Restricted

7. The representative of the Eighth Army reported that the Yamaguchi Military Government Coal Team had investigated a complaint made in annanonymous letter received from a Japanese coal miner, a pitman of the Okinoyama Coal Mine, on distribution of incentive goods. The Coal Team reported that distribution of incentive goods at that coal mine is made on the decisions of a committee composed of eight miners, three surface, and two white collar workers. Two company officials also attend these meetings, but only in the capacity of advisers. Upon investigation of a Distribution Report of incentive goods at the Okinoyama Coal Mine, the Coal Team stated that the distribution report reflected the correct figures shown by the records of the Distribution Center in Ube City, that nearly all items were distributed, and there was an accounting of the remainder on hand not yet distributed. Also, the complaint was erroneous in charging that U. S. Army blankets had been unfairly distributed; at the time the complaint was made allocations of blankets were not yet received for distribution by the Western Cooperation Association, the distribution center for Ube City. It was felt that this indicated it would be well to spread the correct information on incentive programs to the miners as much as possible, so they will not be suspecting each other and the operators and distribution centers of withholding the incentives.

8. In the absence of Mr. M. A. Wyatt, Coal Coordinator, Mr. D. T. Schwob acted as chairman. The meeting adjourned at 1515 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance:

Mr. D. T. Schwob, ESS/IN
Mr. A. H. Solomon, NRS
Maj. C. S. Merriam, NRS
Capt. H. A. Vizina, 8A
Mr. R. E. Phillips, ESS/FI
Mr. Q. Adams, ESS/FEC AC
Mr. J. C. Twinem, ESS/PD
Mr. H. J. Barton, CTS

NOTICE OF MEETING

TIME: 13 January 1949, 1400 Hours .
PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report on Uniform System of Bookkeeping & Accounting.
2. Status of Coal Miners Welfare Association.--Hospitals.
3. NRS Report: Farm Damage & Mining Tax.
4. NRS Field Trip to Kyushu.
5. Report on Mine Safety.
6. Housing Program for Mines.
7. Hokkaido Field Trip.

Restricted

Mr Johnson

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division

31 December 1948

CONSOLIDATED WEEKLY OPERATIONS REPORT

NUMBER 39

COAL (Production)

1. Revised figures received from Japanese Coal Board on 26 December 1948 indicate a total production for the second ten-day period of December of 1,048,400 tons or an increase of 17,900 tons over preliminary figures contained in last week's report. This was 100.9% of quota.

2. Production by districts for the second ten-day period of December 1948 was as follows: (Unit 1,000 metric tons)

District	Goal	Production	Percent
Hokkaido	320.0	290.6*	90.8*
E. Honshu	94.2	92.4	98.1
W. Honshu	82.9	94.9*	114.3*
Kyushu	542.1	570.5*	105.2*
Total	1,039.2	1,048.4*	100.9*

*Indicates a change from preliminary figures issued in the 23rd December report.

3. A new wage agreement which ties increased wages to increased production was formally signed 27 December 1948 between the coal mine unions and operators. This contract is retroactive from 1 October 1948, and terminates 31 March 1949.

4. A concentrated drive is being made to recover, before the end of the fiscal year, the 918,000 tons of lost production which occured during the first eight months of the 1948-49 fiscal year.

RAW MATERIALS.

1. Ferrous metals.

a. Rolled Steel. An additional 7,200 metric tons of rolled steel products have been made available for export. This brings the total allocation for ordinary rolled steel for export to 240,000 metric tons for the 1948 Japanese fiscal year, which is in accordance with export plans developed early in the calendar year 1948.

b. Magnesia Clinker. Approximately 6,300 tons of magnesia clinker are being imported from Hamburg, Germany and are expected to arrive 10 February

(Raw Material--cont'd)

1949. The use of this vital material for linings of open hearth furnaces will greatly increase efficiency of operations and decrease fuel consumption.

c. Pig Iron. A shipment of approximately 10,000 tons of pig iron has left Trieste, and is due in Japan in February. Arrival of this shipment will partially relieve the present serious shortage of pig iron.

2. Non-Ferrous Metals. The estimated production of non-ferrous metals for the 1949 JFY is being compiled and it is expected that there will be certain increases depending upon availability of power and fuel. Tin production is expected to increase approximately 100% due to the removal of price control, and increased technical efficiency.

3. Non-Metallic Materials.

a. Rubber. November crude rubber consumption was 1,621.5 metric tons as compared to 2,415 metric tons in October. Consumption of latex was 24 MT against 28 MT in October. 2,042.5 tons of crude rubber were imported in November and the balance of stocks at the end of the month was 3,357.8 tons. Decreased consumption was due to very low imports of rubber in October, 402 MT.

b. Petroleum. The plan of production for December for six petroleum refineries in the indigenous crude producing area indicates that 17,440 kiloliters of crude oil and 437 kiloliters of semi-finished products will be processed during the current month. The expected yields of finished products are as follows: Gasoline 1,542 kl, Kerosene 2,984 kl, Gas Oil 728 kl, Diesel Oil 2,373 kl, Fuel Oil 2,748 kl, Lube Oil 3,798 kl, and others 2,213 kl.

Allocation of petroleum products to mining and industry for the month of January, excluding those for export production, compared to December allocation, is as follows:

	December	January
	(Kiloliters)	
Gasoline	1800	1914
Kerosene	931	858
Gas Oil	1102	1178
Diesel Oil	3057	3003
Fuel Oil	23379	24179
Lube Oil	6529	4931
Grease	843	709
Wax)		91.5
Asphalt)	1294	1295
Total	38,935	38,158.5

PRODUCTION OF COMMODITIES.

1. Chemicals.

a. Chemical Fertilizer. Seasonal decrease in power supply has

(Production of Commodities--cont'd)

adversely affected chemical fertilizer production. Several plants employing electrolytic processes have either decreased production or suspended operation completely.

b. Sulfuric Acid. Production of acid decreased sharply as several large producers exhausted their stocks of pyrites as a result of the recent sea shipping strike. While rail shipment was temporarily substituted for ocean transportation, available rail cars were insufficient to deliver normal required tonnage of ore.

c. Glassware. Manufacturers of thermos bottles produced 155,000 pieces for export during November. This decrease of 20,000 from October, is due to scarcity of lacquers for finishing the cases.

2. Consumer Goods and Miscellaneous. Matches. The manufacture of matches for export has been re-established on the export program beginning January 1949, at an initial rate of 1,000 match tons (7,200 full size boxes equals one match ton) per month which is likely to be revised in the future. The need for emphasis on marketable quality of matches has been recognized by the industry... Current production of matches has reached a level of 240,000 match tons per year, which is necessary to satisfy domestic demands. Present capacity is set at 300,000 match tons.

3. Machinery and Equipment.

a. Electric Equipment. During the months of July, August and September, the 42 companies participating in the power rehabilitation program repaired ¥573,288,400 worth of electrical equipment using 5,700 tons of coal, 3,700 tons of coke, 4,800 tons of steel and 2,200 tons of pig iron.

b. Precision Bearings. November production was the highest in any month since the beginning of the Occupation. During this period 729,483 bearings were manufactured representing a value of ¥144,853,146. Increased demand from abroad, especially from India, has been a factor contributing to the bright outlook for this industry.

c. Automotive Equipment. Steady increase in standard size truck production continues with 1,726 units produced in November. This approximates the average monthly output of 1,738 during 1944 which is well above the 1938 monthly average of 1,421 units... With 1,852 three-wheel trucks produced during November, these manufacturers attained the highest output in the automotive field since the resumption of industrial activity after the war. It is noteworthy that present production well exceeds the highest pre-war monthly average of 1,333 during 1938.

FACILITIES--VARIOUS.

1. Construction.

a. During the past week 3,000 tons of cement were released for the

(Facilities---Various cont'd)

construction of drainage ditches in 138 locations throughout Japan, and for repair of 1,019 public wells.

b. The seven-year plan for construction of the large Ogochi Dam is under way, which is to become the chief source for water supply in metropolitan Tokyo. The program consists of construction of a field office, machine repair shops, and laboratory for testing concrete. A road leading to the site has been repaired and the excavation for the dam site is being cleared of debris washed in by recent floods. Cableway hoists for conveying materials to and from the concrete mixing plant are being installed.

c. Coal Miners Housing.

	Units Authorized	Units Completed
New Housing	20,469	8,273
New Dormitories	270	74
New Welfare Facilities	1,677	781
Repairs (All type units)	15,593	10,948

Proportion of total work completed on the above program according to regions is as follows:

	Completed
Joban	45%
Hokkaido	70%
Yamaguchi	63%
Kyushu	58%

Proportion of total for Japan - - 63% completed.

2. Shipbuilding.

a. Permission was granted for conversion of the following vessels: One ex-naval steel craft, the "Nagasaki Maru", to be converted to a 785 gross ton cargo-passenger vessel. This craft has been released by ComNavFe to the Japanese Home Ministry for use in any peaceful service and investigation indicated that it can be well utilized as a semi-cargo type. Nineteen steel 2E-type cargo vessels of 873 gross tons each to be converted from semi-diesel to coal-burners. Investigation indicated this change would increase economy of operation from a standpoint of both repairs and fuel availability. One small steel ferry, the "Choko Maru", to be converted to a 19-gross ton oil barge needed for service in and around Nagasaki Harbor. Two steel fish carriers of 98 gross tons each and one fish carrier of 157 gross tons to be converted to tuna vessels; changes were deemed necessary in order to increase the efficiency of the fishing fleet.

b. Permission also was granted for construction of the following vessels: Four small steel oil tankers, ranging from 22 to 165 gross tons, needed for servicing of fishing fleets. Two steel floating loaders of 150

gross tons each, to be used to expedite loading of coal in the Port of Wakamatsu. Six steel fishing vessels ranging from 135 to 320 gross tons each, which will replace old vessels of the fishing fleets during 1949.

c. The 1,500 gross ton steel cable laying ship, "Chiyoda Maru", completed at the Mitsubishi Shipyard, Yokohama, was delivered to the Japanese Ministry of Communications on 22 December 1948. The "Tenyo Maru", a 3,500 gross ton refrigerator vessel constructed at the Kawasaki Shipyard, Kobe, was delivered to the owner on 13 December 1948. The 3,000 gross ton steel cargo ship, "Shinsei Maru No. 1", under construction at the Hitachi Shipyard, Sakurajima, was launched on 19 December 1948. A representative of the Shipyard Industries Unit, CSU Branch, ESS/IND., attended the delivery ceremony of the "Chiyoda Maru", mentioned above.

3. Public Utilities.

a. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline toward the winter dry season, being 147% of the past ten-year average for the same period, and 124% of the streamflow of the preceding week. Thermal generation was 54% of the preceding week and 33% of the past nine-year average.

b. Of the 250,862 metric tons of coal allocation for December to the Japan Electric Generation and Transmission Company for all Japan only 120,477 metric tons had been received by 26 December. With 86.5% of the monthly period elapsed, only 48% of the allocation had been received.

W. S. VAUGHAN
Chief, Industry Division
ESS

Mr Johnson

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

27 December 1948

COAL BULLETIN NO. 16
(For Information Only)

1. COAL PRODUCTION:

a. Coal production for the second ten-day production period of December totaled 1,030,500 tons against a quota of 1,039,200 tons according to preliminary reports and estimations. This was 99.2% of quota.

b. Production by districts for the second ten-day period of December 1948 were as follows: (Unit 1,000 metric tons)

Districts	Coal	Production	Percent
Hokkaido	320.0	291.0	90.9
E. Honshu	94.2	92.4	98.1
W. Honshu	82.9	78.1	94.2
Kyushu	542.1	569.0	105.0
Total	1,039.2	1,030.5	99.2

c. REMARKS:

Kyushu's production of 569,000 tons which was 105% of quota carried Hokkaido's rather low production to bring the national average well up. The 1,030,500 tons production was 1,300 tons greater than that of the corresponding period last year.

2. LABOR

Settlement in the wage dispute in coal, was signed at 0020 hours Thursday, December 23, with the following provisions:

a. Basic wage for surface workers ¥5,400 monthly.

b. Basic wage for pit workers ¥7,880 monthly.

c. The above wages are to be paid provisional upon an average monthly increase of 10% per miner. Based on the April standard of 5.9 this brings the new national efficiency standard to 6.6 tons per man per month.

d. Special consideration in computing the wage for October, November, and December will be given those mines which by high productivity had already reached an average of ¥5,400 for those months by means of production bonuses.

e. It was agreed that those mines which, through inefficient machinery or other reasons beyond control of the workers would find a 10% production increase impossible, would be required to increase their production only 5% above the April standard to qualify for the higher wages.

A digest and interpretation of the new wage agreement will be included in the next bulletin.

3. FINANCES

a. In concluding the new wage agreement the operators agreed to make a year end payment of ¥2,000 per worker to apply against the retroactive wage due from 1 October '48. The amount of money necessary to make this payment will be made available from the Price Stabilization Subsidy Fund and should reach the mines in time for distribution before the end of the month.

b. The problem of financing payment to mine suppliers for supplies and equipment delivered to the mines through December is being studied by both the Japanese Government and SCAP. The mines are now reported to owe the suppliers approximately ¥450,000,000,00(as a result many suppliers are hard pressed for cash and threatening to cut off supplies to the mines. Every effort is being made to find some method for settling these accounts in line with three principles of mine financing. An early solution to the problem is anticipated and will be reported in the Bulletin as soon as it has been reached.

4. INCENTIVE GOODS

a. The first supplement to the Incentive Goods Manual was mailed to all personnel concerned last week. If your copy has not been received, inquiry at your MGT HQS will probably produce it.

b. The fourth quarter over-production Incentive Goods Program described in the supplement will be announced at the press conference to be held 30 Dec 48.

5. MEETING OF JAPANESE COAL TEAMS

A meeting of the Hokkaido, Kyushu, Joban and Yamaguchi Japanese coal teams and representatives of SCAP and 8th Army was held on 23 Dec 48 in Tokyo. The meeting was attended by Col. Munske, Maj. King Capt. Vizina and Capt. Laurens of 8th Army Military Government;

Mr. Diekle, CI&E, Mr. Philips, ESS Finance and the Coal Coordinator. This was the first time since the inception of the Accelerated Coal Production Program that all of the Japanese coal teams had held such a meeting. Problems being experienced by the various teams in the field were discussed and the new wage agreement outlined. The Coal teams were unanimous in their approval of the new wage agreement and expressed their opinion that it should have a very decided effect in the increasing of coal production.

M. A. WYATT
Coal Coordinator

Mr Johnson

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

6 December 1948

COAL BULLETIN NO. 14
(For Information Only)

1. COAL PRODUCTION

A. Coal production for the third ten day November production period totaled 978,300 tons against a planned production of 956,900 tons or 102.2% of quota according to early and incomplete reports. This brought the November production to a total of 2,926,800 tons against a quota of 3,072,800 tons or 95.2% of quota.

B. Production by districts for the third ten day November production period and for the month was as follows: (Unit 1,000 metric tons)*

	3rd Ten Days			November		
District	Goal	Production	Percent	Goal	Production	Percent
Hokkaido	275.0	269.8	97.7	895.0	782.8	87.5
E. Honshu	89.6	89.4	98.7	289.3	274.6	94.9
W. Honshu	81.5	83.1	102.0	247.7	256.3	103.5
Kyushu	510.8	538.0	105.3	1,640.8	1,613.1	98.3
Total	956.9	978.3	102.2	3,072.8	2.926.8	95.2

* Figures are preliminary and include estimates.

C. REMARKS:

The 102.2% production rate for the third ten day period of November was accomplished despite the fact that approximately 128,274 miners were engaged in a one day strike on 30 November. Production lost as a result was estimated at 31,400 tons. This production loss added to that incurred during the earlier round of "piston strikes" brought the total of lost production, due to strikes during the month, to between 136,000 and 156,000 tons. As the month's production was approximately 146,000 tons short of goal it is evident that the goal could have been achieved had there been no strikes.

On 1 December 149,154 miners were on strike and an estimated 38,000 tons of production were lost. A total of 243 mines were involved in the first two days (30 November and 1 December) of the scheduled three day round of "piston strikes". No figures are available as to the final day's (2 December) production loss, but it is estimated that the three day total will approximate 105,000 or more tons. No more "piston strikes" are

scheduled pending the conclusion of negotiations which began Saturday 4 December.

II. LABOR

The second round of "piston strikes" during the current contract dispute was completed in the three day period 30 November to 2 December. Virtually all mines in the country struck for a one day period with a resultant loss of production estimated at about 105,000 tons. A brighter note has been injected into the picture by the three Unions involved accepting an invitation of the Japan Coal Mine Federation to resume negotiations on the basis of increasing wages through increased production and the use of funds, which may be made avialable by the supplementary budget now being considered, as a subsidy for further wage increases. The operators are willing that the miners should maintain their 1 April real wages, but insist, that even with a subsidy, an increase in the per man efficiency is necessary and must be included as part of the contract terms. It is intended by the operators that this form of incentive pay be used in the future instead of the present over-production bonus system which is based on a ¥100 bonus for each man in the mine for every 2% produced over the monthly production quota. The operators state that this production plan actually increases per ton costs when production is over 100% of quota; whereas an incentive pay, tied to per man production, would reduce per ton costs as production went up.

A meeting is scheduled for 1600 hours Monday, 6 December, at which time the operators will make the following offer: Based on an average efficiency of 6.84 tons production per man per month, which will result in a national production of 3,170,000 tons per month, an adult surface worker would receive a basic wage of ¥5,250 per month and under-ground workers would receive a basic wage of ¥7,760 per month. Larger wages for higher rates of efficiency will be left open for negotiation, but as a principal 60% of the increased revenue plus decreased costs resulting from increased production will be given to labor with management reserving 40% to meet operating expenses. The operators have estimated that ¥5246 per month at the present would be the equivalent of a real wage of ¥4,000 based on 1 April cost of living. This offer portends a 14% production increase during the second half of the year above that of the first half of the 1948 fiscal year. This is maintained by the operators to be readily achievable because of the usual upward seasonal production trend and the fact that the mines have been rehabilitated considerably, thus offering more efficient working conditions. It is maintained by the operators that a subsidy of ¥2,400,000,000 will be necessary to meet the above terms.

It has been reported that Tanro is very willing to negotiate and rather anxious to come to an agreement. Zensekitan, however, does not agree with Tanro's attitude and at a meeting held 4 December insisted on planning for a third round of strikes.

III. FINANCES:

The Coal Mine Timber Suppliers are complaining that they are not receiving payments from the operators. The amount owed for timbers has increased from 783,000,000 yen as of the end of August to between ¥1,200,000,000 and ¥1,300,000,000 as of the end of November. At present there are no provisions for covering this deficit. The matter will be brought to the attention of the Japanese Government and the urgency of the situation will be pointed out to them.

1 Inclosure:
1. Coal Prod Comm Minutes 26 Nov. 48

M. A. Wyatt
Coal Coordinator

DECLASSIFIED E.O. 12065 SECTION 3 NND 7

+1174.

+1174.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

26 November 1948

COAL BULLETIN NO. 13
(For Information Only)

1. COAL PRODUCTION

A. Coal production for the second ten day production period of November was approximately 966,700 tons against a goal of 1,062,200 tons or 91.0%. There was again no gain on the accrued deficit of 795,373 tons which must be retrieved in order to produce the 36,000,000 ton annual goal. In order to reach this goal, it is actually necessary to produce 104.9% of the planned production.

B. Production by districts for the second ten day November production period were as follows: (Unit 1,000 metric tons)*

Districts	Goal	Production	Percent
Hokkaido	310.0	244.3	78.8
E. Honshu	100.2	96.9	96.7
W. Honshu	84.0	89.2	107.0
Kyushu	568.0	535.6	94.3
Total	1,062.2	966.7	91.0

* Figures are preliminary and include estimates.

C. REMARKS:

Production for the first twenty days of the month totals about 1,948,500 tons against a quota of 2,115,700 tons. The recently completed round of "piston strikes" cost a production drop of about 7.9%. Part of this lost production is probably attributable to causes other than strikes and a more reasonable estimation of the cost of the "piston strikes" would be 5% to 6% of planned production or something between 105,000 and 125,000 tons. Negotiations on a new wage contract were to continue without work stoppages until 30 November but were broken off on 26 November. The labor Unions refused to accept the principle of increased pay in ratio to increased production. The Unions insist on a guaranteed basic wage irrespective of production. Management has indicated entire willingness to talk reasonably on the basis of increased pay in ratio to increased production.

