Conclusion drived from the above investigation is that checks into the actual requirements of the factories should be made constantly. Many of the factories are requesting more than requirements and selling the surplus on the blackmarket.
It has also been found that prefectural governments automatically allocate monthly sugar requirements to factories; consequently, even though a factory may have closed down for the month, it still receives the allocation. Prefectural governments will be advised of this matter for remedial action.

(3) SPB Investigation

Harrison PP — whittington

The preliminary investigation of the Kure Special Procurement Bureau by the Economic Investigation Agency revealed that several weak tendencies exist in the procurement of items. In the purchase of coal SPB sets a maximum acceptable bid which is too high. This is borne out by the fact that the highest bid was 73% of the maximum and the lowest bid 51%. Therefore, EIA advised that SPB exert more effort in completing the maximum acceptable bid which would correspond more closely to the prevailing prices.
Upon inspection of the delivered coal it has been found that the caloric quality of most of it is below the stipulated standard of 5,000 calories. EIA has advised that SPB carry out a constant check on the quality of the coal delivered.

(4) Fertilizer Investigation:

The EIA has been engaged in accelerating the liquidation of the fertilizer kodan. This has resulted in marked reduction of the accounts receivable from credit sales of the kodan as shown below:

	Accounts Receivable	
Prefecture	Balance as of end of July	Balance as of end of August
Hiroshima	¥10,612,696	¥2,024,415
Okayama	21,970,042	6,219,816
Yamaguchi	9,206,613	3,964,185
Tottori	707,654	0
Shimane	1,159,191	1,023,031
Total	43,746,196	13,231,447

Restricted

b. Staple Food Rationing:

reported to Phillies

(1) Investigation of the distribution and utilization of rations for the school lunch program in Hiroshima prefecture has been requested by this headquarters. This investigation request is based on a newspaper scandal stating that prefectural officials and others concerned have plotted together and processed school lunches below standard weight. Results will be reported in subsequent monthly activities report.

(2) With the completion of the first and second phases of investigation of processors by the EIA, it is concluded that numerous violations uncovered are a result of an unbalanced number of processors in comparison to the available amount of foodstuffs to be processed in the region. Therefore, processors are idle during the major part of the month, necessitating illegal activities in order to compensate for the loss incurred while idle. Prefectural authorites concerned have been advised that: (a) care must be taken in the future so as to restrict indiscriminate authorization of new mills, (b) a limited number of competant processors is more desirable than a large number of small enterprisers with inadequate work to sustain continuous operation.

(3) With the coming of new rice delivery the transportation control program has been stipulated. Police have already placed in operation a plan of surveillance which appears to be effective. During the report period 61,035 Kg of assorted staple foods have been confiscated or purchased. Okayama Prefecture, the largest producing area in this region, contributed 51% of this total.

c. Restaurant Control:

(1) Blackmarketing of meal coupons is again appearing in this region. Recently 10,600 coupons were confiscated in Yamaguchi. These coupons were being sold to the association of hotel owners for distribution to its members. Check of the coupons found them all to be originally issued in Osaka area.

(2) Expediting of administrative disposition of cases involving violations of restaurant control was emphasized during the report period, since the back log of cases is still large.

Restricted

All prefectural enforcement agencies have continued a strict surveillance over illegal activities by restaurants, resulting in 134 cases being sent to the public hearing committee, of which 102 received punsihments. There are 143 cases pending administrative disposition as of 1 October 1950.

d. Price Control:

As a result of a price survey made recently by the Tokuyama municipal police, it was found that the Korean War has effected a sudden rise in price of numerous items. The following are increases as compared to prices prior to the Korean War:

Cotton fabrics	200%
Towels	30%
Shirts	30%
Nail	65%
Aluminum products	10%
Tungsten and Zinc	50%
Imported medicine	20%
Leather products	10%

On the basis of the above information request has been made to all prefectures for a general price survey of critical items. It is especially interesting to note that towels have completely disappeared from the market in Tokuyama, indicating hoarding of this one item.

e. Blackmarket:

On 10 September officials of a petroleum distribution agency in Shimonoseki were arrested for channeling petroleum into the blackmarket. Detailed investigation revealed that approximately 295.769 tons of petroleum products were sold at a profit of ¥907.713. Officials concerned related that the above violation was committed because the company was in a state of bankruptcy. It is concluded that some means of surveillance is necessary in the future since most petroleum distribution agencies are reported to be in a critical stage financially.

7. INDUSTRY

a. Production:

(1) The production of needles for export to the sterling block by Hiroshima plants is increasing.

(2) Railroad equipment for export to Korea is being produced in fair quantities by the Hitachi Kasado Rolling Stock Plant, Kudamatsu, Yamaguchi prefecture and Central Japan Heavy Industry, Mihara Plant, Mihara, Hiroshima prefecture.

(3) Industrial efficiency associations have been established in Shimane and Okayama Prefectures to assist the small and medium enterprisers in the rationalization of production. Noted technicians are frequently invited to these prefectures to analyze the production processes of plants. The Hiroshima prefectural government has contributed 10 million yen to a loan guarantee association, to endorse bank loans for industrial concerns which are otherwise not able to secure loans. This association is authorized to endorse loans up to 10 times its capital. The prefectural budget could be imperiled by failures on the part of these businesses to repay loans. At present over 2 million yen is delinquent in notes guaranteed by the association.

Discuss with Wolf - A/C will look into!

(4) Paper yarn plants are having difficulty in marketing their paper "textile" which was in popular use during the war, and are planning to convert to cotton spinning and weaving plants.

(5) Attempts are being made to mechanize the ceramic industry in Shimane Prefecture.

b. Reparations:

(1) Nineteen of the 110 reparations installations in the region were inspected. Security and maintenance of equipment were found to be adequate. Minor discrepancies uncovered during inspections were corrected on the spot.

(2) Custodial accounting at some of the plants in Hiroshima Prefecture was found to be inadequate. Corrective action is being taken.

(3) The transfer of reparations barges from this region to Sasebo for Occupation Force use has been accomplished. in accordance with Memorandum for Reparations Division, Reparations Agency, Japanese Government, Tokyo, Japan 387.6 CPC/AD, subject: "Cancellation of Temporary Use of Reparations Equipment and Delivery," to Commander, Fleet Activities, Sasebo, Japan.

Code numbers of the barges shipped from this region are listed below:

11-5(5)-3713
11-5(5)-3735
11-5(5)-9727
11-5(238)-2
11-5(244)-1
11-6(238)-1 tug

Call

(4) In accordance with Memorandum for Reparations Agency, Japanese Government, 387.6(2 June 50) CPC/EX, 11 September 1950, subject: "Expenditure of Funds for Maintenance, Centralization of Machines, and Repair of Buildings in Reparations," this headquarters has authorized the expenditure of ¥17,130 for consolidation of reparations equipment at Iwakuni Fuel Depot, code number 45-5.

JOHANN: RECORD ON CARD

(5) The release from reparations custody and control of ferro-concrete reservoir, code number 1-A-11-13, No 1, at plant 45-16, Toyo Soda Company, Yamaguchi prefecture, was effected by letter, this headquarters, CCAR 386.3, 18 September 1950 following prior approval of CPC, SCAP through Civil Affairs Section, SCAP.

c. Restricted Industry:

(1) Explosives

Production of explosives continued to increase. Five-hundred and eighty-one (581) tons of explosives was produced in September, with August and July production being 544 and 499 tons respectively. Total production is within authorization. An accidental explosion on 25 September, of 97,000 detonators in the possession of Ogata, Teruo, a designated dealer at Ota-machi, Mine-gun, Yamaguchi prefecture, resulted in two deaths, three seriously injured, three houses completely destroyed and 135 damaged. The dealer was attempting to dry the detonators that had become wet due to the typhoone "Kezia."

(2) Fertilizer

Production of calcium-superphosphate fertilizer continues to decrease due to slow deliveries of pyrite, and slackening of demand with the decontrol of fertilizers.

Two plants at Konishima and Onoda are producing combined fertilizers, consisting of varying proportions of calcium superphosphate, calcium sulphate. September production of 913 and 464 tons respectively was accomplished at Konishima Plant, Konoshima Kagaku Kogyo Company and Onoda Plant, Nissan Kagaku Kogyo Company. Calcium superphosphate and ammonium sulphate production for September was 7,280 and 15,787 tons respectively, in comparison with 10,361 and 15,587 tons respectively for August.

(3) Shipbuilding:

Six of the 25 steel shipyards were inspected during September and no unauthorized construction or conversion of ships was observed in progress.

Ship launchings during the month of September:

Name of Vessel	Tonnage	Shipbuilder
Seiko Maru	4,750 G/T	Nishi Nippon Shipbuilding Company, Hiroshima
Azumasan Maru	7,000	Mitsui Tamano Shipbuilding Company, Okayama

Ships turned over to owners during September:

Name of Vessel	Tonnage	Shipbuilder
No 17 Taiyo Maru	284 G/T	Onomichi Shipbuilding Company Hiroshima (Conversion)
No 7 Fumi Maru	425	Hayashikane Shipbuilding Company, Yamaguchi
Gyoshin Maru	650	Nishi Nippon Shipbuilding Company, Yamaguchi (Conversion)
Tarushima Maru	4,750	Nishi Nippon Shipbuilding Company, Hiroshima (Contruction)
Daizui Maru	6,860	Hitachi Innoshima Shipyard, Hiroshima (Construction)
Geuts Maersk	12,500	Mitsui Tamano Shipbuilding Company, Okayama (Construction)

NOT NECESSARY

(4) Oil Refineries

(a) The Kudamatsu Refinery of the Nippon Oil Company processed 121,277 barrels of crude oil and 830 barrels of semi products during September. 101,674 barrels of crude oil were on hand 1 October 1950.

(b) The Marifu Refinery of Koa Oil Company processed 82,162 barrels of crude oil and 13,577 barrels of semi products during September. 130,116 barrels of crude oil were on hand 1 October 1950.

d. Construction:

(1) Building:

Private building construction and public ferro-concrete apartment housing units are increasing. Construction observed in the region was in compliance with regulations.

(2) Roads, River and Harbors

Approximately 30% of the year's new construction work has been completed. Disaster rehabilitation work scheduled has been 50% completed. However, typhoon damage was fairly heavy along the Japan Sea side of the region. Road repair work scheduled was only 40% completed and considerable time was spent in temporary highway repair to allow traffic to pass. Three spans of the famous 277 year old "Kantai" bridge, at Iwakuni City, Yamaguchi prefecture were washed away by the typhoon "Kezia." The prefecture has requested 100 million yen appropriation to reconstruct it. Conferences were held with the regional and five prefectural construction officials to expedite repairs and planned construction work, utilizing community sponsored help to supplement the funds available from public funds.

e. Electric Power:

An average of 6.20 MWH, 5.82 MWH, and 5.96 MWH per day was consumed during September, August and July 1950 respectively. This is the highest rate of daily consumption in each of these months for the past ten years. September hydro-electric generation was 5.9 MWH per day. Natural stream flow continues to be high for this season. No restriction on use of power is anticipated. Financial report of accounts as of 30 September show:

	Accounts Receivable	Accounts Payable
Nippon Hassoden	¥ 207,046.90	¥ 264,921.03
Chugoku Haiden	84,560,288.45	439,281,615.07

8. LABOR

a. Labor Relations:

(1) Hiroshima Electric Railway Company (Dentetsu)

During the first week of the month, the leftist elements within the union of this company engineered a change in election procedures. The Communist Party-dominated election management committee cooperated with this maneuver by seeing to it that red-tinted candidates outnumbered all others. Despite these efforts, the Mindo faction was able to gain four more seats for a total of six on sixteen man executive committee. The Communists were able to win nine seats plus one neutral that, apparently, is neutral only by fancy. The company has requested that this situation be undistributed during the next few weeks. It is a member of the private railway association which is in the process of planning an all-Japan red-purge. The association expects this purge to be effectuated during the month of October. If these plans materialize, they will ease the Dentetsu situation and materially contribute toward the strengthening of the Mindo faction.

