

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch

TO: Economics Officer  
 Chugoku MG Region.  
 APO 248

5 May 1949

Subject: Coal Production for April  
 (Source: Coal Board)

Production for last ten day period of April amounted to 1,177,500 tons as against the goal of 1,144,200 tons, or 102.9 % of the goal. This brought the total production for April to 3,260,500 tons, or 99.4% of the goal for the month.

The production for April 1949 showed 688,100 tons increase as compared with the corresponding month 1948 which showed only 2,572,400 tons. of the goal.

(1) 3rd Ten-day period, April

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	330,600	299,600	90.6 %
Tohoku	79,000	84,700	107.2
Tobu	29,600	35,300	119.3
Seibu	3,700	3,100	83.8
Yamaguchi	103,900	100,300	96.5
Kyushu	597,400	654,500	109.6
<b>Total:</b>	<b>1,144,200</b>	<b>1,177,500</b>	<b>102.9 %</b>

(2) Production for April

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	952,000	860,100	90.3 %
Tohoku	212,300	223,700	105.4
Tobu	82,700	92,600	112.0
Seibu	10,500	8,600	81.9
Yamaguchi	298,100	267,100	89.6
Kyushu	1,758,000	1,808,400	105.0
<b>Total:</b>	<b>3,278,600</b>	<b>3,260,500</b>	<b>99.4 %</b>

ECONOMICS	
SEC. C.	
N.R.	45
C&T.	
M&I.	
LABOR	CM
C.C.	

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HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics officer  
 Chugoku MG Region  
 APO 248

Subject: Coal Production for 2nd Ten-day Period, 25 April 1949.

According to the preliminary telegraphic reports received by the Central Coal Board from local Coal Bureaus, the coal production for 2nd ten-day period of April amounted to 1,109,000 tons as against the goal of 1,123,100 tons or 98.7% of the goal.

The production for the corresponding period of March was 1,083,600 tons or 102% of the goal.

The production by districts is as follows: (unit: tons)

<u>District.</u>	<u>Goal.</u>	<u>Actual.</u>	<u>% of the Goal.</u>	<u>Working Days.</u>
Hokkaido	328,500	300,000	91.3	8.9
Tohoku	66,600	68,700	103.2	8.0
Tobu	26,400	27,000	102.3	8.0
Seibu	3,600	3,000	83.3	8.5
Yamaguchi	103,200	89,600	86.8	9.0
Kyushu	594,800	620,700	104.4	9.0
<b>Total:</b>	<b>1,123,100</b>	<b>1,109,000</b>	<b>98.4</b>	<b>8.9</b>

ECONOMICS	
SEC. C.	TA
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G&T.	JA
M&L.	JR
LABOR	CM
C.C.	

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File 10-045.

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

15 April 1949

TO: Economics Officer  
 Chugoku MG Region  
 APO 248

SUBJECT: Coal Production for 1st Ten-day Period, April

According to the preliminary telegraphic reports received by the Central Coal Board from local Coal Bureaus, coal production for 1st ten-day period of April, first month of Japanese 1949 fiscal year amounted to 974,800 tons, or 96.4% of the production goal.

The production for April, especially that of 1st ten-days is annually poor and so 974,800 tons production may be considered as the evidence that coal mines have started to increase coal production for 42 million tons goal receiving impetus from SCAPIN 1984.

The following is the coal production for 1st ten-days of April, for 1949 as compared with that of 1948.

1. Production for 1st Ten-days, April, 1949 (unit: 1,000 tons)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	292.9	260.9	89.1
Tohoku	66.7	70.3	105.4
Tobu	26.7	30.3	113.5
Seibu	3.2	2.9	90.6
Yamaguchi	91.0 ✓	77.2 ✓	84.8 ✓
Kyushu	530.8	533.2	105.5
<b>Total</b>	<b>1,011.3</b>	<b>974.8</b>	<b>96.4</b>

2. Production for 1st Ten-days, April, 1948 (unit: 1,000 tons)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	270.0	189.0	70.0
Tohoku	72.0	65.6	91.1
Tobu	28.4	24.5	86.3
Seibu	2.7 ✓	2.6 ✓	96.3 ✓
Yamaguchi	78.0 ✓	75.7 ✓	97.1 ✓
Kyushu	520.0	456.4	87.8
<b>Total</b>	<b>971.1</b>	<b>813.8</b>	<b>83.8</b>

(43)

(28)

Hiroshima Local Economic Stabilization Bureau

9 April, 1949

Hiro I-2727

Subject : Estimates of Publicity Expenses for Increased Coal Production in 1949 Fiscal Year.

To : Colonel Russel C. Snyder, Commanding Officer, Chugoku Military Government Region.

Through : Chugoku Liaison & Coordination Office.

After taking into our consideration an opinion of the Yamaguchi Military Government Team, the estimates of publicity expenses for the increased coal production in 1949 fiscal year have been made as per attached sheets and we herewith respectfully submit same for your reference sake.

ECONOMICS	
SEC. G.	<i>[initials]</i>
N.R.	
C&T.	<i>[initials]</i>
M.I.	<i>[initials]</i>
LABOR	<i>[initials]</i>
C.G.	

*Tokichiro Takewaka*  
Tokichiro Takewaka

Director, Hiroshima Local ESB.

(42)

File 10-043

T.Y.

[Attached sheet 1)

Estimates of Publicity Expenses for Increased  
Production of Coal in 1949 Fiscal Year.

Hiroshima Local ESB

Gross Total of Expenses:.....800,000 Yen

Itemized expenses are as follows:-

I. Educational expenses.....274,000 Yen

1) Movie-shows.....40,000 Yen

(Itinerant or mobile picture-shows will be given at four places; charges for borrowing 4 films will be 36,000 Yen, each film charging 9,000 Yen; accommodation fees at four places will be 4,000 Yen, each place of the show requiring 1,000 Yen.)

2) Informal conversations, lecture-meetings, short courses, etc.  
.....161,000 Yen.

(1) 40,000 Yen for distribution of pamphlets and holding informal conversations and lecture-meetings in order to bring about the thorough understanding about the main object of the Nine-point Economic Stabilization Program.

(30,000 Yen for printing 1,000 copies of pamphlets, each copy costing 30 Yen; 10,000 Yen for remuneration to a lecturer at informal conversations and lecture-meetings which will be attended by representatives of miners and coal-mine managements.)

(2) 80,000 Yen for holding lecture-meetings for studying the rationalization of the use of materials, the improvement of the quality of coal and the mechanization in coal-mines; and also for giving lectures and actual guidance to elevate the technical standard.

(50,000 Yen for 5 lecturers and their travelling expenses, each lecturer receiving 10,000 Yen; 30,000 Yen for printing 1,000 copies of pamphlets necessary for the lectures, each copy costing 30 Yen.)

(3) 20,000 Yen for requesting specialists or authorities to give lectures at four meetings on a healthy development of coal-mine labour unions.

(Lecture fee on each occasion will be 5,000 Yen.)

T.Y.

(Attached sheet 2)

(4) 21,000 Yen for holding informal conversations.

a) 3,000 Yen as accommodation fee for holding a conversational meeting to be attended by representatives of those who are concerned in the increased production of mine-posts.

b) 9,000 Yen for a lecture-meeting to be held for the improvement of the quality of coal.

(6,000 Yen to a lecturer and 3,000 Yen for lease of the hall.)

3) Publication expenses for one year.....48,000 Yen.

2,000 copies of the 4-page newspaper of monthly edition will be published. Each copy will cost 2 Yen.

4) Expenses for educating the people to promote their interest in coal-mining industry.....25,000 Yen.

5,000 copies of pamphlets giving knowledge about coal-mines will be published. One copy will cost 5 Yen.

Students, women and others will be encouraged to visit coal-mines for inspection and study and also to give consolation and encouragement to mine-workers.)

II. Posters.....120,000 Yen

1) 30,000 Yen for 1,000 copies of posters relating to the increased production of coal, each copy costing 30 Yen.

2) 30,000 Yen for 1,000 copies(30 Yen per copy) concerning the maintenance of safety in coal-mines.

3) 30,000 Yen for 1,000 copies(30 Yen per copy) related with the rationalization of the use of materials, increased production of mine-posts and mechanization ~~of~~ in coal-mines.

4) 30,000 Yen for 1,000 copies(30 Yen per copy) relating to the elevation of the standard of quality of coal.

III. Recreation and encouragement programs.....386,000 Yen

1) physical training.....137,000 Yen.

(1) 60,000 Yen for an Inter Coal-Mine Athletic Sports.

(7,000 Yen for various equipments and accommodations on the ground; 30,000 Yen for prizes; 20,000 Yen as a subsidy for contestants' travelling expenses; 3,000 Yen for miscellaneous expenses.)

(2) 47,000 Yen for a Base-ball tournament.

a) 20,000 Yen for preliminary contests to be held in 4 areas.

( In each area, 5,000 Yen for prizes and accommodations.)

b) 27,000 Yen for the final contest.

( 7,000 Yen for equipments on the ground; 10,000 Yen for prizes; 5,000 Yen to cover part of the travel-

(Attached sheet 3)

5,000 Yen for/  
ling expenses of the players;/remuneration to an umpire.)

(3) 30,000 Yen for a Swimming or Sumo Contest.

(5,000 Yen for equipments on the ground; 5,000 Yen to cover part of the travelling expenses of the contestants; 20,000 Yen for prizes.)

T.Y.

2) "Geino"(Artistic Accomplishments) Culture....249,000 Yen.  
(for the purpose of publicity)

Specification

(1) Dramatic and Musical Concour.....35,000 Yen

(Cost of hiring the service of artists 20,000 Yen; Award prizes 10,000 Yen; Fees for judges 5,000 Yen)

(2) Oratorical Contest.....40,000 Yen

a) Preliminary (elimination) Contest (4 districts) 22,000 Yen.

Cost per district....5,500 Yen

Fees for judges and assembly-hall...1,250 Yen

Contestants subsidy travelling expenses...3,000 Yen

Cost of prizes...10,000 Yen

b) Final Contest.....18,000 Yen

Contestants subsidy travelling expenses...3,000 Yen

Fees for judges and assembly-hall...5,000 Yen

Cost of prizes...10,000 Yen

(3) Ability Contest.....100,000 Yen

a) Coal Selecting Contest.....50,000 Yen

Contestants subsidy travelling expenses...20,000 Yen

Cost of prizes (official commendation of 3 coal-mines)30,000Yen

b) Coal Digging Contest.....50,000 Yen

Contestants subsidy travelling expenses...20,000 Yen

Cost of prizes...30,000 Yen

(4) Itinerant exhibition of lantern-slides show.....74,000 Yen  
(graphs, posters, and photographs exhibition for prevention of disasters)

Fees for assembly-hall at 4 places.....20,000 Yen

Repair and arrangement expenses of itinerant exhibits..22,000Yen

Transportation expenses....32,000 Yen

Cost per exhibition...18,500 Yen

Fee for gallery...5,000 Yen

Itinerant exhibits auxiliary and repair expenses...5,500 Yen

Transportation expenses...8,000 Yen

K.U.

(Attached sheet 4)

IV. Radio Broadcasting Program.....20,000 Yen

Regular telephone expense per month 1,500 Yen;  
" " " per annum 18,000 Yen.

Miscellaneous expenses 2,000 Yen

(Coal-mine information will be reported to the broadcasting stations  
by the Bocho News-paper Co. Ltd.)

K.U.



HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

To: Economics Officer  
 Chugoku MG Region APO 248

8 April 1949

Subject: Coal Production for March and for 1948 Fiscal Year.

1. Due to the last drive for coal production for the 1948 fiscal year, coal production for March 1949 was 3,561,000 tons against the goal of 3,477,200 tons or 102.4% of the goal. This is the highest record since the end of the War. (Production in December 1948 and in February 1949 was 3,187,100 tons and 3,024,100 tons respectively.)
2. However, 36,000,000 tons goal for the 1948 fiscal year (from April 1948 through March 1949) failed to be attained by a margin of 1,223,300 tons. The main causes may be attributable to the following factors.
  - a) The coal mining industry could not adapt themselves to the sudden change of economic policy under the three principles and 9 point ESP.
  - b) Due to the accumulation of financial loss of the coal mining industry, the coal mining operators lost the morale to produce more coal.
  - c) The development of new pits and repair of the mine equipment was badly affected due to the limitation of equipment funds since the 2nd half of 1948.
  - d) The outstanding bills to the materials suppliers hampered the smooth shipment of mine-timbers, explosives and steels, etc.,.
  - e) The piston strikes in November 1948 decreased more than 100,000 tons coal production.
3. The coal production by district is as follows;
  - a) 3rd ten-day production for March 1949

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of goal</u>
Hokkaido	377,800 tons	366,100 tons	96.9
Tohoku	79,700	95,500	119.8
Tobu	30,200	39,400	130.5
Seibu	3,900	3,800	97.4
Yamaguchi	89,400	104,000	116.3
Kyushu	682,200	743,100	108.9
<b>Total:</b>	<b>1,263,200</b>	<b>1,351,900</b>	<b>107.0</b>

(41)

b) Goal production for the month of March 1949.

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of goal</u>
Hokkaido	1,046,000 tons	969,900 tons	92.7
Tohoku	231,200	249,100	107.7
Tobu	86,700	103,200	119.0
Seibu	11,100	9,900	89.2
Yamaguchi	257,900	272,000	105.5
Kyushu	1,844,300	1,956,900	106.1
<b>Total :</b>	<b>3,477,200</b>	<b>3,561,000</b>	<b>102.4</b>

c) Coal Production for the 1948 Fiscal year (April 1948-March 1949)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of goal</u>
Hokkaido	10,320,000 tons	9,267,200 tons	89.8
Tohoku	2,516,400	2,440,200	97.0
Tobu	973,600	929,600	95.5
Seibu	111,500	109,400	98.1
Yamaguchi	2,958,500	2,953,000	99.8
Kyushu	19,120,000	19,077,300	99.8
<b>Total:</b>	<b>36,000,000</b>	<b>34,776,700</b>	<b>96.6</b>

Remarks; The above figures are the preliminary one consolidated by the telegraphic reports from local coal bureaus. Exact figures will be for-warded as soon as available.