DECLASSIFIED E.O. 12065 SECTION 3 (E)(1)

II. MEMO ON UNIFORM ACCOUNTING AND BOOKKEEPING SYSTEMS IN COAL MINES

It is understood that Japanese teams are now in the field laying the groundwork for the implementation of the following informal memorandum, issued 3 November 1948 By Economic and Scientific Section to Minister of Commerce and Industry and Minister of Finance:

"1. For the past two years Japanese coal mines have been requesting and receiving large sums from Japanese government agencies, either as subsidies or loans, in order that coal production, critical to the rehabilitation of the Japanese economy, be expedited in every possible way. At the same time the determination of the coal price and of the ability of coal operators to pay specified wage levels have been decisions of prime importance to the stabilization program.

"2. In view of the fact that the expenditure or lending of large government sums and coal wage and price levels are determined on the basis of the financial position of the coal enterprises, it is essential that a clear, readily comprehensive and easily auditable set of books be maintained by all coal mine enterprises. However, such an accurate accounting of the financial status of the coal companies has not been available. The accounting and bookkeeping systems now used by them have been inaccurate, incomplete and misleading.

"3. In order to prevent irregularities, safeguard the public interests, and clarify the exact financial situation of coal mine enterprises, therefore, it is necessary rapidly and energetically to establish an accurate and uniform accounting and bookkeeping system in the coal mining industry. Expert assistance could be obtained from a specially constituted group selected from among the personnel of the Bank of Japan, the Reconstruction Finance Bank and similar institutions. In view of the government's special authority over the designated coal mines pursuant to the Coal Mine State Control Law of 1947, it might be most feasible to give priority to these mines and the companies which operate them.

"4. It is requested that an effective and comprehensive plan for the effectuation of such an objective be prepared at the earliest possible time."

DECLASSIFIED - EXT 12065 - SECTION 3.3(b)(1)

III. LABOR

The coal strike scheduled for 23 November 1948 was called off on the morning of the 23rd. According to the operators' figures it is necessary for the miners to receive ¥5226.60 in order to maintain their living standards as of 1 April. They have made this offer to the unions and left open for negotiation the amount of coal necessary to enable them to pay this rate through their own means. No subsidy or price relief will be involved. GHQ is insisting that the Japanese Government follow the three principles of its economic stabilization policy; namely, (1) no subsidy which cannot be made within a balanced budget, (2) no deficit financing for wage increase purposes, and (3) no break in the price line.

The Unions refused to accept any proposal which ties a wage increase to increased production, maintaining that they should receive the amount necessary to maintain the April standard of living for the present per man production of 6.9 tons per month. They are also reported to have stated that they have no intentions of negotiating further if the operators maintain the three principles mentioned above. Negotiations were broken off at 1240 hrs. 26 November.

5.9

1 Inclosure
Coal Prod Comm Minutes 18 Nov 48

M. A. WYATT
Coal Coordinator

DECLASSIFIED E.O. 12065 SECTION 3 NLT, [illegible]

Mr Johnson

WJG

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

16 November 1948

COAL BULLETIN NO. 12
(For Information Only)

1. COAL PRODUCTION

A. Coal production for the first ten days of November was 970,000 tons against a goal of 1,053,500 tons or 92.1%. Since the rate of production necessary to achieve 36,000,000 tons during the fiscal year was 104.9% of goal as of 1 October, this production was 87.8% of the adjusted goal.*

B. Production by districts for the first ten day November production period were as follows. (Unit 1,000 metric tons)*

Districts	Goal	Production	Percent	Adjusted Goal	Percent
Hokkaido	310.0	260.0	83.9	325.2	80.0
E. Honshu	99.6	90.3	90.7	104.5	86.4
W. Honshu	81.9	81.7	99.8	85.9	95.1
Kyushu	562.0	538.0	95.7	589.5	91.3
Total	1,053.5	970.0	92.1	1,105.1	87.8

C. REMARKS

Negotiations between the Unions and Management on a new wage contract were broken off 8 November when Management was unable to make a counter proposal to the Unions' demand for higher wages. Piston strike tactics were started 10 November. Estimated production losses by districts were as follows: (Unit metric ton)*

Districts	Nov. 10	Nov. 11	Nov. 12	3 Day Total
Hokkaido	0	3,458	Unknown	3,458
E. Honshu	7,100	2,800	Unknown	9,900
W. Honshu	2,000	1,200	Unknown	3,200
Kyushu	8,993	9,065	15,000	33,058
Total	18,093	16,523	15,000	49,616

Even though the normal first ten day period production slump is considered, the production loss due to the Piston Strikes of 10 November is apparent in the results for the first ten days. While all mines should have worked nine days during the period, the reported seventy mines on strike worked only eight days. Average rate of production per day was 107,888 tons. Despite the strikes, production was 27.4% greater than the 761,400 tons produced during the same period last year.

* Figures are preliminary and include estimates.

DECLASSIFIED E.O. 11652 SECTION 3 (E) 7 NLS

II. LABOR

The coal mine operators have been unable to comply with the demands of the unions as stated in Par II coal bulletin # 11 dated 5 Nov. 1948. As the result the unions have taken the action indicated despite the advice of ESS/LAB that they negotiate a wage contract within the ability of the operators to pay.

A conference was held with labor, management, representatives of the ESB and the Coal Board of the Japanese Government on the afternoon of 9 November 1948 at which time Mr. Wyatt and Mr. Hepler explained the position in which the Japanese Government finds itself in regard to being able to finance a increased wage for the coal miners.

Labor and management were advised that they should negotiate the demands made by labor on the basis of ability of management to pay. It was explained that the Government might assist financially within its budgetary limitations and its over-all economic stabilization policy.

At the end of the conference it was suggested that labor and management meet no later than 10 November 1948 for the purpose of negotiating on the union's demand. Management agreed reluctantly but labor declined on the basis that they could not negotiate until a counter-offer was made to their demands of 27 October; namely, approximately 9,000 yen for surface workers and 12,000 yen for underground workers.

The "Piston" strike tactic has been adopted and has in effect since 10 Nov. 1949. It has been reported that it is the intention of the unions to reduce daily coal production by 20%. This report seems to be substantiated by the production lost during the period 10-12 Nov. as reported above.

The operators are expected to present a proposal to the unions based on increased pay for increased production. While it is not thought likely that the unions will accept such a proposal it may bring about the resuption of negotiations.

III. INCENTIVE GOODS

On 9 November 1948, the ESB was authorized to release 38,932 United States Army surplus duffle bags for the manufacture of work gloves as incentive goods for coal miners and workers in other essential industries.

These bags will be sold to the manufacturers at the official prices set by the price board. The manufacturers will be required to deliver all the gloves made from these bags to registered wholesalers at official prices. All Gloves will be distributed to the mines and industrial plants through official channels.

IV. INTERPRETATION OF "PARTIAL AMENDMENTS TO COAL MINERS INCENTIVE PROGRAM" AND "DUTIES OF JAPANESE COAL TEAM"

Reference: (A) "Special measures for commodities to be distributed to

DECLASSIFIED E.O. 12065 SECTION 3 (b)

the Coal Mine Workers" issued by the Coal Board 4 Oct 48 and approved by the Cabinet on 7 Oct 48.

(B) "Partial Amendments to Coal Miners Incentive Program" issued by ESB on 11 Oct 48 and approved by the Cabinet on 15 Oct 48.

(C) "The Duty of the Japanese Coal Production Team" issued by the Coal Board on 18 Oct 48 and made official by Ministerial Order.

The "Special Measures" (A) can be considered superseded by the "Partial Amendment," (B). The "Duty of the Japanese Coal Team" (C) is an elaboration and extension of the "Partial Amendments."

"Partial Amendments" apply to incentive goods only and those food items included in incentive goods, such as sugar, edible oil, caramels, candy and sake, and do not pertain to staple and supplementary food rations.

ESB and the Coal Board make the following interpretation of the "Amendments" in connection with a strike:

In case of a walkout the workers will automatically loose the days during which they struck but no more than the days during which they struck.

In case of a sit down strike or a slow down the work days will be reduced in proportion to the drop in production as compared with previous months. The reduction of days will be applied only to the workers engaged directly in a sit down strike or a slow down. Only when the production drop cannot be tied directly to individual workers or groups of workers may the reduction be made to all workers of a mine.

In "The Duties of the Japanese Coal Team" it is stated that besides incentive goods proper supplementary food rations also may be cut down in the case of strike. Supplementary food rations include supplementary staple food rations to workers as well as their families and in addition the supplementary foods such as miso, shoyu, vegetables and fish. In the case of supplementary staple food rations any reduction in the number of work days will automatically reduce these rations. In the case of supplementary foods reduction proportional to the drop in production may be made only in the margin by which the coal miners rations exceed the normal consumers ration.

The ESB as well as the Coal Board interpret the "Duties of the Japanese Coal Team" in the following manner.

A. Reduction of any rations can be made only in direct proportion of the days not worked or in proportion to the drop in production and no additional penalty shall be applied.

B. The ESB and the Coal Board feel that if it is decided to apply such penalties as the cutting off of 3 days ration for one day of strike, Cabinet approval would be necessary.

C. They also stated that all the measures described in the "Partial Amendment" and "The Duties of the Japanese Coal Team" pertain ONLY TO REDUCTIONS OF INCENTIVE GOODS and FOOD as a CONSEQUENCE OF A STRIKE and NOT TO DISTRIBUTION during the strike of goods allocated to or earned during periods previous to the strike.

V. CONSUMER SUBSIDY

A. A Report on consumer subsidy for coal for household heating in Hokkaido has been recieved from ESS/PD. It is published in part for the information of these concerned with the problem in Hokkaido.

In principle the subsidy program allocated 2.2 tons of grade 6 coal per family per year to all consumers in Hokkaido, exclusive of coal miners and families whose income is over ¥ 200,000 per annum. One and two-tenths (1.2) tons is to be sold at the current official price of ¥ 3,344.86 per ton, and 1 ton is to be sold at the former official price of ¥ 1,208.58 per ton. Translated into grade 6, the per ton values are: ¥ 3,441 per ton under the current price, and ¥ 1,294 per ton under the former price. It is expected that 1,562,000 metric tons of coal for household use will be used during the period 1 April 1948 thru 30 March 1949, involving a total subsidy expenditure of ¥ 1,500,000,000.

B. Approximately 140,000 tons of coal allocated under the category of heating, cooking and bathing was not picked up by Hokkaido consumers during months of July, August, and September. A review of this situation was made with members of the Japanese Price Board and the Solid Fuels Distribution Kodan. "The officials contacted" indicated that the following factors, in all probability, contribute toward the accumulating of household coal:

1. Financial position of consumers in the Hokkaido area.

2. Continuation of warm weather.

3. Delay in formulating financial policy to provide the necessary subsidy funds.

   a. Authority was not given to the Solid Fuels Distribution Kodan to sell coal to general consumers at a reduced price until 16 October 1948, with retroactive features to 28 June 1948.

   b. Solid Fuels Distribution Kodan operating losses as a result of proposed subsidy sales were not guaranteed.

   c. General attitude on the part of consumers that further reduction or concession would be made in the selling price of coal.

   d. Need for information program to clarify the consumer subsidy program.

1 Inclosure:
1. Coal Prod Comm Minutes 12 Nov 48

M. A. WYATT
Coal Coordinator

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
12 November 1948, 1400 Hours.

1. The third from the last sentence of paragraph 6 of the minutes of the meeting of 4 November 1948 is hereby corrected to show that the Coal Bureau's decisions upon recommendations of the Coal Team on incentive goods are not made on the national level. The Coal Team's recommendations are made to the Coal Bureau, which makes the decision in each case or forwards it to the proper authority for decision, depending upon the nature of the matter. The Coal Bureau's organization is local in nature and its decisions are not national in scope. With this correction the minutes of the meeting of 4 November 1948 were approved.

2. The Committee reviewed the interpretation which had been placed upon the measure relating to the withholding of incentive goods. (Minutes, 4 November 1948, paragraph 6.) The representative of the Eighth Army reported that the central office of the Coal Board in Tokyo had informed the Sapporo Coal Bureau that the Coal Board will uphold the actior taken by that Bureau in withholding incentive goods from striking miners of the Yubari mine for periods of two and three times the duration of their strike. It was established that in this instance the coal team acted in accordance with the stipulation that a warning must first be given before recommending the withholding of incentive goods. Furthermore, it was pointed out that the measure of 15 October concerning the withholding of incentive goods, while saying, "the decision of the extent and period shall be made on the basis of the amount of labor," it does not say that it is to be on the basis of a day-for-a-day and an hour-for-an-hour. The miners had seemed comparatively unconcerned about losing only one day's credit for each day they refused to work. By saying that their privilege of earning credits for the right to purchase extra incentive goods was to be cut off during future working days for two or three times the number of days of their strike, it was hoped by the Japanese Coal Bureau and Coal Board that the miners would more quickly return to work. The measure did not specifically preclude such interpretation, it was thought. The representative of the Eighth Army stated that by the command letter directing the Eighth Army to conduct surveillance of incentive goods or link goods, the Military Government is committed to uphold the interpretations of the Japanese Government with respect to Japanese laws. The Committee noted that the language of the law as it was translated into English appeared to be

over

ambiguous with respect to the point in question. The representative of ESS/LAB reiterated the fact that his Division's concurrence had been on the understanding that the withholding of incentive goods would be on a dey-for-a-day basis (as stated in paragraph 6 of the minutes of the meeting of 4 November 1948.) The representative of ESS/PD agreed to secure a concise and completd translation of the measure for consideration of the question as to whether, as it stands in the correct interpretation of the actual language used, the measure conforms with the intentions of SCAP.

3. The representative of ESS/PD explained with respect to incentive goods and all rewards for coal miners that the distribution of the goods necessarily takes time. Thus, he stated, on the average there is approximately a two months lag in the deliveries.

4. It was reported that in a meeting of the Chief of ESS/LAB and the Coal Coordinator with representatives of the Japanese Labor Unions, Management, The Coal Board and ESB, on 9 November 1948, Labor and Management were advised of the position of the J apanese Government with respect to financing increased wages for coal miners-- that there could be no further deficit financing, no further increase in the price of coal at this time, and that the budget must be balanced. Any wage increase must be met on the basis of management's ability to pay as a result of increased efficiency in operations, improvement in the performance of the coal miners themselves in their daily work, so that there might be sufficient returns on which to draw in the payment of wages. Any further assistance from the government must be within budgetary limitations and the overall economic stabilization policy. The Japanese Coal Mining Federation had submitted an offer of negotiation under this "new situation." It was reported by ESS/LAB that the answer of the unions in Kyushu was expected soon.

5. It was reported that the question of an incentive to be tied to the coal allocation for mine use for October, November, and December had been referred to the Coal Production Committee by the FEC Allocation Committee. It had been suggested that the Coal Production Committee consider the poss ibility of implementing such an incontive coal allocation for mine use and make its recommendation to the FEC Allocation Committee on the matter. The members of the Coal Production Committee, after discussing mine use, pointed out that there was great variation in the percentage of coal actually needed for operations as between one mine

and another. This would complicate the problem of settling upon an incentive based upon an overall percentage of total coal mine use to total production, it was felt. Further, as the coal is right at the mines where it can easily be taken if the mines need to use it they will take it anyhow regardless of whether it is allocated. As a reduced allocation for mine use would only result in coal being unreported, it was felt that this was not the type of allocation which could be made subject to incentives. The Coal Coordinator recommended that ESB be requested to substantiate the requested allocation of coal for mine use on the basis of data on the amounts which actually are being used at coal mines, and the requested allocation then be approved on this substantiation.

6. The meeting adjourned at 1535 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS

Attendance:

Mr. M. A. Wyatt, Coal Coordinator
Maj. T. M. Dunleavy, ESS/LAB
Maj. C. S. Merriam, NRS
Mr. D. J. Carroll, NRS
Capt. H. A. Vizina, 8A
Maj. A. C. Kinsley, 8A MG
Mr. R. E. Phillips, ESS/FI
Mr. H. Knaf, ESS/PD
Mr. J. C. Twinem, ESS/PD
Mr. Q. Adams, ESS/FEC AC
Mr. H. J. Barton, CTS

NOTICE OF MEETING

TIME: 18 November 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Revised Distribution Plan for Overproduction Rewards for the Second Half of the Fiscal Year.

2. Status of Labor Contract Negotiations.

DECLASSIFIED E.O. 12065 SECTION 3 NLJ/RAC

MR Johnson

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

5 November 1948

COAL BULLETIN NO. 11
(For Information Only)

1. COAL PRODUCTION

A. October coal production was the highest for any month since the beginning of the occupation. The 2,981,900 tons production was 22,927 tons more than that of December 1947, the previous peak month. While the 2,981,900 tons was 98.8% of goal, it represented an increase of 22.47% over production for October 1947. Production for the last ten day production period was at the rate of 105.9% which offset, somewhat, the production losses caused by labor unrest during the first two ten day periods of October.

B. Production by districts for the last ten day production period and the month of October were as follows: (Unit 1,000 metric tons)

	3rd Ten Days			October		
	Goal	Production	Percent	Goal	Production	Percent
Hokkaido	300.6	304.0	101.1	869.0	811.8	93.4
N. Honshu	99.7	103.2	103.5	286.7	286.8	100.0
W. Honshu	84.5	101.9	120.6	262.8	265.2	100.9
Kyushu	556.0	593.5	10..7	1,600.0	1,618.1	101.1
Total	1,040.8	1,10..6	105.9	3,018.5	2,981.9	98.8

1Figures are preliminary. All sections worked 9 or slightly over 9 days during the last 10 day period.

C. Perfomance against adjusted goals (Unit 1,000 metric tons)

	Last Ten Days			October		
	Adjusted Goal	Production	Percent	Adjusted Goal	Production	Percent
Hokkaido	312.0	304.0	97.4	902.0	811.8	90.0
E. Honshu	103.5	103.2	99.7	297.6	286.8	96.4
W. Honshu	87.7	101.9	116.2	272.8	265.2	97.1
Kyushu	577.3	593.8	102.8	1,660.8	1,618.1	97.4
Total	1,080.5	1,10..6	10 .1	3,133.2	2,981.9	95.2

1 Adjusted goal for October was 103.8% of goal. Production figures are preliminary.

D. CUMULATIVE TOTAL

The production to date for the Japanese fiscal year is as follows:

	quota	Production	Gain or Loss
April	2,827,000	2,575,427	-251,573
May	2,897,000	2,627,000	-270,000
June	2,878,000	2,788,500	-89,500
July	2,850,000	2,711,800	-138,200
August	2,613,000	2,52 ,100	-90,900
September	2,790,000	2,871,400	81,400
October	3,018,500	2,981,900	-36,600
To date	19,873,500	19,078,127	-795,373

E. REMARKS:

In order to achieve the 36,000,000 ton goal for 1948 fiscal year, national production must average 104.9% of quota for the remaining five months. That this can be achieved is indicated by the fact that production for the last ten day period was at the rate of 105.9%.

II. LABOR

A. At the meeting of the Joint Struggle Committee (Tanro and Zensekitan), the operators were advised that if a reply to their request embodying 3 points was not received by November 8th, the Unions would take action on November 10th. The three points upon which the Union requested action were as follows:

1. A counter proposal to the proposal made by the unions on 20 October. (This proposal was for ¥9400 wage for surface workers and approximately ¥12,000 for underground workers. This compares with present rates of ¥4,000 for surface and ¥6,000 for underground workers).

2. That management undertake immediate negotiations on repercussion. The Union wishes to have the 5%, determined as reprercussion by the government, shelved and to take up the matter under another clause of the contract which provides for an increase in wages due to extraordinary economic changes. (The operators stated that they will appoint a subcommittee to discuss this matter.)

3. Union requested a reply to their suggested six point revision of the operator retirement allowance plan.

In reply to a question a representative of the Joint Struggle Committee stated that although the threat to the operators implied a general strike on November 10th, it was his personal opinion that this would not occur. Instead, he said, that there would probably be strikes of short duration in various parts of the country with the object of putting pressure on the Government by reducing coal production. The Union believes that these tactics will move the Government to act so that an early settlement of the dispute would be achieved.

B. The widespread news report that the labor freeze in the Coal Mining Industry has been greatly liberalized was considerably exaggerated. The new regulation provides that the employers shall not employ more miners than were employed as of the end of April during the six months' period beginning November 1st. However, it allows this number to be expanded for the purposes of the development of new coal mines or mining areas, the employment of special technicians, seasonal laborers for emergency coal production, and employment due to the execution of the Labor Standards Law. The pertinent provision here is that concerning seasonal laborers for emergency coal production. In the past it has been customary to employ fishermen and farmers as miners during the winter months. These farmers and fishermen have had years' of experience as coal miners in past winters. They are, therefore, considered coal miners and their employment is a large factor in the high production rate which must be achieved during the winter months.