(2) Hitachi Kasado, Kudamatsu, Yamaguchi

A check upon the situation reported in August activities report, this headquarters, indicates that the twenty individuals arrested for forced entry into the plant were held for the entire legal ten-day period of detention. At the end of that time, they were released because the procurators' office did not feel that sufficient evidence to obtain convictions had been accumulated. Such evidence is still being gathered, and the indications are that any number of these twenty may be indicted.

(3) Harima Shipbuilding Company, Kure Dock

After continual negotiations, the two unions voted in favor of a modified retrenchment program proposed by management as a compromise measure.

Consequently, the number dismissed was reduced from the originally planned figure of 1,906 to 1,596. At the same time, the company agreed to the union proposals on the amount of separation allowances to be paid while the union accepted a counter-proposal concerning the method of payment.

The union officials have decided upon an en bloc resignation, feeling responsible to a large degree in failing to prevent the dismissal of approximately 1,600 workers. During the last two weeks of negotiation, Communists were found to be distributing handbills. These were translated in full, but the wording was so carefully and cautiously done that no apparent infringement of existing laws could be detected. In carrying out the dismissals, the company released all known Communists and fellow-travellers. Thirteen such had been still employed by the plant.

(4) Central Japan Heavy Industry

(a) Mizushima

No noticeable progress has been made in the negotiations between local management and the union executive committee. The Mizushima plant intends to carry out its original plan of discharging 450 employees. Shortly after midmonth, it asked for voluntary retirements, and by month end approximately seventy workers complied with the request. In general, the union officials have understood management's point of view and have been cooperative on this specific program, but a few radical members are attempting to carry demonstrations against the discharge plan by distributing pamphlets and displaying slogans in the vicinity of the factory. They have also organized a so-called youth special action party. On the whole, employees have been indifferent to this agitation and have remained very quiet.

(b) Itozaki

Due to special demands created by the Korean War, the Itozaki locomotive plant has modified its original plans for retrenchment. Negotiations between management and the three unions within the plant are progressing satisfactorily, although no final agreements have been achieved at this time.

(5) Densan Discharges

Final report from the companies involved reveals that, of seventy-five Communists and fellow-travellers, seventy-two resigned before the deadline. The remaining three were discharged. As of the present date, no attempt has been made by this trio to take recourse before a court of law. No trouble of any sort is anticipated.

(6) Mitsui Shipbuilding and Engineering Company, Tamano

The negotiations between the second union in the plant and the company concerning lump sum bonus payments were concluded, to the apparent satisfaction of both parties. Contract negotiations between these parties have not been completed. Both the management and the second union are concerned over the original union, which now holds sway over ten to twenty percent of the employees and is Communist-dominated. The larger organization is asking for a union shop contract, and its constitution prohibits union membership to Communists. It has been pointed out to both parties that a union shop contract need not have any serious repercussions. Communists, by virtue of the union constitution, would have to be discharged, and non-Communists could be admitted to the union. Individuals whose sympathies are suspect could be required to sign non-Communist pledges and be given probationary union membership. However, both management and the union feel alarmed because of two cases in Okayama Prefecture involving Communists expelled from unions and discharged by the companies in keeping with union shop contract clauses (see Par 7 and 8). Also, the second union is involved in litigation with the first union, over the ¥2,000,000 in the latter's treasury. The second union has frozen this amount by court order, and is attempting to have it transferred to its own treasury. Legal and government section, this headquarters, has been requested to maintain surveillance over this court case.

(7) Atetsu Plant of Onoda Cement Company, Okayama

Six Communists and sympathizers were expelled by the Sodomei union within this plant. Two of these have carried the case to the district court in an effort to reverse their expulsion, and are represented by one of three Communist attorneys permanently retained by the Party to deal with labor cases in Okayama City.

The labor union is considerably worried because a similar case, involving the union in the Kurashiki Rayon Company, has not reached any conclusion to establish precedent, and because the union feels that the court judge has been showing some bias in favor of the plainstiffs. This case is of vital concern to a healthy development of the trade union movement in this region, because a decision in favor of the plaintiffs would establish a precedent for interference by the courts in the freedom of action necessary for unions to conduct and adjust their own internal affairs, and would also provide a tremendous obstacle in the way of unions cleaning up their houses on their own initiative. Legal and government section of this headquarters has been requested to keep a very close tab upon developments, and is maintaining a daily liaison with court.

(8) Kurashiki Rayon Company, Okayama

This is another case involving the expulsion by the union of its reds and red sympathizers. Part of the group, discharged by the company as a consequence of the expulsion, has carried the case into court. The representative of the Onoda Cement Company labor union has described an existing rumor to the effect that the presiding judge in the Kurashiki union litigation has expressed himself unofficially and off the record, as being in favor of the purgees. This matter has also been referred to the Legal and Government Section of this headquarters. No report on the validity of the rumor has yet been obtained.

(9) Chugoku Press, Hiroshima

In the recent purge of Communists and fellow-travellers by this newspaper, there have been twenty-three discharges. The union attitude on this matter has been that of acquiescence and approval. It has stated that it will carry appeals to the Labor Relations Committee only in those cases where a discharged employee can present substantial counter-evidence. In accordance with this policy, it has taken a stand upon one of the cases, namely, in the case of the dischargee who is vice-chairman of the executivecommittee. In supporting this case, the union has presented what appears, on the surface, to be a substantial array of

evidence to validate their contention that the individual concerned, rather than being either a Communist or a fellow-traveller, is anti-Communist both by word and by deed. It is likely that the union may carry this case to the Labor Relations Committee. A careful study of the merits of this matter is being made by this headquarters and appropriate advice will be given both to management and union.

(10) Izumo Railway, Shimane

The original union within this company is Communist-dominated. It consists of approximately ninety-three employees. Recently, some of the employees, feeling dissatisfied with being pawns in a game of red strategy, have seceded and formed their own separate union. Unfortunately, only forth have found sufficient courage to buck the intimidations of their former leaders. The first union has become involved in a dis-agreement and dispute with the company, and has gone on a strike in which the second union has refused to participate. In the ensuing confusion, the original union has resorted to obstructionist tactics, such as blocking switches and threatening members of the secessionist union. The company is being encouraged not only to give discharge notices to any employee who commits any act of obstruction or sabotage, as well as to his leaders, but also to inform the police immediately of any such acts and have warrants of arrest issued.

(11) Kasado Dock Company, Kasado Island, Yamaguchi

Toward the end of the month, a sharp labor dispute flared up within this plant. Origin of this situation lay in two factors. First, the company had been forced to delay payment of wages during the month of August. Second, the employees feared that there might be a second personnel retrenchment program because no work seemed in prospect upon completing the reconversion of the Teruyama Maru. An additional factor of unrest lay in the fact that the 330 workers dismissed during the previous retrenchment program have not yet been paid their retirement allowances. A supreme struggle committee was elected and on the following day, a spontaneous walk-out of employees began.

The executive committee acted swiftly to preseve order by calling an on-the-spot general membership meeting. Resolutions were adopted and immediate negotiations begun with the company. A swift settlement was reached on the matter of unpaid wages and the payment of future wages. At the next meeting between management and the union, complete agreement was reached on all issues. The union in this plant belongs to the red-dominated all-Japan shipbuilding workers union. In the September elections for the executive committee, Communist Party strength waned, and neutrals were able to obtain and exercise a majority control. The Mindo faction appears to be gaining gradual strength in this local but the red octopus is still active. Together with kindred elements from the Kudamatsu area, it is still able to agitate and create unrest as instanced by the above situation.

(12) Ube Kosan Company, Yamaguchi

In the trade agreement concluded 31 July between the Chisso union and the company, the wage clauses were made valid for a period of two months. At the end of that period, upon reopening the wage question, the company proposed a decrease of the incentive allowances by increasing the amount of production necessary before such allowances take effect. The company pointed out that the price of ammonium sulphate had dropped by ¥3,000 per ton, while the demand for this item had increased. At the same time, the company wanted to eliminate the free lunches provided to the workers and to grant a salary increase of ¥900 per worker in its stead. The union officials appear to understand the company's problem in so far as the proposed increase in production is concerned. However, they are negotiating with the company in an effort to have its proposal on eliminating the free lunches withdrawn. There does not appear any evident indication that dispute tactics will be used and negotiations are being conducted in an amicable manner.

b. Labor Education:

(1) Management Education

Conferences have been held, mainly in Shimane prefecture, not only for the purpose of stimulating management interest in labor relations and in the techniques for

dealing with labor problems, but also to encourage an active participation by management in educational programs designed to broaden their interest and their knowledge on these points. The turn-out was surprisingly large, and in each case forty or more individuals attended each meeting. An informal talk was presented, covering the following topics in a general fashion:

(a) The importance of labor relations

(b) Trade agreements

(c) Necessity for restoration of managerial rights

(d) Peace and wage clauses

(e) Necessity for wage rationalization and job analysis

(f) Seniority clauses

(g) Grievance machinery

(h) Importance of understanding union points of view

(i) The red problem and elimination of Communist elements.

A free question and answer period followed each of these talks. The participants demonstrated great interest in these meetings. Some of the individuals present deplored the generally indifferent attitude of the governor toward these problems and suggested that the labor officer discuss them with him. Each group requested that arrangements be made for further meetings of this nature.

(2) The decreasing lack of interest in the labor schools is further evidenced by the fact that the five labor schools in this region drew an enrollment of only 448. The labor offices of each prefecture have been requested to submit a detailed description of the operations of these schools in an effort to analyze and locate the elements contributing to their present decreasing effectiveness. A beginning in this direction has been made in the partial data received from Okayama prefecture. In addition to the school activity, the five labor policy sections have held 166 conferences, drawing a total attendance of 9,023 individuals.

The sections have distributed 33,426 leaflets and pamphlets, and have had thirteen film showings. In connection with the latter activity, the policy section chiefs have deplored the dearth of films specifically dealing with labor education themes.

(3) Education within Unions

A number of unions within Okayama Prefecture have recently begun cultural educational activities for their membership. This mainly consists of lectures concerning festival traditions and the organization of theatrical activities. Additional information concerning this activity has been requested. The Okayama prefectural labor policy section has designated nine labor unions as model unions. It is concentrating upon making these nine examples of model democratic unions within the prefecture. Each month, the labor policy section receives from them a monthly education program planned by the unions, and sends out people to give them actual guidance and advice on these programs. In developing these model unions, the section hopes to encourage other unions toward studying and emulating them.

(4) Other Labor Education

Okayama prefecture has reported that it intends to distribute a textbook on labor to the schools in the prefecture to educate students on labor problems. The other four prefectures are preparing to provide a similar text if it is requested by any particular school. However, Yamaguchi Prefecture believes that labor education for school students should be conducted by the labor unions together with the boards of education. Further exploration of these activities is intended.

b. Labor Standards:

(1) Unpaid Wages

Despite the efforts of inspectors to obtain payment, the situation in this region seems to show further decline.

The only prefecture to report a decrease in this matter was Okayama where the yen figure declined by ¥3,000,000. All other prefectures showed large increases. Comparison of the report on the situation in Yamaguchi shows an abnormally large increase. This is explainable by the fact that the returns from that prefecture for the preceding month were incomplete. The following table indicates cases of wages that remain unpaid for over two months as of 31 August 1950:

Prefecture	Number of plants	Number of workers involved	Amount of arrears
Hiroshima	148	6,000	¥66,750,073
Okayama	21	375	6,975,693
Shimane	30	455	4,458,737
Tottori	98	2,416	9,183,616
Yamaguchi	74	3,110	66,512,795

Despite unpaid wages, the workers seem to prefer being employed rather than having the plants closed down and being thrown out of work. Seven cases of unpaid wages were referred to the procurators during August.