775013

(Unit: 1,000 Metric Tons)

COAL PRODUCTION QUOTA BY DISTRICT FOR THE 1949 FISCAL YEAR

1 April 1949

Working Days	District	1st Half									2nd Half								Grand Total	
		1st Quarter				2nd Quarter				Total 1st Half	3rd Quarter				4th Quarter					Total 2nd Half
		April	May	June	Total	July	Aug	Sept	Total		Oct	Nov	Dec	Total	Jan	Feb	Mar	Total		
	District	26	26	26	78	26	26	26	78	156	26	26	26	78	25	24	27	76	154	310
	Hokkaido	952	970	963	2885	1015	930	1002	2947	5832	1135	1116	1273	3524	1134	1120	1304	3564	7088	12,920
Eastern	Tchoku	212	222	215	649	215	200	215	630	1279	242	244	248	734	240	240	255	735	1469	2,478
	Toou	83	88	85	256	90	80	86	256	512	88	90	92	270	86	85	93	264	534	1,046
	Total	295	310	300	905	305	280	301	886	1791	330	334	340	1004	326	325	348	999	2003	3,794
Western	Seiou	10	10	10	30	11	8	10	29	59	11	11	12	34	10	9	12	31	65	124
	Yamaguchi	300	304	300	904	309	282	303	894	1798	314	319	325	958	300	299	325	924	1882	3,680
	Total	310	314	310	934	320	290	313	923	1857	325	330	337	992	310	308	337	955	1947	3,804
	Kyushu	1723	1736	1727	5186	1740	1610	1711	5061	10247	1820	1840	1944	5604	1800	1770	2061	5631	11235	21,482
	Grand Total	3280	3330	3300	9910	3380	3110	3327	9817	19727	3610	3620	3894	11124	3570	3529	4050	11149	22273	42,000

1. The quota for April was decided by the Japanese Government after consultation with Nat. Coal Mine Control Committee on 10 March.  
 2. The quota after May was tentatively set by Jap. Govt. There may be some changes in the quota after May.

HEADQUARTERS  
CHUGOKU MILITARY GOVERNMENT REGION  
HEADQUARTERS AND HEADQUARTERS DETACHMENT  
APO 248

Kure, Honshu

CMGR 319.1 (D-Gu)

28 March 1949

SUBJECT: Study of Coal Production In Chugoku Region

TO : Commanding General  
I Corps  
APO 301  
(Attn: Military Government Section)

Introduction

The study is based on information obtained from interviews held with officials of the Ube Coal Bureau, Ube Coal Distribution Kodan, Hiroshima Commerce and Industry Bureau and representatives of Mine-owners and laborers.

The average production of coal per month ranges between 180,000 to 250,000 metric tons. However the greatest proportion is of a low calorie content. Only 10 percent is above the 5,000 calorie mark. The remainder ranges from 3,000 to 5,000 calories.

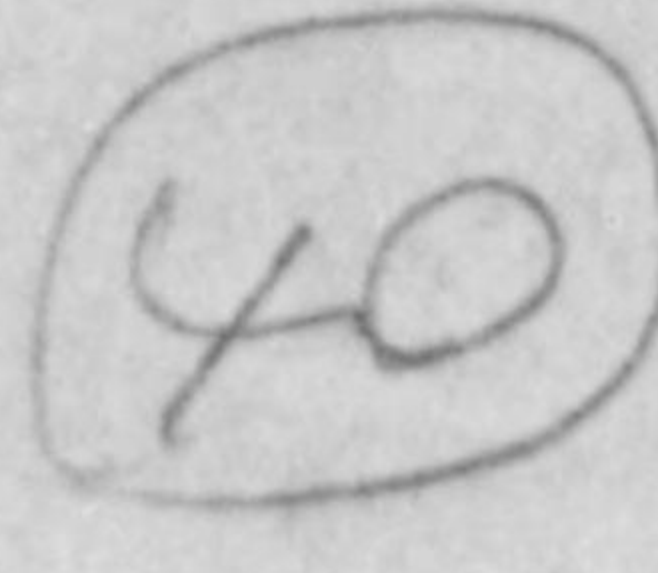
It is the considered opinion of this headquarters that the Coal Distribution Kodan officials are responsible for the increased stock pile of low calorie coal (National figure approximately 600,000 tons).

Far-sighted industrialists in this area (Yamaguchi) set up numerous industrial factories and installed in their plants machinery that could cope with the low-grade and granular type coal produced in this area. These industries include chemical fertilizer, cement and thermal electric power.

Production

In view of the fact that the Central Government intends to withdraw subsidies for low calorie coal in the new fiscal year mine-owners are reluctant to maintain high production figures for this type of coal. In support of this claim the percentages of production against goal dropped as follows:

October '48	109.3	per cent	
November	108.9	" "	
December	107.8	" "	
January '49	90.1	" "	See Coal Production Chart
February	92.6	" "	1948-1949 Enclosed

#  
File 10-043

Mine-owners lay the blame of drop in production to strikes, mine accidents and inefficiency of labor. A survey conducted by a member of this headquarters fails to support this claim.

At the Okinoyama Mine where the mine accident occurred in September '48 their production figures are as follows:-

Month	Quota	Produced	Percentage of Regional Production
September '48	245,000 tons	249,000 tons	24.7
October	234,000 "	256,000 "	19.2
November	239,000 "	259,000 "	18.9
December	249,000 "	268,000 "	17.8
January '49	250,000 "	225,000 "	18.6

These figures clearly show that the disaster which occurred in September had no bearing on the Regional drop in production. In fact this mine reached a higher figure of production in December than at the time of the disaster.

To refute owners claims that strikes are responsible for the January and February drop in production we refer again to December. During this month (December), 34 mines had stopped resulting in 10½ thousand metric tons loss of production; yet in this same month the production reached the highest level for any month of the year 278,448 metric tons.

In January and February only 2 mines had labor troubles namely Okinama and Sakurayama. The loss of production from both these mines only amounts to 5,400 tons of the total December figure of 278,448 tons; an infinitesimal amount compared to the Regional total and certainly is not responsible for the January and February drop.

It is the opinion of this headquarters that the syndicate known as the Ube Kosen K.K. supported by the Ube Coal Bureau have deliberately reduced production in the hope that the National Government will recognize the necessity of continuing their subsidy and enable them to remain indefinitely on the National Government's charity lists.

It is interesting to note that production per capita of all workers in this Region averaged in 1939 14.5 tons; today this figure has dropped to 8.5 tons per month.

#### Coal Distribution

This headquarters had been unable to obtain a satisfactory explanation to justify the importation of approximately 300,000 tons of Kyushu coal imported into this area and used by the Thermal Electric Plants; they are using 50 per cent Kyushu coal and 50 per cent local coal. During February '49 their allocation was 100,000 tons. They received 30,000 tons from Kyushu and 30,000 tons from Ube making a total of only 60,000 tons. A complete 100 per cent of their allocation could have been given by the Coal Kodan from Ube Coal. Mines Transportation cost the Electricity Company approximately 1,000 yen per ton for Kyushu coal.

Comments

It is customary in minefields nowadays for workers above and below surface including administrative workers to receive supplementary rations and incentive goods on an attendance basis irrespective of production. Some mine-owners give a daily quota to miners so low that it can be completed in from 4½ to 5 hours. They are paid full-time but are allowed to go home. The issuing of incentive goods is based on the production of a mine producing 15 per cent of its quota.

Recommendation

1. a. The present system of supplementary rations and incentive goods being issued on attendance be discontinued.

b. Pit-working teams be given monthly quotas: (approximately 30 to 40 men diggers, barrowmen, carpenters, winchmen, etc.); and supplementary rations and incentive goods be made available on a team basis for efficiency rather than attendance.

2. To assure that taxes, wages, electric power, and mining timber bills are paid regularly, the koden set up a block account for each mine so that these bills may be met currently.

3. The small producing mines under 500 tons a month be discontinued as their per capita average is only 3.5 tons per month. These workers so effected to be absorbed in the more economically sound mines.

4. The importation of similar grade coal from Kyushu to Ube region be discontinued.

4 Incls:

1. Coal figures for 1947-1948
2. " " " 1948-1949
3. Coal Production Monthly Totals for 1947-1948/1948-1949
4. Coal Production by 10day periods for 1948-1949

HUBBELL C. SNYDER  
Colonel, FA  
Commanding

10-045

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Section  
 Natural Resources Branch

To: Economics Officer  
 AFO 248 Chugoku MG Region.

26 March 1949.

Subject: Coal Production for 2nd ten-day period, March 1949.

According to the preliminary telegraphic reports received by the coal Board from various local coal bureaus, coal production for 2nd ten-day period of March registered 1,080,700 tons as against the goal of 1,062,000 tons, or 101.8%.

The production by districts is as follows: (unit; ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	328,900	301,400	91.6
Tohoku	71,900	74,500	103.6
Tobu	26,700	32,100	120.2
Sibu	3,400	3,100	91.2
✓ Yamaguchi	✓ 79,200	✓ 80,800	✓ 102.0
Kyushu	551,900	588,800	106.7
<b>Total:</b>	<b>1,062,000</b>	<b>1,080,700</b>	<b>101.8</b>

ECONOMICS  
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 LABOR  
 C.C.

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HEADQUARTERS  
YAMAGUCHI MILITARY GOVERNMENT TEAM  
YAMAGUCHI, HONSHU, JAPAN  
APO 248

ETE/hh

19 March 1949

YMGU 019.33

SUBJECT: Coal Production Study

TO: Commanding Officer, Chugoku Military Government  
Region, APO 248

1. Reference CMGR Memorandum No. 8, dtd. 21 February 1949, subject, "Studies of Military Government Programs."

2. Attached, in compliance with referenced memorandum, is a study of coal production for Yamaguchi Prefecture.

1 Encl:  
as noted

*Eugene J. McNamara*  
EUGENE J. McNAMARA  
Lt. Col., Infantry  
SMGO

(38) (33) (38)

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HEADQUARTERS  
YAMAGUCHI MILITARY GOVERNMENT TEAM  
YAMAGUCHI, HONSHU, JAPAN  
APO 248

ETE/hh

19 March 1949

YMG 019.33

SUBJECT: Coal Production Study

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EUGENE J. McNAMARA  
Lt. Col., Infantry  
SMGO

HEADQUARTERS  
YAMAGUCHI MILITARY GOVERNMENT TEAM  
YAMAGUCHI, HONSHU, JAPAN  
APO 248

ETE/hh

19 March 1949

YMG 019.33

SUBJECT: Coal Production Study

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1 Encl:  
as noted

EUGENE J. McNAMARA  
Lt. Col., Infantry  
SMGO

## COAL PRODUCTION

## Summary

1. Coal mining in Yamaguchi Prefecture is marked by the prevalence of low grade bituminous coal yield and by the preponderant contribution (60%) to the nation's total anthracite output.
2. Because of maldistribution, there is today a paradox of surplus and shortage of Yamaguchi coal, particularly anthracite, existing in many parts of the country.
3. After consistently exceeding its coal production goals in the past two year, Yamaguchi has failed in meeting its monthly production quotas since the advent of 1949.
4. The decline reflects a highly morbid trend of the local coal mining industry, impelled by inefficient management, administrative deficiencies and ineffective coal control laws and regulations.
5. It is the firm conviction of this Team that the present basis of rationing miners' supplementary food, incentive goods and link commodities has defeated its purpose, and what is worse, has stifled rather than encouraged production.
6. As a remedial measure, it is strongly recommended by this Team that the basis of rationing for miners be linked directly to production rather than to attendance.

## Introduction

This study is based on data collected by the MG Coal Team, field observations, reports submitted by Japanese sources and interpretations of opinions expressed by representatives of the Ube Coal Bureau, the Ube Coal Distribution Kodan, the Ken Government, coal operators and labor unions.

It covers a brief historical review of the coal industry in Yamaguchi Prefecture, current situation and problems of production, distribution, management, labor and governmental supervision and lastly comments and recommendations.

### Coal Deposits

The coal fields of Yamaguchi are centered in two major areas, namely, Ube and Omine. The Ube Area is composed of fields located in and around Ube City, Onoda City and Asa-gun, sprawling 17 miles longitudinally and 12 miles latitudinally. The Omine area covers Mine and Toyoura Guns with fields scattered 5 miles longitudinally and 7 miles latitudinally. The former consists of 57 mines with a total estimated reserve of about 483,790,000 tons of bituminous coal. The latter consists of 25 mines with a total estimated reserve of about 333,730,000 tons of anthracite.

An outstanding feature of the Ube area coal fields is the protrusion of the coal seams of the principal producing mines far beyond the shoreline which is the case of the Okinoyama and Higashi Misome mines, two of the largest producers, the working face now lies 9 kilometers (2.3 miles) from shore. Another feature is the conspicuous absence of coal gas and dust in the mines of both areas, precluding thereby any danger of explosion.

### Quality

The heat value of Ube area coal ranges between 3,000 to 4,500 calories, the average approaching 4,100 calories. The coal contains much volatile matter and is hence readily combustible. Its ash content averages about 30%.

Omne area anthracite is rated between 3,300 to 6,500 calories, with an average rated about 4,800 calories. Average ash content is placed at 30%. On account of its brittle and fragile nature, the coal disintegrates into granular masses to the extent of 80% in the process of mining, thereby limiting its utility chiefly to the manufacture of briquettes.

### Production

While the existence of coal fields in Yamaguchi, according to historical documentary evidence, were known as far back as the 15th year of the Genroku Era or back in 1703, the first commercial exploitation of coal deposits in this prefecture was not attempted until the 20th year of the Meiji Era or until 1887. The crudest hand mining method was then employed.