III. INCENTIVE GOODS

A. That American incentive goods are greatly appreciated by at least some of the miners is aptly illustrated by the following letter and the attached cartoons received from an operator of a coal mine:

"To: Price and Distribution Div., ESS, SCAP

Sirs:

"With seasonal greetings on these cool fall days, I wish to express my profound gratitude to you that you are making such efforts to democratize our country while living far away from your home land. I am operating a coal mine at the north end district of Joban Coal-fields in Fukushima Prefecture, which is situated seventy "ri", (or 150 miles) away from Tokyo. You always give special consideration to coal mine industry and distribute imported goods to us in order to stimulate increase in coal output. We are very grateful for your kindness. Our joy to receive your relonsed goods is beyond your imagination. We hereby swear that we will surely increase production and come up to your

expectation by all means. I will enclose herein a cartoon drawn by an employee of our mine. I wish you would look at the cartoon which shows our workers' sense of humor.

Thanking you again,

Yours respectfully

(Signed) Tetsu, NIIZUMA."

Reproduction of these cartoons in newspapers and posters in coal mining areas should prove beneficial by reminding the miners of their obligation to produce coal which they incur in accepting these goods.

B. It is planned to present a report on the "September Over-production Incentive Goods Program" and the plan for the "Last Half of 1948 Over-production Incentive Goods Program" at a press conference on Saturday 13 November. Since it is now necessary to produce at the rate of 10[illegible].8% of quota for the next five months in order to reach the 36,000,000 ton goal for the year, all possible publicity will be given to the Over-Production Incentive Goods Program.

IV. INTERPRETATION OF JAPANESE LAWS, ETC.

At the suggestion of a representative of Eighth Army Military Government on Japanese Laws, Ordinances, Regulations or Orders published in the Coal Bulletin will, in the future, be accompanied by the SCAP accepted interpretation. This is to be done so that all concerned may be able to apply the same interpretation of these laws, etc, and to avoid any confusions or misunderstandings arising from the shortcomings of the Japanese translations. Because of the press of time the interpretation of the amendment to "Coal Miners' Incentive Program" published in paragraph 3 of the minutes of the "Coal Production Committee Meeting" of 14 October and that of the "Duties of the Coal Production Team" published in paragraph 8 of the of the "Coal Production Committee Meeting" of October, will appear in the next issue of the Bulletin.

V. JAPANESE COAL MINE ENGINEERS MAY GO TO STATES

SCAP is planning to send several Japanese Coal Mining Engineers to study modern mining methods in the States. If these plans work out, four to six engineers will be selected and sent to the United States for a six months' period. At the same time, Economic and Scientific Section is planning to bring from the States at least two well qualified Coal Mining Engineers for a six months' tour of duty in Japan as technical advisers to the Industry.

- - -

VI. INFORM.TION PROGR.M

a. "World Premier" of the film the Greenless island (Midori Nemi Shima) at the Kokusai Theatre in Tokyo was attended by high SCAP, 8th Army, and Japanese Government Official. The film depicts a triangle of two coal miners and a girl mine worker. In the end the villian, and opportunist, loses the girl and his chance to be elected chief of the miners union when his attempt to disrupt the union election by cutting the power supply caused a disaster in the mine. He is of course exposed and arrested. The picture carries a strong propaganda message to the coal miners yet is an excellent and highly entertaining film. It is hoped that the publicity derived from the premier will encourage more miners to see the film when it is shown in the mining areas. It has been suggested that 8th Army MG might sponsor similiar premiers in Kyushu and Hokkaido.

4 Incls:

1- Coal Production Com. Meeting 28 Oct 48
2- Press Statement M. A. Wyatt, 28 Oct 48
3- Car toons
4- Coal Production Com. Meeting 4 Nov. 48

M. A. Wyatt
Coal Coordinator

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
4 November 1948, 1400 Hours

1. There being no corrections or additions to the minutes of the meeting of 28 October 1948, they were approved as published.

2. The Coal Coordinator read a request dated 2 November 1948, addressed to ESS from the President of Zenkoku Sekitan Sangyo Kodokumiai, and the President of Nihon Tanko Rodokumiai Rengokai, stating that in the building of medical establishments, hospitals, and clinics for the coal miners, medical instruments, equipment, and other necessary facilities were not as yet being installed primarily because funds were not advanced by the RFB to the Coal Mine Welfare Association. The letter requested release of "blocked funds" of various coal mine companies for the Coal Mine Welfare Association for the purchase of the necessary medical installations. The representative of ESS/AC pointed out that in order to release the funds it is necessary that this association coordinate its program with the PH&W Section and submit a plan for approval as to the kind of equipment and medical facilities to be installed--also, to organize and operate on a local level in conformity with the health insurance laws.

3. The representative of the Eighth Army Military Government stated that in meetings attended by Japanese and American officials in Hokkaido the plans and procedure of the coal teams in their operations had been reviewed with a view to improved efficiency. By sticking to a planned schedule of mines to be visited it was felt the effectiveness of the work in the field would be increased. It was stated that improvement in coordination with labor representatives, in the promotion of agreeable relations between management and labor, is expected to result from the meetings mentioned above.

4. The representative of ESS/LAB read a memorandum of conference dated 29 October 1948, outlining the status of labor contract negotiations. The memorandum stated the unions were awaiting government action in the form of a counter proposal to the proposal made by the unions on 20 October. The Coal Coordinator said the Coal Board had reported that the Japanese Government is working on the financing of wages, and was considering a possible increase in the consumer price of coal and a subsidy.

over

5. The question was considered, in the event of a general strike what procedure would be followed in regard to occupation force coal requirements to safeguard the health and welfare of the occupation forces, and carry out occupation force commitments. It was suggested that the Japanese Government might be told that the required amount of coal must be produced. Some mines would then have to operate and produce the amount required, while technically they might be considered to be participating in the strike.

6. A Kyodo news item dated 3 November, appearing in the Nippon Times 4 November, on the withholding of incentive goods from striking coal miners was read. It was noted that by the advice of the Japanese coal team the decision of the local Sapporo District Coal Bureau had been made that incentive goods be withheld from striking miners for periods of two and three times the duration of their strike. It was stated that the original principle back of the measure for withholding incentive goods from miners in various specified instances was that the incentive goods could be justified only on the basis of production--that the miners should not be deprived of these benefits any longer than the duration of their non-production. To apply it as a punitive measure by multiplying the number of days by two or three as was apparently done in this case would be an incorrect interpretation of SCAP's intention in approving the measure, that the "decision of the extent and period shall be made on the basis of amount of labor." (Section B, Article 4 of the measure.) Further, it was reiterated by the representative of ESS/LAB that the Coal Team's recommendation is made to the Coal Bureau, whose decision is made on a national level. The representative of ESS/LAB requested that the objection of his Division be registered in these minutes with regard to the action which had apparently been taken in this instance. The Coal Coordinator stated that the Coal Board was investigating the matter and that in the meantime a correct interpretation would be published in the Coal Bulletin.

7. The representative of ESS/PD reported that in regard to the proposed distribution of the overproduction rewards for coal mines during the second half of the fiscal year (Minutes, 28 October 1948, paragraph 7) ESB had pointed out the smaller mines, with monthly quotas under 5,000 tons and in some cases where the quality of coal is low, were being favored at the expense of the larger mines producing over 30,000 tons monthly. It was suggested that there be three separate contests--one for mines of 5,000 tons monthly quota or lower, one for mines of 5,000 tons up to 30,000 tons, and one for mines producing over 30,000 tons per month. The incentive goods would be divided on an equitable basis of number of miners in each group. The representative of ESS/PD agreed to prepare a new draft of a proposed overproduction reward distribution plan for further discussion.

8. It was reported that the law limiting the number of workers was modified only to allow for the influx of seasonal workers such as farmers, fisherman, and other workers, many of whom are skilled underground coal miners who enter the mines each autumn.

9. The meeting adjourned at 1545 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS

Attendance:

Mr. M. A. Wyatt, Coal Coordinator
Maj. T. M. Dunleavy, ESS/LAB
Maj. C. S. Merriam, NRS
Capt. H. A. Vizina, SA MG
Col. H. G. Johnson, PH&W
Mr. M. J. Rose, ESS/AC
Mr. B. S. Dekle, CI&E
Mr. H. Knaf, ESS/PD
Mr. M. J. Barton, CTS
Mr. Q. Adams, ESS/FEC AC

NOTICE OF MEETING

TIME: 12 November 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report on Status of Labor Contract Negotiations.

2. Revised Distribution Plan for Overproduction Rewards for the Second Half of the Fiscal Year.

Mr Johnson

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

25 October 1948

COAL BULLETIN NO. 10
(For Information Only)

I. COAL PRODUCTION

A. Coal production for the second ten days of October fell to 985,047 tons against a quota of 1,045,910 tons or 94.2% according to incomplete reports and estimates. However, since the October rate of production necessary to meet the 36,000,000 ton annual quota is 1.038% due to production losses during the first six months, the rate of production against the adjusted goal (Goal x 1.038) was only 90.7%.

B. The production and percentages of goal and adjusted goal by districts are as follows: (All tonnages are partially estimated. Unit 1,000 metric tons)

Districts	Goal	Production	Percent	Adjusted Goal	Percent
Hokkaido	300.5	269.5	89.7	311.9	86.4
E. Honshu	99.1	95.8	96.7	102.9	93.1
W. Honshu	94.3	82.3	87.3	97.9	84.1
Kyushu	552.0	537.4	97.4	572.9	93.8
Total	1,045.9	985.0	94.2	1,085.6	90.7

C. Remarks

All sections worked nine days during the period.

For the second consecutive ten day period slow-downs and absenteeism growing out of the dormitory workers' disputes caused a decided slump in Hokkaido production. The mines effected were largely those owned by the Hokkaido Steamship and Collery Company. The dispute at Yuberri mine alone was said to be responsible for a production loss of about 10,000 tons during the second ten day period. These disputes continue to be the matter of principal concern to both the Japanese and Military Government Coal Production Teams.

II. LABOR

Little change has been reported in the negotiations between Remmi and the unions regarding a new wage contract. Howver the unions central negotiating committee has served notice on Remmi that they will not negotiate on the principle of wages until they can also negotiate on the amount. It is possible that the operators may be able to make a counter offer during the next few days. If this cannot be done, it is likely that central negotiations may be broken off and local negotiations started.

Remmi has signified its willingness to negotiate with Tankokyo (a union of about 16,000, mostly office workers and in Hokkaido) on the national level, if Tanro and Zensekitan will accept them in the central negotiating committee. Work stoppages among the dormitory workers in Hokkaido continue to be a major obstacle to production and the principal concern of the Hokkaido coal production teams. It is reliably reported that these disturbances are communist inspired and that malcontents who have been discharged from the railways are infiltrating the ranks of miners. These ex-railway workers are said to be young and under the influence of the communists although not necessarily communists themselves. The situation which has been created although limited to a few mines has caused a loss of production estimated at 30,000 tons during the second ten day September production period.

III. INCENTIVE GOODS

On 15th October the Cabinet passed the amendment to the coal miner's incentive program as reported in paragraph 3 minutes of the coal production committee meeting of 14 October with the following change:

The first sentence should read, "In case a coal mine computes not fully operated regular work hours as a full work day, or if actual production drops below quota because of a drop in workers efficiency or attendance excluding acts of God, the Director General of The Coal Board" etc.__

It has been reported that about 240,000 miners are eligible to receive a U.S. surplus army blanket under the September over-production incentive program. This figure seems unreasonably high as it corresponds to more than one half of the miners in the country. Since under the rules blankets were to be awarded only to those miners who worked a total of twenty or more days in mines which produced 105% or more of quota, the claims for blankets are being carefully checked. However every miner who is eligible can be assured of receiving a blanket.

IV. FINANCE

As was previously reported, it was decided by all interested divisions of ESS that all outstanding RFB loans to coal mines incurred because of the Government's price policy between 5 July 1947 and 22 June 1948 and considered as deficit financing would be removed as obligations of the companies, and the obligations would be assumed by the Japanese Government.

The matter of withholding taxes collected from the miners by the companies and not paid to the Government will be settled at the time of the forgiveness of the deficit financing in the case of taxes due through September 1948. The mines will be kept on a more or less current basis in their withholding tax accounts by the Government attaching Kodan payments in the approximate amount of current withholding taxes. This will be roughly equivalent to 20% of the payments due the Kodan and should work no hardship on the mining companies.

V. INFORMATION PROGRAM

During the past week there were 14 local radio broadcasts and 1 national broadcast on coal production as well as 145 spot announcements. The ESB made 5 press releases and held 1 press conference. A full-length motion picture feature photographed at Hakishima Mine was previewed in Tokyo and will be distributed in regular channels starting 9 November 1948. This picture combines a strong propaganda punch with an excellent story, fine acting and fine photography. It should do much to carry the doctrine of coal production to the Japanese public as well as to the miners. Several newsreel sequences depicting the welfare and leisure time activities on Sakito Island have been produced by the Nippon Newsreel Company and will be in form for release shortly.

VI. GENERAL INFORMATION

It has been called to the attention of the Coal Coordinator that some personnel in the field have been interpreting the minutes of the Coal Production Committee meetings as being statements of finalized action. This is not the case. The minutes are attached to the Coal Production Bulletin for the purpose of keeping personnel in the field informed as to the developments and thinking in SCAP on matters pertaining to coal. Nothing contained in these minutes should be construed as finalized action unless it is definitely stated as such. From time to time such finalized actions will be reported in the minutes of the Committee meetings and will be referenced in the Bulletin.

VII. COAL BOARD

The Coal Board has released to the Japanese Coal Production Teams a statement as to their duties and authority, as reported in paragraph 8

of Coal Production Committee Meeting Minutes of 22 October 1948. Transmission of these instructions to the Japanese Coal Production Teams will be completed as soon as possible. Meanwhile the instructions as contained in paragraph 8, reference minutes, may be transmitted to the members of the Japanese Coal Production Teams.

2 Incls.
1. Coal Prod Comm Minutes 14 Oct 48
2. Coal Prod Comm Minutes 22 Oct 48

M. A. WYATT
Coal Coordinator

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
22 October 1948, 1400 Hours

1. The middle part of paragraph 6 of the minutes of the meeting of 14 October 1948 should read, "It was stated that the Japan Coal Mining Federation makes a claim upon the district federations (which support the national organization) for reimbursement of all its expenditures," instead of, "...makes a claim upon the Japanese Government for reimbursement against some of its expenditures," as originally published. With this correction the minutes of the meeting of 14 October 1948 were approved.

2. The representative of ESS/AC reported that the Japanese had been informed that action is not to be taken in approving release of funds for the operations of the Coal Miners Welfare Association until it has conformed to the requirement that the agency which administers this hospital and clinic activity must be coordinated with the health insurance laws and have the approval of the Welfare Ministry. In order to conform with requirements this association must organize on the local level, although it may be a part of a national organization, it was stated.

3. The freeing up of funds for the Japan Coal Mining Federation to collect enough money from the member operators to pay salaries and necessary expenses was reviewed. The representative of ESS/AC stated that as yet final approval was not given by his Divison, but that the a pplications for dues from the restricted concerns had been approved with the proviso that the federations take steps to liquidate housing and other facilities which they owned and held contrary to the Fair Trade Association Law. By liquidating some of their extraneous activities and property holdings it was felt that enough funds could be obtained to pay current salaries and carry out the necessary part of their functions.

4. The representative of ESS/AC stated that since the last meeting his Division had received a copy of a detailed translation of the pamphlet mentioned in the 8A MG report discussed at the previous meeting (Minutes, 14 October 1948, paragraph 7) and had gone over it with his Division. It was felt they had sufficient grounds to order the closing of that association. No objections were offered to such action.

over

5. The Coal Coordinator reported that a meeting was scheduled for Tuesday, 26 October 1948, at which this and other matters will be discussed in connection with the information program. The Civil Information and Education Section will take up the matter of subversive activities in the press, radio, and publications of all types.

6. It was reported that in Hokkaido there has been unrest among the dormitory workers particularly, due to the fact that recently the operators started collecting cost of food rather than the nominal charges they had previously been collecting. In regard to mediation of certain questions resulting from this, and as a result of the suggestion of the use of grievance machinery for settling some of the points, it had appeared that in some mines neither labor nor management knew that the old contract was extended for the period of national negotiations on a new contract and therefore will not expire until a new contract is signed or national negotiations are broken off. The Coal Coordinator stated that he was publicizing the information on this point.

7. The Coal Coordinator reported that the Governor of Hokkaido was much perturbed by the Communist movement there, and in a visit to Tokyo had said that the Communists were needling one of the consumers' cooperatives up there to ask for a larger allocation of coal for heating, cooking, and bathing, and for a reduction in the price of the coal for such use. They were reported by the Governor to be threatening that if their terms were not met a wave of strikes would break out all over Hokkaido. The young miners were being agitated to make demands of 15 thousand yen on the new wage agreement, which is known to be impossibly high, and there was agitation for strikes, slowdowns, and similar activities, the Governor had stated. When asked how long the workers in Hokkaido could stay out on strike the Governor of Hokkaido had said, if they were paid no wages during the period of the strike and received no allocations of supplementary rations or incentive goods, they would last ten days or two weeks at the limit, because they have nothing to sell with which to provide themselves with food, and they have no credit--so at the end of that time they would have to go back to work or starve.

8. A list of duties of the Japanese Coal Production Team, prepared by the Coal Board, dated 18 October 1948, to give them a clear delineation of their authority, was read as follows:

"The duty of Coal Production Team is to investigate various obstacles at the spots of the coal mines and accelerate the coal production by removing such obstacles. Hence, the objectives of investigation cover the production, technique, labor, fund, materials, transportation and other related matters and in order to develop maximum efficiency in respective fields various assistance will be given to the operators and miners. Accordingly, in case such fact which will hinder increase of coal production, will be recognized, in the conduct of the operators and miners it is quite natural to correct the same. For this sake the Coal Production Team and government office concerned shall take the following measures.

"a. The case in which the fact of making obstacle to increase of coal production is recognized on the side of the operators.

"(1) The Team Captain shall make strict investigation in order to clarify the use of fund and materials in the coal mine, condition of coal production and condition of completion of development work (Article 8 of Temporary State Control Law of Coal Mines.)

"(2) In the above case, if the fact is recognized that the operator made side-flow of the fund and materials thereby making obstacles to increase of coal production the Team Captain can recommend to the related government office, through Chief of Coal Bureau, to reduce or stop the allocation immediately.

"(3) Upon receipt of the above recommendation, the Director General of the Coal Board can request the RFB Committee to stop the finance of the fund immediately and can stop the allocation of materials immediately. Furthermore, if it is recognized necessary, the Director General of Coal Board and Chief of Coal Bureau can issue supervisory order to the Coal mine concerned. (Article 9 and 20 of State Control Law.) If the operators will violate this order, they will be punished in accordance with the provision of the law. (Article 59 and 62 State Control Law.)

"(4) With regard to the coal mines which are recognized to have equipments and materials beyond their necessities or not fully utilizing the same, the Team Captain can recommend to the Director General of Coal Board or Chief of Coal Bureau to transfer the equipment and materials or lease to other coal mines. Upon receipt of the above recommendation, the Director General of Coal Board or Chief of Coal Bureau, if recognized necessary, can order the operators of the coal mines concerned to transfer or lease, in accordance with the provisions of the law. (Article 12 of State Control law.)

If the operator will violate the above order, they will be punished in accordance with the provision of the law. (Article 59 and 62 of State Control Law.)

"(5) In case the fact is recognized that the controller of the coal mine is inadequate, thereby causing obstacles to increase of coal production, the Team Captain can recommend to the Minister of Commerce and Industry through Chief of Coal Bureau to dismiss the said controller of the coal mine. Upon receipt of the said recommendation, the Minister of Commerce and Industry can order the operator of the coal mine to dismiss the said controller, in accordance with the provision of the law. (A rticle 24 ditto.)
If the operator will violate this order, they will be punished in accordance with the provision of the law. (Article 62 ditto.)

"(6) The Team Captain, if it is recognized necessary, can recommend to the Director Genera l of Coal Board or Chief of Coal Bureau to order new installation of the equipment, extension or improvement or development of new pit or excavation of pit road of designated coal mines. Upon receipt of the above recommendation, the Director General of Coal Board or Chief of Coal Bureau can order the operator in accordance with the provision of the law. (Article 38 ditto.) If the operator will violate this order, they will be punished in accordance with the provision of the law. (Article 59 ditto.)

"b. The case in which the fact of making obstacles to increase of coal production is recognized on the side of the miners.

"(1) The related government office can reduce or stop additional allocation of side food, special allocation of linked goods and other incentive goods, to the coal mines which are recognized to have the fact of making obstacles to increase of coal production. In case the Team Captain will recommend to reduce or stop the additional or special allocation of the above mentioned goods by recognizing the fact of making obstacles to increase of coal production the related government office shall make necessary measure for the foregoings if recognized necessary. With regard to the recommendation of the Team Captain to the related government office, if the matters do not belong to the authority of the Chief of Coal Bureau, the same shall be made through the Chief of Coal Bureau.