(2) Safety and Sanitation

One more case of serious violation of the safety law in which a number of workers were killed has been referred to the procurators' office in Tottori Prefecture. The situation, in general, seems to show no improvement despite the recent safety campaign, and indicates the need for continued intensive efforts to protect the lives of workers. Accident statistics for the region as reported for the month of August show a total of 3,941 injured and 23 killed.

d. Workmen's Accident Compensation Insurance:

A campaign to expedite the collection of arrears in insurance premiums conducted by the Labor Standards Bureau during the period of 15 June to 15 August resulted in a considerable reduction in delinquencies. A total of 9,133 plants in the region were reported delinquent in their premium payments at the end of August as compared with 13,369 plants during the previous month. Tottori Prefecture also reported that the benefits paid out to insured workers amounted to seventeen million yen or or 80 percent of the total of premium collected as of the end of the month.

e. Women's and Minors' Bureau

(1) The bureau in Hiroshima Prefecture has been distributing pamphlets and posters concerning the advantages of unionism for women workers. These items have, in some cases, elaborated upon specific points of improvement in the working women's lot which may be obtained through union activities. One of the companies in Okayama Prefecture, the Kasaoka Chapter of the Shikishima Cotton Spinning Company, has shown an interesting development in relation to this type of activity. It sponsored a publication entitled the "Shirafio" (white sail). This publication apparently offers considerable freedom of expression, both to management and the union points of view, as well as to individuals. Several articles in the 5th issue of this publication dealt with the subject of girl workers in the plant, and were devoted to making them feel an integral part of the working body indicating to them the advantages of the present labor situation as contrasted with the former feudalism.

(2) Human Traffic Cases

Slave trade has continued to occur in Okayama prefecture as Aoki Gosaburo, age 61, was arrested for this type of activity, and referred to the Okayama procurators' office for prosecution. A similar case was also reported in Tottori Prefecture where a woman was recommended to the Kurayoshi district procurators' office for prosecution. In each of these cases, the procurors had introduced girls, in some cases minors, into houses of prostitution, and obtained illegal commissions in performing such transactions. Each individual is indicted on charges of violating Article 6 of the Labor Standards Law.

f. Employment:

(1) Work Relief Day Laborers

Recent surveys carried out in Yamaguchi, Okayama and Hiroshima Prefectures reveal that in almost all Public Employment Security Offices visited, they were still able to provide individual work-relief day laborers with enough work-days to maintain his eligibility for unemployment insurance. Occasional rallies by the so-called labor unions for relief day-laborers were reported.

Restricted

No indications of difficulties with Communist-led groups seem evident at this time, although Okayama Prefecture reported, in last visit, that trouble in this connection in Mizushima might be possible in view of the Korean and Communist elements in this type of group.

(2) Hiroshima City

Approximately one hundred women day-laborers rallied before the prefectural Public Employment Security Office on the second day of October in protest of the recently adopted system which limits such work to one person per household. During this "interview" with the employment officials, the visitors jammed the office for about an hour before disbanding. The women demanded that either the new order be rescinded or that wage rates be increased.

(3) Kure

Unemployment continues to pose a major problem for this city as 1,596 more workers were thrown into the open labor market by the retrenchment program of the Harima Dockyard. For the purpose of providing work for this particular group, an employment exchange committee will be formed under the joint responsibility of the company and the union. Encouraging news was received by this city recently when it was made known that an appropriation of about ¥100,000,000 will be granted out of the counterpart fund for financing the Niko river dike improvement project to be undertaken by the city as a public works project. This, it is anticipated, will require an average of a thousand day-laborers each day. This will serve to alleviate the lot of three to four thousand of those registered with the Public Employment Security Office. If the contemplated anti-flood project also materilizes, the Kure Public Employment Security Office expects to be able to provide jobs for another 1,850.

(4) General

The five prefectures within this region have made 7,358 placements into permanent jobs. In addition, there have been 2,976 placements into jobs of a temporary nature. On relief projects and in private enterprise, the prefectures were able to provide 690,331 days of casual work.

Restricted

Altogether, 6,192 plant inspections were made for the purpose of securing job orders, and 486 plants were inspected for the purpose of checking upon illegal labor supply. There were 64 cases of illegal labor supply uncovered, and 65 cases of labor bosses, involving a total of 1,509 workers. Two of the most flagrant cases in the latter group werereferred to the procurators.

g. Summary:

(1) Labor Relations

The Communist party situation in this region is improving, but has not eased off to the extent of providing reason for complacency. Encouraging features in this respect are that the unions are showing considerable initiative in expelling such undesirable elements. This appears to be a growing tendency in this area. Management, likewise, has been stimulated into a greater awareness of the possibilities of improving this situation in their own respective plants, and has been making frequent inquiries concerning the implications of the recent interpretation made by the Labor Ministry conderning the discharges of reds. However, the greatest impediment observed in this region to this healthy awakening on the part of both labor and management lies in the apparently obtuse flounderings of the courts. These little isolated islands of government responsibility seem as eager as they are incompetent to deal with such matters on a commonsense level. Cooperation between unions and management shows slight evidences of improvement, but is hindered, in most cases, by lack of knowledge on how to deal with one another in the most effective fashion. Despite handicaps, unions and management have completed 62 trade agreements during the past month. It was anticipated that 50 more were to have been completed during this same period, but no report was received as to whether or not negotiations had been concluded with the signing of trade agreements.

(2) Labor Education

Employers appear to be awakening to the need of learning more about labor relations and labor problems. However, an equal need seems evident among much of the government personnel dealing with labor problems, and there is some evidence that a number of these people could stand additional training.

Unions are beginning to grope forward along the educational front, both in the direction of labor education and in the line of cultural activities. Labor schools still show a downward trend in their effectiveness, although some incipient effort is being made toward bringing labor education into the school system.

(3) Labor Standards:

The unpaid wage situation throughout the major portion of this region shows evidences of further deterioration. Some note of hope may be drawn from the fact that, although safety and sanitation has shown no evident improvement, neither has it shown any signs of becoming worse.
The delinquency situation in the workmen's accident compensation insurance shows considerable improvement.

(4) Women's and Minors' Bureau

The bureaus are attempting to encourage a more active participation by women in union activities, but no appreciable result has yet been reported. A few scattered unions are encouraging women toward feeling part of the integrated work group and toward more active participation in union activities.

(5) Public Employment Security Office disturbances continue to decline. There is some slight concern among responsible union leaders and government labor personnel concerning the effect of Communist impact upon the unemployed when they begin mustering their forces in that direction. Kure city faces increasing difficulty with unemployment on the increase, but at the same time finds new hope in the possible materialization of extensive relief projects. Unemployment is still a major problem in this area.

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HEAVY OIL

Year	4th Quarter (Jan. - Feb. - Mar.)				1st Quarter (Apr. - May - June)				2nd Quarter (July - Aug. - Sept.)				3rd Quarter (Oct. - Nov. Dec.)			
	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production
1941	6	83	8,220 liters	7,640 kan	6	83	11,950 liters	12,140 kan	6	83	13,690 liters	13,300 kan	6	83	11,950 liters	11,550 kan
1950	15	349	2,243 liters	6,504 kan	15	349	10,344 liters	7,137 kan	17	354	12,016 liters	12,857 kan				
%	250	420	27.2	85.1	250	420	86.5	58.7	283	426	87.7	96.6				

LIGHT OIL

Year	4th Quarter (Jan. - Feb. - Mar.)				1st Quarter (Apr. - May - June)				2nd Quarter (July - Aug. - Sept.)				3rd Quarter (Oct. - Nov. Dec.)			
	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production	No. of Boats	H.P.	Oil Consumption	Production
1941	32	126	9,830 liters	9,180 kan	32	126	18,200 liters	18,260 kan	32	126	20,700 liters	17,000 kan	32	126	17,000 liters	15,250 kan
1950	76	318	9,244 liters	6,285 kan	74	338	9,389 liters	7,229 kan	75	345	8,638 liters	3,378 kan				
%	237	252	94	68.4	231	268	51.5	39.5	234	273	41.7	44				

Appendix 1 (Annex D, Par 3b)

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MINES OTHER THAN COAL

Month	No. of Employees	No. of Accidents	No. of persons: Death	Heavy Injury	Light Injury	Total	Accidents per 1000 workers: Accidents	Death	Heavy Injury	Light Injury	Total
1949 Aug.	7295	124	0	11	113	124	17.00	0	1.51	15.49	17.00
Sep.	7211	149	1	28	121	150	20.66	0.14	3.88	16.78	20.80
Oct.	7094	138	1	28	112	141	19.87	0.14	3.95	15.79	19.88
Nov.	7009	141	0	16	124	140	20.12	0	2.28	17.69	19.97
Dec.	7313	108	0	21	88	109	14.77	0	2.87	12.03	14.90
1950 Jan.	7128	120	2	32	86	120	16.84	0.28	4.49	12.67	16.84
Feb.	7123	112	1	26	84	111	15.72	0.14	3.65	11.79	15.58
Mar.	7054	88	0	17	72	89	12.48	0	2.41	10.21	12.62
Apr.	6964	133	0	30	104	134	19.10	0	4.31	15.03	19.34
May	6974	118	0	36	92	118	16.92	0	3.73	13.19	16.92
Jun.	7115	171	0	37	136	173	24.03	0	5.20	19.11	24.31
Jul.	7092	138	0	41	99	140	19.46	0	5.71	14.03	19.74

NOTE: In some instances more than one injury occurred in one accident.

Appendix 2 (Annex D, Par 5c)

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MINES OTHER THAN COAL

Accidents by Part of Body Injured

Month	Head		Trunk		Arms		Legs	
1950	Case	%	Case	%	Case	%	Case	%
Jan.	10	8.4	28	23.5	41	34.5	40	33.6
Feb.	13	11.8	21	19.1	31	28.2	45	40.9
Mar.	17	19.3	15	17.1	31	35.2	25	28.4
Apr.	17	12.9	21	15.9	36	27.3	58	43.9
May	14	12.2	22	19.1	42	36.5	37	32.2
Jun.	14	8.4	33	19.5	56	33.1	66	39.0
Jul.	16	11.9	30	21.7	48	34.6	44	31.8
Aug.	17	11.9	20	15.2	46	35.9	49	37.0

NOTE: Nine cases are not included in the above because details were not received.

Time Lost by Accidents.

Month	Lost time hours	Percentage against worked hours
1949		
Aug.	6,985	6.167%
Sep.	10,419	7.896%
Oct.	9,530	8.185%
Nov.	8,748	6.916%
Dec.	8,063	6.891%
1950		
Jan.	10,538	10.919%
Feb.	9,589	8.679%
Mar.	6,869	5.875%
Apr.	11,860	9.594%
May	9,760	7.627%
Jun.	13,362	13.244%
Jul.	15,107	12.566%

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Ryushu — Johann see page 21

Home Industry —

Farmers with destroyed crops, no insurance — seeking employment — straw making etc.

Monopoly —

One Fish Market — largest in Japan — possible violation of Art. 5 of Trade Assoc. Law. Called Mossman — apparent violation is combing of fish markets into one — story that no one else wants to go into business not plausible —

Pine: Lumber
Mil Purchases of Constr. lumber & RR ties hauled down Pine trail — Sept. Lewis stock pile piled pine up — 20 070 below office — now 10 070 down —

Kyoshu —

P & D —

Steel Manuf. Subsidy Act —
no viol.

Price of Rice — ¥130 in big cities
110 - in Small —

Biggest change in Textiles —
cotton yarn — 6790 in July
2090 up now —
Cost of living up 3 to 5 70 since
conflict.

Rest. Control — stimulate utilization of
Reject Rations released to Restaurants.

Staple Food —
Food Distr. good — no fear of food —
hoarding declined.

Kyushu —

Reparations —

Reported on lack of funds for maintenance —

Ship building —

Kawanami —

~~ESS~~

Fertilizer —

Problems of Manufacturers —

Price lists —

construction —

Road Program — SCAP'ed 1943

Reluctance to allocate funds (2570)

until equilization grants rec.

Progress report by Ken —

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JOHANN: CHECK CPEOS "EMERGENCY USE" SEE PARAGRAPH 28

Fo. checked
Fi checked

KYUSHU CIVIL AFFAIRS REGION
GHQ SCAP
Fukuoka, Kyushu, Japan
APO 24-5

ANNEX D
Sept 1950
ECONOMICS ACTIVITIES
Prepared by Ellsworth R. Mosman, DAC

1. AGRICULTURE:

a. Land Reform - All seven prefectures and 20 local areas were visited to observe the progress of the land reform program during 21 days in the field. Discussions and conferences were held with officials of the Kumamoto Agricultural Land Office, legal affairs officers, prefectural governments, prefectural and local land commissioners and farmers. Joint visits were made with the administrative authorities to stress phases which included progress in purchases and sales, registration, payment and collections, transfers of land, written rental contracts and consolidation of agricultural lands.

