are inflicting the consumers of Yamaguchi anthracite, that is, the general public; what will be caused by the raise of the freight rates; and how the important industries of this area will be affected.
We earnestly desire that you consider to take steps to degrade the classification.
In case immediate lowering would cause confusion to the present set-up of freight rates classification, it is desired that you grant special discount as a temporary measure.

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List 1. SHIPMENT OF ANTHRACITE (Unit: ton)

District / Month	Tohoku	Kanto	Nagoya	Osaka	Hiroshima	Total mainland	Yamaguchi	Kyushu	National Total
Feb. '49	1,357		3,977	3,647	1,621	10,602	36,365	20,090	67,057
Mar. "	1,404		4,943	3,890	1,027	11,264	43,578	26,636	81,478
Apr. "	1,731		4,319	3,089	775	9,914	39,296	24,591	73,801
May "	1,298		4,174	3,564	1,134	10,130	42,227	19,935	72,352
Jun. "	367		2,353	683		3,403	7,439	4,048	14,890
%	2		6	5	2	15	54	31	100
% (#)	3		9	7	2	21	79		100

Notes: 1. Figures for June indicates the amounts up to the date of discontinuance of purchase by "Kodan".

2. Figures given in the line indicated by # excludes Kyushu.

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List 2 SHIPMENT OF YAMAGUCHI ANTHRACITE ASSORTED AS TO DISTRICTS OF DELIVERY AND TO TYPE OF TRANSPORTATION DURING SECOND QUARTER OF 1949.

(Unit: ton)

Type of Transp. \ District / Month		Yamaguchi	Hiroshima	Osaka	Shikoku	Nagoya	Tokyo	Fukuoka	Total
Steam-ship	Jul.	0	1,200	0	0	0	3,755	0	4,955
	Aug.	0	0	2,785	0	0	3,618	0	6,403
	Sep.	0	0	0	0	0	4,915	0	4,915
	Total	0	1,200	2,785	0	0	12,288	0	(22.8) 16,273
Motored Sail Boat	Jul.	0	250	789	0	0	0	0	1,039
	Aug.	0	1,357	1,415	0	0	0	0	2,772
	Sep.	50	0	2,265	85	0	0	0	2,450
	Total	50	1,607	4,469	85	0	0	0	(8.7) 6,211
Barge	Jul.	0	0	0	0	0	0	0	0
	Aug.	800	0	0	0	0	0	0	800
	Sep.	622	0	0	0	0	0	0	622
	Total	1,422	0	0	0	0	0	0	(2.0) 1,422
Tug	Jul.	0	395	0	0	0	0	0	395
	Aug.	0	0	0	0	0	0	0	0
	Sep.	1,008	0	0	483	0	0	0	1,491
	Total	1,008	395	0	483	0	0	0	(2.6) 1,886
Local	Jul.	307	0	0	0	0	0	0	307
	Aug.	503	0	0	0	0	0	0	503
	Sep.	684	0	0	0	0	0	0	684

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Tug	Aug.	0	0	0	0	0	0	0	0
	Sep.	1,008	0	0	483	0	0	0	1,491
	Total	1,008	395	0	483	0	0	0	(2.6) 1,886
Local	Jul.	307	0	0	0	0	0	0	307
	Aug.	503	0	0	0	0	0	0	503
	Sep.	684	0	0	0	0	0	0	684
	Total	1,494	0	0	0	0	0	0	(2.1) 1,494
Freight Car	Jul.	0	2,379	1,680	87	1,257	4,187	249	9,839
	Aug.	3,729	3,293	3,304	59	1,650	3,475	32	15,542
	Sep.	5,801	436	3,387	490	2,113	6,297	164	18,688
	Total	9,530	6,108	8,371	636	15,020	13,959	445	(61.8) 44,069
Total	Jul.	307	4,224	2,469	87	1,257	7,942	249	16,535
	Aug.	5,032	4,650	7,504	59	1,650	7,093	32	26,020
	Sep.	8,165	436	5,652	1,058	2,113	11,212	164	28,800
Grand Total		(18.9) 13,504	(13.0) 9,310	(21.9) 15,625	(1.7) 1,204	(7.1) 5,020	(36.8) 26,247	(0.6) 445	(100) 71,355

Notes: % are shown in parentheses.