World War I acted as a great stimulus to the real development of coal

development of coal mining in Ube area. With the termination of the war, operators were confronted with over-production and reluctant consumers. Far-sightedness and wise planning had enabled the pioneers of the Ube coal mining industry to set up new industries within their area, designed to consume low grade coal. Thus sprung power plants, soda and chemical plants, fertilizer plants and iron foundaries. They have flourished to this day and still constitute the nucleus of the industrial economy of Yamaguchi Prefecture.

Maximum coal production was attained in 1940 when a record annual output of 4,800,000 tons was attained. Thereafter, production registered a steady decline which reached its lowest ebb in 1945 when output decreased to 1,500,000 tons. In 1946, production showed improvement, registering 1,825,000 tons and in 1947, a further boost was recorded with output reaching 2,487,156 tons which represented 108.7% of the production goal. Up to the advent of 1949, coal output continued to proceed at a rate exceeding the monthly production goals. A total of 2,231,137 tons was attained at the end of the 3rd quarter, December of the 1948 fiscal year which represented 102.7% of the goal for this 9 months period. Since the start of the 4th quarter, production took a downward trend against the monthly production goals. In January, it was 226,427 tons or 90.5% of the goal. February, too, registered a drop with an output of 223,481 tons, representing 92.5% of the month's production goal. March, the last month of the 1948 fiscal year, has made perceptible recovery to date, but still is below the 100% rate of the planned output. The total production as of 15 March 1949 stood at 2,808,606 tons against the total 1948 fiscal year goal of 2,922,770 tons. Barring untoward events, the final goal should be easily attained even at the present rate of production. This would credit Yamaguchi with about 9% of the total national coal output.

All of the foregoing figures include anthracite output which averages about 46,000 tons a month. Though seemingly insignificant, it never-the-less represents about 60% (plus) of the national anthracite output.

Currently there are 61 producing mines (including anthracite) in Yamaguchi Prefecture. Mines of the Ube Kosan K.K., a syndicate which pioneered the industrial development of the Ube area, accounts for about 40% of the entire prefectural coal production. In September 1948, the largest coal producing unit of the Ube Kosan, the OkinoYama coal mine which recorded an output of 37,000 tons in the preceding month, suffered a heavy setback by the collapse of the mine wall under the sea at a point 9 kilometers (5.4 miles) from the shoreline. The mine was immediately inundated with sea water, thereby paralyzing a subst-

antial portion of its mine operation. Repair work progressed smoothly and the mine is now on the verge of full recovery. Despite the loss of some 10,000 tons of monthly output by this disaster, there was no apparent effect on the prefectural monthly production as the following table will show.

<u>Month</u>	<u>Goal</u>	<u>Output</u>	<u>Percent</u>
August	229,000 m/t	232,068 m/t	101.3
September	245,000	249,259	101.6
October	234,000	256,285	109.3
November	239,000	259,131	109.0
December	249,000	268,287	108.2

Per capita production for all workers averaged about 14.5 tons in 1939 and 1940 in the Ube area. Today the figure has decreased about 8.5 tons. Compared with the present national average, it is roughly a ton higher.

#### Distribution

Coal distribution is handled by the Ube Coal Distribution Kodan which has made it a policy of not letting any large stockpile accumulate at the mines. Both rail and water transportation facilities are sufficiently available today.

About one third of the coal produced in this prefecture are transported to consuming areas by rail and two thirds by sea.

About 40% of the total prefectural coal output are distributed to local consumers and the remaining 60% shipped to other prefectures, particularly to the Osaka Kobe and Nagoya districts. In the case of anthracite, shipments are made to as far as Tokyo to briquette manufacturers.

#### Management

Profit and loss accounts submitted by coal operators to the Ube Coal Bureau for the months of August, September, October and November 1948, purportedly calculated on the basis of cost pricing prescribed by the price board, show an appalling, if true, but highly dubious financial straits of management.

Out of 54 mines which reported their profit and loss accounts in August, only 4 mines registered profits which range from ¥115.84 to ¥443.26 per ton produced while the remainder claimed losses ranging from ¥3.45 to as high as ¥2,724.24 per ton. In the latter category were as many as 11 mines which claimed losses of over ¥1,000 per ton produced.

In September, 10 out of 56 mines reported profits ranging from ¥56.75 to ¥643.69 per ton, while the remainder claimed losses ranging from ¥8.18 to ¥2,775.84 per ton, with 10 claiming losses of over ¥1,000 per ton.

In October, the same number of mines as in September reported profits out of 55 mines reporting. They ranged from ¥58.74 to ¥586.00 per ton. The remaining 45 claimed losses ranging from ¥8.09 to as high as ¥4,307.94 per ton, wherein 14 registered losses of over ¥1,000 per ton. Lastly in November, out of 50 mines reporting, 8 recorded profits ranging from ¥23.72 to as high as ¥995.30 per ton. The remaining 42 reported losses ranging from ¥51.56 to an amazing figure of ¥6,157.43 per ton. Those claiming losses of over ¥1,000 numbered eleven.

Citing a specific case, the Momoyama Coal Mine reported per ton deficits of ¥2,724.24, ¥874.10, ¥1,848.49 and ¥1,153 in August, September, October, and November respectively. Records show that it produced 4,070 tons in August, 6,000 tons in September, 5,680 tons in October and 5,590 tons in November. This would consequently constitute a staggering loss of about ¥33,280,000 during the 4 months period.

With the exception of two mines, all the coal mines in this prefecture are abreast in the payment of wages. The two were in arrears in the payment of February wages.

Loans extended to Yamaguchi Coal mines by E.R.B. in the form of operating and installation funds to meet deficits totalled ¥2,018,567,000 as of 1 January 1949.

Coal mine debts (including taxes) overdue since 31 December 1948 totalled ¥781,150,000. Of this amount, ¥138,145,000 represented debts accrued from the purchase of metal materials and ¥108,894,000 from the purchase of mine timbers.

Coal mine tax delinquencies as of 31 January 1949 aggregated ¥189,313,000.

### Labor

Coal mine employees, including clerical workers, totalled 36,015 as of 1 March 1949. Of this total, 12,598 employees or 35% were members of Zensekitan (All-Japan Coal Mine Workers Union), 17,277 or 48% were members of Tanro (Federation of Coal Miners' Union), 4,717 or 14% were members of independent unions and 1,423 or 4% were still unaffiliated with any union.

On 30 November, 1948 there were 30,622 coal mine laborers, of which 26,220 were male and 4,402 female. 59% of these were pit workers and 41% surface workers, clerical workers on the same date were reported to total 4,750.

The average gross wage paid pit workers in February 1949 amounted to ¥11,336, while surface workers received a gross average of ¥8,334 (tax deducted) for the same period. Workers in the Ube area employed as laborers in fertilizer plants, cement factory and iron foundries received a gross income of ¥11,030, ¥10,947 and ¥9,406 respectively for the same period.

Average actual working hours in coal mines are short, as shown in the following table:

Period	ACTUAL WORKING HOURS		
	Miner	Pit Coal Hauler	Surface Worker
April 1948	4hrs 43 min	5 hrs 13 min	6 hrs 18 min
May "	5 " 13 "	5 hrs 12 min	6 hrs 58 min
June "	5 " 12 "	5 " 22 min	6 " 10 "
July "	5 " 15 "	5 " 18 "	6 " 11 "
August "	5 " 20 "	5 " 27 "	6 " 12 "
September "	5 " 32 "	5 " 29 "	6 " 8 "
October "	5 " 28 "	5 " 40 "	6 " 29 "
November "	5 " 24 "	5 " 32 "	4 " 15 "
December "	5 " 27 "	5 " 55 "	6 " 14 "
January 1949	5 " 35 "	5 " 26 "	6 " 29 "
February 1949	5 " 17 "	5 " 03 "	5 " 52 "

### Governmental Supervision

In accordance with Chapter 6 of the Law for Temporary State Control of Coal Mining, the Ube Coal Bureau was established in April 1948 with headquarters in Ube City. Its jurisdictional area in compasses Yamaguchi, Okayama and Shimane in the Chugoku region, Fukui, Kyoto and Wakayama in the Kinki Region and Tokushima and Ehime in Shikoku, which together accounts for 9.5% of the total national coal output within this bureau's jurisdictional area.



The Ube Coal Bureau today has a staff of about 200 technical and clerical workers. Under its wing of direct supervision are three mines designated for control as stipulated in Chapter III of the Law for Temporary State Control of Coal Mining. They are, namely, the Okinoyama Tanko, the Higashi Misome Tanko and the Sanyo Muen Tanko, all owned by the Ube Kosan K.K.

#### Miners Rations

The incentive goods rationing program for farmers has proved, in general highly successful in serving its purpose in spite of the harsh stipulations of the rationing basis when compared with those for coal miners. For example, a farmer receives no incentive goods if he fails to meet his full crop delivery quota by a specified deadline even if his failure was unavoidably caused by drought or flood; whereas in the case of a coal miner, he is entitled to receive large supplementary food rations and incentive goods regardless of whether he meets his production quota or not as long as he reports for work a specified number of days per month.

As it stands today, miners' supplementary and Incentive goods rationing program has stifled rather than encouraged production by instilling complacency among miners with the status quo. It is strongly recommended that rationing allocations for mines and miners be basically linked to the degree of fulfillment of the production quota for supplementary foods and incentive goods. By so doing, it will also serve to eliminate the possibility of crediting allocations to a "Ghost Population".

#### Comments and Recommendations.

##### Mine Management

The only outstanding characteristics of mine management are their appalling inefficiency, apathy, and total dependence on the Government for every form of Assistance. This is coupled with their inability to sit across from labor in negotiations on an equal basis and has saddled them with union contracts in which they have given away nearly all of their prerogatives in personnel administration.

### Coal Control and Coal Board

The Temporary State Coal Mine Control Bill, a most ineffectual piece of legislation, which vitiates its own stated intent has contributed nothing except the burdening of three mines in this area with additional and voluminous reports. In addition, it creates the local coal bureau which is, indidentally, staffed with well trained and experienced personnel plus 200 odd miscellaneous employees, but which makes no visible contribution to improved production and tends to remain complacent with the status quo. If the basic legislation were amended to include measures that gave the Bureau authority to take action that would parallel the intent of Article I, it is believed that marked improvement would be soon evident.

### Anthracite De-Control

The Omine anthracite field, which employs about 6,000 persons and supports a community estimated in excess of 30,000 is entirely dependent upon the manufacture of bricquette-type fuels as its market. The rumor, well founded, that anthracite is under consideration for de-control due to the stockpile (est. 600,000 tons) held by the kodan has caused understandable consternation. It is felt that prior to any action that extensive research should be made to exploit other, preferably industrial, uses for anthracite.

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch

TO: Economics Officer

16 March 1949.

Chugoku MG Region.  
 APO 248

Subject: Coal Production for 1st Ten-day period, *March*  
 According to the preliminary telegraphic reports received by the Coal Board  
 from various local coal bureaus, coal production for 1st ten-day <sup>period</sup> of March  
 registered 1,123,800 tons as against the goal of 1,152,000 tons, or 97.6%.

The production by districts is as follows: (unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	339,300	299,600	88.3
Tohoku	79,600	77,100	96.9
Tobu	29,800	31,700	106.4
Seibu	3,800	3,200	84.2
Yamaguchi	89,300	87,200	97.6
Kyushu	610,200	625,000	102.4
<b>TOTAL:</b>	<b>1,152,000</b>	<b>1,123,800</b>	<b>97.6</b>

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C.G.	

*21 Mar 49*

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HEADQUARTERS  
SHIMANE MILITARY GOVERNMENT TEAM  
APO 248

11 March 1949

SMGT-RCI-463.3

49/E/NR/1

SUBJECT: Study of Coal Production in Shimane Prefecture

TO : Commanding Officer  
Headquarters, Chugoku Military Government Region  
APO 248

## 1. Reference:

Memorandum No.8, Headquarters, Chugoku Military Government Region, APO 248.

2. The most impressive point that strikes the observer when considering coal production in this prefecture is the great contrast that exists in the management of the mines. These are the only two coal mines in the Prefecture and the Hokkoku represents the most efficient and enlightened type of mine management whereas the Sanin shows some of the worst facets of Japanese Management.

3. The Hokkoku started operations in October 1944 under the present owner Mr Shojiro Tanaka, a former business man of Tokyo.

4. Located, as this mine is, in a mountainous area, many land problems have occurred between landowners and mineowner, all of which cases have been submitted to the coal bureau. The bureau sent an official to the mine to make an inspection, and asked Shimane Prefectural Government for assistance in settling the dispute. Due to the mediation of Shimane Prefectural Government, part of the dispute was settled amicably in August, 1947, and the mine proceeded with its development program.

5. As a result of an intensive survey made in 1944 the Japanese Central Government has been subsidising the development of this mine. The development of the mine envisaged the following:

- (a) New pit for largescale underground mining.
- (b) Reopening of previous open-cut involving the removal of a light overburden.
- (c) Construction of dormitories and married quarters for mine employees.

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SMGT-RCI-463.3

11 Mar 49

SUBJECT: Study of Coal Production in Shimane Prefecture

(d) Construction of aerial tramway from the mine to the railroad at Kisuki.

(e) Construction of repair workshops and garage near pithead to overcome the present delay due to necessity for repairs being effected in Kisuki.

6. Present goal of production is 120,000 metric tons per year by 1951.

(a) Item 4 (a) above is already well under way.

(b) Item 4 (b) above is still in planning stage.

(c) Item 4 (c) above is well under way and some 277 houses have already been completed. Total number of houses to be built is 100.

(d) Item 4 (d) above has been completed and is in operation with hopper at rail siding now receiving coal. Hoppers will be enlarged as output of mine increases. Present capacity 150 tons.

7. (e) Item 4 (e) above completed.

7. It was necessary to purchase farmland for future development of mine and after considerable delay suitable arrangements were made either to purchase or rent land.