(1) Purchases and Sales: Plans are being drawn up for the 2 December 1950 purchase and although local land commissions have a general idea of the area of agricultural land which should be purchased, prefectural governments and the Kumamoto Land Office have not received the proposed purchase area figures. Information regarding the procedures established by the Potsdam Cabinet Order (11 Sept 50) was discussed at a meeting in Kumamoto City on 18 and 19 September, sponsored by the Ministry of Agriculture and Forestry and attended by chiefs, Agricultural Land Department, Land and Reclamation Sections from each prefecture on Kyushu. Purchases of pasture and residential lands on 2 December are expected to be negligible but purchases of uncultivated lands are expected to be carried out as scheduled. Sales of lands on 2 December are not expected to exceed the purchases because nearly all lands which have been deemed feasible for sale under existing regulations have been sold. Except for lands held by the National Government purchased from Japanese nationals residing abroad, most of the agricultural land withheld from sales is cultivated by small farmers ineligible to purchase lands they cultivate.

(2) Land Registration: Registration of agricultural, pasture and residential lands by registration offices was not completed as expected during the month. However, the Kumamoto Land Office has requested full cooperation by prefectural governments to submit all documents to the registration

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offices no later than 10 October so that registration of lands purchased and sold through July 1950 will be completed by 31 October. Although Miyazaki and Kumamoto prefectures have endeavored to complete registration as early as possible, it is felt that they may not complete all phases of registration as scheduled, but only a small amount is expected to remain. Land commission clerks have been active in bringing registration of uncultivated lands which come under their jurisdiction up to schedule. Progress in legal registration of agricultural lands purchased and sold through July 1950 as of 30 September are as follows:

Prefecture	Purchases	Sales
Fukuoka	98%	94%
Saga	99	93
Nagasaki	100	96
Oita	98	96
Kumamoto	95	83
Miyazaki	98	75
Kagoshima	98	97
Kyushu average	98	90

(Source: Fukuoka Legal Affairs Bureau)

(3) Payments and Collections: The Kumamoto Land Office is emphasizing the importance of completing financial matters concerned with the land reform program and along with prefectural governments have stressed close surveillance over land commissions and clerks to prevent misue of funds. Nearly all commissions visited had completed payments and collections for lands purchased and sold through March 1950, but have not completed the 2 July phase as forms had not been received or had only recently been received from the prefectural government. In general, the trend is towards converting yearly payments by farmers to lump sum payments but a few reverse cases have been noted. All officials are emphasizing the strict compliance by agricultural cooperatives to existing regulations in making payments for lands purchased to prevent possible violations.

(4) Transfers of Agricultural Lands: Actual transfers of land will not take place until the present rice crop is harvested, but prefectural government officials have stated that negotiations have commenced in preparation for the coming change over. Discussions with all concerned with land transfers indicated that the trend of small farmers giving up their land for employment in urban areas is desirable

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ANNEX "D"

as it allows more conscientious farmers to increase their cultivation area. However, cases have been noted where the second or third son has taken over lands, thus a net increase has not been realized. A few cases have been reported where farmers, especially on reclamation projects, have joined the National Police Reserve due to meager earnings derived from their farm. This was noted in Kumamoto and Kagoshima prefectures but as yet no definite figures are obtainable. The Kumamoto Land Office is stressing the importance of serious consideration before approval of applications to change the use of agricultural lands. Their chief argument against such approval is that approximately ¥300,000 is required to reclaim one tan of tidal land and indiscriminate use of agricultural land is not justified. Although transfers of land titles have arisen in the past due to the improved food situation, high taxes and quotas together with other reasons; it is felt that the forthcoming fixed assets tax with higher land prices will see a greater number of transfer cases. Registration office personnel have stated that the fixed assets tax will require proper registration by owners as registration office land ledgers are used as a bases for the fixed assets tax on land. This too will eliminate fictitous owners.

(5) Written Rental Contracts: Although the Kyushu average in completing written rental contracts as of 31 August 1950 was 90 percent, Saga Prefecture had reached 100 percent which is reportedly the first in Japan. As of 31 August, Nagasaki Prefecture was the lowest with 77 percent, but registration was emphasized and better progress is expected in the near future as the Nagasaki District Legal Affairs Bureau reported 100 percent in registration of agricultural lands purchased. The major portion of the lease forms are expected to be completed in October and only a few cases will remain in November.

(6) Consolidation of Agricultural Lands: Consolidation of agricultural lands has taken the front in the land reform program in Kyushu with rapid strides being made in planning actual exchanges of land. Areas visited showed exceptional progress with completion of land and management surveys, approval of one-half of the farmers and in Saga and Fukuoka prefectures the final planning phases of receiving the approval of two-thirds of those concerned in the designated area is completed in advanced areas. In the advanced areas, land commissions are awaiting forms from the prefectural government on which to post the required 60 day public notification. One of the main problems faced at present is the lack of funds which are deemed necessary in order to

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carry out land improvement such as construction of roads and irrigation and drainage facilities along with the exchange of lands. The Governor of Fukuoka Prefecture has set aside ¥32,000,000 for this purpose. The Kumamoto Land Office and prefectural government officials are encouraging the allocation by designated areas of funds for carrying out the program. Ryokai-mura in Yamato-gun, Fukuoka Prefecture has already made available ¥2,000,000.

(7) Other Items of Interest:

(a) A conference was held on 21 September with prefectural land section chiefs in Oita City who requested the full support of Occupation Forces to obtain sufficient land reform budget in order to complete and properly administer the remaining phases of the land reform program. Much concern has been shown by prefectural officials over the proposed 80 percent cut in prefectural personnel reducing the present staff to 8 or 10 persons in the land sections. Land section chiefs state that many disputes and small problems have arisen in the latter phases of the program which require many man days for study and mediation. It is their contention that the present personnel strength is absolutely necessary for at least one year to propoerly administer the program. Main points of the program which require close attention in the future include (1) transfers of land to include change in use of land, actual surveys to determine the area and possible blackmarket transactions; (2) purchases of remaining land; (3) rental price control; (4) appeals and; (5) payments and collections. The personnel employed by Agricultural Land Sections in Kyushu at the present including those subsidized by the National Government are as follows:

Prefecture	Personnel
Fukuoka	61
Saga	64
Nagasaki	67
Kumamoto	70
Oita	68
Miyazaki	58
Kagoshima	66
Kyushu Average	64.8

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(b) The survey carried out by the Kumamoto Land Office shows that Kagoshima Prefecture has the greatest number of land commission clerks per commission, also the largest amount paid out for clerks by local cities, towns and villages. Following is a table showing number of land commissions, clerks and amount of costs borne locally.

Prefecture	No. Land Commissions	No. Clerks	Local Expenses
Fukuoka	302	673	¥12,960,000
Saga	125	305	12,500,000
Nagasaki	174	401	16,855,560
Kumamoto	320	502	2,547,151
Oita	246	293	3,540,592
Miyazaki	95	341	13,250,650
Kagoshima	122	638	25,034,099
Total	1,384	3,153	¥86,738,052

(c) A visit to Showa-mura, Yatsushiro-gun, Kumamoto Prefecture immediately following the Kezia typhoon showed that national assistance is urgently required to reenforce the present sea wall. A twenty-four hour vigil was maintained during the typhoon and all action was taken by local officials to prevent the collapse of the sea wall. A break through would have inundated approximately 600 cho.

c. Agricultural Cooperatives - During the month all seven prefectures and 19 local areas were visited to observe the progress of the agricultural cooperative program during 21 days in the field. Discussions and conferences were held with prefectural government officials, federation and local cooperative officials and employees and farmers to obtain their views, problems, trends and other matters relative to the program. Special emphasis was placed on cooperative finance, management, member participation, administration and liquidation of the Nogyokai.

(1) Financial Position: Financially, September is considered the worst month during the year as activities of agricultural cooperatives are limited due to the low purchasing power of farmers arising from late rice harvests in Kyushu. Deposits with all financial institutions which deal with agriculture were expected to show a decrease during the month due primarily to withdrawals for tax payment. Action by the counter measures councils, prefectural governments, federations of coops and other organs concerned with the program have assited in halting the trend

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towards bankruptcy by local coops which was considered evident in April and May. There is discussion among local coops in Kumamoto to organize another more localized credit federation of local coops as the present federation is considered inefficient and has restricted withdrawals by local coops. This has led to deposits with local branch banks. All local coops visited had established goals for capital investment to exceed the value of fixed assets including immovable assets as well as a certain portion of the movable assets. Prefectural governments are encouraging capitalization in excess of 150 percent of fixed assets with anticipation that the proposed Cabinet Order will require that amount. A few were noted where the value of shares per member and seasonal payments are collected based on crops harvested. There has been complaint by local cooperative officials that the incentive to increase savings and declare patronage dividends is eliminated with high taxes on cooperatives. The present situation is considered worse than the period during the existence of industrial associations (Sangyokumiai).

(2) Management: Local cooperatives as well as federations are stressing the importance of low operating costs and in Kumamoto, coops are desirous of having prefectural government officials audit their books and generally appraise coop functions. The trend of increased participation by young men in local coop management is noted through the organization of young men's sections. An increase in the number of women's sections also is considered favorable as a better selection of consumer goods can be obtained through coordinated action. A visit to Uchino-machi, Kaho-gun, Fukuoka Prefecture showed that the local agricultural cooperative has employed a temporary manager until such time as the management of the coop is put on a sound basis. The temporary manager has had years of experience in office management and had at one time been employed as an agricultural technician by the government.

(3) Administration: Prefectural officials are encouraging (a) more general meetings to discuss local problems which concern farmer members (b) preparation of balance sheets at least quarterly to be explained at general membership meetings (c) more frequent inventories by local and federations of coops to allow members to know the net worth of the coop periodically and (d) posting of simplified monthly profit and loss statements and minutes of directors meetings, to stimulate greater membership interest and participation in the coop and prevent unnecessary losses. Prefectural officials are following the policy of members electing the

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president of the coop directly at a general membership meeting as a few coops have pointed out the inherent advantages of such procedures. The majority of local coops have taken the model articles of incorporation prepared by the Ministry of Agriculture and Forestry as such and incorporated the article which states that the president shall be selected by the directors. However, serious consideration by the administrative authorities leads to the conclusion that election of the president by the members is a more democratic procedure. Nagasaki Prefectural officials believe that the term of office of directors should be limited to one year to give farmers the opportunity to vote more often forestalling use of the right of one fifth of the members to request an election as permitted under the coop legislation. This same feeling has been expressed to a certain extent in the other prefectures as a great turn over is not generally seen as a result of an election, and it allows farmer members to make their own decisions.

(4) Liquidation of Nogyokai: Miyazaki and Oita prefectures have shown great improvement in the liquidation of Nogyokai but litigated cases and cases with large indebtedness due to misappropriation of funds by Nogyokai officials or employees are expected to remain for a few months. However, prefectural governments are encouraging early completion of liquidation to allow the cooperatives to carry on their activities on a more normal basis. Upon investigation, the Nagasaki prefectural government learned that there were four Nogyokai which had not completed liquidation. The previously reported figure of one was due to a reporting error based on the number of Nogyokai remaining which had not submitted liquidation papers to registration offices. Following is the status in liquidation of Nogyokai as of 30 September 1950:

Prefecture	Total Number	Registered	Percent	Not Liquidated
Fukuoka	314 (1)	211	99	3 (1)
Saga	122 (1)	120	98.3	2 (1)
Nagasaki	160 (1)	156 (1)	98.7	4
Oita	217 (1)	211 (1)	97.2	6
Miyazaki	88 (1)	83	94.3	5 (1)

(Figures in parenthesis represent prefectural Nogyokai. Kumamoto and Kagoshima are 100% complete)

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(5) Other Items of Interest:

(a) In view of the abolition of food distribution offices. on 31 March 1951, the Fukuoka Prefectural Marketing Federation of Agricultural Cooperatives is considering and planning the distribution of rationed staple foods.