"(2) The Team Captain shall make recommendation of the special measure in such cases in which the decrease of coal production of the coal mines concerned is evident by comparing the actual result of the past few months; and the causes of decrease of production shall not be due to inadequate conduct of the operators or the conditions of coal seams become worse and trouble of machineries and equipments; and the causes shall be due to rate of work, time of actual work, and discipline at work.

"(3) The objective of reduction or stop of commodities shall, in principle, be limited to persons who make obstacles to the increase of production. However, due to the character of the work, in case recognition for individual person is not proper, such as in the case of collective work, the collective body will be made as objective. If the whole coal mine is recognized as natura l to take joint responsibility, the whole can be made as the objective.

"(4) In case the Team Captain will recommend to reduce or stop the commodities, he shall make it clear as to the extent and period of reduction or stop and name of commodities. The extent, and period of reduction or stop and the commodities shall be fairly determined in conformity with the extent of the fact of making obstacles to increase of production. Especially, as the side food is adjusted in conformity with the amount of labor, in case of reduction or stop, decision of the extent and period shall be made on basis of amount of labor.

"(5) As the object of this special measure is to remove the fact of making obstacles to increase of production and accelerate the production in case the Team Captain recognizes the fact, he shall make warning and request the reflection to remove the fact of making obstacles to increases of production, by specifying deferred period. If during this period the fact will not be removed, the Team Captain shall inform, for the first time, to reduce or stop the commodities. In case the Captain of the Coal Team determines that there has been false certifications of days work for the purpose of obtaining supplementary rations he will report such false certifications to the Coal Board for proper action."

9. Discussion of the above document elicited the following notes:

a. It was emphasized that the Coal Team itself can not of its own power or authority cut the incentives. It can only recommend to the Coal Bureau and in some cases to the Coal Board what should be done. The decision will be made by the Coal Bureau, Coal Board, or Ministry of Commerce and Industry. The Team Captain, before making a recommendation with respect to a particular mine first warns that mine that they have a certain number of days in which to get their production rate back up to the required percentage of quota. If they don't do it, then he makes the recommendation.

b. When the coal mine gets its production up to the required rate, the restoration of the incentive rewards is immediate and automatic.

c. The finalization of this document, the manner of implementing it, whether by a cabinet ordinance or a ministerial order, and of making it official, it was stated, would be the subject of a discussion with Mr. Watanabe Deputy Director General, of the Coal Board on 23 October it was stated.

10. The Distribution Specialist, ESS/PD, stated that the "Partial Amendments to the Coal Miners Incentive Program," as prepared by ESS/PD, passed the Diet on 15 October 1948. These partial amendments were given in paragraph 3 of the minutes of the meeting of 14 October 1948, with the exception that in its final form the first paragraph reads, in part, "..... or if actual production drops below quota because of drop in workers' efficiency or attendance, excluding acts of God,..." instead of, "...below quota due to reasons other than acts of God..."

11. The Distribution Specialist, ESS/PD, reported that for the month of September the overproduction rewards for mines producing better than 105% of quota might result in the distribution of the entire number of blankets which had been available for this program. For the remaining six months of the FY another item will be substituted in place of the blankets, it was stated. Plans for this program will be discussed at an early meeting.

12. The Distribution Specialist, ESS/PD, stated that on a recent field trip to Hokkaido he had been asked for information on the press conferences and releases. The Coal Coordinator pointed out that a copy of these is attached to the Coal Bulletins which are distributed every ten days. Also, it was suggested that offices in the field scan the nationally circulated newspapers and clip items conveying news on the coal mining industry for relay to local newspapers and radio stations.

13. It was reported that there had been misunderstanding as to the actions of the Coal Production Committee, as reported in these minutes. When agreement is reached in these meetings on a certain point, it does not mean that the action is completed--until such actions are passed by the Diet or Cabinet, or official action is taken by the authorized agency. The meetings of this Committee are for coordinating the programs of the interested SCAP Sections and Divisions and the minutes of the meetings are attached to the coal bulletin in order that concerned personnel in the field may keep abrest of the thinking and activities pertaining to coal within SCAP.

14. It was reported that during the week there were 14 local radio broadcasts on coal production and one national broadcast, as well as 145 spot announcements. ESB had five press releases and one press conference. A full length motion picture feature filmed at the Hashima mine is soon to be distributed throughout Japan. Also the Nippon Newsreel Company produced a newsreel sequence showing the welfare and leasure time activities at Sakito, which will be shown in various movie houses in Japan.

15. The meeting adjourned at 1510 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS

Attendance:

Mr. M. A. Wyatt, Coal Coordinator
Maj. T. M. Dunleavy, ESS/LAB
Maj. C. S. Merriam, NRS
Mr. A. H. Solomon, NRS
Mr. D. J. Carroll, NRS
Mr. A. Cunningham, NRS
Mr. F. W. Goodhue, ESS/FI
Mr. J. C. Twinem, ESS/PD
Mr. H. Knaf, ESS/PD
Mr. H. J. Barton, CTS
Mr. W. F. Johnson, 8A MG
Maj. A. C. Kingsley, 8A MG
Mr. T. R. Delaney, ESS/AC

NOTICE OF MEETING

TIME: 28 October 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report on the Finances of Coal Mines, and action to relieve pressure on operators who incurred deficits as a result of the government's price policy during the period from 5 July 1947 to 22 June 1948.
2. Report of CI&E on subversive activities.
3. Report on Coal Miners Welfare A ssociation.
4. Implementation of the list of official duties of the Japanese Coal Production Team
5. Report of ESS/PD on dra ft of plan for overproduction rewards for the second half of the Japanese Fiscal Year.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

15 October 1948

COAL BULLETIN #9
(For Information Only)

1. COAL PRODUCTION

A. Production for the first ten day period of October totaled 891,000 tons according to preliminary reports. This represented 95.6% of the original quota established to produce 86,000,000 tons during the 1948 Fiscal Year. However, since on October 1, production had failed to meet the goal set for the first six months of the year by 758,773 tons, it became necessary to produce at the rate of 103.8% of goal during the remaining six months in order to reach the annual goal. Thus the adjusted goal (Goal x 1.038) for the first ten days of October became 967,200 tons.

B. The production and percentages of goal and adjusted goal by districts are as follows: (Unit 1,000 metric tons)

Districts	Goal	Production	Percent	Adjusted Goal	Percent
Hokkaido	267.9	238.0	88.8	278.1	85.6
E. Honshu	87.9	86.5	98.4	91.2	94.8
W. Honshu	84.0	82.0	97.6	87.2	94.0
Kyushu	492.0	484.5	98.5	510.7	94.7
Total	931.8	891.0	95.6	967.2	92.1

C. REMARKS

All sections worked eight days during the period.

Hokkaido's low production was attributed to the usual first ten days' let-down after a good month's production, plus sporadic disputes and work stoppages on the part of dormitory workers at several large mines. These disputes have arisen as a result of dormitory food charges being raised from a very nominal charge to one which covers actual food costs. Both the Military Government and Japanese Teams are investigating and making every effort to settle disputes as they arise in an effort to prevent prolonged work stoppages.

II COAL PRODUCTION TEAM REPORTS - (EXTRACTS)

The Hokkaido Military Government Coal Team reported having visited the Sunagawa Mine to ascertain reasons for its low production (82.7% in August and 87.5% for the first ten days of September).

The trouble seemed to be among the dormitory workers and to have been instigated by two men of alleged communistic leanings despite the fact that the conditions of the dormitory workers had been the subject of negotiations between the Management and Union Officers, and tentative agreement had been reached as to the charges for meals, etc. The two leaders had been calling the men from their working places to attend rump meetings and threatening to strike if the conditions, which they had set up under the name of a dormitory committee were not met.

This and other problems were studied by both teams. Labor and Management were advised to negotiate and settle all their differences. This was done during a day long session with the following results:

a. The negotiations between the Company and duly elected officers of the union over the question of cost of dormitory meals and deductions for same were tentatively agreed to on 6 September 1948.

b. The dormitory employees under leadership of two communists named Uchida and Takahashi, not officials of the Union, refused to accept the plan and had set up demands of their own making in the name of a dormitory committee.

c. In order to enforce these demands this Committee was interfering with production by calling men from their work places to attend rump meetings, and threatening to strike.

Upon departure of the Coal Production Teams the following statment of policy for increasing production was executed by Labor and Management:

"Memorandum Concerning the Measures
for Urgent Production Promotion"

18 September 1948

In view of the fact that it is difficult under the present circumstances to make up for the deficiencies of production in the past and to achieve the production quota during the third quarter of this year by means of the hitherto practiced working hour system, both the Management and Labor Unions will, recognizing the necessity for extraordinary production promotion measures, such as early attendance, overtime work, and others, endeavor to enforce them at the earliest possibility bona fide on the part of both the Management and Labor.

III LABOR

A. Negotiations between the Unions and Management on the repercussion clause of the old contract have been postponed in order to allow negotiations on a new Wage Agreement to proceed. These negotiations began 14 September in Tokyo.

B. Some labor disturbances have occurred recently among the dormitory workers in certain Hokkaido Mines. Largely these disputes were not Union

sponsored or approved and it is reported that most of them have been settled. However, they did contribute to the low production in Hokkaido during the first ten days of September.

C. For the information of all concerned copies of the existing Agreement on the establishment of Grievance Machinery is attached. While this agreement is that of Zensekitan and Remmei, the same terms apply to the Tanro Agreement. More frequent use of the established Grievance Machinery should eliminate a good many work stoppages. However, the local Unions need to be educated in the use of this Machinery as it is apparent that they now have only a vague knowledge of what it is and how it works.

IV PERSONNEL

A. Mr. H. T. S. Ellison, Assistant Coal Coordinator for Distribution left Tokyo 4 October to inspect Port and Distribution facilities of the Solid Fuels Distribution Kodan in Hokkaido. He will return to Tokyo 16 October.

B. Mr. Charles Gottschalk, Captain of the Hokkaido Coal Production Team, conferred with Eighth Army Military Government Headquarters; the Labor Division, and Coal Coordinator, Economic and Scientific Section on 11 and 12 October. His conference with the Economic and Scientific Section Representatives dealt largely with unauthorized work stoppages on the part of dormitory workers in Hokkaido. It was agreed that the Labor Division would ask National Labor Union Representatives to go to Hokkaido to persuade these workers to mediate some of their problems through Grievance Machinery, to work others out with Management and to leave the settlement of new wage problems to the Central Negotiators. As yet the National Unions have not indicated whether or not they would conform with this request although they agreed that the proposed methods of settling the problems were correct.

V INFORMATION PROGRAM

A Press Conference was held 7 October 1948. Mr. Ormond Freile, Director for Production and Utilities, Economic and Scientific Section; Mr. Chester W. Hepler, Chief, Labor Division, Economic and Scientific Section and the Coal Coordinator made statements (copies attached). Mr. Hepler's statement was presented by Mr. Samuel Romer, Chief, Labor Relations Branch, Labor Division, in Mr. Hepler's absence. Both Labor and Management were congratulated on their September production record, but reminded that a high production rate must be maintained and even increased in order to reach the 36,000,000 ton goal.

VI CORRECTION

The August gain or loss figure of -290,900 in the last column par 1-C, Bulletin #8, dated 5 October 1948, should read -90,900. This was a typographical error.

M. A. WYATT
Coal Coordinator

5 Incls
1. Coal Prod Committe Meeting 7 Oct 48(Min)
2. Statement By Mr. Ormond Freile
3. Statement By Mr. Chester W. Hepler
4. Statement By Mr. M. A. Wyatt
5. Agreement - Establishment of Grievance Machinery

D ESS ONRS - OE - CTS CCS CPE

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
7 October 1948, 1400 Hours.

1. There being no corrections or additions to the minutes of the meeting of 30 September 1948, they were approved as published.

2. A draft of a "Proposed Amendment to the Coal Miners' Incentive Program" prepared by ESS/PD was reviewed, as follows:

a. In case coal production at any mine drops below quota due to reasons other than acts of God, the mine becomes subject to immediate investigation by the Coal Teams, who may recommend that appropriate action be taken with respect to management and labor. If the drop is caused by a drop in workers' efficiency and attendance the Coal Team may recommend to the Coal Board the withholding of all or part of Class II incentive goods to such a mine. The decision to cut off Class II incentive goods rests with the Coal Board.

b. The provision in the point system pertaining to Class II goods that no worker is entitled to any goods who worked less than 10 days shall be changed to read 15 days for underground workers and 17 days for surface workers.

c. No change in the present system of allocation of Class II goods, which is based on the number of mine workers, is made. Any excess of goods resulting from provisions 1 and 2 above shall be carried over to the following month and shall be deducted from the allocation for that month.

3. It was stated that the Coal Board was still deliberating with respect to the increased number of days required of a worker under the point system pertaining to class II goods, paragraph 2b above, and would report the results of the deliberation to ESS/PD in a day or so.

4. The Coal Coordinator stated that the Coal Board had prepared a proposed enabling cabinet ordinance to the above amendment, for submission to the Japanese cabinet, as follows:

a. "The authority concerned may reduce or stop the special distribution of main foodstuff, side food, the linked materials as well as other incentive commodities to the coal mine in which some unfavorable case interrupting the promotion of coal production is deemed to be the fact."

b. "The authority concerned shall, upon receipt of recommendation of the Chief of Special Coal Mine Inspection Team for reduction or stoppage of the above mentioned commodities to the coal mine which is deemed by the said Chief to fail in making effort to clear up the hindrance for greater output, take necessary measures in compliance with the proposed recommendation."

over

5. The representative of ESS/PD stated that it is necessary for coal mines, particularly the smaller ones, to report their production as quickly as possible in order that distribution based on these reports will not be delayed. The representative of the Eighth Army Military Government agreed to make contact through Military Government offices by telephone to expedite the production reports not yet received. Also, the representative of ESS/PD called attention to the wide discrepancy between production and quota at different mines as indicated by the reports so far received from the Coal Board for September. Whereas some mines produced only a little over 50% or 60% others were in the neighborhood of 150% of quota. The Coal Coordinator felt that when the reports are complete the Coal Board should be requested to investigate the mines for which an increased or decreased quota might be in order, based upon changed conditions warranting such increase or decrease. The representative of the Eighth Army Military Government stated that reports on mines can be expected to come in through the Military Government Coal Teams, which may clarify the discrepancy in some mines. He also presented two reports from Eighth Army Officials in the field. The Coal Coordinator stated that extracts from these reports will be included in the current Coal Bulletin.

6. The representative of ESS/Finance reported that the loans made to mine owners by banks can not be cancelled and must in some manner be paid. It was stated that ESS proposed to shift to the government the responsibility for the indebtedness incurred by mine owners due to the Government's price policy during the period from 5 July, 1947, through 22 June, 1948, that there should be a subsidy to cover this deficit in coal mine finances, or that some other form of bookkeeping might be devised to pay off these obligations. The effect of this deficit upon the collection of taxes was also discussed. Coal mines had withheld income taxes from workers for payment to the government, it was stated, yet because, as many mines claim, there has been a continuing loss in operations, they have not been able to pay the taxes, even though the price of coal includes provision for the payment of current taxes. It was stated that the Government took the position that the mines must pay taxes at least to the extent of their current collections, and that Kodan payments to mines were being attached to that extent. The representative of ESS/Finance stated that his Division is studying the possibilities of relieving the pressure upon the coal mines.

7. The representative of ESS/Labor reviewed the present status of the discussions between the unions and management on the repercussion allowance. The 5% arrived at by the government was acceptable to the unions only as a partial payment, whereas the operators regarded it as the entire amount for repercussion allowance. It was stated that ESS/Labor is expecting to receive figures prepared by Price & Distribution on the cost of living, which may be used as a basis for recommendations in regard to the repercussion allowance and the new wage contract. As the present contract expires 1 November and time was therefore short (the old contract being still inforce, having been extended one month beyond the original expiration date of 1 October) the Coal Coordinator suggested that it would be advisable to settle the question of the repercussion allowance separately and on the basis of the 5% since the contract had said the repercussion would be added according to government decision. The Coal Coordinator expressed the opinion that coal miners

receiving a 5% increase in pay retroactive to 1 July under the repercussion allowance would be willing to produce more coal. It was pointed out that this need not prejudice the negotiations on the new wage contract, nor on article three of the old contract calling for negotiations if there were unusual fluctuations in the cost of living. The representative of ESS/Labor stated that his division is inclined to go along on the idea of settling the repercussion allowance separate from the new wage contract and that he would take the matter up in Labor Division and report the results. This would clear the way for the new negotiations based upon a study of price rises to be covered under the unusual fluctuation, it was stated.

8. The representative of CI&E stated that during the week there were 14 local radio broadcasts on coal production in coal mining areas, and one network broadcast. Also there were six press releases and two press stories on coal mining released during the week. In one press conference September coal production at 102.9% of quota had been discussed. Also, the Deputy Director General of ESB had conducted a press conference on the coal industry. It was stated that ESB is planning to release one pamphlet each month nationally in connection with the public information campaign on coal. It is expected that they will publicize the better mines where they are getting better cooperation of the coal miners.

9. It was announced that a description of the duties of the members of the Japanese Coal Team will be included in the bulletin for reference of individuals requiring this information.

10. The representative of NRS discussed the finances of the Coal Miners Welfare Association, which does welfare work in connection with hospitals, dispensaries, recreation, compensation for injured employees, sick miners, etc. It was stated that the present price of coal distributed through the Coal Kodan includes 3 yen 48 sen per ton which is supposed to go to this organization--, but ESS/Antitrust and Cartels has not permitted the money collected from restricted concerns (78% of collections in this case) to be turned over to the Association by the Coal Kodan. It was thought that this was because the Coal Miners Welfare Association is composed of private individuals (representatives of management and labor) and is a private association. ESS/AC had evidently raised the question, "Why is a private association doing the work which should be done by a government agency?"--it was believed. The Committee discussed this point from the standpoint of the fact that ESS/PD had concurred in the inclusion of this amount of 3 yen 48 sen in the price, and that other Sections and Divisions had concurred at the time of its establishment. It was felt that either the Association should be told to discontinue its activities or the funds should be released for its operations. The Coal Coordinator stated that ESS/Labor, CI&E, and PH&W and the Coal Coordinator are working on a program along these lines, and he felt that this organization might prove useful as the agency through which to do this work. He agreed to discuss the matter with ESS/AC.

11. A Memorandum for Record, dated 7 October 1948, prepared by ESS/PD on the Japan Coal Association Coal Production Cost Survey for July 1948, reporting an average loss of ¥69.05 per ton, was presented. It was noted that according to the Price Board, 3rd Division, Power Section, there are five allegations which tended to sustain this reported loss but which in general might be discounted, with the possible exception of that of decrease in planned efficiency as follows:

a. Inclusion of some capital Expenses in unit costs.

b. Continuance of black market material purchases, notably lumber.

c. Excessive welfare expenditures.

d. Carrying forward of deferred operating costs that should not have been incorporated into the July accounting period.

e. Decrease in planned efficiency.

The representative of ESS/PD commented that whereas during the discussions of the new price last June the Japan Coal Association claimed a deficit of ¥369.61 would be incurred at the new coal producer's price, they were now reporting a loss of only ¥69.05. Some of the coal fields which showed a loss last year are now reporting a profit, and vice versa. It was stated that the Price Board is making further spot checks, verifying the reported information, and that another report is expected to be presented within six or eight weeks.

12. The meeting adjourned at 1500 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance:

Mr. M. A. Wyatt, Coal Coordinator
Maj. T. M. Dunleavy, ESS/Labor
Mr. W. F. Johnson, 8A MG
Mr. J. C. Twinem, ESS/PD
Mr. H. Knaf, ESS/PD
Maj. C. S. Merriam, NRS
Mr. R. E. Phillips, ESS/Finance
Mr. Wynthrop M. Orr, CI&E
Mr. Q. Adams, FEC AC

NOTICE OF MEETING

TIME: 14 October 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report of negotiations on repercussion allowance.

2. Report on new wage contract negotiations.

3. Report on the Coal Board's action with respect to the change in the point system to require underground workers to put in 15 days monthly and surface workers 17 days, to receive class II incentive goods.

4. Report on action with respect to the enabling legislation on withholding incentive goods.

5. Report of ESS/Finance on the relaxation of pressure on the coal mine financing.

6. Report on the release of 3 yen 48 sen per ton from the Coal Kodan to the Coal Miners Welfare Association, in accordance with that amount being included in the price of coal for that purpose.

STATEMENT BY MR. ORMOND FRAILE,
Director for Production & Utilities, ESS,
at Press Conference, 7 October 1948, Tokyo

For over two years at numerous press conferences on the subject of coal I have endeavored to focus your attention on the major problems of coal production, pointed out the weaknesses, and endeavored to give credit where and when due.