8. The successful operation of this mine is due enterly to the ability of the owner and he has proven that he has considerable vision first in the selection of the mine site with is large coal reserves underground and second in the treatment of the workers. He has avoided nealy all of the labor troubles that have beset other operators and has put employee welfare on a much higher plane than it enjoys in many other sections of Japan. He is much respected by his miners and has their complete confidence. Officials from SCAP when making inspections has been much impressed with the working of the mine and the owner's ability.

9. In direct contrast with the Hokkoku mine is the Sanin mine. The colorific value of its coal is some what higher than that of the Hokkoku Mine but mining is carried on under such adverse conditions that output is low and operations costly. In the area to be exploited the seams of coal are very thin and the land very wet making operations exteemly difficult. Even though the underground reserves are estimated at 770,000 tons, this coal will continue to prove difficult to extract. By the end of 1949 la 12,000 ton capacity is hoped for.

10. Mine management is just average at this mine and consequently they have had their share of labor troubles. The housing project for miners families is nearly completed with only 10 houses to be built to complete the project.

SMGT-RCI-463.3

11 Mar 49

SUBJECT: Study of Coal Production in Shimane Prefecture

11. There are additional large deposits of coal surrounding the city of Matsue however the value of future development is doubtful as the quality of coal is poor. There is a great lack of money to finance future mine development in this prefecture. A one hundred per cent subsidy by the central government would be necessary but in spite of Japanese great need for coal of any kind it is doubtful whether the expenditure of government funds would be authorized in view of operating difficulties.

*Clayton L. Mausert*CLAYTON L. MAUSERT  
Lt Col, TC  
Commanding

File No. 

M-2-6

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
APO 500AG 463.3( 10 Mar 49 )ESS/EX  
SCAPIN 1984

10 March 1949

MEMORANDUM FOR JAPANESE GOVERNMENT

SUBJECT: Stabilization of the Coal Industry

1. Reference is letter from the Supreme Commander for the Allied Powers to the Prime Minister, 19 December 1948.

2. The coal industry is the foundation of the entire Japanese economic rehabilitation and stabilization effort. In order to establish Japan's self-support and fully to implement reference letter, it is essential that the coal industry be rapidly and effectively improved in efficiency to provide a minimum of 42 million tons of coal for the JFY 1949-50 without increase in the present consumer coal price or subsidies and without resorting to deficit financing.

3. The Japanese Government will therefore take the necessary steps to insure that:

a. All contractual cash wage obligations for time actually worked be paid when due and in full and that such obligations constitute a first claim after taxes on coal company revenues.

b. Fictitious overtime payments will be eliminated immediately. Overtime work and payment therefor will be limited to that actually justified by production requirements. To this end, no overtime work or payment therefor will be permitted to surface or office workers except where emergency conditions require. No overtime payments will be made to underground and supervisory personnel except for work in excess of eight hours in one day or forty-eight hours in a week. Except where special circumstances justify, overtime work will not be scheduled for any day unless the total work schedule of the employee for the week is in excess of forty-eight hours.

c. No further hirings of surface workers, clerical or administrative personnel, except where necessary to open new mines, will be permitted until the overall ratio of underground to surface workers for the entire industry has reached a 60-40 ratio. Transfers from underground to surface employment in case of disability or similar reason shall be made only as replacements.

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A# 463.3 (10 Mar 49)ESS/EX  
STAPIN 1984

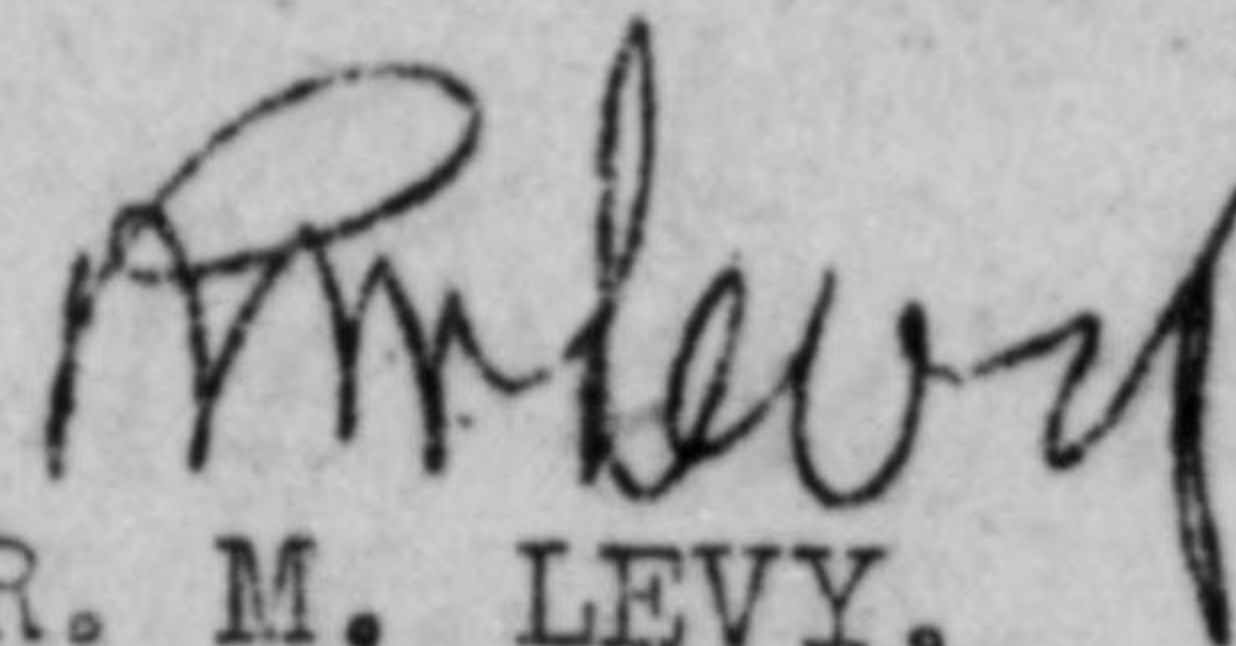
d. Priority, after wages, will be accorded payment for expendable operating supplies and equipment. Mine equipment inventories and purchase programs will be reviewed to insure the elimination of purchases of excessive items.

e. The coal mine companies will rapidly adopt a uniform and accurate accounting system in mines, regional and head offices which shall clearly detail all costs and revenues. In the case of designated mines, this system shall be instituted prior to or on 1 April 1949.

4. If necessary to insure implementation of the foregoing measures, the Japanese Government will direct the Coal Distribution Kodan to pay revenue from coal sales into special blocked bank accounts for payment of taxes, legitimate wages, supplies of operating mine equipment and other supplies. Payment from such blocked accounts will only be made pursuant to regulations approved by the Supreme Commander for the Allied Powers.

5. Monthly reports on action taken to implement this Memorandum will be submitted beginning 1 April 1949. Direct communication between the Economic and Scientific Section and concerned agencies of the Japanese Government is authorized for the implementation of this Memorandum.

FOR THE SUPREME COMMANDER:



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



HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

7 March 1949

1. According to the preliminary telegraphic reports received by the Coal Board from local Coal Bureaus, the coal production for the 3rd ten day period of February is 930,000 tons as against the goal of 900,100 tons or 103.4%.

2. Estimated Production by district is as follows: (unit tons)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	262,000	249,300	95.2
Tohoku	61,100	64,500	105.6
Tobu	25,200	28,000	111.9
Seibu	2,700	3,100	114.8
Yamaguchi	72,800	67,800	93.1
Kyushu	476,300	517,900	108.7
<b>Total</b>	<b>900,100</b>	<b>930,600</b>	<b>103.3</b>

3. The coal production for February 1949 totalled 3,024,100 tons as against the goal of 3,078,400 tons or 98.3%.

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	899,000	819,700	91.2
Tohoku	211,300	207,900	98.4
Tobu	80,700	86,400	107.1
Seibu	9,000	9,500	105.6
Yamaguchi	249,400	223,400	89.6
Kyushu	1,629,000	1,677,200	103.0
<b>Total</b>	<b>3,078,400</b>	<b>3,024,100</b>	<b>98.3</b>

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ECONOMICS	
SEC. C.	<i>[Signature]</i>
N.R.	<i>[Signature]</i>
C.&T.	<i>[Signature]</i>
M.&I.	<i>[Signature]</i>
LABOR	<i>[Signature]</i>
C.C.	

M-2-9 (33)

A-N-T-H-R-A-C-I-T-E

Class	Calorific Value	Lump Coal	Small Size Lump Coal	Dust Coal	Mixed Coal by Lump Coal and dust Coal
1	8,000 cal.	4,965 yen	4,256 yen	3,547 yen	3,370 yen
2	7,500	4,602	3,9 <del>53</del> <sup>44</sup>	3,287	3,123
3	7,000	4,239	3,633	3,028	2,877
4	6,500	3,875	3,322	2,768	2,630
5	6,000	3,512	3,010	2,509	2,384
6	5,500	3,149	2,699	2,249	2,137
7	5,000	2,785	2,387	1,990	1,891
8	4,500	2,422	2,076	1,730	1,644
9	4,000	2,069	1,765	1,471	1,398
Togai 1	3,800	1,913	1,640	1,367	1,299
Togai 2	3,300	1,550	1,329	1,107	1,052
Poor Coal	2,500	308	246	220	209
Poor Coal	2,500 Less	100	100	100	100

B-I-T-U-M-I-N-O-U-S

M-2-9 (32)

Class	Caloric Value (Calorie)	Ash Content (%)	Price of Lump Coal (yen)	Dust Coal (yen)	Smallest Size of Dust Coal (yen)	Mixed Coal by lump and dust (yen)
1	5,700	18.0	3,478	3,023	1,966	2,873
2	5,500	18.0	3,354	2,916	1,896	2,771
3	5,300	19.0	3,168	2,755	1,791	2,617
4	5,100	22.0	2,984	2,594	1,684	2,465
5	4,900	24.5	2,798	2,433	1,581	2,311
6	4,700	27.5	2,614	2,272	1,478	2,159
7	4,500	30.0	2,428 <sup>428</sup>	2,111	1,372	2,005
8	4,200	34.0	2,243	1,950	1,268	1,853
9	3,900	38.0	2,057	1,789	1,163	1,700
10	3,600	42.0	1,873	1,628	1,059	1,547
Togai 1	3,300	46.0	1,687	1,467	954	1,394
Togai 2	3,000	50.0	1,503	1,306	850	1,242
Poor Coal	2,500	50.0	253	220	143	209
Poor Coal	2,500 Less	50.0 More	100	100	100	100

HEADQUARTERS I CORPS  
APO 301 (Kyoto, Honshu)

HIN/ay

AG 463.3 - BA

SUBJECT: Japanese Coal Production  
HQ I Corps Nine Point ESP Study No. 4

TO : Commanding General  
Eighth Army  
APO 343

1. Purpose

The purpose of this study is to determine the factors that handicap Japanese coal production, and to make recommendation to increase the efficiency of the coal mining industry with a view to promoting the Economic Stabilization Program.

2. Scope of Study

This study will discuss ways and means of achieving the 42 million ton coal quota for the fiscal year 1949-50 and in particular the labor, financing, sale price, and coal kodan aspects of the problem as they apply to production.

3. Discussion

a. Labor

(1) Desirability of work.

Coal mining is an industry which requires heavy manual labor, and in Japan, is generally considered an undesirable form of employment. Qualified workers must be strong, and willing to accept the hazards and risks encountered in underground employment. The social status of employees engaged in this industry is not high, which may be partially accounted for by the pre-war and war time practice of utilizing Korean labor in the coal mines. Efforts during the past 3 years to popularize this form of employment have been markedly successful. Undoubtedly, the effort to picture the coal miner as the cornerstone on which industrial recovery is based, has had a degree of appeal. It is more likely that the elevation of the coal miner to a position of labor aristocracy with its accompanying economic rewards, explains the resurgence of interest by labor in the industry.

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Ltr, Hq I Corps, AG 463.3 - BA, subj: "Japanese Coal Production, HQ I Corps  
Nine Point ESP Study No. 4", dtd cent'd.

(2) Wages.

- (a) The wages of coal miners are among the highest of Japanese employees engaged in manual labor. While considerable variation exists between workers, an average for the underground workers is approximately 7800 yen, while surface workers receive an average compensation of 5400 yen. This income is augmented considerably by special considerations which are shown to the coal miners in the form of low cost housing, purchase of goods at special prices at commissaries, and low cost electricity. Workers also receive time and a half pay for overtime. It is likely, when due consideration is given to the above gratuities, that the correct wage for underground workers is closer to 12,000 yen than the maximum figure shown above. (See inclosure 1)
- (b) While wages of mine workers are generally favorable as compared to laborers in other forms of industry, they remain a subject of discontent to the miners. Labor management wage agreements expired on 31 March. Unions are demanding that wages of surface workers be increased from a daily average of 216 yen to 300 yen. A similar demand for pit workers would increase their daily pay from 363 yen to 557 yen. Management has stated that this increase can be granted only if there is a 15% increase in efficiency in coal production as compared to last year. This increase is also necessary if the new 1949-1950 quotas are to be met. Mine operators also counter, that under the rationalization plan, all mines should not be required to pay the same wages. Unless a subsidy is granted, it is felt that wages must vary between mines, as some produce much lower grades of coal than others, and must sell at lower prices. The question is asked, how is it possible for mines to sell their coal at such widely divergent prices as 1,000 yen, 2,200 yen, 3,000 yen and 4,000 yen a ton, and to pay the same basic wage. However, it is believed that labor will take a strong stand to resist "unequal" wages for the same type of work.

(3) Labor Unions - Communist Influence.

- (a) The coal mines in Kyushu employ slightly over 300,000 workers, practically all of whom are organized in unions. The principal unions are as follows:

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1. Zen Sekitan - All Japan Coal Industry Labor Union - communist leanings - 36 unions - 61,428 members - 20.5% of the total.
2. Tanro - Japan Coal Mine Labor Union Federation - moderate socialist leaning - 231,146 members or 77.4% of the total. This comprises 3 sub association of unions.
  - a. Tanren - 93,510 members - 19 unions - 31.2%
  - b. Nikko - 67,462 members - 186 unions - 23.8%
  - c. Neutral - 70,174 members - 127 unions - 23%.