(b) Local cooperatives are requesting the deposit of city, town and village funds with the coop for safe keeping in order to build up operating capital. The Saga prefectural governor has approved the deposit of ¥30,000,000 with the Saga Prefectural Credit Federation of Agricultural Cooperatives.

(c) There is a trend towards greater participation by former tenant farmers in the management and affairs of local and federations of coops. This is due in part to the higher attainment by former tenants and acknowledgement in local circles which has reportedly been due to the post-war agrarian reform program.

(d) The Nagasaki prefectural government dispatched a notification to agricultural cooperatives informing them to refrain from withholding money due farmers for crop deliveries. Agricultural coops have been known to automatically transfer crop delivery payments into the farmers' savings accounts, which in cases have been used for operating expenses. The instruction dispatched emphasized the need of obtaining permission of farmer members prior to any act to set aside all or a portion of the crop delivery payments.

(e) There is also strong evidence that cooperative members are being arbitrarily assessed for crop quota reduction campaigns. At the present time, a high official in Fukuoka Prefecture is under arrest for alleged receipt of funds obtained in this way. He is, Mr. Shinohara, Assistant Chief of Economics, Fukuoka Prefecture.

d. Agricultural Extension Program

(1) Field Coverage: Five prefectures were directly covered by field trips and the other two indirectly at a regional conference during September. Fifteen days were spent in field work.

(2) Control of Crop Diseases

(a) All prefectures have been using the radio and press to inform the farmers on control measures for crop diseases. Rice blast, unka, imochi, black tortoise insect are the diseases and insects that have caused some damage to the crops. The farm advisors, throughout the region, are pursuing an intensive educational program among the farmers concerning the symptoms and control of these bacterial diseases and pests. Many of these farm advisors are working overtime in the Kezia typhoon area in order to salvage the most from the staple crop damage. In one area where the sea water was two inches over the rice tops, the agent instructed the farmers to wash the plants with rain water and in another area affected by the black tortoise bug, the school children were urged to catch them. The area improvement committee gave each child ¥10 per 1 go of black tortoise bugs caught. This insect seems impervious to the present insecticides. Geese and people are the best known control measures. In some cases, members of the agricultural adjustment committee and local officials, who were instructed by the appropriate farm advisor, personally visited the farmers to give them the recommended crop disease control techniques.

(b) Farm Advisors' Conferences - Saga had a 3-day course on farming techniques, social and economic aspects of rural life in Karatsu City. All the extension agents were present. Professors from the universities in this region gave lectures as did prefectural officials. A member from this region opened up the session.

(c) Home Industry Program - The prefectures visited are making plans for home industry enterprises for farm families. In Nagatsu City, Oita Prefecture, where 450 chobu of rice paddies were completely destroyed by break of sea wall caused by typhoon Kezia, the farmers of the destroyed area have no crop insurance so the city officials are seeking employment for the distressed farmers. The extension agent is urging straw processing and the city promises to finance the necessary machinery. In other areas, the Improvement Section is to make market studies and then advise the farmers accordingly. Some of the projects are the raising of rabbits, canaries, lilies, lemon grass for perfume, peppermint as well as the processing of same in order to give the farmer other sources of income.

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(d) Interprefectural visits - Kagoshima prefecture is sending eight farm advisors and seven farmers to prefectures on Honshu to study better techniques.

(3) Home Advisors Activity

(a) Prefectural Interest - All prefectures have accentuated their home improvement program. Training schools, hiring of more home advisors, and establishment of subsections for home improvement in some prefectures, are evidences of greater interest.

(b) Home Advisors' Program - Fukuoka Prefecture is sending each extension area a box, whose sides are hinged and hooked to each other, containing scaled models of kitchen furniture and equipment. The box is used as a kitchen and the models are moved within it to demonstrate kitchen efficiency. The agents also use the flannel covered folding demonstration board recommended and designed by Miss Collings of NRS/SCAP. Fukuoka home advisors are concentrating on balanced diets and food nutrition. In Ibusuki, Kagoshima Prefecture, the town built an office for the extension agents and they are also building for the home advisor a model kitchen in the rear of the building. At the time of this Region's inspection, the mason was erecting a kitchen stove which was designed by this home advisor. She also has a sanitation campaign on, which principally deals with killing flies by insecticides. In Kagoshima, a member of this Region visited two villages to check on rural living conditions of farmers. The kitchens are merely an afterthought - it seems to be the selecting of a rear nook of a house, generally without benefit of natural light or a built up floor and is about 6 feet by 4 feet in size. A stove is placed within this cubicle and is helter-skelter surrounded by pots, pans and dishes. A real education is needed to correct this condition as well as home sanitation.

(4) Agricultural Improvement Committee Meetings: A member of this headquarters attended both a prefectural and a regional agricultural meeting during this period. The salient subjects for discussion at the prefectural meeting were that extension agents are to cooperate with agricultural cooperative associations and other organizations who are developing farm techniques, and agents are to avoid giving farmers their personal technique but must follow only the technique recommended by their lawful superior sources. At the regional conference which was held in Kagoshima, 28 and 29 September,

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they had as guest speaker, Mr. Yokomizu, Chairman of National Council of Agricultural Improvement, who announced the 1951 budget allowances for increase in farm and home advisors as well as the added number of specialists. This conference went on record recommending the consolidation of local adjustment and land committees but leaving the extension committee status quo. Three prefectures requested discussion by the regional council of larger national subsidies, increase of agents, whether or not agent should have his office at area headquarters or village office. At both meetings a member of this Region spoke on the advisability of initiating a regional council for agricultural youth clubs.

(5) Agricultural Youth Clubs: This headquarters checked with Kumamoto Prefecture on the number of 4H clubs they had as of 30 June 1950 and they reported ten 4H and 500 similar clubs. This is at variance with table on page 22 of Natural Resources Section bulletin #252. Discussions were held in five prefectures on the advisability of starting a regional council of agricultural youth clubs in order to synchronize and coordinate their aims and objectives for the betterment of the members. The matter is under consideration by all prefectures: The initial opinion appeared to be favorable.

(6) Experimental Stations and Demonstration Farm: The fertilizer experiment at Miyakonojo City, branch station of Miyazaki Experimental Station was observed. The Kezia typhoon of 13 Spetember did not harm the experiment because they are testing with the earlier type rice crop-Norin #18. The flowering of the plant took place before the typhoon so pollination was not affected. It is too early to give opinions on the experiment. The crops of this experiment will be harvested on or about 20 October so about the first week in November the station will have the results. At the Miyazaki Prefectural Improvement Committee meeting they gave the results of a questionaire to demonstration farms concerning the 2-4 D weed killer experiments. The polling of demonstration farms indicate the results of 2-4 D are good.

(7) Miscellaneous: Kagoshima reorganized their agricultural improvement section effective 1 September 1950. It formerly was organized into 3 sub-sections; viz, (a) General affairs, (b) Extension and (c) Information. The reorganization just added two new sub-sections; viz, Youth Club and Home Improvement. A Central Government ruling bars a specialist from becoming a sub-section chief but Kagoshima

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and Bureau of Agriculture Improvement are seeking an exception to this ruling from the Ministry of Agriculture and Forestry as regards the Home Improvement and the Youth Club sub-sections.

e. Crops

(1) Mugi Collection: Kyushu completed its overall mugi collection quota 11 September to take the lead over the whole nation. Miyazaki was the last to reach its delivery goal on 27 September and on 30 September 2% of its deliveries still were awaiting purchase. Official purchase figures as of 1 October follow:

Prefecture	Koku	Percent
Fukuoka	450,461	103.4
Saga	236,111	101.6
Nagasaki	101,500	101.9
Kumamoto	383,382	100.8
Oita	146,909	102.3
Miyazaki	98,373	98.1
Kagoshima	93,673	102.3

(2) Crop Damage: Typhoon Kezia hit southern Kyushu on 13 September with peak wind velocities of 85 miles an hour after hovering just off the coast for almost a full day. It travelled almost due north slightly to the east of the island's center. Along the way it gradually lost velocity and when it departed 14 September the strongest blows had fallen to 60 MPH. Torrential rainfall of from 8 to 20 inches in a two day period beat flat an estimated thousands of chobu to rice and miscellaneous grains and flooded almost every river in the island. A free runoff was blocked by peak tides and great areas around river mouths were flooded by salt and fresh water. Sea walls which gave way before heavy surf added to the destruction. Kyushu's promise of a bumper crop, approximately 104% of the previous 5-year average, vanished. Prefectural estimates of losses ranged up to the 44% claim of Miyazaki where the more conservative Survey and Statistical Research Office of the Ministry of Agriculture and Forestry made a preliminary and admittedly not too accurate estimate of 29.4% damage to rice. Members of this Economics staff visited every prefecture in the 10 days following the typhoon in an effort to: (a) induce officials to backcheck village claims, (b) to make first-hand realistic surveys, (c) to correct early exaggerated claims published in newspapers, (d) to consider the food needs of the people as a whole as well

as the easiest possible quota for the farmer, (e) to set up plans to curb blackmarket activities before the rice is harvested. In some instances newspapers reported high damage estimates by responsible officials before the storm was over and before even a pretense of a sound appraisal could be made. There was no doubt that damage was heavy, particularly in Miyazaki and to a slightly less extent in Kagoshima, Oita and Kumamoto. Farther north slackening winds inflicted only moderate to minor apparent damage in Fukuoka, Nagasaki and Saga. Every competent agricultural technician agrees that from 50 to 70% of the rice was at the most fragile and critical period of its growth - just as the head was emerging from the stem or just after it had emerged and was in flower. Even when not flooded or beated down these tender shoots were bruised and it was generally considered impossible to estimate the actual damage until after harvest and hulling. Agricultural experts also warned that split leaves and weakened stems would make the plants more subject to infection. As this is the second successive year of major typhoon damage, the collection campaign is expected to be a difficult one, particularly in the southern and central prefectures. There follows a table listing (a) quota reductions authorized as a result of last year's Della, Faye and Judith typhoons, (b) this year's estimated crop yield just before typhoon Kezia, (c) Ken damage claims, (d) Ministry of Agriculture and Forestry first damage estimates subject to revision 10 October.

Prefecture	(a)	(b)	(c)	(d)
Fukuoka	14.7%	104%	16%	8.4%
Saga	31.3	105	13.3	6.1
Nagasaki	15.6	103	17.5	7.2
Kumamoto	20.4	106	28	11.1
Oita	9.2	101	27	17.2
Miyazaki	29.4	100	44	29.4
Kagoshima	28.7	101	40	16.8

This year' losses were far greater than last year's in Miyazaki and appreciably greater in Kagoshima, Oita and Kumamoto. Fukuoka and Nagasaki's losses were less than last year's and Saga's vastly less. Delivery quota reductions appear inevitable. Already the drive for cuts is on. The mayors of 14 Koyu gun villages in Miyazaki, claiming 66% rice damage, 80% millet damage and 90% buckwheat damage, camped on the Governor's doorstep until he promised to help get quota reductions. This gun was in the center of the typhoon path and like others along the center line suffered extreme damage but seemingly not as high as claimed.

(3) Rice Collection: Kamiyakushima, a small island village just north of the 30 degree line in Kagoshima, completed delivery of its 19-koku rice quota in late September to win the Kyushu leadership. This is one of five villages in the typhoon belt which plant early to permit harvest before the traditional September storms. The other four villages in that area average 60% of quota. Elsewhere only a trickle of early variety deliveries was reported.

2. FISHERIES:

a. Cooperatives - Nineteen days were spent in the field observing the progress of fisheries cooperatives in Oita, Miyazaki, Kagoshima and Nagasaki prefectures. A total of twenty-six cooperatives were visited. Emphasis was placed on the advantages of having savings and credit programs, the necessity of completing the liquidation of old association assets, reduction of operating expenses, and the benefits of operating coops similar to business enterprises. Discussions and conferences were held throughout the period with local cooperatives on fishermen level, chairmen of coops, and directors.