The record since last December until the present has been one that left little ground for enthusiasm. The accomplishment in September is again encouraging. Labor and management and all the other factors that have contributed to this accomplishment deserve credit and encouragement to put forth every effort, not only to maintain this rate of production, but to make up the remaining deficit in tonnage. Nothing will contribute more to the early economic recovery of Japan than the actual accomplishment of the 36 million-ton annual production goal. Allocations for the third quarter reflect the deficit. If this deficit can be made up during the next three months, allocations for the fourth quarter will provide industry with new impetus.

Since coal production has increased over last year it is interesting to note that the industrial index has been climbing up steadily. It has been possible to repair sizable numbers of freight cars, manufacture new rolling stock, and the mine rehabilitation program has consistently moved forward. Although power is still not adequate, the power situation is much better. Generally speaking, the whole economic picture reflects in some degree the benefits of increased available coal. However, encouraged as we may be because of the September report, it is necessary that we realize this level of production must be maintained consistently month by month and that a repetition of the declining production of the last few months would be disastrous.

The combined efforts of the Coal Board and the Japanese and Eighth Army Military Government Coal Production Teams, backed up with the national information campaign sponsored by the Japanese Government, are far-reaching and of permanent character. Much has been accomplished in the development of cooperative and effective action through the constant association and contact which these units have carried on with both labor and management and other government agencies. Much has been learned of the problems of labor and management which affect coal production.

The development of new incentive plans, the increased availability of United States' consumer goods available to miners who will work for them and to the mines who through efficiency and good management exceed their quotas have had major beneficial effect. The recognition of the coal miner as a respected industrial worker within the relatively short time since coal mining was considered the work of slaves has been of major importance. With those recognitions, however, there is an accompanying responsibility to the citizens who support those programs; and that responsibility can be summed up in one word - "produce". When the 36 million-ton quota has been exceeded consistently month by month for several months, then I believe the time may have arrived to feel secure in the statement that coal production is no longer a problem.

STATEMENT BY MR. CHESTER W. HEPLER
Chief, Labor Division, ESS,
at Press Conference, 7 October 1948, Tokyo

The ability of the Japanese coal miners to produce 102.9% of their quota is a clear indication that proper employer-employee relations aid production and are of the greatest benefit to Japan. The Japanese coal miners have a great responsibility toward the Japanese people in the current economic situation; upon their will to work depends the progress of Japan's rehabilitation. The Japanese coal miners and their union leaders are to be congratulated for the splendid showing. It is to be hoped that this showing is but the first of similar exploits in the crucial months ahead.

STATEMENT BY MR. M. A. WYATT
Coal Coordinator, ESS
at Press Conference, 7 October 1948, Tokyo

The September Coal Production Record of 2,871,400 tons was 81,400 tons above the quota of 2,790,000 tons. This was at the rate of 102.9% of quota.

While this is indeed encouraging, the deficits in production incurred during the first five months of the year amounted to 841,173 tons, based on the 36,000,000 ton goal for the year; so that if September production was to recover its share of this deficit, it would have been necessary to produce at the rate of 104.3%. The production deficit was reduced, however, by 81,400 tons during September so that from October on it becomes necessary to produce at the rate of 103.8% of planned quotas. That this can be done is amply evidenced by the fact that production for the last ten days of September was at the rate of 109.8%.

Such a production record is the cumulative result of the Accelerated Coal Production Program and the effective work of the Eighth Army Military Government, and Japanese Coal Production Teams in cooperation with the coal mine operators and labor.

If this fine cooperation and the full support of the Coal Production Program by the Japanese Government and public opinion is continued, the 36,000,000 ton goal is feasible and can be achieved. It will not be an easy task. Therefore, it is imperative that such support and cooperation is not only continued, but that every possible additional effort along these lines be made.

I wish to extend to Labor, Management, The Japanese Coal Teams and the Eighth Army Military Government Coal Teams my heartiest congratulations on their September Production record. May their future records be even better so that the industrial recovery of Japan will not be impeded.

AGREEMENT

ON THE ESTABLISHMENT OF GRIEVANCE MACHINERY

Japan Coal Mining Federation (Renmei) and All Japan Coal Industry Workers Union (Zensekitan) agree to establish "An Operation and Settlement Committee" as is shown in the Annexed Provisions, according to the clause 1 of the Understanding of Wage Agreement and Annexed Note, executed May 24, 1948 between both parties.

Article 5 of Wage Agreement shall be rescinded hereafter, with the execution of this Agreement.

Signed May 31, 1948.

Masaru Hayakawa

Managing Director
Japan Coal Mining Federation.

Yoshinobu Okabayashi

Acting Chairman of the Central Executive Committee.
All Japan Coal Industry Workers Union.

PROVISIONS OF OPERATION AND SETTLEMENT COMMITTEE

Art 1. Operation and Settlement Committee shall be established by Japan Coal Mining Federation and All Japan Coal Industry Workers Union to settle disputes arising out of the application and operation of Wage Agreement, Agreement On Office-Workers Pay and Loan Agreement (including Note and Understandings), executed May 24, 1948 between both parties.

Art 2. This committee shall be established in Tokyo, Kyushu, Hokkaido, Tobu and Seibu and shall be called Central Operation and Settlement Committee (hereafter referred to as Central Committee) and X X District Operation and Settlement Committee (hereafter referred to as District Committee).

The sphere of jurisdiction of each District Committee shall be that of each District Coal Board.

Art 3. District Committee shall be consisted of ten members, five of whom shall be selected and designated by the district organization of Zensekitan, and five by Remmei.

The First Central Committee shall be consisted of 10 members, five of whom shall be selected and designated by Zensekitan and five by Remmei, and the Second Committee shall be consisted of members of the First Committee plus three impartial and neutral persons.

This neutral members shall be selected from impartial and fair persons in the First Committee. Should the First Committee fail to agree, the matter shall be referred to, and decided by nomination of, the president of Central Labor Relations Board.

Art 4. Affairs of the Central Committee and the District Committee shall be administered by two secretaries designated by each organization (Zensekitan and Remmei) and their business board shall be established in the office of Japan Coal Mining Federation and District Coal Mining Federation.

over

Art 5. Should differences of opinion arise concerning operation and application of Agreements (mentioned in Article 1,) and should both parties fail to agree in a mine affiliated to both organizations (Zensekitan and Remmei), the matter shall be referred to the District Committee by request of either or both of concerned parties.

Art 6. Secretaries of the District Committee must hold a committee within five days after their receipt of the request provided in Article 5. Chairman of the District Committee shall be mutually selected out of the members attended and the decision shall be made by joint conference.

Should District Committee fail to reach a decision within five days, the matter should be immediately referred to the Central Committee through the District Committee.

Art 7. Secretaries of the Central Committee must hold the First Central Committee within three days after their receipt of the matter from District Committee.

Chairman of the First Central Committee shall be mutually selected out of the members attended and the decision shall be made by joint conference. Should the First Central Committee fail to reach a decision within five days, the second Central Committee should be summoned up as soon as possible.

The Second Central Committee cannot commence proceedings without attendance of the whole neutral members.

Chairman of the Second Central Committee shall be selected out of the neutral members and the decision shall be made by an opinion of neutral members or by majority, Chairman will participate in voting in the lattercase.

Art 8. By request of either or both of the National or District organizations, matters can be referred to the Central Committee without being submitted to the District Committee.

Secretaries of the Central Committee must hold the committee within three days after their receipt of the request provided in the above item.

Art 9. If necessary, the Committee can call up more than three representatives from each of the concerned parties, labor, capital and others to listen to the details.

Art 10. Secretaries should make a record of debates and sign on it.

Art 11. During the period when the matter is under consideration, both labor and capital will not take any actions of dipute.

This committee should be sure to decide the matter within 40 days after its acceptance of the matter. However, the days which were obliged to be delayed by transportation accidents etc, shall be excluded.

Art 12, Both labor and capital should respect and carry out the decision of this committee, in good faith. The decision shall be immediately communicated in writing to the concerned parties by the secretaries of this committee.

APPENDIX

Art 13. This Agreement shall be effective from June 1, 1948 and the term of validity shall be that of the Wage Agreement dated May 24, 1948.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

5 October 1948

COAL BULLETIN #8
(For Information Only)

1. COAL PRODUCTION

A. For the first month since February 1948, September coal production exceeded the planned goal. 2,871,400 tons were produced against a quota of 2,790,000 tons or 102.9% of quota. This was accomplished despite a severe storm and flood in Kyushu and the complete flooding of a large mine in Ube by a breakthrough in the ocean floor during the month. The September achievement is the cumulative result of the Accelerated Coal Production Program, and the effective work of the Eighth Army Military Government and Japanese Coal Production Teams in conjunction with the coal operators and labor. The full support of the Coal Production Program by the Japanese Government and the Japanese people is rapidly being attained and is necessary to not only maintain this record but to gain the 103.8% needed to attain the 36,000,000 ton annual goal.

B. Production by districts for the last ten days and the month of September were as follows: (Unit 1,000 metric tons)

	3rd Ten Days			September		
	Plan	*Production	Percent	Plan	*Production	Percent
Hokkaido	272.0	296.6	109.0	786.0	802.7	102.1
E. Honshu	102.5	101.9	99.4	270.0	270.8	97.4
W. Honshu	85.3	96.3	112.9	246.0	258.0	104.9
Kyushu	510.0	569.6	111.7	1,480.0	1,539.9	104.0
Total	969.8	1,064.4	109.8	2,790.0	2,871.4	102.9

*Figures are preliminary. All sections worked 9 days during the last 10 day period.

C. Cumulative Total

The production to date for the Japanese Fiscal Year is as follows:

Month	Quota	Production	Gain or Loss
April	2,827,000	2,575,427	-251,573
May	2,897,000	2,627,000	-270,000
June	2,878,000	2,788,500	- 89,500
July	2,850,000	2,711,800	-138,200
August	2,613,000	2,522,100	-290,900
September	2,790,000	2,871,400	+ 81,400
To date	16,855,000	16,096,227	-758,773

In order to achieve the 36,000,000 ton goal for 1948 FY, National Production must average 103.8% of quota for the remaining six months.

II. LABOR

A. The labor situation in the coal fields generally was quiscent as the unions and the operators began negotiations for a new contract. Both unions had formed a joint negotiations committee and were seeking solutions to the repercussion problem as well. The contract which was to have expired 30 September was extended by mutual agreement with any settlement retroactive to 1 October, as follows:

April Wage Agreement will be applied after October 1, 1948 as a temporary measure until new wage agreement shall be executed.

Wage during the temporary measure period shall be liquidated as soon as possible, retroactive to 1 October, after new agreement is concluded.

Office workers' pay shall be treated the same as miners' wage.

III. INCENTIVE GOODS FOR OVER PRODUCTION IN SEPTEMBER

A. Distribution of U.S. Army surplus blankets from the total of 170,000 released to the Economic Stabilization Board through FDDS, 10 August 1948 will be made to coal mines which have produced at least 105 percent of the official quota during the month of September.

B. In the eligible mines each worker will receive one blanket who has fulfilled the following work day requirements: Class A worker 20 days, Class B worker 23 days and Class C.worker 25 days.

C. Distribution will start immediately after the production results for September are known. It is the responsibility of the Coal Board to report at the earliest possible date these mines which have produced 105% or more of their official quota during September and also the number of workers in the eligible mines who have fulfilled their workday requirements, in order to determine the total number of blankets to be distributed.

D. A total of 40 blankets is to be released to the Coal Board now to serve as samples. Each of the four major Coal Bureaus (Kyushu, Hokkaido, Taira and Ube) will receive ten blankets.

IV. FINANCE

A. The schedule of RFB Loans to the Coal Industry for the second quarter 1948 FY is as follows:

RFB Loans to Coal Industry During Second Quarter 1948 Fiscal Year
(000 Omitted)

Loans Actually Advanced from 1 July - 20 September 1948

Equipment Funds

General Equipment, 1948 1st half year program		¥ 2,442,945
Housing - 1947 2nd half year program	¥ 21,838	
1948 1st half year program	2,772,859	2,794,697
		5,237,642

Operating Funds

*Back Debts			1,035,100
Deficit Covering Loans, 1947 4th qtr program		28,274	
	For May 1948	10,871	
	For June 1948	1,005,970	1,125,115
Coal Carriages			5,012
Pit Props			40,000
			2,205,227 ¥7,442,069

Loans Scheduled to be Advanced from 21 - 30 Sept. 1948

Equipment Funds

General Equipment, 1948 1st half year program	¥ 800,000	
Housing, 1948 1st half year program	600,000	
	1,400,000	

Operating Funds

Pit Props	63,000	1,463,000
		¥ 2,905,069

* The amount of money advanced for back debts includes a substantial amount for pit props. During the quarter debts owed for pit props were paid down to what is considered a normal account position.

M. A. WYATT
Coal Coordinator

3 Incls
1. Coal Prod Committee Meeting 23 Sept 48(Min).
2. Coal Prod Committee Meeting 30 Sept 48(Min).
3. Table C (revised) of Manual of Incentive Goods and Food Distribution to Coal Miners - 25 September 1948

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

25 September 1948

COAL BULLETIN #7
(For Information Only)

1. COAL PRODUCTION

a. Production for the second ten days of September totaled approximately 870,800 tons against a production goal of 860,500 tons or 101.2% of goal according to preliminary reports. This marks the first time that the National Goal has been met during the current Fiscal Year.

b. Production by Districts is as follows (Unit 1,000 metric tons):

District	Planned Production	Actual Production	Percentages
Hokkaido	242.0	247.8	102.4
E. Honshu	83.0	81.5	98.2
W. Honshu	75.5	73.5	97.4
Kyushu	460.0	468.0	101.7
TOTAL	860.5	870.8	101.2

c. Comparisons of second 10 day periods for September 1948 and September 1947 and for September 1948 and August 1948 (Unit 1,000 MT):

District	Sept. '48	Sept. '47	Percentages	Aug. '48
Hokkaido	247.8	201.4	123.0	179.2
E. Honshu	81.5	72.1	113.0	64.5
W. Honshu	73.5	66.7	110.1	70.6
Kyushu	468.0	430.6	108.7	384.8
TOTAL	870.8	770.8	113.9	699.1

Increase of second ten days of September over the same period in 1947 was 100,000 tons or 12.9%.

d. COMMENTS:

Kyushu's production of 468,000 tons or 101.7% of Goal was made in spite of the flood damage incurred 13 September. It is now estimated that only 8,700 to 12,000 tons of production will be lost as a result of this damage. Money and materials for the rehabilitation of damaged mines are being expedited by the Japanese Government. The 97.4 production in W. Honshu is considered remarkable in view of the fact that its largest mine shaft was completely flooded by a break through the ocean bottom 13 September. This production was accomplished by shifting workers to other mines owned by the same company and increased their production. It is also noted that Hokkaido Production reached 102.4% to lead the country in rate of production. All sections worked only 8 days during the period.

DECLASSIFIED E.O. 11652 SECTION 3 NLT

II. Flood Damage

a. Kyushu: The damage to Kyushu Mines as a result of heavy rains and resultant floods 13 September 1948 were not as great as preliminary reports indicated. Most of the damage occured in mines in the Saga and Sasebo areas. The Coal Board reports as the result of its on the spot investigation that the production loss will not exceed 13,000 tons and may be as low as 8,700 tons.

The loss of life at mines was confined to five contract laborers who were crushed to death by a land slide at Oshima.

The materials and funds necessary for relief and rehabilitation are being expedited. The amounts are comparatively small and little difficulty in obtaining them is expected. The list includes:

Yen	160,835,000	
Timber	1,864	Koku
Lumber	5,763	Koku
Steel	89	Tons
Cement	331	Tons
Nails	2,306	Kg.
Tatami	7,332	Sheets

Futans are also urgently needed as are medicines and serums necessary to prevent epidemics. Eighth Army M.G. has been asked to make these items available.

b. Ube:

Latest reports indicate that about 25,000 tons monthly production will be lost as a result of the recent break-thru of the Ocean floor and flooding of the Ube Kosan Okinoyama Mine.

However, the hole in the ocean floor is being successfully plugged and the water is receding. About six to eight months will be required to get this mine back into full production. Meanwhile the Okinoyama miners, who are unable to work at their usual places, are being used at adjacent pits belonging to the same Company, thus increasing production there to offset a part of the Okinoyama Loss.

III. Incentive Goods

The Manuel of Incentive Goods and Food Distributuon to Coal Miners, published by Price and Distribution Division, ESS is attached.

A proposal to require 20 days per month attendance as a requisite for eligibility to receive incentive goods points instead of the present minimum of 10 days attendance is being considered. Comments are invited

IV. Labor:

Both Tanro and Zensekitan have rejected the proposed 5% "Repercussion" payment as a final settlement while Management considers that amount to be the final increase to meet the increased cost of living incurred as a result of price increases since 1 April 1948. 5% was the amount determined by the Government at the request of management in conformity with the existing contract. Until such time as the Unions and Management arrive at an agreement on this question, no attempt will be made to provide financing to enable the Management to pay the increase.

DECLASSIFIED E.O. 12065 SECTION 3 NLJ/RAC/NARS DATE 12-18-96

V. INFORMATION PROGRAM:

In a meeting 21 September 1946 attended by Mr. N. Maben, Social Affairs Division, Eighth Army M.G.; Mr. Dekle, CINE, and the Coal Coordinator, the ESB and the Coal Board were briefed in how to get better local tie-ins on the Information Program. It was suggested that a system of awards similar to the "E" awards used in the U. S. during the war be inaugerated. Some such system is now being used, rather haphazardly, but will be expanded. It will include a flag for those mines producing quota, plus a special streamer for 106% production. It was also suggested that the miner with the best production record be singled out for a special award and to receive the award for the mine. Mr. Maben agreed to furnish as much information as possible to Team Information Officers to keep them abreast of the situation.

Newspaper and radio coverage for the past ten days has been good, but lack of space prohibits the publication of the "ase of Media Report".

VI. COAL DELIVERIES AND CALORIES REQUIRED:

There are frequent requests from consumers for coals of higher calorific value than is being delivered by the Solid Fuels Distribution Kodan.

It is recognized by the Coal Coordinating Unit that the desires, or alleged need of each consumer are difficult of accomplishment.

There is an open question whether the Japanese distributing officials always use their best judgment as to the quality of coal delivered to individual plants.

To accomplish the greatest utilization of the tonnage available it is important that a greater degree of selectivity be exercised by distributing officials.

Some plants are reporting an accumulation of coal too low in calories for economical operation. Such situations indicate that too little attention is given to the needs of specific plants and industries by Kodan Officials and Inspectors.

There is sufficient qualified personnel in the Japanese Agencies, at all levels, to adequately select and distribute the most suitable coals, available, to the several consumers in each distribution area.

Many consuming plants have heat controllers who are men qualified in matters of combustion. The Japanese Agencies, can profitably take council from committees of these men to accomplish the greatest good for the greatest number.

VII. COAL TEAMS - COAL BOARD- LOCAL GOVERNMENT OFFICES:

A. Chart showing the relationship between the Japanese Coal Teams, the Coal Board and Local Government Offices is attached for the information of all concerned.

VIII. MATERIALS FROM ARSENALS:

Recently requests to make available nails and other materials held in arsenals on Reperation Lists for use in coal mines have been received. Such requests have been consistently turned down by the Reperations Section and there is every indication that this Policy will not change in the near future as these

materials are earmarked for claimant nations.

IX. HOKKAIDO COAL PRODUCTION COMMITTEE:

The Coal Board reports that ¥2,500,000 has been included in its new budget request to finance the Committee on Coal Production in Hokkaido. This request must be submitted to the Diet at its next session. What action the Diet may take is unknown.

X. EXPLOSIVES FOR KYUSHU:

It was suggested that the one explosive plant in Kyushu be permitted to increase its capacity in order to assure Kyushu mines of an adequate supply without the necessity of shipment from Honshu. This seems a good suggestion in view of the prohibition of shipments of explosives through the Kanon Tunnel. However, the Kyushu Plant is located at considerable distance from the principal coal fields and itself has a transportation problem. Beyond this there is great opposition in the Far Eastern Commission against the manufacture of explosives in Japan and any overall increase in capacity would not be favorably considered. Since existing plants are now producing sufficient explosives for domestic consumption, it is not feasable to increase the capacity of any plant.