(b) From the above, it can be seen that the Tanro, a socialistic, comparatively conservative union, dominates the coal labor organizations. This federation, through fear of communistic infiltration, is resisting merger attempts proffered by Zen Sekitan. It is believed that less than 1% of all Japanese coal mine workers are professed communists, while another 9% are communist sympathizers. About 20% are strong conservatives and would strongly resist communist infiltration. The remaining 70% while generally dependable, probably could be swung to communism under certain circumstances. Attempts on the part of conservative elements to launch anti-communist movements in the mines (particularly in the 20 most important mines as far back as 1½ year ago) have proven abortive for the following reasons:

1. Lack of funds.
2. Lack of clearly expressed doctrines and beliefs.
3. Too apparent ties with groups in which labor has lost confidence.
4. Lack of skill in public debate and inability to out talk communists in union meetings.

(c) Japanese mine management and public officials feel generally a serious need for some counter force to communism in Japan. At the present time, there is no real source of counter propaganda, and no effective

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answering of communists lies by people with knowledge and ability to contrast the actualities of labor and living conditions in communist dominated countries with those of the democracies. This matter is deemed to be urgent, particularly in light of communist gains made in the recent election, and the tendency on the part of the communists to publicize their program.

- (d) Intercepted communist instructions from Tokyo to the mines calls for the communists to be "quiet" from April to September but to prepare for action during autumn months, i.e. strikes and demonstrations. Other intercepted documents call for organization of "fighting groups", named after elements who intended as a last resort, to defend Japan with swords if the country were invaded during the war. The fighting groups are believed to be closely allied with the Korean league.

(4) Retirement Allowances.

- (a) Mine owners are much concerned about rationalization and retirement allowances. Faced with the fact that prices cannot be increased, and that only limited forms of subsidies will be granted, they are now determined to try and produce coal at a profit at current prices. This, they claim, means rationalization of personnel to a considerable degree. In Kyushu, this involves the actual discharge or voluntary retirement of about 30,000 workers. Workers discharged are demanding, with the support of their union, a 30,000 yen discharge allowance. Those who retire voluntarily are often old and require pensions. Though various publications indicate that it is SCAP's opinion that workers do not have to be discharged, but merely transferred to more useful jobs, management does not believe that this is realistic, and that the mines must weed out the old and indolent if profitable production is to be achieved. An argument against forceful discharge is the fact that 2 to 3 thousand mine workers quit work each month of their own volition and if no additional workers are hired, payrolls would be reduced by 30,000 in about 10 months. However, management answers that about half of these voluntary departures are of aged persons requiring pensions and that with job retrenchment everywhere, there will be fewer and fewer voluntary departures of able bodied men.

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(b) Although the Karatsu mine is not a typical example of this situation, it is an interesting case. The company has been mining coal at 5,000 yen a ton production cost and selling it to the Kodan for 2,650 yen. In order to retrench, it has discharged 270 of its 1,400 workers, and is therefore obligated to the extent of 10 million yen in retirement allowances. It is understood that the Bank of Japan has made inquiry as to the amount of money needed by the mines to finance such rationalization, but that no indication that the loans will be made available has been given. In March, 1500 persons were claimed by the coal mine federation to have been forcibly discharged in Kyushu, due to rationalization. This was in addition to voluntary resignation. Workers over 55 years of age are being selected for such rationalization lists. Mines are very eager to get loans from the Bank of Japan in order to pay discharge bonuses.

(5) Overtime.

- (a) Another problem of labor management relations is the question raised by the recent SCAP directive for correction of the coal industry, with special reference to payment of overtime. The directive forbids payment of fictitious overtime, or payment of any overtime when the work week is under 48 hours. This has been clarified to mean that overtime will be paid only for "work over 8 hours in one day or 48 hours in one week". This has been further clarified to read that mine workers will not be permitted to qualify for overtime in a single day if they are not going to work more than 48 hours during the week concerned.
- (b) The effect of the above regulation is to prevent a laborer who works 10 hours on Monday, Tuesday, and Wednesday, from qualifying for 6 hours overtime, in the event he does not work for the remainder of the week. Management points out that it is very difficult to encourage increased production without allowing workers to work overtime on individual days, and that to refuse them overtime pay because they did not complete 48 hours during the week would be in violation of the Labor Standards Law. On the other hand, there is no way management can assure that the man who works overtime on Monday and Tuesday and Wednesday will not claim



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to be sick on Thursday and Friday, and thus fail to make a 48 hour week. Only if management can refuse to pay overtime for any week in which less than 48 hours are attained, regardless of hours overtime in individual days, can maximum production be encouraged in keeping with the spirit of the SCAP's instruction. However, this solution is a direct violation of the Labor Relations Law. The problem is causing great concern to the mine operators, who do not clearly understand how they are to proceed.

(6) Housing.

- (a) Housing of coal miners has never been adequate to the needs, and even in the pre-war period, the dwellings consisted largely of slum settlements. The situation deteriorated further as a result of the war, as many houses were destroyed and new mines opened without construction of necessary housing facilities. The special consideration given construction of new housing during the past 3 years alleviated this problem to an extent. Housing today is greatly improved but remains inadequate to the needs of the workers. While this industry has received a far larger than proportionate share of new Japanese housing, a need for additional housing continues to exist.
- (b) One of the major appeals which has led to the present rehabilitation of the mining industry is the low cost assessed to miners for their use of company housing. This, in effect, amounts to a subsidy for the mine workers, and has been of great importance in enabling the mines to secure essential labor for operation.

(7) Incentive Goods.

- (a) The liberal issuance of incentive goods to coal miners undoubtedly is a major factor contributing to employment in the industry. Distribution of goods during the past year has been fairly satisfactory, and the goods have been arriving for distribution as required. As in the case of agriculture, the demand is primarily for more durable goods, with a lesser demand for luxury items. Blankets, work clothing, jikatabi and small size Army shoes are in particular demand. The favorable price at which these goods are sold has had strong appeal to the coal miners.

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- (b) Workers in the mine fields, both above and below surface, including administrative workers, receive supplementary rations on an attendance basis, and insufficient weight is given to the factor of production. Though they can be cancelled if production falls too far below quota, issuance of incentive goods should be primarily dependent on the amount of over-quota production. Some mine operators have established daily quotas for miners so low that they can be completed in from  $4\frac{1}{2}$  to 5 hours. The workers then are paid for full time and allowed to go home. This tends to remove the incentive aspect and does not come within the spirit of the purpose of the program. Issuance of incentive goods should be contingent on production and not on attendance.
- (8) Mine Safety.
- (a) Japanese coal mines are comparatively unsafe, and all the safety precautions and practices used in the American mines are not in general use. This element of danger has tended to hamper employment of labor in the industry. Numerous disasters have occurred within the past year, and have further discouraged potential workers from employment in this industry. Recent action in placing responsibility for mine safety regulations in the Safety Section of the Coal Board of the Ministry of Commerce and Industry is a step in the right direction. This action should result in more thorough inspection of coal mines, and serve to prevent future disasters.
- (9) Efficiency of Miners.
- (a) The efficiency of workers in the coal mines is far below American standards and indeed is below standards existing in Japanese mines in the pre-war period. Average production, per worker today averages 6.6 tons of coal per month as compared to a prewar average of 16 - 19 tons. This has been due to a number of reasons prominent among which are the following: better quality veins were exploited during the war, and recovery

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of the more difficult coal is now taking place; poor morale of workers; the skilled labor of the prewar period has been replaced by inexperienced workers; supplies of equipment, machinery and material needed for coal mining are not yet available in desired quantities; labor legislation and unions have prevented former exploitation of labor; the substitution of a 8 hour for a 12 hour day; the loss of from 2 to 3 hours out of the 8 hours spent in the mines in portal to portal travel; finally, the proportion of workers above ground has been excessively high as compared to the number of underground workers and only now is approaching the desired standard of 60% employment in the pits.

- (b) Coal quotas for the mines in Kyushu and West Honshu totalled 22,089,410 metric tons for the 1948-49 fiscal year. Combined production for the two fields totalled 22,078,269 tons which represented completion of 99.95% of the assigned goal. This favorable production rate can be credited in only a small degree to increased efficiency of miners and is primarily due to the assistance tendered the industry in the form of indirect subsidy.
- (c) As before stated, the ratio of pit to surface workers is rapidly approaching the 60 - 40% ratio recommended by SCAP. A report of the 14 Mitsubishi mines in Kyushu for 24 March shows an average ratio of pit to surface workers of 59.5%. An investigation of 278 mines indicated the following:

Underground workers:

Direct workers	118,727	43.8%
Indirect workers	37,640	13.8%
Total	156,367	57.6%

Surface workers	114,962	42.4%
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- (d) Many of the mines, not necessarily the smallest, frequently use highly primitive production procedures when more efficient methods could be adopted with profit. In some mines, no shovels

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appear, but baskets are used to scrape up the coal which is then carried a considerable distance. This is not typical, but likewise is not unknown. Often a preference for such methods results in worthwhile mechanical devices lying unused. The situation is being corrected by the mechanization expert recently sent to Kyushu. Discarded machines and equipment are being repaired and placed in use.

- (e) A most helpful factor accounting for increased coal production are the Japanese coal teams. These teams, supported and encouraged by the American coal team, have proven of unquestioned value and undoubtedly deserve a major degree of credit for the results achieved. Japanese teams have served to guide the mine operators in the desired direction, combat radical influence, and overcome management reluctance to produce for fear of financial loss. The Japanese coal teams have proven so markedly successful in operation that further extension of the number and activities of the teams might well be considered.

b. Financial Status of Coal Industry.

- (1) It is difficult to secure an accurate picture of the true cost of operation of coal mines in Japan. This is primarily due to lack of a clear differentiation between costs which are properly part of capital investments in the mine, and those expenses which are part of current operating cost. Mine operators have received considerable financial assistance from the national government to enable current operation. Much of this money has been applied on improvements of a long range nature which should properly be amortized over a period of many years.
- (2) The greatest problem facing the mine operators is the magnitude of outstanding debts owed to the mine machinery manufacturers, mine timber producers and mine material suppliers. Payment of income taxes withheld from salaries of employees is also a major obligation. As of 31 December 1948, the coal mines in Kyushu had outstanding unpaid accounts in excess of 8,340,685,000 yen. These unpaid accounts have

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continued to mount throughout the first quarter of the present year. Mine machinery suppliers and producers of timber are threatened with bankruptcy. They are unwilling to extend further credits, unless they receive payment of a proportion of the accounts owed them by the mines. This condition has curtailed production, prevented modernization of the mines, stymied purchase of equipment, and slowed the opening of new pits, all of which are needed for increased future production.

- (3) Although it is possible in individual mines to point out economies that could be effected, it is doubtful whether when all these savings have been made, that the mines will have sufficient income to pay their way currently. The question of payment of back debts is of critical importance not only to the coal mines but also for all the other businesses concerned. These companies too face bankruptcy. While it is true, to grant too liberal help too quickly would be to encourage the old inefficiencies, it is equally dangerous to assume that these concerns can "muddle" through somehow. Help should be sufficiently meager and long enough delayed to insure necessary reform, but should not be so meager nor so long delayed as to allow the patient to die. Present indications are that limited subsidies for capital investment and mechanical improvements will be allowed. But it is rapidly becoming apparent that some means must be provided for liquidating the past debts. As conditions now stand, no private person will invest in the mines, and no bank will invest either in the mines or in any industry which serves as supplier of equipment. A very serious situation could result from this situation if a too unyielding attitude is taken toward the mines.
- (4) The abuses in the mines are very numerous and have been many times repeated, but there is evidence that the best mines are earnestly trying to rationalize. Rationalization reforms in the matter of labor have already been discussed. Savings to be effected by streamlining and curtailment of Kodan functions will be discussed later. But management has found it difficult to economize, partly due to inefficiencies

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long imbued in the industry, and partly due to resistance of organized groups, interested only in their own welfare. One of the major expenditures of the mines, of questionable value, are the many associations to which they belong. For example, the Nakashima Coal Mine, a typical but not exaggerated example, belongs to 18 associations, taking 5,532,210 yen per year in membership fees. (See inclosure 2) For some mines, membership in the associations average 35 yen for each ton of coal produced. Again, in numerous mines, unions are too strong and management too weak. To quote an example, the following charges were billed against the Tagawa Mine operated by the Mitsui Mining Company in November 1948, although none of them were required by management labor contracts:

- (a) Free rent to 1700 workers
  - (b) 4,000 tons of coal were sold to workers at 20 yen per ton. The coal cost the mine 3052 yen per ton to produce.
  - (c) The company suffered loss of 50,000 yen in operating a workers' mess.
  - (d) A company operated hospital showed a loss of 3 million yen.
  - (e) The company store showed a loss of 200,000 yen.
  - (f) Rice rationing store showed a loss of 500,000 yen.
  - (g) Trucks and labor furnished the Wood Rodan, on a contract basis, showed a loss of 100,000 yen.
  - (h) Power is sold to workers at 5 sen per kwh. The power cost to the mine ¥1.70 per kwh which represents a loss of 200,000 yen for the month.
- (5) Numerous ways have been suggested whereby the above financial situation could be rectified and operation of the mines placed on a profitable basis. These include: reduction in salaries of employees in coal mines; an increase in the selling price of coal; and loans of money by the Central Government to enable

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the mine operators to pay all outstanding accounts and to continue operation. Each of the suggestions are subject to warranted criticism: a reduction of wages would undoubtedly increase labor difficulty with a resultant lowered coal production. The first need for Japanese economic recovery requires a stabilized economy; an increase in the sale price of coal would be inflationary in nature, and would not contribute to this result; loans of money from the National Government to Japanese mines is likewise undesirable. The government has, during the past three years, made loans of considerable magnitude to the coal mining industry. Payments on these loans by the mines have not been met. Further loans in effect would be a subsidy for an industry which only recently has indicated any great willingness to achieve economies and efficiencies which would make it self-supporting.

c. Sale Price of Coal.