(1) Liquidation of Old Association Assets: Special efforts are being made to complete the liquidation of Gyogyokai. Of the twenty-six coops visited, eleven had not completed liquidation of old assets. Except for three coops the remainder are expected to be completed by the end of this month.

(2) Finance: Continued monetary stringencies, the high cost of fishing gear and low fish prices are still preventing the fishermen from participating in the savings program and thus retarding the activities within the cooperatives. Cooperatives' chairmen and directors of Aoshima and Totoro of Miyazaki Prefecture; Kaseda, Nomaike and Kashihino Hashima of Kagoshima Prefecture have stated that unless the present situation changes, activities of cooperatives cannot be expected to have much support. The most affected groups are those who are dependent on coastal fishing with (ipponzuri) one-line catching method. All the cooperatives say that local tax agents have imposed unfair assessments. Approximately 35% of these coop members have not paid previous year's taxes and 20% of the members are having great difficulties in purchasing rice allocations. For this reason, members of cooperatives declare that participation in coop activities is very difficult.

Call to attention of NRS/Fi

(3) Reported Fish Catch: Eleven coops were visited on the Goto Islands, Nagasaki Prefecture. All stated that the total fish catch has increased approximately 20% compared with last year.

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However, members of the coops asserted that this does not necessarily indicate that the earnings of individual members have increased. Reasons given are as follows: (a) Unreliable figures during control period, (b) decreased fish price, (c) higher cost in the handling of fish and (d) increased number of fishermen.

(4) Reducing the Overhead Expense: At all mainland coops efficient business management was lacking. To prevent unemployment for their employees unnecessary expenditures are being made, creating huge deficits which jeopardize the entire coop. Asoshima Fishery Cooperative of Miyazaki Prefecture has received considerable publicity in the local newspaper on their present financial difficulties. After investigation excessive payroll expenditures and unnecessary spendings were noted. With only 324 members, eleven persons were employed with a total payroll of ¥56,000 per month with approximately ¥40,000 per month for other expenses. Only services offered to the members were group purchase of materials and group sale of fish.

(5) Material Shortages: No marked change took place from previous months on material shortages. Continued lack of fuel oil and cotton thread were reported. Uonome Fishing Cooperative also claimed a shortage of straw rope required for set-nets. This situation, however, is expected to be relieved as soon as rice harvest season begins.

(6) Boat Insurance: Eleven coops visited had a total of 2,692 boats registered. Of this total only 172 boats, all from two coops, were insured. It was revealed that large boat owners (ocean type) are not insuring their boats with the government sponsored insurance program but with private insurance companies because (a) advantages offered are negligible, (b) boat owners have been affiliated with the private companies and by remaining with the company credit and loans are obtainable and (c) knowledge of government sponsored insurance is insufficient.

(7) Illegal Fishing: Four Goto cooperatives complained that trawlers from other prefectures were invading their fishing grounds by night. They asked for more and faster patrol boats and stiffer penalties for poaching.

(8) In general the Goto cooperatives appeared more prosperous and more progressive than the majority on the mainland Kyushu coast. Several operate carrier boats. One has a radio transmitter which gives ample time to information programs. The Ogiha Coop even installed and operated the electricity, telephone and water facilities in its remote area.

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(9) Information was received from the Makurazaki Fishery Cooperative in Kagoshima on the method used for dividing earnings between the common fisherman and boat owners engaged in bonito fishing as follows:

This is example of Production Coop.

(a) Fishermen are given a guarantee of ¥2,000 a month.

(b) In the event a sufficient catch is made the following percentages are retained after all expenses of the trip are deducted, 55% to employees, 45% to the boat owner.

(c) Division of shares among the crew is as follows: Two shares of chief fisherman, 1.5 share to captain, 1.5 share to chief engineer, 1.2 to assistant engine operator, 1.2 share to bait caster, and 1 share to each fisherman. Crews average from 30 to 40 men. Average earnings of the bonito boat fisherman range from ¥2,000 - ¥10,000 per month. Food, medical, and other expenses for the crew are deducted before above division of profits is made.

(10) Federations of Cooperatives: Conferences were held with the chairman of federation of cooperatives in Oita, Miyazaki and Nagasaki. Every effort is being made to complete the liquidation of Kensui (former federation of cooperatives). Oita and Miyazaki prefectures have finally concluded an agreement to transfer old assets to present federations. Nagasaki Prefecture recently took steps to settle this matter as soon as possible by conducting meetings to accelerate the pace of transfer. At each prefecture, difficulties in the debt settlement have created delay. Miyazaki has a total debt of ¥20,300,000 to the Central Bank of Agriculture and Forestry, and the Hyuga Kogyo Bank of Miyazaki. Chairmen of federations of cooperatives declare that 70%-80% of the debts can be paid if private concerns would pay back the amount they owe to the old associations.

b. Sea Area Adjustment Committees

(1) All 203 positions in the 29 Sea Areas of Kyushu were filled at the elections held on 15 August. Candidates selected by the eligible voters consisted of members from cooperatives, those connected with individual fishery businesses and a few every-day fishermen. It is believed that all candidates selected were first carefully screened by the voters themselves so as to determine which candidates would be able to act without partiality in deciding future plans.

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(2) Only one case of suspected illegal nomination has been reported. In Tsushima Sea Area, Nagasaki Prefecture, investigations are underway to determine whether one elected candidate was aided by other candidates who were said to have secured votes by false promises and parties for voters to secure their votes for the candidate selected. To-date no actual evidence has been reported.

(3) Partly due to prodding by this headquarters, Governors of all prefectures in Kyushu chose wisely to fill the 87 posts available for appointments. Appointees were men high in the educational field, leaders of various public organizations, managers of various fishery associations, directors of land committees, mayors and scientists from the special marine production laboratories.

(4) Within Fukuoka Prefecture, general meetings were held within all three respective sea areas, to set up their future management plans and working goals. The three sea areas of Fukuoka Prefecture, Buzen, Chikuzen, and Ariake, hope to accomplish all goals and problems facing the Sea Area Adjustment Committees within one to two years depending on problems and amount of work involved. Actual work on the most important problems is expected to commence on 1 October 1950.

c. Monopoly - At the request of this headquarters, the Kyushu Fair Trade Commission conducted an investigation of the Nagasaki Fish Market, which holds a monopoly in the largest fish landing port in Kyushu. Investigators reported they could find no evidence of violation of Article 3 of the Anti-Monopoly Law but there was a possible violation of Article 5 of the Trade Association Law. Comparatively large blocks of the market's stock are held by officers and former officers of two large industrial combines. Nagasaki Prefectural officials declared they never had received an application to license a second market and that they undoubtedly would approve any such application. The Federation of Fisheries Cooperatives said it would like to operate such a market but couldn't raise the money to set it up. The Kyushu Fair Trade Commission is forwarding its findings to Tokyo for possible action.

Monopoly by combining all fish markets into one — Mossman says. Also says that no one else wants to go into business — not planned

Discussed with Wahl — He will look into

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3. FORESTRY:

a. Extension - All prefectures were visited to observe the progress of the new forestry extension program. Five prefectures had named and placed in gun offices their full complements of field agents. The rosters of the other two prefectures were expected to be filled within a matter of days. Only Fukuoka had all its specialists. Four prefectures were shy an insect control specialist and two lacked forest products utilization technicians. Miyazaki also lacks an extension chief. The field agents, all of whom had a week's intensive training during September, sensibly were told to start out by acquiring a thorough knowledge of the peculiarities and special problems of their assigned areas. Prefectures with a high infection rate instructed their field men to make an early start on pine bark beetle control education. Fall replantation, seed collection and selection, more efficient methods of charcoal production and nursery care also were high on the priority list. The specialists, who are slated for a second training session in Tokyo in October, will be hampered in their activities by the inadequacy of their travel allowances.

b. Management supervisors - Examinations for management supervisors were conducted on schedule but snags were plentiful. Financial support of the program was the most outstanding difficulty. Because the government's equalization grant was ¥500 million less than it had anticipated, the Kumamoto assembly shouted down the request for an appropriation for the management supervision program. "If the government wants these new programs they should pay for them," was the general attitude expressed. The Oita Assembly delayed action until its next session. However, the governor instructed the Finance Section to seek money from other funds to get the program started. In Miyazaki 10 applicants passed the examination for the nine openings as A class supervisors but only two were deemed suitable for appointment. Kagoshima and the Forestry Agency could not agree on how many A, B and C supervisors there should be. Other prefectures are seeking to place successful "B" candidates in "A" posts because not enough passed the "A" examinations.

c. Bark Beetle Control

(1) Field observations and reports indicated continued large scale control operations under way in all prefectures. The tables below show the progress of control work in Kyushu as of 20 September 1950. Control orders were in effect in all prefectures during September.

Prefecture	Koku Infected (May Survey)	Koku Ordered Controlled	Koku Controlled	Percent Controlled
Oita	1,658	1,000	1,000	100%
Saga	3.170	3,170	3,170	100%

Monthly CA Activities Report, Kyushu CA Region, APO 24-5 September 1950

Prefecture	Koku Infected (May Survey)	Koku Ordered Controlled	Koku Controlled	Percent Controlled
Kumamoto	22,910	22,910	22,910	100%
Fukuoka	28,524	11,414	12,474	109%
Nagasaki	389,734	173,820	88,300	*51%
Kagoshima	255,648	166,767	166,767	100%
Miyazaki	64,236	64,236	44,960	**70%
Total	765,880	443,317	339,581	77%

* Deadline is 15 October 1950
** Deadline is 25 September 1950

New Infestation Estimates (June-September 1950)

Prefecture	Infestation Volume (Koku)	Voluntarily Controlled Amount (Koku)	Percent
Oita	0	0	0%
Saga	46,090	41,856	91%
Kumamoto	48,500	12,000	24%
Fukuoka	19,980	9,040	45%
Nagasaki	80,000	4,000	5%
Kagoshima	109,913	77,522	70%
Miyazaki	36,000	13,000	36%
Total	340,483	157,418	46%

(2) The commendable control campaign attained by Kagoshima Prefecture is attributed to the allout efforts by the Ken Forestry Section. Before National Government subsidies were officially confirmed, the Ken Forestry Section indorsed bank loans for Chiran Village, Kanoya City and So-gun for amounts of ¥800,000, ¥300,000 and ¥400,000 respectively to keep the program actively progressing.

(3) Kezia typhoon is expected to delay the completion date for control ordered areas in Miyazaki Prefecture from 25 September to 5 October 1950. Nagasaki officials state Kezia typhoon will not delay the target date set for completion of control ordered areas.

(4) Although infestations of mountain and forest areas of Oita Prefecture have been controlled, laxity in the surveillance of sawmills and stockpiles by Ken officials is prevalent.

All sawmills inspected disclosed 1-3 species of beetles. Spot action was ordered for above violations. It was recommended to Ken officials that actions similar to those recently taken by Fukuoka (previously reported) be initiated to curb these sawmill violations and breeding places. A recommended outline of instructions was issued. A follow-up inspection will be made to insure compliance.

(5) Special stimulation trips were made in Saga and Fukuoka prefectures to encourage control work in unsatisfactory areas. As a result, both prefectures obtained 100% defestation of ordered areas and controlled 91% and 45% respectively, of new infestations as shown above.

(6) Sentiment has been expressed by Ken officials favoring partial subsidies for voluntary control works.

d. Charcoal - A sharp decline in charcoal production is causing serious concern in Fukuoka, the largest consuming prefecture in Kyushu. Only a mild winter saved Fukuoka from severe hardship in 1949 and this year the prospects are far worse. In 1949 Fukuoka produced 12,963 tons of charcoal and received outside shipments of 31,103 tons as compared with the Government shipping allottment of 57,000 tons. When government controls were ended in March the official retail price was ¥215.20 per 15 kg. bale of medium quality oak. The producer was receiving from ¥120 to ¥150. In April the price started to sag and by the end of July the retail rate was down to ¥150 which meant that producers were getting ¥80 and less. As a result the April-July production in Fukuoka tumbled from 4,894 tons in 1949 to 3,391 tons in 1950 and a similar situation existed in the neighboring supply prefectures. Charcoal produced in the April- August period normally is consumed from September through December. When word of the shortage spread retail prices shot up to ¥210 by the end of August and to ¥250 at the end of September. At this last price there was ¥160 for producers and hundreds who had closed their ovens lighted them up again. However, the increased production in the remote mountains of Miyazaki, Kagoshima and Amakusa is not expected to be available in Fukuoka retail shops for at least three months and if December is a cold month there is bound to be hardship and further price increases.

e. Prices - Military purchases of construction lumber and railroad ties halted the downward price trend and in September dwindling stockpiles prodded prices slightly upward. Prices which reached lows of 20% beneath old official levels are now about 10% down. Standing 30-35 year sugi, which brought only ¥100 per koku in mid-summer was auctioned off by Oita Prefecture for ¥120 in mid-September.