M. A. WYATT
Coal Coordinator

check with Dept Virginia

Goes out with Coal Bulletin

CFT

MANUAL
OF
INCENTIVE GOODS AND
FOOD DISTRIBUTION
TO COAL MINERS

PRICE AND DISTRIBUTION DIV.
E S S

25 SEPTEMBER 1948

PART I

THE COAL MINERS' INCENTIVE PROGRAM

TYPES AND QUANTITIES OF INCENTIVE GOODS ALLOCATED

A. First Half of 1948 Fiscal Year

The following types and quantities of goods have been allocated to coal miners as incentives to higher coal production for the first half of the fiscal year 1948 (March-September) according to the Economic Stabilization Board (later referred to as ESB):

Item	Unit	Quantity	
Work Clothes	pcs.	680,000	Contains 90,520 pcs US clothing
Cotton gloves	pr.	780,350	
Socks (US)	pr.	100,000	Distributed with rubber boots
Jikatabi	pr.	1,162,400	
Rubber shoes & boots	pr.	100,000	Mostly for Hokkaido
Gaiters	pr.	213,500	140,000 to be made from US cloth
Towels	pcs.	513,300	
Underwear	pcs.	461,250	Contains 10,500 pcs US underwear
Bedding	pcs.	45,000	For dormitories
Blankets	pcs.	20,000 a/	Overproduction reward for Sep.
Soap	pcs.	6,150,000	
Cigerettes (Jap)	pcs.	40,500,000	
Cigerettes (US)	pcs.	121,000,000	
Pipe tobacco (US)	pakg (2 Oz)	250,000	
Sake	sho	2,430,000	
Sugar	kg	810,000	Includes 704,000 kg. US sugar
Edible oil (US)	kg	135,000	
Caramels	kg	742,500	Manufactured from US raw materials
Saccharine	kg	2,025	

a/ This figure is subject to change depending on production results in September. One third of the allocation of sugar and US cigerettes and in addition 20,000 U. S. blankets have been earmarked as reward for mines producing more than 105% of their September quota.

B. Second Half of 1948 Fiscal Year

The allocation for the second half of 1948 fiscal year has been increased over the first half year mainly because of the increase in the number of coal mine workers between November 1947 and May 1948. Adjustments were also made to comply with the expected point requirements by the different classes of workers under the point system. The number of coal mine workers in November 1947, used as a basis for the above allocation, was 450,000, not including office workers

and contract labor. By 1 May 1948 it had increased to 500,000. This number has been set as a ceiling by the Labor Division of Economic and Scientific Section and any further increase in the number of workers will not be recognized as a basis for incentive distribution.

Allocation for Second Half Fiscal Year 1948:

Item	Unit	Quantity	Japanese Goods	U. S. Goods
Work Clothes	pcs.	720,000	340,000	380,000
Cotton cloth for women workers	sq. yds.	125,000	125,000	
Gloves	pr.	1,150,000	780,000	370,000
Socks	pr.	240,000		240,000
Jikatabi	pr.	1,256,000	1,256,000	
Gaiters	pr.	220,000		220,000
Rubber shoes & boots	pr.	100,000	100,000	
Towels	pcs.	750,000	550,000	200,000
Underwear	pcs.	529,000	309,000	220,000
Bedding	pcs.	60,000	40,000	40,000 a/
Blankets	pcs.	110,000		110,000
Hats	pcs.	100,000		100,000
Hoods for patching	pcs.	112,974		112,974
Soap	pcs.	6,493,000	6,493,000	
Cigerettes (Jap)	pcs.	40,500,000	40,500,000	
Cigerettes (US)	pcs.	121,000,000		121,000,000
Pipe Tobacco (US)	pckgs (2 Oz)	700,000		700,000
Sake	sho.	2,430,000	2,430,000	
Sugar	kg.	900,000	100,000	800,000
Edible oil	kg.	150,000		150,000
Caramels	kg.	742,500 b/		742,500
Baby Ruth Candy bars	pcs.	1,280,000 c/		1,280,000

a/ 40,000 US blankets. Two US blankets are considered equivalent to 1 piece of Japanese bedding.

b/ Total allocated to Dec., 48, Jan., Feb., Mar., 49.

c/ Total allocated to Oct., & Nov., 48.

Note: No allocation of saccharine for second half of fiscal year 1948.

Of the above allocations the following quantities are earmarked as reward for overproduction by mines during the second half of 1948 fiscal year:

110,000 US blankets
200,000 US towels
112,974 hoods (to be used as patching material)
100,000 US Army hats
200,000 kg. of US and 100,000 kg. Japanese sugar
40,000,000 pcs. of US cigarettes

Half of the items earmarked as overproduction rewards will be issued after

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 779012

each quarter to mines with the best overquota production records during the quarter. All other items will be distributed on the basis of individual workers' performances, as measured by the number of work days or through the point system. (See description of the System of Distribution inside of the Mine).

THE MECHANICS OF ALLOCATIONS, SHIPPING ORDERS AND PURCHASING CERTIFICATES

After having made the overall allocations of goods to the coal miners incentive program, ESS notifies the Ministries in charge of the supply of goods and, together with the Coal Board, breaks the quarterly allocations down by prefectures on the basis of number of mine workers in each prefecture. There are 26 prefectures with coal mines. The Central Coal Board notifies its 8 regional Coal Bureaus of these allocations.

At the same time the Supply Ministries issue shipping orders to the regional or local commodity supply offices of the Central Government, Kodans and other distribution agencies concerned.

The regional Coal Bureaus after receiving the prefectural allocation figures break them down further by individual mines and mine purchasing associations, the agencies which represent groups of mines and function as receiving agencies for them. The mines as well as the purchasing associations are notified of these allocations.

The purchasing associations handle all textiles and caramels and in the future will also handle jikatabi, rubber shoes and boots and soap.

After receiving the notification of allocations the purchasing associations ask the prefectural governments through regional Coal Bureaus to issue purchasing certificates.

Simultaneously the regional or local supply offices of the Central Ministry will issue shipping orders to the Kodans or other local distribution agencies located within their jurisdiction.

Finally the purchasing associations purchase the goods from distribution agencies in exchange for the purchasing certificates and distribute them to the individual mines.

DECLASSIFIED E.O. 12065 SECTION 3 NLJ/RAC

PRICES OF GOODS AND CREDIT PROBLEMS

All incentive goods are sold to the mine workers at official prices set by the Price Board and approved by Price and Distribution Division, ESS. The prices of US goods are set on the basis of prices of similar Japanese goods taking into account differences in quality and also the condition of US goods. Three prices are set: one for makers, or in the case of US goods, for Boeki Cho (Foreign Trade Board), in whose custody the goods are, one for wholesalers and one for consumers.

One of the most important problems arising in the procurement and shipment of goods is the problem of credit. Slow payment by mines and purchasing associations has been impeding the movement of goods. Arrangements have been made by the Coal Board to have the Bank of Japan grant a 6 day credit for goods of the daily necessity type. In the case of non-essential goods, credit terms are more stringent and a 20% down payment upon receipt of the goods is usually required.

With deliveries of goods being speeded up, the problems of purchasing associations and mines in raising the necessary funds to pay for the goods become more difficult. Practices, customary with many mines, of using money collected from miners in payment for incentive goods to pay off other obligations are indefensible and should be sternly discouraged.

THE NUMBER OF COAL MINERS BY PREFECTURE AND BY CLASS OF WORKER

A breakdown of the number of coal mine workers by prefectures and by class of worker is shown in table A. The three classes of mine workers eligible for incentive goods distribution are defined as follows;

Class A. Regular pit workers, such as diggers, backfillers and timbermen.

Class B. Other underground workers, such as transportation workers, dressers and electricians.

Class C. Surface workers.

Office workers and temporary contract workers are not included in the list.

LIST OF PURCHASING ASSOCIATIONS

Table B shows the names and addresses of the 22 purchasing associations (Tanko Kobai Kai Rengo Kai) and the prefectures which they cover. The list is not final as in some regions the process of setting up purchasing associations has not been completed. In these cases mining industrialists' associations are temporarily carrying out the function of the purchasing associations.

THE VARIOUS AGENCIES INVOLVED IN THE OPERATION OF THE PROGRAM

A. The Textile Bureau

The Textile Bureau of the Ministry of Commerce and Industry and its regional bureaus are responsible for the procurement and distribution of all textile items. Actual distribution is carried out by registered wholesalers. No retailers are involved since the mines themselves are in charge of distribution of goods inside of the mines. The purchasing associations, which are classified as retailers associations, receive the goods from the wholesalers and distribute them to the mines.

B. The Daily Necessities Bureau

In the case of Jikatabi, rubber boots and shoes the Daily Necessitites Bureau of the Ministry of Commerce and Industry and its regional offices is the responsible agency. Distribution is through the Rubber Footwear Wholesalers Association which has offices in the prefectures. In the past the producers delivered the goods to the mines through the Coal Associations, but new arrangements are being made for delivery of the goods to the purchasing associations. Similarly, the distribution of soap is the responsibility of the Daily Necessities Bureau of the Ministry of Commerce and Industry and its regional bureaus. Distribution is made through wholesale outlets for manufacturers. In the future delivery of soap will be made to the purchasing associations.

C. The Monopoly Bureau

Distribution of all tobacco items, Japanese and US cigarettes and US pipe tobacco, is the responsibility of the Monopoly Bureau of the Ministry of Finance and its regional and local offices. Distribution is directly to individual

mines and the purchasing associations are not involved.

D. The Liquor Kodan, the Groceries Kodan and the Fats and Oil Kodan

Distribution of sake is in the hands of the Liquor Kodan under the Finance Ministry, while sugar, caramels and chocolate are distributed by the Grocery Kodan and edible oil by the Fats and Oil Kodan. Both these Kodans are also under the Ministry of Agriculture and Forestry. In the distribution of sake, sugar and oil the purchasing associations are not involved. However, in the case of caramels and chocolate they serve as receiving agencies.

The above three Kodans have regional and prefectural offices which are in charge of distribution to individual mines or to purchasing associations, as the case may be.

E. The Coal Board

The Coal Board and its regional bureaus, even though they have nothing to do with the actual operation of the program, that is the procurement, shipment, and distribution of goods, are responsible for the allocations of the goods to prefectures, purchasing associations and mines. The Coal Board furthermore is responsible for the reports on the progress of the program. It is to collect monthly statistics on receipt of goods in the prefecture and on delivery to the mines through its regional bureaus and to submit them to the Price and Distribution Division, Economic and Scientific Section, and ESB. In table C the regional bureaus of the Coal Board and the prefectures under their jurisdiction are shown.

RELEASE OF U.S. GOODS

All goods of US origin require special release by ESS. In the case of textile items, shoes and US tobacco products the release is initiated by the Distribution Branch and in the case of special foods such as sugar, edible oil, caramels and chocolates by the Food Branch of Price and Distribution Division. In order to assure prompt delivery of goods, release of US goods for the second

half of the 1948 fiscal year (Oct 48 to Mar., 49) has been made during August. Allocations and the issue of shipping orders and purchasing certificates are handled in the same manner as for Japanese goods described before. Notice of release of goods, prefectural allocation schedules and lists of wholesalers in the case of clothing are furnished to the Chief, Military Government Section, Headquarters, Eighth Army by ESS/PD.

THE SYSTEM OF DISTRIBUTION INSIDE OF THE MINE

Distribution of incentive goods inside the mines is carried out through a commissary or mine store under the Welfare Department of the company and is controlled by a distribution committee consisting of 13 workers and 2 representatives of management. The operations of these committees are checked periodically by representatives of the regional bureaus of the Ministry of Commerce and Industry.

The goods to be distributed are divided into two classes: (a) goods which are daily necessities, such as articles of clothing, towels and soap and, (b) goods of the less essential type, such as cigarettes, sake and sugar.

For the first class of goods there is no need to afford a choice because the demand far exceeds the limited supply. Therefore, their distribution is based on the number of full days worked and no point system is employed. However, for the second group a point system is used in order to permit a choice.

It is intended that only such workers will receive points as put in a full normal work day. A full normal work day is usually considered to be an 8-hour day. On the basis of reports from the coal terms it has been proposed to direct the incentive system to the achievement of a full working day rather than overtime and to the achievement of as many working days per month as possible. A number of daily necessity items and a part of the cigarette and sugar allocations mentioned previously are earmarked as reward for overproduction by individual mines. They are not included in the distribution system described below.

In the distribution of the goods, distinction is made between the three different classes of mine workers A, B and C defined on page 4, with preferential treatment for underground workers.

Details of classification are left to the mines which submit their classifications to the regional bureaus of the Ministry of Commerce and Industry for approval. No distribution of incentive goods to office workers or temporary contract workers is provided for in this plan.

Daily necessities (first group of goods) are distributed to Group A, B and C on the basis of need and on the basis of life of each of the different goods. The number of full days necessary to obtain one unit is as follows:

		A	B	C
Work clothes		66	95	156
Cotton gloves		53	96	156
	diggers	33		
Jikatabi or rubber boots or shoes for Hokkaido only		40	57	110
	diggers	30		
Socks		Because of limited supply, distribution is left to mines. One pair given to those workers who receive rubber boots and shoes.		
Towels		88	144	312
	diggers	66		
Underwear		88	144	312
Soap		7	12	26
	diggers	5.5		
Puttees (Gaiters)		Because of limited supply, distribution is left to mines.		

Less essential goods (second group) are distributed by means of a point system. Different point values are given to the three classes of workers for each working day as follows:

	Points Per Day		
	A	B	C
From 10 to 20 work days per month for underground workers	4	3	2
From 10 to 23 work days per month for surface workers	8		

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 775073

Above 20 work days per month for underground workers	7	5	3
Above 23 work days per month for surface workers			

A worker will have to put in a minimum of 10 days per month before he can receive any points. However, if he works more than 10 days he is credited for the full number of days worked.

The point values given to the various non-essential goods are set down in the following, also the ceilings which are necessary to prevent concentration on one particular item.

Item	Points	Ceilings	Ceilings for minors and female workers
Sake	25 per sho	1.4 sho per mo. (A & B Class)	
		.6 sho per mo. (C Class)	
Cigarettes (Jap)	2 per 10 pcs.	2 pckg (10) per mo.	
Cigarettes (US)	2 per 20 pcs.	2 pckg (20) per mo.	
Pipe tobacco	10 per 2 Oz pckg	1 pckg per 3 mos.	
Sugar	6 per 100 gram	100 grams per mo.	500 grams per mo.
Edible oil	6 per 50 grams	50 grams per mo.	50 grams per mo.
Caramels a/	3 per 70 grams	420 grams per mo.	980 grams per mo.
Baby Ruth candy bars	5 per bar	1 bar per mo.	3 bars per mo.
Saccharine b/	2 per 1 gram	(No distribution to adult male workers	3 grams per mo.

a/ The ceilings are for the second half of the fiscal year. For the first half they were 210 & 490 respectively.

b/ No distribution in second half of 1948 fiscal year.

The point values have been set in such a manner that the total represented by all the non-essential goods combined corresponds roughly to the total points which can be earned by the mine workers. The possible claims have been calculated on the basis of the number of workers in the three classes and the average number of days worked by each class as based on past experience, namely, 21 days for Class A, 23 Class B and 26 days for Class C workers.

THE RECORD OF DISTRIBUTION OF GOODS

A. Fulfillment of 1947 Program

While distribution of the goods allocated on the 1947 program had been practically completed by 1 April 1948 as far as less essential items were concerned, delivery to mines of daily necessities, particularly of textiles, had

DECLASSIFIED E.O. 12065 SECTION 3 NND

been logging far behind with about half of the goods remaining undelivered by 1 April.

By allocation of substantial amounts of surplus US Army clothing and by pressure on the Textile Bureau and textile wholesalers it was possible to get delivery of some key items on the 1947 allocation completed by 15 July.

Jikatabi, rubber boots and shoes and soap of the 1947 allocation, which remained undelivered on 1 April 1948, were transferred to the 1948 allocation.

The progress of delivery of textile goods on the 1947 allocation is shown in the following table:

Item	Unit	1947 Allocation	Delivered up to 1 April	%	Delivered between 1 April & 15 July	Total & del. up to 15 July
Work clothes	pcs.	1,257,000	759,298	60	515,702 a/	100
Socks	pr.	770,000	150,000	47	620,000	100
Gloves	pr.	1,700,000	1,021,535	60	687,465	100
Gaiters	pcs.	390,000	74,624	19	99,300	45
Bedding	sets	42,500	30,832	72	3,948	82
Towels	pcs.	1,275,000	756,103	59	-	59
Underwear	pcs.	850,000	266,941	32	299,500 b/	67

a/ Includes 348,838 pieces of US clothing.

b/ All US undershirts and drawers.

Since the key items of the 1947 program have been delivered in full, delivery of the remaining items has not been enforced. Rather it was considered more important to concentrate on the 1948 program in order to assure fulfillment of the requirements under the new point system.

The Textile Bureau is making arrangements now to deliver all undelivered towels and underwear and a large part of the gaiters by the end of October. Disposition of the remainder of the gaiters and of the undelivered bedding is being discussed with the Coal Board with a view of cancellation of these items.

D. Progress of Delivery Under the 1948 Program

The progress of delivery on allocations for the first half of 1948 fiscal year is shown in the following table:

Item	Unit	Allocation for first half of 48	Delivered up to 31 July	Percent of allocation
Work clothes	pcs.	680,000 a/	654,188	96
Socks (US)	pr.	100,000	100,000	100
Gloves	pr.	780,350	160,902	21
Gaiters	pr.	212,500 b/	44,121	21
Bedding	sets	22,500	19,017	84
Towels	pcs.	513,300	441,838	86
Underwear	pcs.	461,250 c/	164,188	36
Jikatabi	pr.	1,162,400	1,191,803)	94)
Rubber boots & shoes	pr.	100,000	-	)
Soap	pcs.	6,159,000	3,826,250	62
Cigarettes (Jap)	pcs.	40,500,000	17,816,000	44
Cigarettes (US)	pcs.	80,700,000 d/	36,714,240	45
Pipe tobacco	Pckgs.	250,000	105,900	42
Sake	sho	2,430,000	1,034,496	43
Sugar	kg.	540,000 d/	222,084	41
Edible Oil	kg.	135,000	53,923	40
Caramels	kg.	742,500	389,118	52
Saccharine	kg.	2,025	218	11

a/ Contains 90,502 pcs of US clothing.

b/ 140,000 pairs will be made from US material.

c/ Contains 10,500 pcs of US underwear.

d/ Amounts allocated for point system. An additional 50% will be distributed as over production reward at the end of the half year period.

Note: In the case of textiles the figures represent shipments to purchasing associations up to 15 September.

In judging the above deliveries for the first 5 months of fiscal year several factors should be considered. In the case of textile for instance, it should be borne in mind that during the first quarter large amounts of goods were delivered on 1947 allocations. It was agreed with ESB to use 1947 goods when necessary to honor claims arising during the first quarter under the 1948 program. It should also be borne in mind that it takes some time before claims arise, for instance, a pit worker must put in 66 days, that is nearly 3 months before he becomes eligible for a piece of working clothes. Thus it is not necessary that the quantities allocated for any month be delivered at the end of the month. A lag of 2 or even 3 months can be tolerated.

Pressure is being exerted on the Textile Bureau to speed up delivery of textile goods during the second quarter, particularly of gaiters, towels, and

underwear. The 100,000 pair of socks are taken out of US Army surplus stocks and shipment is being made during September. In order to assure the full delivery of gaiters US Army surplus cloth has been released for the manufacture of 140,000 pairs. Furthermore, Japanese cotton textiles have been released from rejected export stocks for the manufacture of about 200,000 pieces of underwear.

With new prices for finished textile goods having been set during August and September, the movement of these goods should become faster and delivery of allocations for the first half of fiscal year 1948 should be completed in November.

As to less-essential goods, delivery should not lag more than 4 weeks since points are being earned every month and the calculation of point claims will not require more than a few weeks. Constant pressure on the agencies involved in the distribution is being exerted to that end.

SUPERVISION AND SURVEILLANCE OF THE PROGRAM

The overall supervision of the program is in the hands of Distribution Branch, price and Distribution Division, ESS. This includes supervision of allocation and procurement of goods on the national level. Its activities are coordinated with the Coal Coordinator.

Regional and local supervision of the incentive goods program for coal mining is being carried out by the special coal units in Military Government Teams. Supervision on this level means mainly expediting the movement of goods.

All information necessary for supervision and surveillance will be furnished to Military Government by Distribution Branch, Price and Distribution Division, ESS, through the Coal Bulletin or other established channels.

It is the textile sector of the program where most of the difficulties have arisen and where therefore most of the supervision and surveillance effort is needed. Allocation schedules by prefectures on all textile items are being furnished as soon as known and, in addition, lists of wholesalers and quantities of goods to be shipped by them. By means of these records a constant pressure can be kept on the wholesaler to deliver the goods.

A further important phase in the supervision and surveillance of the program is accurate, statistical knowledge of the movement of goods from wholesaler or manufacturer to regional and prefectural receiving agencies and from there to the mines. The Coal Board has been instructed to report monthly to SCAP on receipt of goods by regional or prefectural receiving agencies and shipment to mines. Emphasis again is placed on textiles and the reports on receipts and shipment of goods by purchasing associations. Pressure on the regional Coal Bureaus by MG to report promptly the monthly operations in their regions to the Central Coal Board can be of help in speeding up the reports.