Tokyo + Nagoya + Osaka = 65.8%

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List 3. SHIPMEN OF YAMAGUCHI ANTHRACITE AS TO DISTRICTS DURING FIRST AND SECOND HALVES OF 1948 ; FIRST QUARTER OF 1949.

	Yamaguchi		Hiroshima		Shikoku		Osaka		Nagoya		Tokyo		Nigata		Fukuoka		Total	
		%		%		%		%		%		%		%		%		%
First Half of 1948	4,977	13	1,246	3	755	1	10,434	27	5,092	14	14,424	39	1,048	3	-		37,976	100
Second Half of 1948	3,966	10	3,605	7	2,032	6	10,312	25	4,400	11	16,713	40	600	1	-		41,628	"
Total 1948	8,943	10	4,851	5	2,787	4	20,746	26	9,492	12	31,137	40	1,648	2	-		79,604	"
Apr. 1949	4,070	9	3,126	6	937	2	13,344	27	6,613	13	21,481	43	-		-		49,571	"
May 1949	4,071	14	892	3	435	3	927	3	76		23,130	78	-		-		29,531	"
Jun. 1949	1,735	11	3,602	23	123		2,039	13	936	6	7,499	47	-		30		15,964	"

List 4. FREIGHT COSTS OF YAMAGUCHI ANTHRACITE (Registered by "Kodan" as of 5 Apr. 1949).

Field	Depot of Clearance / Destination	Tokyo: Kanto District tons	Tokyo: Kanto District yen	Nagoya: Hoku riku District tons	Nagoya: Hoku riku District yen	Nagoya: Tokai District tons	Nagoya: Tokai District yen	Osaka: Kinki District tons	Osaka: Kinki District yen	Hiroshima: Hiroshima District tons	Hiroshima: Hiroshima District yen	
Sanyo	Omine	12,680	10,288,270	-	-	2,815	1,657,530	508	261,510	179	317,620	5,
Enokiyama	"	561	461,980	216	166,540	-	-	-	-	-	-	
Hagimine	"	-	-	-	-	-	-	-	-	-	-	
Daimyo	"	60	45,200	-	-	-	-	-	-	-	-	
Takiguchi	Minami-omine	506	415,330	-	-	-	-	-	-	-	-	
Nishimine	"	147	116,610	-	-	-	-	-	-	-	-	
Biho	Shirogen	473	383,630	-	-	-	-	-	-	-	-	
Ohira	"	219	179,090	-	-	-	-	-	-	35	5,640	
Kanda	Ofuku	576	462,600	-	-	-	-	-	-	-	-	
Mifuku	"	626	513,740	-	-	15	7,350	-	-	-	-	
Mine	"	-	-	-	-	-	-	-	-	-	-	
Ofuku	"	30	24,100	-	-	-	-	-	-	-	-	
	Total	15,878	12,873,550	216	166,540	2,830	1,668,880	508	261,510	1,014	323,260	6,
	Average		812		771		270		515		319	
Hanifu	Hanifu	392	317,060	-	-	15	8,240	-	-	-	-	
Okibe	"	-	-	-	-	-	-	-	-	-	-	
Iwuta	"	159	126,310	-	-	-	-	-	-	-	-	
Nagato	Nishiichi	-	-	-	-	-	-	-	-	-	-	
	Total	551	443,370	-	-	15	8,240	-	-	-	-	
	Average		805				549					
	Grand Total	16,429	13,336,920	216	166,540	2,845	1,677,120	508	261,510	1,014	323,260	6,
	Average		812		771		589		515		319	

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ct	Hiroshima				Total		Transportation Cost from mines through distination
	Hiroshima District		Ube District				
n	tons	yen	tons	yen	tons	yen	yen
	179	317,620	5,860	498,230	22,842	13,025,160	-
	-	-	149	12,590	926	641,110	278.30
	-	-	-	-	-	-	470.40
	-	-	-	-	60	48,200	470.40
	-	-	46	4,790	552	420,120	185.30
	-	-	-	-	147	116,610	184.50
	-	-	-	-	473	383,630	252.65
	-	-	-	-	219	179,090	245.65
	35	5,640	65	9,240	676	476,480	190.10
	-	-	60	5,900	701	528,990	220.80
	-	-	-	-	-	-	265.50
	-	-	-	-	30	24,100	186.40
	1,014	323,260	6,180	529,750	26,626	15,843,490	
		319		86		595	250.57
	-	-	92	11,110	499	336,410	207.25
	-	-	-	-	-	-	229.10
	-	-	-	-	159	126,310	211.25
	-	-	-	-	-	-	289.30
	-	-	92	11,110	658	462,720	
				120		703	233.18
	1,014	323,260	6,272	540,860	27,284	16,306,210	
		319		86		598	245.90