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4. MINING:

a. Inspection - Surveillance during September covered 10 days in the field visiting mines in Fukuoka, Saga and Kumamoto prefectures.

b. Coal

(1) (a) Coal production for September is estimated at 1.77 million tons, as compared to 1.68 million tons for August. Coal stockpiles at the Mines as of the end of September totalled 855,000 MT, an increase of 132,000 tons over August due to the following reasons: (1) Insufficient railroad coal cars. (2) Typhoon, which hindered transportation by water and (3) port coal yards had insufficient space for storage of coal.

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(b) A visit to Wakamatsu port indicated that stockpiles amount to 285,800 tons (its maximum capacity is 300,000 tons). Since the discontinuation of the Kodan, more space is needed for storage of coal as each company maintains many small coal piles separated according to grade.

(c) Sales Price - Bituminous washed slack coal of 6,000 calory sells at the following prices: (1) ¥2,492 per ton for general use (2) ¥2,671 per ton for electric power use (3) ¥2,471 per ton for railroad use but varying with destination (4) ¥2,800 per ton for bunker coal and (5) ¥4,400 per ton for domestic coal. The quality of coal has been improving and the various grades of coal are more stable. For example, during the Kodan period, coal specified as 6,000 calory was after only 5,500 calory when received by the consumer, but this has now been eliminated.

(2) Safety Inspection: During September, 33 inspectors spent 128 days in the field inspecting 151 mines. There were 50 mines which showed 1 to 1.8% carbon dioxide gas. Many mines had ventilation systems which were not according to mine regulations. The larger mines have been improving dangerous mining areas, especially in the matter of emergency fire protection. Most mine inspections emphasized education on safety laws and inspection for gas in the smaller mines.

(3) Inspection Forms: The Fukuoka Coal Safety Bureau issued a new form for inspection purposes (other than the inspection booklet).

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This new form is given by the inspector to the mine when the inspection is completed and a regular posting of it is made on the bulletin board for everyone to read.

(4) Safety Regulations: There were 4 large mines included in this months field inspections. These mines published their own safety regulations which were printed in booklet form and distributed to all employees. One mine issued 20,000 booklets which cost ¥28 each and gave them to each employee free of charge. This company uses the booklet as a text book for reference study and has safety study meetings once a month. Improvement in mine safety depends largely upon the manager of the mine.

(5) Accidents:

(a) Major accidents which occurred during September included the following mines:

Mine	Killed	Injured	Cause
Ogi	1	2	Mine car
Mitsui Tagawa	2	4	Explosion

(b) Gas Explosion - Statistical reports indicate a decrease in gas explosions since 1941. The highest record of accidents was in 1944 when 28 cases were reported and 266 men killed or injured. The lowest was in 1947 when in 7 accidents reported, 75 persons were killed or injured. Up to September 1950, there have been 4 accidents in this year which 15 persons were killed or injured. Of these 4 accidents 3 were in class "B" (non gassy mines). Gas explosions were due to poor gas examination by the mine safety inspector or the fire boss at the mine.

(c) Warnings - The Chief of the Fukuoka Safety Division issued warnings to all class "B" mines in Kyushu that no workers shall begin work following a holiday or rest period until a thorough gas examination is made of the working place.

. Number of Injuries - From January to August 1950, there were 914 injuries, resulting in 253 deaths. There has been a monthly average of 114 accidents with 31 deaths, 87 seriously injured and 15 slightly injured.

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(6) Dry Mining Method: The Ogi mine is experimenting with dry mining in order to prevent surface water from sinking deep into the ground. This method is worth study for future mining in Japan.

(7) Flooding: Due to the "Kezia typhoon", the high tides caused a loss of 5,000 tons of bituminous and natural coke (senseki) at Karita port. Production loss was estimated at 4,000 tons in 22 mines that were partially flooded and without electric power. The amount of damages has not yet been confirmed.

(8) Karatsu Coal Field: More electric power supply lines and additional sub-station equipment are needed to develop new coal mines. The New Meiji Saga and Kogayama mines which are under construction will require additional electric power to operate their new transportation equipment. At present there are two 38 square mm supply lines which are insufficient. One new line will meet all the needs of other surrounding industries.

(9) Mining Rights:

(a) Kyushu does not have accurate records of mining claims as everything was destroyed by fire during World War II. All claims were acquired by public acknowledgement. Therefore, the following figures are only relatively accurate. In Kyushu there was a total of 2,171 approved prospecting rights (109 or 5% are active); 1,587 approved mining rights (793 or 50% are active); 360 approved iron sand rights (4 or 1% are active); and 249 approved coal mining rights (all of which are active).

(b) In the handling of claims from 1946 to 31 August 1950, there were 395 cases of prospecting rights (343 received and approved); 1,181 cases of mining rights received (773 approved); and 206 cases of iron sand rights received (27 approved). In 1946, 415 claims for prospecting rights were received (115 claims approved); 236 mining right claims received (169 approved); and 6 iron sand claims received (none approved), leaving 300 prospecting cases, 67 mining right cases and 6 iron sand cases. During each successive year there has been an increase in claims and a decrease in approved claims. This delay in processing is due to shortage of experienced personnel necessary to handle the complicated and technical problems involved in the restoration of claims.

5. PRICE AND DISTRIBUTION:

a. (1) During September, members of this headquarters attended one regional and seven prefectural EIB conferences. Emphasis was placed on staple food controls, especially on restaurant controls and transportation controls at each meeting. Also a request was made from this headquarters to each prefectural NRP to send staple food control plans to this office, to prevent illicit trade of rice and to stimulate rice deliveries. It is desired that plans be enforced this year from the first day of harvest.

(2) One investigation into the subsidy for iron and steel was completed during this month. No vicious violation was found.

b. General

(1) Influence of the Korean Conflict: The price of rice appears stabilized since last month and the Korean conflict no longer is a factor. The consumer's price is around ¥130 in big cities and ¥110 in small cities. No change is indicated in the price of wheat and barley.

(2) So far, the biggest change in prices occurred in textile goods. The price rose considerably in August but has been dropping again since the 1st of September. For example:

(a) Cotton yarn - The price was highest during early August. It showed a 67% rise over the 25 June price at that time but has dropped to 20% of 25 June price at present.

(b) Wool textiles show a 23% rise but this can be attributed to the season rather than to the Korean conflict.

(3) Daily Necessities: Not much change was indicated in prices since last month. They are stabilized and commodities are available at all times on the open market.

(4) At the beginning of the Korean conflict there was fear of inflation. Hoarding of goods was attempted by some war speculators and prices rose, but they have now declined and are stable.

(5) There is no big change in the cost of living. It is estimated to have risen 3 to 5% since the beginning of the conflict. On the other hand, there is increased demand for laborers by factories, so living conditions in general have improved.

c. Restaurant Control

(1) The prefectures have been strongly urged by Civil Affairs and EIB for the past several months to improve the effectiveness of the restaurant control. A big improvement was shown this month and it is expected that this level will be maintained hereafter.

(2) Local EIB Special Committee's meetings were held throughout the island, covering restaurant controls. These meetings were not only to emphasize the controls but to stimulate agencies concerned to take adequate administrative action against violators. Decisions were made by each Ken Food Section to hold public hearings at least once a month.

(3) Effort is being made to stimulate the utilization of rejected rations released to restaurants. Utilization is very poor at present. Much more information and publicity is needed to encourage dealers to use rejected rations.

(4) The following figures give the data on public hearings and action taken in September.

Prefecture	Number Public Hearings	No. Cases put in Public Hearing	Number Suspensions	Number Revocations	Number Warning	Number License Issued During Month
Fukuoka	1	19	20	4 1 (sealed)	2	161
Saga	4	19	3	0	16	24
Nagasaki	3	32	17	1 10 (sealed)	4	55
Kumamoto	1	33	12	0	21	12
Oita	0	0	1	1	0	79
Miyazaki	2	9	9	0	0	28
Kagoshima	1	7	1	1	5	38
Total	12	119	63	7 11 (sealed)	48	397

d. Staple Food

(1) Due to proper distribution of foods, there is no longer any fear concerning food rations. Only small scale carrier-violations exist and they are gradually being reduced in number. The hoarding tendency seems to have declined.

(2) Some of the staple foods in Kodan warehouses were damaged by the last typhoon, but this has not in any way effected ration distribution.

(3) Some substituted ration food is rejected by consumers due to lack of money. For example: the average monthly amount of rejected food in Fukuoka Prefecture runs up to 600-700 tons.

(4) Transportation controls in August resulted in the confiscation of 78,980 kg of staple food on this island. Examples: A joint check of three trains was made by Kumamoto NRP, AP and EIB from 9 to 11 September. Three trains of the Kagoshima line were checked between Yatsushiro and Arao Stations. 4,520 kg of staple foods, including 900 kg of rice were confiscated. Only a small part of this was carried by carriers and most was shipped by baggage car. Confiscated food was turned over to the Food Kodan to be put in regular distribution channels and violators were turned over to the Public Procurator's Office.

(5) Police power was used during this month on some delinquent farmers in Oita Prefecture, who purposely neglected full delivery of their wheat and barley quota. These arrests had a good effect on crop collection. As an example, Nagasau-machi, Usa gun, Oita prefecture was only 72% on wheat and barley collection before the arrests, but it promptly met 100% three days after.

(6) Fukuoka Regional NRP issued notifications to each Ken NRP to start the control of rice from 1 October until collection is completed. Major emphasis in controls will be placed on producer level and consumer level. Check points will be reorganized, raid checks of stations, trains, vehicles and restaurants will be enforced.

6. INDUSTRY:

Due to the fact that the following officers were completely detached from duty with the Economics Section throughout the month of September to take care of special activities, field coverage of programs was somewhat curtailed: Mr. Armagost, Chief of Industry Branch, Mr. Umphrey (industry, electric power, etc). Mr. Clines (economic controls), Mr. Reininger (mining).

a. Production - All Kyushu Prefectures were visited during the month and the following general trends uncovered:

(1) Failure of small businesses continues at abnormally high level but peak of crisis was passed in May and each subsequent month has shown improvement. (Number of failures dropped from 73 in April to 40 in August). Special demands resulting from Korean war have stimulated large businesses and these in turn have stimulated small enterprises. In addition, special demands have increased money in circulation in Kyushu from ¥22,600,000,000 in July to ¥25,500,000,000 in September. Credit restrictions have been eased and bank loans are now slightly more easily obtained by medium and small enterprises. Delayed payment of bills is decreasing slightly.

(2) Though rationalization continues in most industries, some industries are adding employees, particularly those making rubber goods and textile machines. At port areas and at Kokura special requirements have provided jobs for several thousands of workers. Enrollment of several thousands more in special police posts has eased unemployment situation though recruitment was not generally among ranks of unemployed day-laborers.

(3) Despite monthly fluctuations in totals, volume trend of exports from Kyushu has been increasing steadily for the last few months. Biggest increase is in chemical products with small increases in cement, rubber, coal, machinery and fibre products. Since production for Occupation Forces use in Korea is not carried as "export", actual sales for foreign currency are better than indicated. Such special demands for Kyushu steel cut exports of iron and steel by 60% in August. Due to special demand, anticipated decrease in iron and steel purchases after abolition of subsidies has not occurred. Imported coal and iron ore for Kyushu steel production have not been interrupted by Korean war.

(4) Due to increased demand for caustic soda, salt supplies are running low and supplies are not satisfactory.