Incentive goods have transportation priority. While it is comparatively easy to insure this priority as far as US surplus goods are concerned because the bulk of them originated in Yokohama, lack of transportation sometimes becomes responsible for slow delivery of Japanese goods. MG can give vital assistance to the operation of the program by removing such transportation bottlenecks on the spot or reporting them to Price and Distribution Division.

There have been several instances where goods shipped to regional or prefectural receiving agencies were either not taken up by the mines because of low quality of the goods or where delivery was refused because of slow payment by mines. MG, either by direct action or by reporting such conditions to ESS/PD, can effectively assist in the execution of the program.

The operation of the point system within the mines is another factor in the incentive program that will require checking. MG, by visiting various mines and checking with the distribution committees, can observe the functioning of the program and its weaknesses.

The Price and Distribution Division of ESS, SCAP will take remedial corrective action on a national level of mal-practices or weaknesses in the incentive program that are reported by 8th Army MG.

TABLE A

NUMBER OF COAL MINE WORKERS
AS OF 1 MAY 1948

Not Inclusive of Office Workers and
Temporary Contract Labor

Prefecture	Class A	Class B	Class C	Total
Hokkaido	31,487	26,346	55,545	113,378
Aomori	38	55	145	238
Iwate	191	82	307	580
Akita	339	339	1,203	1,881
Yamagata	1,293	554	2,561	4,408
Fukushima	11,142	6,043	9,974	27,159
Ibaragi	3,400	1,477	6,067	10,944
Niigata	111	100	189	400
Yamanashi	71	80	85	236
Gumma	13	4	15	32
Toyama	62	24	104	190
Ishikawa	15	6	41	62
Gifu	34	39	45	118
Mie	215	61	293	569
Kyoto	89	24	178	291
Wakayama	385	139	677	1,199
Fukui	51	31	139	221
Yamaguchi	13,763	5,506	15,633	34,902
Okayama	108	65	134	307
Shimane	86	30	215	331
Tokushima	121	32	251	404
Ehime	58	39	114	211
Fukuoka	84,150	33,343	104,860	222,358
Saga	12,812	3,704	12,484	29,000
Nagasaki	18,950	7,004	21,731	47,685
Kumamoto	750	296	994	2,040
TOTAL	179,734	85,421	233,984	499,139

Source: Coal Board

TABLE B

TABLE OF COAL MINE PURCHASING ASSOCIATIONS

Source: Coal Board

15 September 1948

Regional Coal Bureau	Name of Organization	Locality	Position and Name of Representative	Jurisdiction	Shipment Address
Sapporo	Federation of Coal Purchasing Associations, Hokkaido (Hokkaido Tanko Kobai-kai Rengo-kai)	Branch of Coal-mining Ship Co., Ltd., Hokkaido (Hokkaido Tanko Kisen Kabushiki Kaisha) Kita Ichijo 2-chome, Sapporo-shi	Chief Director of the Board of Directors Yasaji Mannaka	All over Hokkaido	Nakagawa Shujotan Nishi 9 chome Minami 14 Jio
Taira	Mining Office of the Shimokito (Shimokito Kagyoshio)	Tanabemachi-Matamachi Shimokitagun Aomori	Head of the Mining Office, Kumaji Murata	Aomori-ken	Shimokita Coal Mine Tanabemachi-Motomachi Shimokito-gun, Aomori
	Federation of Coal Purchasing Association Iwate-ken	65 Yokamachi Morioka City	Chief Director Kansui Shimizu	Iwate-ken	Federation of Coal Purchasing Association Iwate-ken
	Federation of Coal Purchasing Association Akita-ken	21 Shimomaga-machi Akita-ken	Chief Director Yoshiro Sayama	Akita-ken	Federation of Coal Purchasing Association Akita-ken
	Federation of Coal Purchasing Association Yamagata-ken	Yamagata-ken Coal Mine Association, 20 Hinomono-chi Yamagata-city	Chief Director Yoshio Togashi	Yamagata-ken	Federation of Coal Purchasing association Yamagata-ken
	Federation of Coal Purchasing Association Fukushima-ken	Western Coal Mine Association, 74 Nagahashichi Taira-city	Chief Director Chinichi Wakamatazu	Fukushima-ken	Federation of Coal Purchasing Association Fukushima-ken
	Ibaragi Coal Mine Association	Takahagi Tokohagi-machi Tagogun Ibaragi-ken	President of Society, Hiromi Kikuchi	Ibaraki-ken	Ibaragi Coal Mine Association

Regional Coal Bureau	Name of Organization	Locality	Position and Name of Representative	Jurisdiction	Shipment Address
	Niigata-ken Mining Association	2499 Matoshimsu Rinsakuha Niigata-city	Chief Director Gichiro Tsujitzuka	Niigata-ken	Niigata Mining Association
	Yamanashi-ken Mining Association	18 Tachihana-chio Kaufu-city	President Society Saburo Fujiwara	Yamanashi-ken	Yamanashi-ken Association
	Federation of Coal Purchasing Association Gifu-ken	The Mining Society 9 Kanamachi 5-cho-me Gifu City	Chief Director Ginmatzu Hatzuta	Gifu-ken	Federation of Coal purchasing Association Gifu Ken
	Federation of Coal Purchasing Association Mie-ken	The Mining Society Horoake-machi Tsu-city	Chief Director Hikotara Saito	Mie-ken	Federation of Coal purchasing Association Mie-ken
	Mining Society Toyama-ken	19 Ifuku-chio Toyama-city	Director Matsuhei Kosaka	Toyama-ken include Ishikawa-ken	Mining Association Toyama-ken
	Western Coal Mining Cooperation	7-chome Kamimachi Ube-city	Chief Director Masao Kunizaki	Yamaguchi-ken	Western Coal Mining Cooperation
	Western Coal Mining Cooperation	7-chome Kamimashi Ube-city	Chief Director Masao Kumizaki	Hiroshima-ken	Toyoda Coal Mining Sankin Kongiyo Yamanakano Takasaka-mura Toyodagun Horoshima-ken
Ube	Western Coal Mining Cooperation	7-chome Kamimachi Ube-city	Chief Director Masao Kunizaki	Shimane-ken	Shimane Hokoku Coal Mining Society
	Western Coal Mining Cooperation	7-chome Kamimachi Ube-city	Chief Director Masao Kunizaki	Okayama-ken	Nika Coal Mining Society
	Federation of Coal Purchasing Association Osaka	12 Fushimi-cho-1 Higashi-ku, Osaka-city	Business Chief Director Haruo Fukuda	Kyoto-fu	Western Coal Mining Cooperatio Osaka Branch, 12 Fushimi-cho-1 Higashi-ku, Osaka-city

Regional Coal Bureau	Name of Organization	Locality	Position and Name of Representative	Jurisdiction	Shipment Address
	Federation of Coal Purchasing Association Osaka	12 Fushimi-cho-1 Higashi-ku, Osaka city	Business Chief Director Haruo Fukuda	Wakayama-ken	Western Coal Mining Cooperation Kumano Branch, Shingun-city Wakayama-ken
	"	"	"	Fukui-ken	Western Coal Mining Cooperation Ouno Branch, Cuno-machi, Cuno-gun, Fukui-ken
	Federation of Coal Purchasing Association Shiplku district	147 Torimachi Maru-zama-city, Shikoku Coalmining Association	Chairman Nakashima Tokutoro	Tokushima-ken	Federation of Coal Purchasing Society Tokushima-ken
	"	"	"	Ehime-ken	Iyo-Mining Society, Horino-uchi Matzuyama-city
Fukuoka	Federation of Coal Purchasing Association Fukuoka	81 Mitsuchaya Fu-kuoka city	Chairman Tazakichi Azahia	Fukuoka-ken Miike District	Mitsui Miike-Coalmine Amada-city
	"	"	"	Fukuoka-ken Kasuya District	Ministry of Transportation Shimen Coalmine Shiman-machi Kasuya-gun
	"	"	"	Fukuoka-ken Toga District	Mitsuko Takamatsu Coalmine Mitsumaki-cho Tosaann
	"	"	"	Fukuoka-ken Ante-District	Kaejima Anoya Coalmine Miyata chio, Antegun
	"	"	"	Fukuoka-ken Ihitzuka District	Azahu Coalmine Tateiwa Ihitzuka-city
	"	"	"	Fukuoka-ken Tagawa District	Mitzui Tagawa Coalmine Goto-ji Tagawa-city

Regional Coal Bureau	Name of Organization	Locality	Position and Name of Representative	Jurisdiction	Shipment Address
	Federation of Coal Purchasing Association Fukuoka	81 Mitsuchaya Fukuoka city	Chairman Tazakichi Azahia	Fukuoka-ken Yamada District	Furu Kawa Shimayamada Coalmine Yamadamachi Koho-gun
	Coal Mining Goods Receiving Joint Association Nagasaki-ken	12 Nishihama-cho Nagasaki-city Coal mine living necessaries Secure Conference Nagasaki-ken	Chairman of Conference Toshio Matzushima	Nagasaki-ken	Coal Mining Goods Receiving Joint Association Nagasaki-ken
	Coalmine Goods Association Saga-ken	64 Matzuhara-cho Saga-ken	Chairman Yishu Nagai	Saga-ken	Coalmine Goods Association Saga-ken
	Coalmine Goods Association Kumamoto-ken	Western Coalmine Materials Co., Ltd. Amakusa Branch, 2 209 Motowatari-chso Amakusa-gun Kumamoto-ken	Chairman Saburo Hasimato	Kumamoto-ken	Western Coalmine Materials Co., Ltd., Omakuga Branch

TABLE C

THE REGIONAL OFFICES OF THE COAL BOARD

Area	Regional Office	Prefecture
Hokkaido	Sapporo	Hokkaido
Taira	Sendai	Aomori
		Iwate
		Akita
		Yamagata
		Fukushima
	Tokyo	Ibaragi
		Niigata
		Yamanashi
		Gumma
	Nagoya	Toyama
		Gifu
		Mie
Ube	Osaka	Kyoto
		Wakayama
		Fukui
	Hiroshima	Yamaguchi
		Okayama
		Shimane
	Marugame	Tokushima
		Ehime
Kyushu	Fukuoka	Fukuoka
		Saga
		Nagasaki
		Kumamoto

PART II

FOOD DISTRIBUTION TO COAL MINERS

1. RATION SCALES

The existing food ration scales are indicated in the table below:

Coal Miner Food Rations
10 September 1948

Item	Age		
	16-25	26-60	61-
STAPLE FOOD			
Basic Ration [1]			
Grams	380	355	320
Go	2.7	2.5	2.3
Calories	1334	1246	1123
Supplementary Ration [2]			
Grams	470	495	530
Go	3.3	3.5	3.7
Calories	1650	1738	1861
Total			
Grams	850	850	850
Go	6.0	6.0	6.0
Calories	2984	2984	2984
MISO			
Momme	16	16	16
Grams	60	60	60
Calories	78	78	78
SHOYU			
Grams	35	35	35
Go	.16	.16	.16
Calories	14	14	14
OIL [3]			
Grams	1.7	1.7	1.7
Calories	15	15	15
SALT [4] (grams per month)			
Basic	200	200	200
Supp. (pit)	200	200	200
Supp. (surface)	100	100	100
Supp. (hot mine pit)	600	600	600
Total Calories [5]	3091	3091	3091

1/ Miners and miners' families receive first priority to staple food supplies. Also, qualitative preference is given to coal miners and coal miners' families. The rice component of the ration (both basic and supplementary) is a minimum of 75%, 60% and 50% of the ration for the periods December-June, July-September and October respectively for all prefectures except Hokkaido. Hokkaido percentages are 80%, 65% and 60%.

2/ Supplementary rations indicated are average rations. Actual rations, which vary between pit and surface workers and between jobs involving varying degrees of heavy labor, are determined locally. Supplementary rations are delivered only for days actually worked. Coal miners' families receive supplementary rations in accordance with the following schedule:

	Family Supplementary Ration				
	Age				
	6-10	11-15	16-25	26-60	60-
gr.	35	98	49	74	70
go	.25	.7	.35	.53	.5
cal.	123	344	172	260	246

3/ The oil ration varies in accordance with supply. This ration was delivered during the period April-September 1948.

4/ Both miners and miners' families receive salt on a priority basis.

5/ In addition to the above basic rations coal miners and their families receive rations of fish and vegetables which vary according to season and locality. The following quantities represent rationing goods by the Ministry of Agriculture and Forestry and may be used for comparative purposes:

	Laborer Rations	Laborer Family Rations
Vegetables		
Momme	65	35
Grams	244	131
Calories	70	38
Fish		
Momme	30	10
Grams	113	38
Calories	80	27

In addition to the rationed foods indicated above, varying quantities of sugar, candy (carmels) and edible oil are made available to miners under the incentive point system.

II. DISTRIBUTION OF FOOD RATIONS

1. STAPLE FOODS

Estimates of requirements of staple food for coal miners are submitted monthly from each coal-producing prefecture by local offices of the Coal Board (Ministry of Commerce and Industry) to the Ministry of Agriculture and Forestry. The Ministry of Agriculture and Forestry authorizes its prefectural branch offices to sell given quantities of food for this purpose to the Staple Food Kodan for distribution to each mine. Each mine maintains its own distribution points where the rations are delivered to the miners.

2. MISO AND SHOYU

Miso and shoyu are distributed by the Grocery Kodan to each mine where they are delivered to each miner's family through mine-operated outlets in exchange for coupons.

3. SALT AND EDIBLE OIL

Salt is delivered to miners through the following channels. The Salt Monopoly Bureau delivers to private wholesalers who deliver to each mine. The mine delivers salt to the miner through mine-operated outlets. Edible Oil is delivered to each mine by the Oil Kodan. The oil is delivered to the miners through company-operated outlets.

4. FISH AND VEGETABLES

Fish and vegetables, as in the case of other foods, are delivered to miners through mine-operated outlets. Either shipping or receiving agencies, depending upon the location of the mine, ship the fish and vegetables to the mines in accordance with instructions issued by the Ministry of Agriculture and Forestry.

MG

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

17 September 1948

COAL BULLETIN
(For Information Only)

I. COAL PRODUCTION

a. Production for first ten days of September totaled 939,100 tons against a production goal of 959,700 tons or 97.9% of goal.

b. Production by districts is as follows (Unit: 1,000 metric tons):

District	Planned Production	Actual Production	Percentage
Hokkaido	272.0	261.2	96.0
W. Honshu	92.5	87.4	94.5
E. Honshu	85.2	88.2	103.5
Kyushu	510.0	502.3	98.5
Total	959.7	939.1	97.9

c. Comparison of first 10 day periods of September 1948 and September 1947 and for August 1948 (Unit: 1,000 metric tons):

District	Sep '48	Sep '47	Percentage	* Aug '48	Percentage
Hokkaido	261.2	192.5	135.1	223.8	116.7
W. Honshu	87.4	74.2	117.8	78.3	111.6
E. Honshu	88.2	68.9	128.0	78.1	112.9
Kyushu	502.3	402.9	124.7	427.3	117.6
Total	939.1	738.5	127.2	807.5	116.3

* Adjusted to show last report received from Japanese Coal Board.

Increase of first 10 days of September 1948 over same period in 1947 was 200,600 tons, rate of increase was 27.2%.

II. Flood Damage

Incomplete reports of storm damage indicate that 18 mines were flooded in Kyushu, mostly in Saga and Nagasaki Prefectures, September 13th and that as much as 50,000 tons of coal production may be lost during the next few weeks as the result.

II. Flood Damage (Continued)

The Minister of Commerce and Industry immediately dispatched engineers and other technicians to Kyushu to appraise overall damage and direct immediate action to reinstate production. This group will return to Tokyo Thursday 23 September to report at a meeting of Japanese and SCAP coal officials in order that a coordinated plan to rehabilitate damaged mines and to recover lost coal production may be expedited.

Another major disruption in coal production resulted when the Okinoyama mine in the Ube district was completely flooded by sea water, 13 September. This mine normally produces about 40,000 tons of coal per month. The break through in the ocean bottom is being plugged by dumping rocks but is about 400 feet wide by 500 feet long and 150 feet deep. It is estimated that about one year will be required to rehabilitate the mine sufficiently to allow it to reach its recent production levels. The actual time necessary to get production again in this mine will be more accurately determined after inspection by a similar group, as mentioned in the foregoing paragraph.

III. Incentive Goods

A memorandum for the board of trade (Boeki Cho) and the Textile Bureau, Ministry of Commerce and Industry, 423 (8 Sep 48)ESS/PD, dated 8 September 1948, directed the release of 2,625,000 linear yards of material. Of this 2,500,000 yards is to be used to manufacture, for use as incentive goods to coal miners, the following clothing:

512,657 Pieces underwear
340,000 Pieces work clothes

The memorandum further directed that the remaining 125,000 yards be distributed as cloth to female coal mine workers. This is in line with recent and repeated requests that female workers be furnished cloth from which they may make their own clothes.

The Economic Stabilization Board was authorized, by 420 (9 Sep 48) ESS/PD PDD 15, dated 9 September 1948, to release for incentive goods to coal miners the following surplus United States Army goods:

100,000 Pairs socks
100,000 Pieces caps
112,974 Pieces jacket hoods

420 (Sep 48)ESS/PD PDD 16 dated 9 September 1948 authorized the Economic Stabilization Board to release, for the manufacture of gaiters and gloves to be distributed as incentive goods to coal miners, the following:

65,000 Pieces mattress covers
169,475 Pieces canvas field bags

This should help to solve the problem of better quality gloves and gaiters.

IV. Labor

A "repercussion payment" is provided for in the event of official price change in the present labor contracts. The extent of "repercussion" according to the contract, was to be decided upon by the government, therefore representatives of various government agencies interested in the problem suggested to operators and unions that the repercussion payment be pegged at 5%. This later figure is said to be the difference between normal repercussion and higher living costs suffered by the mining workers who buy a greater percentage of their goods at official prices. The operators accepted the government proposal but continued their insistance that they had no funds with which to pay such an increase. It was provided therefore that the bulk of the increase be paid by the operators out of their profit margin. ¥10 per ton, however is to be subsidized by the government. Additional provisions were made for loans to operators who could not fullfill these commitments. Such loans to be repaid within the fiscal year.

The government proposal received a cool reception among the unions. The national convention of Tanro union rejected the proposal by its committee, that the 5% be accepted as partial payment. Instead the convention ordered its officers to seek 34% repercussion payment immediately.

The Zensekitan committee, accepted the government proposal only as a partial payment and will continue negotiations for the remainder of the 34% demand.

The current wage contract expires September 30. Both unions are preparing new demands based upon the increase in the cost of living since April 1. It is almost certain that no agreements will be reached before the present contract expires. In such an event it is possible that the national contracts will be jetisoned and that the unions will return to negotiations on the local level.

V. Information Program (Week Ending 16 September 1948)

a. Highlights: Two press conferences, one conducted by M.A. Wyatt, ESS Coal Coordinator and R.Y. Grant, National Resources Section. Mr. Wyatt spoke on the importance of reaching the thirty-six million ton goal for 1948, Mr. Grant discussed coal mine development. The other press conference was conducted by the Director-General of ESB. A documentary Film, "Coal Mine Class Room" was sent to Hokkaido for miners' education. A Base Ball Team departed for Hokkaido coal mines to entertain and encourage coal miners.

b. Use of media

(1) Radio broadcasts: 1 Network, 16 local station, 148 spot announcements.

(2) Press releases: 3

V. Information Program (Continued)

(3) Press conferences: 2

(4) Press stories: 8

(5) Film (Documentary): 1

(6) Public meetings: 3

(7) Special (Base Ball Team): 1

e. Others

The Coal Entertainment Team is leaving Tokyo for Yoshima mine in Jyoban area on 30 September. It will come back Tokyo 2 or 3 October. And ESB is planning to send the team to Hokkaido in middle of October.

VI. Production to Date and Quotas

A record of production to date as compared to quotas, and quotas for last seven months of the 1948 fiscal year was presented to the Economic Conference, 8th Army Military Government at Kanagawa 15 September by the Coal Coordinator. Copies are attached. The Coal Coordinator raised the question as to how best use the over-production incentive goods to achieve the 104.3% of quota necessary to reach the 36,000,000 ton goal this year. That is, should the quotas be raised to include the shortage of 841,173 tons or should they be left as stated? There seem to be two schools of thought. First - raise the quotas to include the shortage and make the incentive goods available to mines making the increased quotas. It is thought that certain elements might object to this on the grounds that those quotas were unobtainable and they would suffer the loss of incentive goods presently being made available for producing the original quotas. Second - leave the quotas as they are and use the incentive goods as a reward for over-production. This plan would make it possible for miners to receive their normal incentive goods for quota production and give them a chance to get some of the U. S. surplus goods being offered for over-production as is being done in September. The second plan seems to have the advantage of putting the Japanese Government in the position of being able to push harder for production on the basis that the miners are being rewarded for the extra efforts put forth to make up the shortages incurred while they were receiving a normal amount of incentive goods. Observations made on the September 105% program and suggestions would be appreciated as it is necessary to complete details for the distribution of over-production incentive goods during October.