- (1) The price of coal is determined by the Haitan Kodan under a complicated system which gives primary consideration to production costs and quality of the coal which is mined. Coal is generally classified into four main categories: lump, dust, rubble and screen, each of which in turn is divided into 16 different price ranges. There are a total of 603 different categories of coal, each of which is subject to a different price. Average production cost of coal is 2971 yen per ton. Rationalization efforts apparently have already been effective, as this represents a reduction of loss from the former figure of 500 yen per ton to a present figure of 318 yen per ton. The sale price of best quality coal at mine site is 4,277 yen, and varies down to 857 yen for coal of the poorest quality. While generally mine operators are insistent that the sale price of coal is not sufficient to cover cost of production, it is nevertheless true that many mines are able to show a profit at present prices.
- (2) In order to accurately determine the true cost of production of coal, a study must be made of all factors pertaining to each individual mine. Separation

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of such factors as capital investment from current operating expenses are not readily made. In addition, many concessions have been made to labor such as free housing, community mess halls, low cost electricity, and sale of coal at prices far below production costs. These factors, while pleasing to labor, result in inability of the mines to profitably operate at present fixed ceiling prices. The cost of production in the Kyushu field has shown a slight decrease since the end of December 1948, due to more efficient washing plants raising the calory content of the coal. Production costs vary widely between mines, and whether an increased sale price is warranted depends on the situation and fixed costs prevailing at each individual mine.

- (3) Reports that production of low calory coal will no longer be subsidized has resulted in reduced production of coal of this nature. It is suspected that operators in the West Honshu fields have deliberately retarded production in order to reduce the stockpile of sub grade coal. While low calory coal is not able to compete with coal of better quality, there is a definite need in the Japanese economy for as large a quantity of coal of this type as can be produced. Special equipment can be installed in existing plants, and industries that are developed in the future can be supplied with equipment that can efficiently utilize low calory coal. While operators of mines producing low calory coal are anxious to retain a government subsidy for production, it is believed that the decontrol of low calory coal is inevitable and that the price of this commodity should be permitted to seek its own level.

d. Coal Kodan.

(1) Organization

- (a) Control over the sale of coal was first introduced into Japan in 1933, when the Showa Sekitan Kabushiki Kaisha, a voluntary organization of mine owners, was established to coordinate the sale of all coal. By 1937, the requirements of the war effort made it desirable that further and more



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stringent controls over the coal industry be established. This resulted in the formation of the Nihon Sekitan Kabushiki Kaisha (Japan Coal Company) in 1940, and represented the first phase of state control. This company engaged in purchase and sale of coal, and established fixed, uniform prices throughout the country. It did not engage in actual distribution. The main effect of this plan, known as the resale system, was to equalize prices throughout the land, and variations between regions were minimized.

- (b) In 1943, the Japan Coal Company enlarged its scope of activity, took over the actual distribution of coal, and abolished the resale system. Following the occupation, the Japan Coal Company was looked upon with disfavor as a former control association, and was subsequently replaced by the Haitan Kodan. The Kodan has been subject to severe criticism from Japanese mine operators who are desirous of abolishing the present plan. This criticism is largely based on the desire to be free from government control of prices and distribution, and to have access to the large profits which result from free enterprise.

(2) Duties.

The Coal Kodan is the designated agency for the purchase of all coal from the mines and for the sale of coal to consumers, and for distribution, shipment and delivery. Distribution is made in accordance with the allocation plans of the Central Government. This includes transportation, loading and unloading, classification and inspection of coal, entering into contracts with consumers and producers, and making and receiving necessary payments. Since the payment for coal purchased is made by the Kodan to the mines considerably in advance of the time when the coal is sold, the Kodan engages in huge financial transactions, which involves considerable borrowing. The Coal Kodan is also responsible for checking correct weight in shipments, and has watchers at each mine site to determine the amount produced, and

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that the coal is properly classified for purpose of sale. As there are approximately 603 different types of coal categories, this involves a large portion of the work performed by the Coal Kodan.

(3) Opposition to Kodan by Coal Mine Management.

(a) Opposition to the Kodan by coal mine management is based principally on the desire of producers to return to the resale system which was abolished in December of 1943. This system greatly strengthened the control of the mines over the marketing of their product. The campaign for return to the resale system became strong last year when the production goal was set at 36 million tons, and has become increasingly powerful as the financial position of the coal mines has grown progressively worse. The campaign is mainly inspired by the large producers, with the smaller mines displaying only mild interest. In June 1943, the organized campaign by producers became more vocal and the "Coal Distribution System Improvement Expediting Committee" was established, with the Japan Coal Association as its headquarters. A vigorous campaign has been launched to win the support of the Japanese government and the occupation forces. The resale system would not abolish the Kodan nor prevent it from checking the amount of coal produced at the mines, but would permit management to arrange sales of coal in accordance with government allocations and to effect delivery. Under this system, the Kodan would buy the coal from the mines and then immediately return it to the producers who would then distribute it. In the resale method, producers see a chance toward a free market for coal, which they strongly desire. Producers maintain that by eliminating Kodan charges, they could make a profit instead of a loss on their coal. The arguments against the Kodan may be summarized as follows:

1. Direct consumer contact by the mines would enable the consumers to get exactly the type of coal they wish.

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2. Kodan has been guilty of shortages of delivery.
3. Kodan is guilty of excessive stockpile expenses.
4. Kodan maintains excessive personnel, is too bureaucratic and its staff would be equally efficient if reduced by one half.
5. Under the resale system, there will be all the present categories of coal, which will then be further identified by the mine from which they come. This will increase categories to over 3,000 different kinds, but will permit more exact description of coal.
6. The Kodan is in need of streamlining in regard to its organization.
7. A sufficient differential does not exist between selling price of high quality and low quality coal.
8. The organization and function of the Kodan and the Coal Distribution Bureau (one of its own branches) are largely duplicated and their offices should be combined.
9. Distribution of coal to small scale consumers should be handled by agencies other than the Kodan.
10. The Kodan does not exercise proper care or supervision in classifying various grades of coal.
11. Profits that accrue through changes in price of coal should be credited on account to the mines where the coal originates.
12. The Kodan has not adopted all possible economies. Obtaining of lower rates for water borne transportation for movement of coal is cited as a possible economy.

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(b) The Kodan in reply claims that it is performing a necessary function, and that if mines take over the distribution function, they will make private agreements that will interfere with equitable allocation and distribution. The function which the Kodan now performs will remain and individual mines will have to hire additional employees to perform this work. The answers of the Kodan to the above criticisms can be summarized as follows:

1. The Kodan has well equipped assaying offices, and is keeping strict watch over the categories and quality of coal.
2. The Kodan maintains agents at all mines to insure accurate weight of shipment. complaints are investigated and if necessary, adjustments are made.
3. The Kodan is doing its best to economize on costs, and merely changing the sales system will not cut cost.
4. Stockyard expenses are greater according to the number of categories of coal which have to be separately stockpiled. The resale system would vastly increase the number of categories and therefore would increase, and not cut costs.
5. The Kodan states that personnel employed is much smaller in number than when Japan Coal Company operated under the resale system. Kodan salaries are the same as for government officials. Any profits made on coal go to the government, not to the Kodan.
6. Under the resale system, the Kodan will pay producers for coal as soon as it is received. The mines will not be obligated to promptly pay the Kodan for the coal when it is repurchased. The producers will therefore not show too much interest in collecting from the consumers and the credit functions of the Kodan will increase.

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(c) Attitude of disinterested organizations.

1. Consumers when questioned, take various sides on the controversy between the Kodan and producers, largely depending on how they are personally affected. Investigation of conflicting claims of Kodan and producers by disinterested agencies such as the E.S.S., E.I.B., Regional Commerce and Industry Office, and Coal Bureau leads to the conclusion that most of the arguments of producers against the Kodan are specious, in that sale by description advocated by mine owners will be far more cumbersome, due to the larger number of categories of coal which will have to be dealt with (see inclosure 3). The Kodan is not given a clean bill of health and its gradual elimination is advocated when coal production becomes equal to demand. It is also believed that those categories of coal which are least desirable (dust and low grade coal) can now be safely removed from control system and sold directly to the public.

(d) Supplementary Organizations.

1. It should be noted that the Kodan carries out all of the above functions in only a portion of the mines. In Kyushu, this represents the 40 largest mines. It is assisted in the case of smaller mines by two supplementary but independent organizations, the West Kyushu and North Honshu Coal Companies. These agencies help keep records and make reports for the small mines, and also act as liaison between the mines and the Kodan. By delegation from the Kodan, these companies carry out the loading and transportation of coal for the small mines. They also advance payments for coal on a 10 day basis, at interest rates that amount to about 9% a year. The Kodan

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pays 80% of the price of purchased coal at the end of a 10 day period and the remaining 20% about 20 days later. The supplementary organizations advance payments on this 20% after 5 days and it is upon this amount that they obtain interest. These organizations are formed because of the inability of the Haitan Kodan to have agents at each of the several hundred individual mines scattered throughout the country.

(4) Conclusions.

- (a) Rehabilitation of the coal industry based on indirect subsidies has resulted in increased production since the end of the war.
- (b) The current recovery of the Japanese coal industry does not rest on a sound economic basis.
- (c) True production costs are difficult to determine. Numerous mines operate at a profit, while other mines under similar circumstances, operate at a loss.
- (d) Labor is comparatively well treated, and labor conditions are no longer a justifiable reason for reduced production.
- (e) Productivity of labor varies between mines, and payment of equal wages results in unprofitable operation of the poorer mines.
- (f) Radical elements have attempted, to date, unsuccessfully, to dominate the labor element.
- (g) Rationalization involves the discharge of thousands of laborers and the payment of vast discharge allowances.
- (h) Payment of overtime to laborers results in conflict with the Labor Relations Law.
- (i) Gratuities extended to labor, in the form of food, incentive goods, and low cost housing have assisted maintenance of amicable labor relations.

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- (j) The efficiency of Japanese labor is not up to desired standard, and is capable of further improvement.
- (k) The desire for control and profit and not public welfare has been a major factor motivating the mine owners.
- (l) The coal industry has in the past preferred to operate on public subsidy and has only recently made a serious effort to rationalize.
- (m) There is not sufficient spread between the sale prices of coal of different quality.
- (n) The Haitan Kodan performs a necessary distribution function. However, the Kodan is in need of reorganization and has assumed activities which it should not properly perform.
- (o) Elimination of a large number of association to which the coal mines belong would have no appreciable effect on production.
- (p) The campaign for elimination of the Kodan is motivated primarily by the desire of the mine owners for control over delivery of coal.
- (q) Existing indebtedness of the coal mines cannot be met at current sale prices of coal, regardless of the degree of rationalization achieved by the mines.
- (r) The Japanese coal teams have proven of great value and have performed their work in a competent manner.
- (s) The numerous associations to which the coal mines belong are a source of needless expense and perform no useful function.

Ltr, Hq I Corps, AG 463.3 - BA, subj: "Japanese Coal Production, MG I Corps  
Nine Point ESP Study No. 4", dtd cont'd.

(5) Recommendations.

- (a) That the Haitan Kodan be retained until coal production exceeds 42 million tons.
- (b) That the mines be classified into category A, B and C based on efficiency and volume of coal production, and that no subsidy be permitted to less efficient mines.
- (c) Sale of low calory coal should be removed from control.
- (d) A thorough investigation should be made of the associations to which the coal mines belong with the view of elimination of those that are not performing an essential function.
- (e) That the no price increase policy be continued, until the effects of the present rationalization policies can be determined.
- (f) As a temporary and essential expedient that government loans be extended to mines and credited to their accounts in banks for the specific and limited purpose of paying a portion of their outstanding debts to supporting industries which are about to go bankrupt. These debts should not be allowed to interfere with production.
- (g) That the financial status of mines be carefully studied and definite provisions made for liquidating outstanding indebtedness to supporting industries.
- (h) That conflicts with respect to overtime between the Labor Relations Law and the recent SCAP directive urging increased coal production, be clarified. Payment of overtime on daily basis regardless of number of hours worked per week is recommended.
- (i) Issuance of incentive goods and extra rations should be tied to individual or group production rather than to mine production.
- (j) That an effective, vigorous Japanese agency be organized to combat propaganda of radical elements.



Ltr, Hq I Corps, AG 463.3 - BA, subj: "Japanese Coal Production, MG I Corps  
Mine Point ESP Study No. 4", dtd cont'd.

- (k) Welfare and special benefits to miners should either be suspended or made a part of the labor contract, and considered in adjusting salary.
  - (l) Unions should be prevented from illegitimately acquiring funds through handling of extra rations, incentive goods, operation of company theaters and similar enterprises.
  - (m) Small scale mechanization of mines should be encouraged. Primitive methods of handling coal should be eliminated. Mines should repair and use all mechanical equipment which has been discarded only because of preference for hand methods.
  - (n) A practical training program for inexperienced mine workers is essential and should be adopted.
  - (o) Coal Mine accounts should clearly differentiate between current production cost and long range capital improvement.
  - (p) The Coal Board should study the selling price of coal for mines which it is essential remain in operation, and if necessary grant subsidies to enable payment of standard wages.
- (6) This headquarters is putting as many of the above recommendations into effect as is possible under current directives.