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List 5. PER CAR FREIGHT COST FOR YAMAGUCHI ANTHRACITE (Recorded During Apr. - May. 1949)

Destination / Depot of Clearance / Field		Tokyo		Nagoya				Osaka			
		Kanto District		Hoku riku District		Tokai District		Kinki District		Hiroshim	
		cars	yen	cars	yen	cars	yen	cars	yen	cars	
Sanyo	Omine	793	12,974	-	-	176	9,429	32	8,172	61	
Enokiyama	"	35	13,199	14	11,896	-	-	-	-	-	
Hagimine	"	-	-	-	-	-	-	-	-	-	
Daimyo	"	4	12,050	-	-	-	-	-	-	-	
Takiguchi	Minami-omine	341	13,397	-	-	-	-	-	-	-	
Nishimine	"	9	12,957	-	-	-	-	-	-	-	
Biho	Shirogen	29	13,229	-	-	-	-	-	-	-	
Ohira	"	14	12,792	-	-	-	-	-	-	2	
Kanda	Ofuku	36	12,850	-	-	1	9,350	-	-	-	
Mifuku	"	39	13,173	-	-	-	-	-	-	-	
Mine	"	-	-	-	-	-	-	-	-	-	
Ofuku	"	2	12,050	-	-	-	-	-	-	63	
	Total	992	12,998	14	11,896	177	9,429	32	8,172	63	
Hanifu	Hanifu	24	13,211	-	-	1	8,240	-	-	-	
Okibe	"	-	-	-	-	-	-	-	-	-	
Ikuta	"	10	12,631	-	-	-	-	-	-	-	
Nagato	Nishiichi	-	-	-	-	-	-	-	-	-	
	Total	34	13,040	-	-	1	8,240	-	-	-	
	Grand Total	1,026	12,999	14	11,896	178	9,366	32	8,172	63	

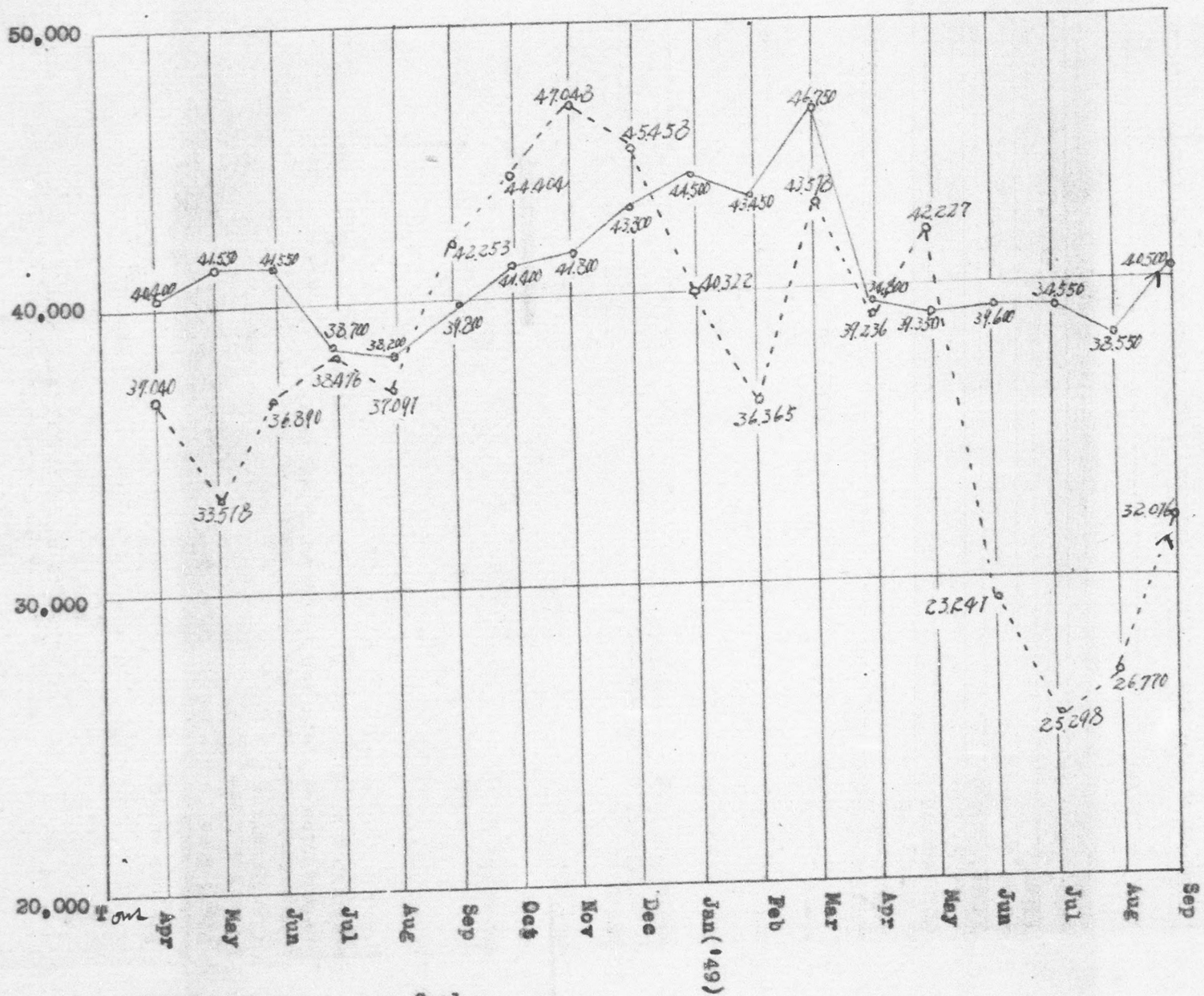
Note: A car is computed as having capacity of 15 tons in an average ($\frac{15 \text{ tons} + 17 \text{ tons}}{2} = 16 \text{ tons}$)