M. A. WYATT
Coal Coordinator

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

7 September 1948

COAL BULLETIN
(For Information Only)

1. COAL PRODUCTION

a. Coal production for the third ten-day period for July and August 1948 is as follows (Unit: 1,000 metric tons):

	August 1948 3rd 10 days	July 1948 3rd 10 days
Planned production	975.4	1,077.3
Actual production	1,015.5	1,029.6
Percent of production	104.1%	95.3%

b. Comparisons of total production for 1948 and 1947 and percentages for the months of July and August 1948 and 1947 (Unit: 1 metric ton):

	1948	1947
Planned production	2,613,000	2,020,000
Actual production	2,521,100	2,104,100
August performance	96.5%	104.2%
July performance	95.2%	101.0%

c. August production 1947 and 1948 by districts (Unit: 1,000 metric tons):

District	August 1947	August 1948	Increase
Hokkaido	571.5	680.1	19.0%
E. Honshu	214.0	233.5	9.1%
W. Honshu	194.5	241.0	23.9%
Kyushu	1,124.1	1,366.5	21.6%
TOTAL	2,104.1	2,521.1	19.8%

Increase of August 1948 production over August 1947 production - 417,000 metric tons.

d. Comments:

Production for the month of August 1948 amounting to 2,522,100 tons is a decrease of 189,700 tons under July production of 2,711,800 tons. Actual production was 96.5% of the planned quota. The rate of accomplishment for August shows a .3% improvement over July. The failure of the industry to produce 100% of the quota plus the additional percent necessary to recover previous losses of production was due to the three day celebration of the Lantern Festival holiday. Many miners returned to their native homes for this holiday and were unable to secure return transportation to the mines because of transportation difficulties. However,

miners endeavored to improve the month's production by working longer hours and Sundays during the last ten day period, whereby a total of 106.6% of planned production was accomplished. Mines in Kyushu were still handicapped by flood waters which entered the pits during the last week of July. Such conditions will handicap coal production in this area and thus the desire to increase its electric power demands until water pumpage reaches normal.

e. The 1948 Japanese Fiscal Year production to date has fallen short of its scheduled output by the following amounts:(Unit: 1 metric ton):

Month	Quota	Production	Loss
April	2,827,000	2,575,427	251,573
May	2,897,000	2,627,000	270,000
June	2,878,000	2,788,500	89,500
July	2,850,000	2,711,800	138,200
August	2,613,000	2,522,100	189,700
TOTAL	14,065,000	13,224,827	938,973

In order to achieve the goal of 36,000,000 tons in 1948, national production must average 104.3% of the monthly quotas for the remaining seven months.

2. LABOR

The following information was released by the Labor Division, ESS, concerning the freeze on number of mine workers to be employed:

"In the interest of stabilizing the number of workers in the coal industry and the ratio between production underground and surface workers, the Japanese Government decided it would be advisable to freeze employment in the nation's coal mines as of April 30, 1948. The following figures represent the employment levels authorized as of that date. These figures do not include contract workers. The only exceptions will be in the form of specific authorizations to individual coal mines where the level of employment for that mine is below that shown for 30 April or in given instances where additional workers will be authorized by the Coal Board for the purpose of increasing production.

		Underground	Surface	Total
April 30	Hokkaido	57,892	58,002	115,894
	Tohoku	20,128	20,186	40,314
	Tobu	5,708	7,465	13,173
	Seibu	1,265	1,901	3,166
	Yamaguchi	18,460	16,623	35,083
	Kyushu	161,318	147,821	309,139
	TOTAL	264,771	251,998	
	GRAND TOTAL			516,769

"The foregoing compilation did not become firm until on or about 22 June when the information was received in the field. Consequently, additional workers had been added to the payrolls since 30 April. Therefore, it is now necessary to cut back to the 30 April level by attrition. It is of extreme importance that the closest surveillance be exercised over these employment levels by MG to insure that no new workers are added to the payrolls without specific authorization or in case of actual need in case the employment level is below the 30 April figure."

3. INCENTIVE GOODS PROGRAM

On 30 August 1948, through the Chief of the Price and Distribution Division, the Chief of ESS released to the Ministry of Agriculture and Forestry "800.0 metric tons of imported sugar, 150.0 metric tons of edible oil, and 742.5 metric tons of cocoa caramels to be distributed in accordance with the plans as outlined in"...."Ministry of Agriculture and Forestry memorandum number 94-'48 dated 26 August 1948, subject: Request for release of Imported Foods as Incentives for Coal Miners." (Authority: Ltr, GHQ, SCAP, ESS, APO 500, 30 Aug 48, 430(30 Aug 48)ESS/PD PDF-23, subj: "Release of Imported Foods as Incentive Goods and for Infants' Food," to Ministry of Agriculture and Forestry, No. 11, 1 Chome, Yurakucho, Chiyodaku, Tokyo.)

4. INFORMATION AND EDUCATION

Publicity - Japanese Radio and Press

Three nationwide broadcasts have been scheduled during the month of September, two of which are thirty minute programs. In addition, weekly thirty minute broadcasts have been arranged in each of the major and minor coal regions.

Six press conferences were held by Japanese Ministries covering the coal program and one pamphlet sponsored by the Natural Resources Section, GHQ, SCAP, has been approved.

5. MINE SAFETY

The Japanese Government has been directed by SCAPIN 1928 to prepare and place in force adequate mine safety codes for the protection of all miners. Further, the Japanese Government has been instructed to set up a suitable Government agency for enforcement of the proposed codes (see Inclosure 2).

M. A. WYATT
Coal Coordinator

3 Incls
1. Coal Prod Committee Meeting 26 Aug 48(Min)
2. Memo for JG, GHQ, SCAP, 24 Aug 48, SCAPIN 1928, AG 729.3(22 Jul 48)NR/MG, subj: Preparation and Implementation of Mine Safety Codes and Admin of Mine Safety Program
3. Coal Prod Committee Meeting 2 Sept 48 (Minutes)

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
26 August 1948, 1400 Hours.

1. Corrections to the minutes of the meeting of 20 August 1948:

a. The coal mines notified of quotas for each quarter in advance are those in Hokkaido rather than those in Kyushu as originally published in paragraph 5 of the minutes. Quota announcements are given to Kyushu mines two weeks in advance of each month.

b. The Miike mine rail requirement referred to in paragraph 6 of the minutes should read "24,000 meters" instead of "24,000 liters" as originally published.

With these corrections, the minutes of the meeting of 20 August 1948 were approved.

2. The Coal Coordinator reported that there had been a meeting of the representatives of ESS/Labor, Finance, Price & Distribution, and the Coal Coordinator, with the Vice Minister of Finance, the Vice Minister of Labor, the Deputy Chief of the Economic Stabilization Board, the Deputy Chief of the Price Roard, the Coal Board, and the Coal Control Committee, to discuss (1) the financing of the Hokkaido allowance of 580 yen per miner per month and (2) the 34% repercussion proposal, as well as to consider (3) the outlook for a new wage contract effective 1 October. The representative of ESS/Labor had pointed out to the Japanese that the Supreme Commander's letter to the Prime Minister in September 1947 had placed the responsibility for coal production upon the Japanese Government; and called attention to the effect which these three agenda items must have upon coal production. The Japanese representatives had stated that these questions had not been settled between the miners and operators.

3. Review of the proposals which had been made by the miners and operators indicated that the differences were in calculations and differences in the assumptions made by the miners as opposed to the operators. The miners had suggested that the operators' 3% margin in the Approximately 2300 yen price should absorb both the 580 yen monthly Hokkaido allowance and the 34% repercussion proposal--the first representing 28 yen per ton of coal produced and the second being calculated at 95 yen per ton, or a total of 123 yen. As the 3% margin in the coal price of 2300 yen amounts to only 69 yen per ton, this would create a deficit in the price of coal of 54 yen per ton. The Coal Coordinator had called this to the attention of the Japanese representatives. The operators proposed that the deficit arising from the retroactive feature of the Hokkaido allowance taking effect from 1 April instead of 23 June, the date of the new price, be financed by a Reconversion Finance Bank loan--but the payment for this type of loan was too indefinite. The Finace representative had discussed the possibility of an increased producer price whereby the Kodan would absorb 359 million yen Hokkaido allowance deficit and be reimbursed in turn by payment from price subsidy funds, available in limited amounts. It was stated that the

over

Encl #1

Japanese Government would not make a statement on the cost of living other than the regularly published indices on the cost of living published monthly. The question of financing was a matter for the unions and operators to settle between themselves. The operators claimed that the increased cost of living was 8% rather than 34%. (The Coal Board had shown the figure 61%, but had not made deductions for reduced taxes.)

4. Discussion of the above points indicated that there was danger of work stoppages if action was not taken by the Japanese Government, the miners and operators to settle the differences--at least insofar as the Hokkaido allowance and the repercussion proposal are concerned, with negotiations on the new wage contract soon to be discussed. The importance of continued operations in the coal mining industry was emphasized and the Japanese were instructed as a committee to settle their differences and to report the results through the ESB representative as soon as possible.

5. It was reported that during the second ten days of August coal production had been at a level of 87.1% of the quota. Railway strikes and a three day festival had contributed to this shortage in production. It was agreed that at the next meeting a CTS report will be reviewed on the subject of railway strikes as they affect coal production.

6. The Coal Coordinator reviewed points to be covered in a projected report on coal production prospects for the next five years. This would entail the presentation of information and data on the resources of the coal mining industry, machinery, equipment, labor, and possible improvements. It was stated that a questionnaire is being prepared to be filled out at each coal mine, including data on the mechanization and utilization of present machinery at the coal mines. The representatives of the Eighth Army and the Natural Resources Section agreed to furnish the information which is available through their respective fields.

7. The representative of NRS reported that during the week SCAPIN on the Coal Mine Safety Code hai been issued to the Japanese directing that they immediately formulate mine safety codes which will be adequate for preservation of mine safety throughout Japan and put them into force.

8. The representative of ESS/Finance discussed the financing of mine timbers for movement from the railheads to the mines. It was reported that of the eight hundred million yen owing to the timber producers as of 30 June, five hundred million yen had been paid out of loans from the Reconversion Finance Bank, leaving three hundred million yen still owing. This was considered as a normal debt situation. In view of the importance attached to the coal mine timbers and the necessity for having those timbers available during the winter months when transportation becomes difficult another hundred million yen had in effect been approved. This will provide necessary stockpiles for the winter.

9. The representative of CI&E reported that during the week there had been 16 local radio broadcasts on the coal production campaign, one of which was network, and there had been 146 spot announcements. In two press

conferences the need for overproduction in the remaining months of the year had been publicized and the overproduction rewards had been announced. The Economic Stabilization Board had reviewed the "Policy To Promote Overproduction In The Coal Mines." There were also eight press releases on mechanization of coal mines, incentive goods produced in the United States, Coal Mine Investigation Teams, and other subjects.

10. The meeting adjourned at 1505 hours.

M. A. Wyatt

W. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance:

Mr. M. A. Wyatt, ESS/IN
Maj. C. S. Merriam, NRS
Mr. D. J. Carroll, NRS
Mr. Wynthrop M. Orr, CI&E
Capt. H. A. Vizina, 8A MG
Maj. Harold S. Conway, 8A MG
Mr. J. C. Twinem, ESS/P&D

NOTICE OF MEETING

TIME: 2 September 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. CTS Report on Railway Strikes and Work Stoppages.
2. Discussion of Lignite Transportation and the Difficulty in getting spurs into the mines in Hokkaido.
3. Discussion of the financing of the Hokkaido allowance.
4. Discussion of the repercussion allowance.
5. Questionnaire on coal mines

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 729.3 (22 Jul 48)NR/MG
SCAPIN 1928

24 August 1948

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Preparation and Implementation of Mine Safety Codes and Administration of Mine Safety Program

1. The Japanese Government is directed to prepare immediately and place in force adequate mine safety codes for the preservation of safety in mines. Inclosures 1 and 2 (Proposed Mine Safety Codes) are forwarded for use as guides by the Japanese Government in the preparation of Mine Safety Codes.

2. The Japanese Government will concurrently assign responsibility for the enforcement of the mine safety codes and the necessary surveillance thereof to a suitable government agency.

FOR THE SUPREME COMMANDER:

R. M. LEVY.
Colonel, AGD.
Adjutant General.

2 Incls
as indic in par 1
(for addressee only)

Incl #2

COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
2 September 1948, 1400 Hours.

1. There being no corrections or additions to the minutes of the meeting of 26 August 1948, they were approved as published.

2. With respect to work stoppages affecting the railways the representative of CTS stated that formerly, before the issuance of SCAP's recent directive on government workers, the action taken by the Ministry of Transportation would not have been possible. The action taken giving forty-four hours notice to return to work had prevented or stopped a large number of slowdowns. Approximately 400 rail workers had terminated their employment. Some cancellations of trains had been necessary, but new engine drivers, assistant engine drivers, and other workers were being trained as replacements.

3. In a discussion of an NRS question of extension of tracks for certain lignite mines in Hokkaido, the representative of CTS pointed out that in any consideration of the implementation of movement by rail there are several elements to be considered besides tracks, or a lack of them: such as the supply of rail freight cars and facilities for movement to and from the port which would have to be used. In this connection the general need for coordination was discussed and a note of 2 September 1948 from CTS was read and placed in the record as follows: "The production, economic, and transportation problems which have resulted... point out the great need within SCAP for a Coordinating Committee to ensure comprehensive analysis of development programs. At the present time SCAP does not appear to be analyzing comprehensively the development of new industry or major expansion in or relocation of industry. ESS, CTS, and NRS appear to be surveying individual facets of what should be integrated studies. In order to remedy this situation, CTS will prepare for group discussion with ESS and NRS a paper outlining the duties and functions of a Development Coordinating Committee." All representatives concurred in the need of coordination pointed up by the above statement.

4. The representative of ESS/Labor stated that the Japanese Government had recently agreed to a loan to finance the retroactive feature of the Hokkaido allowance taking effect from 1 April instea d of 23 June, the date of the new coal price. However, the permanent financing of the Hokkaido allowance from 23 June, as well as the repercussion allowance, were related to the new wage contract. It was

over

Draft #3

stated that in a meeting of interested ESS Divisions on the Hokkaido allowance and the repercussion allowance recently it had been decided to defer action on these matters so that they may all be considered concurrently in the new wage negotiations. It was pointed out that the price of coal also has a bearing upon these considerations. The representative of ESS/P&D stated that at this time a change in the price of coal was not necessarily to be expected; and that a leveling off or possibly even a reduction in the cost of living might take place with the improved food situation in the fall.

5. The representative of CI&E reported that during the week ending 1 September there had been 17 radio broadcasts on coal production, one of which was network; and there had been 148 spot announcements. Also, a pamphlet, "The Story Of Coal," had been approved by NRS for publication of 20,000 copies by the Economic Stabilization Board.

6. The representative of the Eighth Army reported that in several conferences in Hokkaido between the Coal Board and the coal mine operators a workable basis for increased quotas, or an increased production, for individual mines was being discussed. In certain Kyushu mines, he stated, the practice of requiring production of 97% of quota in order to qualify for supplementary rations has been in effect, and a similar program for Hokkaido was suggested. The basis for this action in Kyushu, it was stated, had been the stipulation that the performance of the work is a requirement for receipt of rations. It was agreed that a discussion of this matter be placed on the agenda for the next meeting.

7. The Deputy Coal Coordinator reported that the Japanese Coal Teams, on a fully equipped workable basis, are now in the field.

8. The meeting adjourned at 1505 hours.

D. T. SCHWOB, Acting Chairman
Assistant Coal Coordinator, ESS/IN.

Attendance:

Mr. D. T. Schwob, ESS/IN
Maj. C. S. Merriam, NRS
Mr. D. J. Carroll, NRS
Mr. A. H. Solomon, NRS
Maj. T. M. Dunleavy, ESS/Labor
Mr. H. J. Barton, CTS
Mr. K. W. Claybaugh, CTS-R
Capt. H. A. Vizina, 8A MG
Mr. Wynthrop M. Orr, CI&E
Mr. R. E. Phillips, ESS/Finance

NOTICE OF MEETING

TIME: 9 September 1948, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Discussion of the system in Kyushu whereby certain mines must produce 97% of quota in order to receive supplementary rations.

2. Consumption of coal by Hokkaido Coal Mine workers compared with other Hokkaido families for Heating, Cooking and Bathing.

3. Transfer and Sale of mine pits or seams in whole or in part.

4. Price & Distribution manual for Incentive Goods.

5. Report of Field trip to Kyushu.

6. C&IE Report of weeks activities.

DECLASSIFIED E.O. 11652 - SECTION 3 OR 4

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

25 August 1948

COAL BULLETIN
(For Information Only)

1. COAL PRODUCTION

a. Production for the second ten days of August totaled 699,100 tons against a production goal of 803,100 tons or 87.1% of goal.

b. Production by districts is as follows (UNIT: 1,000 metric tons):

District	Planned Production	Actual Production	Percentages
Hokkaido	234.9	179.2	76.3%
E. Honshu	74.0	64.5	87.2%
W. Honshu	74.2	70.6	95.1%
Kyushu	420.0	384.8	91.6%
TOTAL	803.1	699.1	87.1%

c. Comparisons of second 10 day periods for August 1948 and August 1947, and for August 1948 and July 1948 (UNIT: 1,000 metric tons):

District	Aug '48	Aug '47	Percentages	July '48	Percentages
Hokkaido	179.2	153.7	116.6%	234.9	76.3%
E. Honshu	64.5	69.8	92.4%	78.5	82.2%
W. Honshu	70.6	57.7	122.4%	70.7	99.9%
Kyushu	384.8	332.4	115.8%	403.0	95.5%
TOTAL	699.1	613.7	113.9%	787.1	88.8%

d. Comments:

Production for the second ten days of August was 87.1% of quota and 88.8% of production for the same period in July. This abrupt slump in production was caused largely by celebration of the "Bon" festivals. It is reported that absenteeism in this connection was aggravated by the inability of many miners to return to work because of the cancellation of trains during the continuing work stoppages on the part of Government railway workers. The average days worked was 7.5 as against 8.1 during the second ten days of July. While such holidays are a national and time-honored custom, they are very costly to coal production. In the immediate past, workers have made up production lost on holidays by working additional time. No attempt to se recover production was apparent during this period. It is also reported that the lack of shipping space caused by Government railway work stoppages further contributed to the production slump by causing considerable quantities of coal to pile up at the tipples and at railheads.

•Tons produced per day averaged 93,558 as against the average of 79,144 tons for the same period last year. This represents an increase of 18.2% in the per day production rate.

2. INCENTIVE GOODS PROGRAM

a. The Price and Distribution Division, ESS, will shortly publish a manual on the incentive goods program describing what it is, how it works, and how it is administered. It will be mailed to the various Military Government Teams as soon as it is available.

b. The Chief of the Economic and Scientific Section, through the Price and Distribution Division, has ordered release of large quantities of U. S. Army clothing, cigarettes, and tobacco for the incentive goods program (See Incls. 4 and 5). (NOTE: The 200,000 towels and the 170,000 blankets quoted in the Memorandum for ESB (Incl 4) are the over-all releases of these items, including those set aside for over-quota production.

3. FINANCE

Discussions will be held with the interested Japanese Government Ministries on 26 August to determine means of making available the Hokkaido allowance for payment to the miners, and discussion of the "repercussion" demands as well as the coming new wage agreement.

4. LABOR

There has been no substantial change in the labor situation since the last issue of the Bulletin.

5. INFORMATION AND EDUCATION

At a press conference held 23 August 1948, the Price and Distribution Division, ESS, released a statement on "Special Rewards for Mines with Overquota Production" (See Incl 1); and the Coal Coordinator released a statement on the status of coal production, the necessity for regaining lost production and the incentives therefor (See Incl 2).

6. MECHANIZATION SURVEY OF JAPANESE COAL MINES

In furthering the objectives of the current Coal Mine Rehabilitation Program, the Japanese Government has developed plans for a multi-team survey of Japanese coal mines with emphasis on proper installation, utilization and maintenance of coal producing equipment.

Eleven teams will be dispatched beginning 29 August to the Hokkaido, Taira, Ube and Kyushu Districts. Each team will consist of 5 or 6 engineering personnel from the Coal Board, coal mine machinery manufacturers, Sekiyu (oil) Kodan, and the Machinery Bureau.

The teams will survey and make recommendations to the individual coal mine operators with respect to the following points:

a. Correct operation of machinery.
b. Stock levels of spare parts.
c. "Self repair" and/or replacement of machinery.
d. Utilization of idle machinery.
e. Utilization of coal mine repair shops.
f. Lubrication of operating machinery.