FOR THE COMMANDING GENERAL:

3 Incls:  
As indicated.

MINERS' AVERAGE MONTHLY INCOME (JAN. 1949)IN KYUSHU ISLAND

	<u>BASIC INCOME</u>	<u>COLLECTIVE EFFICIENCY PAY</u>	<u>OVERTIME INCOME</u>	<u>TOTAL INCOME</u>
Under Surface Worker	6,993.07	69.04	1,498.00	8,560.52
Surface Worker	3,767.61	50.28	1,189.40	5,007.29
Average	5,665.18	61.32	1,371.20	7,097.71

Incl. 1

## Coal Associations of which the Nakashima Coal Mine Company is a Member, (1948) and Membership Dues Paid by the Company

<u>NAME</u>	<u>MEMBERSHIP DUES PER TON OF COAL</u>	<u>TOTAL</u>	<u>REMARKS</u>
Kyushu Coal Mining Federation	: 1.50 per ton	: 366,730.50	: Per tons for production (2 months)
Japan Coal Mining Federation	: 1.14 per ton	: 278,715.18	:
Kyushu Coal Mining Association	: 10.75 per ton	: 2,520,025.75	: Per ton for shipping (2 months)
Kyushu Coal Mining Technical Federation:	0.10 per ton	: 24,448.70	: Per ton for production
Kyushu Coal Talking Committee	: 1.50 per ton	: 366,730.50	: Per ton for production
Kyushu Coal Reconstruction Meeting	: 1.00 per ton	: 234,421.00	: Per ton for shipping
West Kyushu Coal Talking Committee	: 1.00 per ton	: 244,487.00	: Per ton for production
Japan Coal Association:	2.50 per ton	: 611,217.50	: Per ton for production
Nagasaki Coal Mining Committee	: 1.10 per ton : 5,000.00 per month:	: 360,000.00	: Per member per month
Kyushu Coal Technical Federation, Hokusho Branch	: 0.07 per ton	: 17,114.09	: Per ton for production
Nagasaki Accident Comm:	Expense is allocated according to reconstruction work	: 285,500.00	: Actual results of 1948
Commerce and Industry Ass. Kyushu Br.	: 3000 yen per yr.:	: 12,000.00	: Supporting expense 4 times
Kyushu Econ. Investigation Committee	: 150 yen per mo. :	: 1,800.00	:
Electric Ass., Kyushu Branch	: 700 yen per mo. :	: 8,400.00	: Ordinary expense 100 Special expense 600
Kyushu Mining Technical Committee	: 3000 yen per mo. :	: 36,000.00	:

(continued)

- 2 -

<u>NAME</u>	<u>MEMBERSHIP DUES FOR TON OF COAL</u>	<u>TOTAL</u>	<u>REMARKS</u>
Coal Development Saga: Branch	:	:	
Nagasaki Coal Mining : 1.00 per person :	100,509.00	:	Actual results of 1948
Purchasing Federation: per month			
Nagasaki Coal Mining Dwelling Expediting Committee :	:	64,111.00	Actual results of 1948
Total		5,532,210.22	

T. Shibata,  
Director of Fukuoka Regional  
Economic Investigation Board.

D. Saito  
Director of Fukuoka Regional  
Commerce and Industry Bureau.

Y. Urabe  
Director of Fukuoka Coal Bureau.

INCLOSURE XII.

March 4, 1949.

Combined opinion of Director of the Fukuoka Regional Economic Investigation Board, Director of Fukuoka Regional Commerce and Industry Bureau and Director of Fukuoka Coal Bureau on coal distribution system.

The increased in coal production manifested since last year has gradually improved the relation of coal supply and demand which was extremely serious in past years.

It is our belief, however, that the present situation especially in the time of shortage of good quality coal does not permit a major change in the present coal distribution system.

Judging from the activities of the Coal Distribution Kodan since its establishment in June in 1947 in view of actual result during over one year in the past and also from the present situation of demand and supply of coal, we suggest that an appropriate measure be taken immediately along the line separately given for improvement of the activities of the Kodan.

The present coal distribution system should be changed only when the coal production plan of 42 million tons for 1949 coal year got a chance of actual result and it can be expected to continue about the planning quantity and quality was guaranteed to be accomplished.

When the time comes, the change should be made along the line to help coal mines able to stand on their own feet in accordance with the principle laid in the nine-point economic stabilization program. Consideration will also be given so that coal mines are enabled to engage in distribution of coal under state control, with a view to insuring the consumers to supply them with right type of coal they need.

Recommendation for improvement of present form of coal distribution in connection, directly or indirectly with the activities of the Coal Distribution Kodan.

It is recommended that steps be taken immediately on the following points with a view to improve the present form of coal distribution:

- (1) Rationalization of Coal Distribution Kodan set-up:
  - a) There are two separate organizations almost independently in Kyushu regional set-up of the Coal Distribution Kodan, viz. Kyushu Branch and

and Coal Distribution Bureau. These two Bureaus have their own branch offices throughout the island. The consumers, therefore, are obliged to get in touch with both Bureaus to present their cases. It is strongly recommended, therefore, that two Bureaus be consolidated at an earliest possible opportunity with a view to insure a smooth and expeditious purchase, shipment and distribution. The consolidation will have a very good effect upon the efficiency of administrative functions, thus economizing expenses and expediting a smooth coal distribution.

b) The distribution of coal to small sized consumers should be handled by designated selling agencies other than Coal Kodan.

(2) Positive steps for the economization of the expenses of the Kodan:

It is generally believed that there is room for Kodan to economize business and administrative expenses. To give as an example, in the case of transportation fare of motor boats, economization on various items of expenditure can be expected only if the Kodan earnestly exert its efforts along the line.

(3) Classification of the standard coal should be made more carefully:

It is often blamed that the quality of the coal delivered to the consumers by the Kodan was inferior than the quality guaranteed by the Kodan. It is believed that the poor assay, poor technics for assaying are the main cause for the trouble. From this view point, it is suggested that the assaying experiment be undertaken by the government agency instead of Kodan.

(4) Strict enforcement of delivery of coal without loss in weight:

The amount of coal delivered to the consumers by the Kodan often shows shortage in weight compared with the amount given in the invoice. It is necessary, therefore, that an adequate measure be taken to insure the delivery in positive quantity.

(5) Take appropriate steps to improve efficiency of the Resident inspectors at the mines:

It is absolutely necessary to study the ways and means to improve the efficiency of the Resident inspectors at the mines.

(6) Purchase of hardcoal, natural coke and finedust should be placed outside of the control of Kodan:

The demand and supply situation of regular coal has remarkably improved lately. As finedust can be easily classified from regular coal by appearance, there is no danger, therefore, that regular coal of good quality, taking advantage of the situation, can be sold in the black market. We believe it proper that hardcoal, natural coke and dust coal be sold to the consumers directly from the coal mines according to the allocation made by the government.

- (7) Consumer's Price should differ according to the location of consumers:

According to the present system, basic buying price of the consumers is the same throughout the country irrespective of the distance of transportation from the coal mines to the destination of the coal. This is a great disadvantage to the consumers living close to the coal mines. It is suggested that Kyushu be divided into two districts such as northern district and southern district and make the selling price of coal to the consumers in the district situated close to the mines lower than that of another district.

- (8) Make the difference in price of higher graded coal and lower graded coal bigger:

At present, same rate of miscellaneous expenses and transportation charges are added to the basic prices irrespective of the quality of coal, with the result of comparatively high prices on the lower grade coal. To remedy the situation, it is suggested that the merit system be adopted and a bigger difference of selling prices to consumers of higher graded coal and lower graded coal be established.

- (9) The profit of the Kodan should be utilized so as to encourage the increased production of coal and expeditious delivery:

(10) For the purpose of bringing about the items 2, 3, 4, and 5 into realization, it is suggested that strict surveillance be carried out by the appropriate branch of the Kodan and the government agencies.



Coal Production

By MR. OWADA.

1. Coal production goal of Chugoku Region for 1949 fiscal year.

The coal production goal of whole country for 1949 is 42 million tons and the goal for Chugoku Region was decided at the amount of 3,804,000 ton. It is approximately 128% of the previous goal for 1948, the amount of which was 2,960,000 ton.

The production policy for this year has been stressed on the higher grade coal with the result that less importance will be placed on anthracite production. Suppose this year's regional production quota be met with the higher-grade coal only, discounting the production of both the lower-grade coal and anthracite, it may well be said that the production quota has been increased as much as 138%, as compared with the previous year's quota. This percentage is very high as compared with those of Kyushu and Joban Areas' which are 116% of 1948 fiscal year. In addition to this, in such an area as Chugoku Region where the number of lower-grade coal mines is very many, the supply of funds and materials by allocation will be comparatively few, thus making the attainment of production goal in Chugoku Region quite difficult.

2. Coal policy of central Government for 1949 fiscal year and its application to Chugoku Region.a. Concentration of production efforts.

As from the national point of view the policy to stress on the cultivation or utilization of "qualified mines" will mean, in the long run, the enhancement of efficiencies of mining with the expectant result of increase in product-

ion. According to the official classification of Coal Board, "Qualified Mines" have to have at least such conditions as the average calorie of coal produced must be more than 4500 and ~~daily~~<sup>monthly</sup> out-put of coal per head is more than 6,14 ton. (Approximately 66% of all coal mines in the whole country will be classified in this category.) In Chugoku Region, however, only 20% of coal mines will be placed in this category and accordingly if the production efforts are concentrated to this "qualified mines" only, and both funds and materials needed are supplied primarily to them, some of the remaining 80% of "non qualified mines" in this region will be forced to cut down the scope of their business or even to give up their running, thus causing the decrease of total production of coal in this area.

b. The "merit system" on the coal price.

This newly-adopted system is closely connected with the concentration policy for the "qualified mine" mentioned above. By this new system on the coal price, unreasonableness on the coal price as seen up to date will be eliminated to some extent and those coal mines of higher efficiency and higher grade coal will be favourably handled, expediting the rationalization of the entire coal industry in great deal, even though the total production of coal in this region will be adversely affected by this price system because of the lower price for the lower-grade coal.

c. Improvement of efficiency.

The rationalization of coal mining industry by the improvement on production was strongly indicated by the SCAP Memorandum issued on 10th March 1949. <sup>SCAPIN 1984 (36)</sup> The policies as mentioned in above a. and b. are considered to have the same objects and as to the rationalization of coal industry, not only management and labour side of coal mine, but also the governmental agencies concerned have much to do. Especially in such area as Chugoku Region where exist many middle or small scale coal mines, there are many adequate measures have to be taken concurrently with the elimination of the feudalistic character of these mines. (See paragraph 3, "measure to attain the production goal").

3. The measures to attain the production goal in Chugoku Region.

As mentioned before, the coal production goal of Chugoku Region for 1949 fiscal year is 3,804,000 tons and the percentage as compared with the goal of 1948 is higher than those of Kyushu and Joban by more than 20%. Furthermore the definite policy of central government to increase the total out-put of coal in the whole country explained in Paragraph (1) and (2) is feared to affect unfavourably to the total out-put in Chugoku Region, making the attainment of the production goal in the Region quite difficult. Therefore, every efforts should be made for the improvement of production efficiency of coal mines in this region for the attainment of the goal on the following program.

a. Labour policy.

In Chugoku Region the monthly out-put of coal both in

January and February this year were decreased astonishingly as compared with those at the last part of 1948. For this decrease, labor-strike and lowering-down of production will on the part of laborours are generally regarded as responsible. The strike, however, should not be blamed one-sidedly when it is utilized as a proper exercise of the right of dispute. On the other hand, taking the national request for coal into consideration, the present labour disputes mediation system by which the local coal bureau cannot take the direct measures over them, should be rearranged to the effect that the local coal bureau as well as the present mediation members are permitted to this mediation organization.

As a measure for enhancement of the production will on the part of labourers the strict observance of working hours and other working dicipline is requested on the one hand, and wages should be paid on the basis of the production efficiency on the other hand. Furthernure, in case the above mentioned improvement measure is successfully carried on, the adoption of the so-called "Industrial Copartnership System" between management and labor is highly recommended for the greater coal production.

b. Improvement of accounting system.

In such areas as Chugoku Region where exist large number of middle or small scale coal mines, we can find many cases, in which the accounting business is handled by the feudalistic organization such as family members, causing the unclearness on the financial side of the enterprises concerned.

For example, the payments for wage and purchased materials are still outstanding; this must be settled first of all for the better accounting.

It is most desirable that the account system of all such mines be modernized or rationalized, and, through the application of the Law on National Control of Coal Mine, national supervision system over coal mine account be strengthened so that the supplied funds for mines may be used adequately and "indirect expenditure" may be cut down.

c. Improvement of coal-mining technic and mechanization of coal mining.

Even though the improvement of coal-mining technic will directly effect the higher efficiency of mining itself, the increase of efficiency by man power is limited to some extent, thus making the mechanization of mining the most vital factor for the higher efficiency. When we talk about the utilization of machineries, we must take such fact into consideration as uniform machines can not well be used unlimitedly owing to the differences of the circumstances existed in the scale of mines, quality of coal and coal seams, etc, and furthermore the technical training of laborer is also required. So, it is generally considered that the urgent measures to be taken at present is to use the existing machines in the most efficiency way. At present time when both the funds and materials are deficient, the introduction by purchase of new machines is very difficult and at the same time, if introduced, these machines should

be such ones as suitable for the actual condition of mines. Even by full utilization of existent machines, Coal production is expected to be increased without any change of the present actual working hours of labourers. As one of the mechanization measures of mining, the adjustment of transportation system of mine products (In adjusting, importance must be placed on repair of gallery and repairing and increase in number of cart for coal and coal miners) seems to be needed and by this adjustment the actual working hours of coal-miners will be increased.

As to the improvement of coal-mining technic and mechanization of mining, both governmental agencies and coal mine enterprizers as well as laborours themselves seem to have willingness to get them mechanized; as an expression of this willingness among the Japanese concerned, it is hoped for that a Japanese Study Group be privileged to go to the United States to study over the mechanized coal-mining industry in that country.

d. Problem on lower grade coal and anthracite coal.

The adoption of the above-mentioned "Qualified Mine" Policy is feared to have a bad influence on the production in Chugoku Region.