(5) Cement, rubber tire, super-phosphate of lime, and plate glass production are reaching post-war highs in Kyushu.

b. Restricted Industry

(1) Reparations: Forty one reparations installations were inspected during the month. Some defects were noted in condition of buildings and maintenance of machines. However, this was the direct result of the typhoon and will be corrected as soon as the applications are screened by the Japanese agencies and this headquarters. The consolidation work undertaken by the Kokura Ordnance personnel at Plant 07-13, transferring all dead storage equipment into two foundry buildings has thus far resulted in extensive damage to reparations machinery and equipment. During physical inspections by this headquarters, Ordnance personnel were informed that the consolidation work was being accomplished with total disregard for the equipment. Little or no action was taken to insure that the equipment would be protected from being damaged during movement. A detail report on the extent of the damage resulting from consolidation work at Kokura Military Arsenal by Kokura Ordnance Depot will be submitted in the immediate future and the Commanding Officer, Kyushu Civil Affairs Region is taking appropriate action directly with the officer in charge of the Kokura Ordnance Depot. Emergency use of six transformers was given to the US Navy Fleet Activities at Sasebo by this headquarters pending application reaching SCAP for authorized use. The Code Nos. are as follows:

Transformers 50 KVA	27-03-3235	27-03-3407
	" 3236	" 3408
	" 3237	" 3409

Reference; letter 387.6, Civil Affairs Section, General Headquarters, Supreme Commander for the Allied Powers, subject: "Expenditure of Funds for Maintenance, Centralization of Machines and Repairs of Buildings in Reparations Plants", dated 11 September 1950. In compliance with this reference, one application was approved.

Recorded

Plant	Type of Work	Funds	Amount	Guards Eliminated
Watanabe Aircraft 07-08	Maintenance of Machines	Rep.	¥455,000	
	Repair of Buildings	Rep.	¥365,000	
	Consolication	NPR		

Inspection of destruction and disposition of released reparations equipment as melt down scrap reveals the following facts:

Plant	No. Items	Amount Received by Finance Bureau	Destruction
27-04 Isahaya	185	¥717,363 Yawata Steel	Completed
27-04 Omura	1,493	¥1,639,405 Yawata Steel	"
27-04 Kashima	43	¥828,213 Yawata Steel	"
07-13 Kokura	1,573 (450 tons non eval)	¥9,378,040 Kokura Steel	80% completed
30-04 Itoguchiyama	1,146	¥4,266,800 Yawata Steel	Completed
07-11 Sone	110	¥128,637 Kokura Steel	"
27-03 Sasebo	2,287 tons Non Inv. Non Eval. Scrap	¥8,791,137	"

The non-inventoried, non-evaluated equipment listed above for 27-03 was ordinary scrap released to the Regional Post Engineers as EX Military supplies and equipment. Twenty five tons of reparations scrap is actually being melted down in the furnaces at Kokura Steel daily.

ANNEX "D"

(2) Explosives: All explosive plants in Kyushu were inspected during this quarter. Production is within the authorized quota. A total of 2,576 km of fuse, 3,626,809 pieces of blasting caps, 2,281,870 pieces of electric detonators, and 361,502 kg of dynamite was produced. Minor fire and security discrepancies were brought to the attention of officials for corrective action. No unauthorized operations were noted.

(3) Shipbuilding: All major shipyards in Kyushu were visited during the month and no illegal building was found.

(a) Nagasaki Shipyard West Japan Heavy Industries: This shipyard is now working smoothly although labor-management negotiations over issues of recent strike are still going on at Tokyo. The strike officially was terminated on 3 October by a vote of 8,600 to 458 under following conditions:

1. Labor to be given special lump sum bonus instead of increase in base pay.

2. Increase of marriage and retirement allowance to be peacefully discussed at Tokyo.

To Shipt. Mings

The union is still supporting 10 communists discharged by management. Newspaper stories emanating from Central Government agencies to the effect that no further American interest vessels will be sent to Nagasaki because of recent disturbances have caused concern to both management and the union and may have a good effect upon both. The first of three Philippine vessels, the Dona Alicia (7,500 tons) which was to have been completed 18 August will not be ready until 30 October as a result of damage to main bearings through carelessness during strike. The ship otherwise is beautifully designed and fitted and very favorably impressed foreign ship experts. The other two Philippine ships (now 75 and 21 percent completed) will apparently be completed as scheduled in January and June 1951 respectively. Four 6,800 ton ships being built under the 5 year program have been 1 to 3 months delayed by the strike and are now 57, 33, 19 and 16% completed respectively.

(b) Sasebo Sempaku Kogyo: Sasebo Sempaku Kogyo repaired 31 United Nations vessels during August. Such work

continued throughout September including conversion of an oil tanker into a water carrier for Korea.

(c) Kawaminami Shipyard: The Kyushu Haiden has restored electricity to this yard after Osaka and Nagasaki courts ruled out as illegal the election of certain allegedly pro-Kawaminami (purged ex-head) directors of this company. Prior to these decisions, more or less concerted freezing actions by tax, bank, Haiden and supply companies had made operation of the shipyard impossible. However, a group of 200 still supporting the Kawaminami faction is the source of continued feuding in the yard and the absence of directors and management who are in Tokyo seeking operating and payroll funds, has prevented effective suppression of feuding between factions. However, 3,800 workers and 80 staff members of the anti-Kawaminami faction are still at work. Work is progressing on 2 vessels of 6,780 tons, 4,180 tons and 3 vessels of 700 tons. Five 7,000 ton vessels are being converted into two-way types and vary from 6 to 100% completion. This shipyard is modern, large and well equipped and could greatly boost Japanese merchant ship production if its facilities were concentrated upon a uniform-type ship such as the "Liberty Ship". It deserves to be rescued from its present chaotic condition in which alleged embezzlement of funds by its purged ex-owner and other complications have placed it. Of ¥110,000,000 owed workers ¥ 14,000,000 was paid about 1 October with another ¥40,000,000 to be paid about 10 October. Workers are taking legal action to attach payments on ships about to be completed. Growing opinion in official circles is that company faces only two possible solutions to present plight:

1. Bankruptcy

2. New general meeting of stockholders and election of complete new set of directors divorced from Kawaminami influence. "2" is strongly preferred because shipyard is vital to economic and social stability in Nagasaki.

(4) Fertilizer factories:

(a) Production in Kyushu of ammonium sulphate, calcium cynamide and super-phosphate during August

amounted to 28,378 tons, 1,829 tons and 4,008 tons respectively. Total production was slightly above planned production (102%). Production of ammonium sulphate was 1,383 tons or 10% less than last month; calcium cynamide production was 1,848 tons or 50% under last month due to repair of nitronizing blast furnace, while calcium superphosphate production was up 1,108 tons or 41% above last month, reaching post-war peak. A visit to Nippon Kasei Chemical Company, disclosed that since decontrol, management is faced with increased problems including (a) no steady prompt-paying market such as provided by the Fertilizer Kodan, (b) general delay in receipt of payments, (c) fluctuating prices, (d) violations of sale contracts by individual purchasers, (f) insufficient storage facilities and (g) lower selling price without subsidy.

(b) The prospect that the National Federation of Agricultural Purchase Cooperative Association will handle approximately 70% of production is not regarded by producers as contributing greatly to solution of above problem.

(c) Sulphuric acid and sulphide ores were in short supply at some plants particularly at Toyo High Pressure Plant (Omura).

(d) Prices: Producer's net prices showed a decrease of 5-27% per metric ton after abolition of controlled price, while price to farmers rose by 23-26%.

Kind	Standard	Month	(A) Producer's Net Price (Yen)	(B) Selling Price FOB cars (Yen)	(C) Selling Price for Farmers (Yen)	Price Index A	Price Index B	Price Index C	Subsidies for Price Differentials (Yen)
Ammonium Sulphate	N 20% and above	April to July 1950	(20,512) 19,661	15,674	17,272	100	100	100	5,638
		August 1950	18,595	20,000	21,335	95	128	123	0

ANNEX "D"

Kind	Standard	Month	(A) Producer's Net Price (Yen)	(B) Selling Price FOB cars (Yen)	(C) Selling Price for Farmers (Yen)	Price Index A	Price Index B	Price Index C	Subsidies for Price Differentials (Yen)
Calcium cyanamide	In & before July N 20%	April to July 1950	20,500	15,674	17,272	100	100	100	5,926
	In & after August N 21%	August 1950	19,005	20,000	21,335	93	128	123	0
Calcium superphosphate	P_2O_5 15.5%	April to July 1950	9,625	5,762	7,360	100	100	100	5,393
		August 1950	7,006	8,300	9,268	73	144	126	0

(e) Electricity for Fertilizer Products: Plants received for special use almost 50% above original allocation due to very favorable hydro-power conditions.

c. Construction

(1) Roads: Prefectural Road Program as established by SCAPIN 1943, subject: "Five Year Program for Maintenance and Repairs of Japanese Network of Roads and Streets," dated 28 November 1948, throughout Kyushu is progressing slowly. Virtually all project operations are being continued on National Government subsidies, which are only 75%-33% of project cost, except in Nagasaki Prefecture. Average progress of projects comparative to JFY 1949 is 15%-25% behind schedule. Ken Governments are reluctant to allocate the remaining 25%-66 2/3% of project cost until the equalization grants to prefectures have been decided. These are expected during October 1950. The Kyushu Construction Bureau, whose entire budget is allocated by the National Government, reports satisfactory progress as shown below:

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Allocation of Budget in 1950 (Road Project)

Prefecture	Project	Allocation	Received	Percent Complete
Fukuoka	Improvement Work of Kammon Tunnel road	¥90,000,000	¥45,000,000	Maintenance only
Saga	Saga National Highway: Improv.	¥28,000,000	¥14,000,000	36%
Nagasaki	Nagasaki Nat'l Highway: Improv.	¥28,000,000	¥14,000,000	27%
Fukuoka	Yukuhashi Highway Improv. (Bridge)	¥16,000,000	¥8,000,000	16%
Fukuoka-Kumamoto	Fukuoka-Kumamoto Nat'l Highway Main work	¥8,020,000	¥3,775,000	41%
Kumamoto	Kumamoto Nat'l Highway Main work	¥15,140,000	¥6,970,000	35%
Kagoshima	Kagoshima Nat'l Highway Main work	¥12,640,000	¥5,855,000	11%
Nagasaki	Nagasaki Nat'l Highway Disaster Rehabilitation	¥8,000,000	¥6,400,000	19%
Total		¥205,800,000	¥104,000,000	

Start

d. Electricity

(1) Although the typhoon Kezia caused tremendous financial damage to power lines and installations in Kyushu, there were no serious interruptions of power.

(2) Discharged Densan members caused no trouble and no attempts at sabotage or violence were reported.

(3) Heavy rainfall continued to keep hydro-power production at a high level and production topped 600,000 KW a few times during the month for the first time since the end of the war. Hydro power comprised about 2/3yrds of the production.

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Despite continued abnormal supplies of hydro power increases in allocation to industries are very minute and general dissatisfaction with rates and allocations continues.

(4) Kyushu's program for power development has suffered seriously from suspension counterpart fund pending settlement of reorganization of power companies.

(5) Hassoden engineers have profitted by American tours and understand the American system of exploratory borings, pillar and foundation construction, and use of standards of cement for high dams.

e. Public Works

(1) Pending decision by National Government on equalization grants and loans to prefectural governments, public works projects are progressing slowly in all prefectures except Nagasaki. Comparative to JFY 1949, progress of public works projects are 20% behind in Fukuoka, 35% in Kumamoto, 20% in Miyazaki, 15% in Kagoshima and 30% in Oita.

(2) Due to differences of opinion between International Trade and Industry officials and Ministry of Construction officials regarding the criteria for coal mine damage rehabilitation projects under the newly enacted Special Mine Damage Law, six of the nine projects considered most important in Fukuoka were suspended pending further investigation on 3 September 1950. Vice Governor Tsuchiya and General Affairs Chief S. Sakamoto have left for Tokyo to negotiate for a settlement. Subject projects are 70% complete. Total cost is estimated at ¥15,000,000