Osaka District		Hiroshima Hiroshima District		Hiroshima Ube District		Total	
s	yen	cars	yen	cars	yen	cars	yen
	8,172	61	5,207	366	1,361	1,428	9,121
	-	-	-	9	1,399	58	11,053
	-	-	-	-	-	-	-
	-	-	-	-	-	4	12,050
	-	-	-	3	1,596	34	12,856
	-	-	-			9	12,957
	-	-	-	-	-	29	13,229
	-	-	-	-	-	14	12,792
	-	-	-	-	-	42	11,345
	-	2	2,820	4	2,060	44	12,022
	-	-	-	4	1,475	-	-
	-	-	-	-	-	2	12,050
	-	-	-	-	-	1,664	9,521
	8,172	63	5,131	386	1,372	31	10,852
	-	-	-	6	1,851	-	-
	-	-	-	-	-	10	12,631
	-	-	-	-	-	-	-
	-	-	-	-	-	41	11,286
	-	-	-	6	1,851	1,705	9,564
	8,172	63	5,131	392	1,380		

ns = 16 tons)

DECLASSIFIED E.O. 12065 SECTION 3-402(3)NND NO.

(Reference) MONTHLY PRODUCTION OF YAMAGUCHI ANTHRACITE (Apr. 1948 THROUGH Sep. 1949)



DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

Summary of the 8th Chugoku Regional Economic Recovery Committee Meeting

Mr. Stradley:
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AEK

1. Date & time

14 Oct. 1330 – 1630

2. Place. Conference Room Hiroshima Local E. I. A.

3. Attendance

Chugoku Region Civil Affairs

Economic Sect. Chief Mr. Keirul Assis. Chief Mr. Stradley

Chairman. Mr. Yokoyama and 17 others

4 Address of Mr. Keirul

Subjects of discussion

(1) Re. Termination of Prefectural Civil Affair Team.

Explained by Chugoku Liaison Office

C-22-G

All prefectural civil affair teams will terminate by Nov. 1 and only eight local civil affair teams will remain under the jurisdiction of civil affairs bureau in Tokyo from 1 Jan. after that 2 or 3 enlisted men will be detached to the C.I.C. in each prefecture, therefor the Japanese do not have to worry about the Regional Civil Affairs personelle when they visit your prefecture. There will be no particular increase of personelle in the Regional Civil Affair. Chugoku Civil Affair will have approximately 40 personelle (exclusive of Japanese personelle)

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