Therefore, as for Chugoku Region where the out-put of anthracite is more than 60% of whole country, adequate counter measure should be carefully studied in advance, because that, if the present situation continues, the supply of funds for accomodation, exploitation of mine, etc, and subsidies for price adjustment is expected to be stopped

to these non-qualified mines, causing the cut-down of their business more or less. To overcome such regrettable situations, the exploitation of the market for such lower-grade coal is considered as most necessary. For the purpose of this market exploitation, firstly the publicity must be fully given for the availability of lower-grade coal and anthracite and secondly the price of such coal should be adequately lowered.

4. Conclusion.

- a. In Chugoku Region as explained in preceding paragraph it seems to be very difficult to attain the production goal for 1949 fiscal year. However, immediate and strict adoption of such measures as rationalization including mechanization of coal mining industry and adequate labour policy, etc, as mentioned above will be the first step to attain the goal.
- b. It is highly recommendable that U.S.A. Coal Inspection Unit as dispatched to Hokkaido and Kyushu areas will also be dispatched to Chugoku Region, especially to Ube area, for the purpose of having all Japanese concerned to concert their utmost efforts to the fullest production of coal upon which the destiny of Japan's economic rehabilitation program depends.

ECONOMICS	
E.C.C.	
N.R.	
C&T.	
M&I.	
LABOR	
C.C.	

HEADQUARTERS EIGHTH ARMY  
Military Government Section  
Economics Division  
Natural Resources Branch  
APO 343

TO: Economics Officer  
Chugoku MG Region  
APO 317

24 February 1949

Coal Production for 2nd Ten-day period, February

1. According to the preliminary telegraphic reports received by the Central Coal Board from local Coal Bureaus, the coal production for 2nd ten-day period of February was 1,031,600 tons against the goal of 1,035,400 tons or 99.6%. The production for the corresponding period of January was 1,072,400 tons against the goal of 1,144,650 tons or 93.7%.

Production by districts is as follows: (Unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	311,000	288,300	92.7
Tohoku	70,200	69,900	99.8
Tobu	26,500	29,000	109.5
Seibu	3,300	3,700	112.0
Yamaguchi	80,400	74,700	93.0
Kyushu	544,000	566,000	104.0
<b>Total</b>	<b>1,035,400</b>	<b>1,031,600</b>	<b>99.6</b>

2. The low production rate in Hokkaido district may be attributable to the following two factors:

a. Postponement of a part of wage payments by the major coal mines which affected miners morale to produce more coal.

b. Coal miners wage contracts have not yet been concluded at mines in Hokkaido.

Low production rate in Yamaguchi district is attributable to the production loss of about 5,000 tons of the Okinoyama coal mine which has not yet completely recovered from the submerged accidents last year. The Sakurayama coal mine in Yamaguchi district is still on strike.

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HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Team  
 APO 317

15 February 1949

1. According to the telegraphic preliminary reports received by the central Coal Board from local coal bureaus, coal production for 1st ten-day period of February registered 1,062,000 tons against the goal of 1,137,900 tons or 93.3%. (Production for the corresponding period of January was 677,700 tons or 76.9% and production for the corresponding period of December 1948 was 1,017,000 tons or 90.6%).

2. Production and percentage of goal by districts for this period are as follows: (Unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	326,000	281,600	86.4
Tohoku	78,200	73,500	94.0
Tobu	28,300	29,400	103.9
Seibu	3,300	3,000	90.9
Yamaguchi	93,400	81,200	86.9
Kyushu	608,700	593,300	93.7
Total	1,137,900	1,062,900	93.3

3. a. Low production rate in Hokkaido may attributable to the decrease in working morale of the miners due to the rumored postponement of the payment of miners wages for January.

b. The reason why the production in Kyushu could not attain the goal is that there was a heavy snow-fall around the Miike district on 6 and 7 February resulting in the drop of electric pressures and black-out.

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*[Signature]*  
 18 Feb.

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 AFO 343

4 February 1949

TO: Economics Officer  
 Chugoku MG Region  
 AFO 317

Coal Production for 3rd Ten-day period of January

Coal production for this period showed remarkable increase.

According to the preliminary telegraphic reports received by the Central Coal Board from local Coal Bureaus, the coal production for 3rd ten-day period of January registered 1,188,500 tons as against the goal of 1,142,500 tons, or 104% of the goal.

The production for the same period of December 1948 was 1,130,800 tons as against the goal of 1,179,300 tons, or 95.9%.

The production by districts is as follows; (Unit; ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	337,200	326,300	96.8
Tohoku	76,100	80,200	105.4
Tobu	29,200	29,400	100.7
Seibu	3,300	3,500	106.0
Yamaguchi	90,950	90,300	99.3
Kyushu	605,800	658,800	108.7
<b>Total</b>	<b>1,142,500</b>	<b>1,188,500</b>	<b>104.0%</b>

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HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

4 February 1949

Coal Production for January

Owing to the low production for 1st ten-day period of January due to the shortage of working days on New Year's holidays, the production rate for the month of January was 93.7%, although production rate for 2nd and 3rd ten-day period, January was 96.4% and 104% respectively.

The production by districts is as follows; (Unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	905,000	791,100	87.4%
Tohoku	211,300	204,000	96.5
Tobu	80,700	80,000	99.1
Seibu	9,000	8,700	96.7
Yamaguchi	252,600	226,200	89.5
Kyushu	1,681,300	1,631,600	97.0
Total	3,139,800	2,941,600	93.7%

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 Military Government Section  
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 APO 343

1. ADJ *JSP*  
 2. ✓ SMGO *mmv*  
 3. RCI \_\_\_\_\_  
 4. LBR \_\_\_\_\_  
 5. LEG \_\_\_\_\_  
 6. ED \_\_\_\_\_  
 7. WELF \_\_\_\_\_  
 8. PH \_\_\_\_\_  
 9. INF \_\_\_\_\_  
 10. D.CO \_\_\_\_\_  
 11. FILE \_\_\_\_\_

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

4 February 1949

FEB 9 RECD

Coal Production for January

Owing to the low production for 1st ten-day period of January due to the shortage of working days on New Year's holidays, the production rate for the month of January was 93.7%, although production rate for 2nd and 3rd ten-day period, January was 96.4% and 104% respectively.

The production by districts is as follows; (Unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	905,000	791,100	87.4%
Tohoku	211,300	204,000	96.5
Tobu	80,700	80,000	99.1
Seibu	9,000	8,700	96.7
Yamaguchi	252,600	226,200	89.5
Kyushu	1,681,300	1,631,600	97.0
<b>Total</b>	<b>3,139,800</b>	<b>2,941,600</b>	<b>93.7%</b>

*5th highest*  
*90.5%*

*Seems this should go back to Region.*  
*JSP*

CHUGOKU LIAISON AND COORDINATION OFFICE

25 January 1949

SUBJECT: Coal Production in Chugoku Region during December 1948.

TO : Maj. Resuggan, ES, CMGR

(INFORMATION) Unit: ton

	Production Plan	Actual Result	Percentage
Yamaguchi Area	249,590	269,080	107.5% <sup>107.84</sup>
Shimane Area	1,650	1,717	104% <sup>104.06</sup>
Okayama Area	2,430	2,617	107.6% <sup>107.73</sup>
Total in the Region	253,670	273,414	107.78%

ECONOMICS	
SEC. C.	<i>[initials]</i>
N.R.	
C&T.	<i>[initials]</i>
M&I.	<i>[initials]</i>
OR	<i>[initials]</i>

-File

26

HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

25 January 1949

According to the preliminary telegraphic reports received by the Central Coal Board from local coal bureaus, the coal production for 2nd ten-day period of January totalled 1,074,500 tons as against the goal of 1,144,650 tons, or 96.4%.

The production rate of Hokkaido and Kyushu which showed 71% and 79.3% respectively for 1st ten-day period of January recovered to the normal status.

The production during the same period of December 1948 was 290,900 tons in Hokkaido and 570,500 tons in Kyushu.

The production by district is as follows: (Unit: ton)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	313,400	284,300	90.7
Tohoku	76,050	73,500	96.7
Tobu	59,000	30,500	105.2
Seibu	3,200	2,900	90.6
Yamaguchi	90,900	85,700	94.2
Kyushu	602,100	597,600	99.3
<b>Total</b>	<b>1,144,650</b>	<b>1,074,500</b>	<b>96.4</b>

Remarks:

ECONOMICS	
SEC.C.	/
N.R.	/
G&T.	/
M&I.	/
LABOR	/
C.C.	/

TOHOKU: Aomori, Iwate, Akita, Yamagata, Fukushima prefectures

TOBU: Ibaraki, Yamaguchi, Gunma, Niigata, Toyama, Gifu, Mie and Ishikawa prefectures

SEIBU: Fukui, Kyoto, Wakayama, Tokushima, Ehime, Shimane, Okayama and Hiroshima prefectures

HEADQUARTERS EIGHTH ARMY  
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 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

14 January 1949

According to the preliminary telegraphic reports received by the Central Coal Board from local coal bureaus, the coal production for 1st ten-day period of January registered 678,600 tons as against the goal of 882,600 tons, or 76.9% of the goal.

The low production rate is attributable to the shortages of working days (Average 7 days) due to two days New Year's holidays and a Sunday on 9 January.

Also the heavy snow-fall on 2 and 3 January hampered the coal production in Hokkaido.

The production by district is as follows: (Unit: ton)

District	Goal	Actual	% of Goal
Hokkaido	254,400	180,500	71.0
Tohoku	59,100	50,300	85.1
Tobu	22,500	20,100	89.3
Seibu	2,500	2,300	92.0
Yamaguchi	70,700	50,200	71.0
Kyushu	473,400	375,200	79.3
<b>Total</b>	<b>882,600</b>	<b>678,600</b>	<b>76.9</b>

Remarks:

TOHOKU: Aomori, Iwate, Akita, Yamagata and Fukushima prefectures

TOBU: Ibaraki, Yamanashi, Gunma, Niigata, Toyama, Gifu, Mie and Ishikawa prefectures

SEIBU: Fukui, Kyoto, Wakayama, Tokushima, Shimane, Okayama and Hiroshima prefectures

ECONOMICS	
E.C.C.	<i>ML</i>
N.R.	<i>gd</i>
C&T.	<i>ML</i>
M&I.	<i>JK</i>
LABOR	<i>ML</i>
C.C.	

*File*

(24)

*(Signature)*

*WR*  
*file N.R.*

HEADQUARTERS EIGHTH ARMY  
 MILITARY GOVERNMENT SECTION  
 ECONOMICS DIVISION  
 NATURAL RESOURCES BRANCH  
 APO 343

TO: ECONOMICS OFFICER  
 Chugoku MG Region  
 APO 317

7 January 1949

According to the preliminary telegraphic reports received by the central Coal Board from local coal bureaus, the coal production for December 1948 showed 3,196,200 metric tons, highest production record since the termination of hostilities.

This is the first month that the production exceeded three million tons.

The production by district is as follows:

District	1st ten-day period	2nd ten-day period	3rd ten-day period	Total	Percentage of Goal
Hokkaido	267.9	290.6	305.2	863.7	86.7%
Tohoku	66.9	66.5	82.2	215.6	99.6
Tobu	28.1	25.9	33.8	87.8	105.9
Seibu	3.0	3.2	3.6	9.8	100.0
Yamaguchi	87.4	91.7	91.1	270.2	108.3
Kyushu	563.7	570.5	614.9	1,749.1	97.9
Total	1,017.0	1,048.4	1,130.8	3,192.6 3,196.2	95.7%

ECONOMICS	
SEC. G.	
N.R.	file
C.&T.	
M&I	
LABOR	
C.O.	

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HEADQUARTERS EIGHTH ARMY  
 Military Government Section  
 Economics Division  
 Natural Resources Branch  
 APO 343

TO: Economics Officer  
 Chugoku MG Region  
 APO 317

27 December 1948

1. The actual coal production for November was:  
 (Unit: 1,000 tons)

<u>District</u>	<u>1st ten-day period</u>	<u>2nd ten-day period</u>	<u>3rd ten-day period</u>	<u>Total</u>	<u>Percentage of Goal</u>
Hokkaido	269.7	244.4	268.0	782.1	87.4%
Tohoku	63.5	72.2	63.3	199.0	94.5
Tobu	25.8	24.7	22.0	72.5	92.0
Seibu	2.7	2.6	3.3	8.6	96.6
Yamaguchi	80.6	87.1	92.5	260.2	109.0
Kyushu	539.5	535.6	538.0	1,613.1	98.3
<b>Total</b>	<b>981.8</b>	<b>966.6</b>	<b>987.1</b>	<b>2,935.5</b>	<b>95.5%</b>

2. According to the preliminary telegraphic reports received by the Central Coal Board from various local Coal Bureaus, the coal production for 2nd ten-day period of December was:  
 (Unit: 1,000 tons)

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	320.0	290.6	90.8%
Tohoku	68.9	66.5	96.5
Tobu	25.3	25.9	102.4
Seibu	3.1	3.2	103.1
Yamaguchi	79.8	91.7	114.9
Kyushu	542.1	570.5	105.2
<b>Total</b>	<b>1,039.2</b>	<b>1,048.3</b>	<b>100.9%</b>

Coal Production Reports,

*[Handwritten signature]*

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*RR file No. 15*

OMGR 091 (D-K1)  
(6 Dec 1948)

1st Ind

Subject: Establishment of Uniform Accounting and Bookkeeping Systems in Coal Mines

Headquarters, Chugoku Military Government Region, APO 317, Kure, Honshu, 14 December 1948

TO: Commanding Officer, Yamaguchi Military Government Team, APO 317

The inclosed memorandum subject: "Establishment of Uniform Accounting and Bookkeeping systems in Coal Mines" is forwarded for your information.

BY ORDER OF COLONEL SNYDER:

1 Incl:  
n/c

JERRY W. TOM  
1st Lt, USAF  
Adjutant

ECONOMICS
SEC. C.
N.R.
C&T.
M.B.
LABOR
C.C.

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ECONOMICS

21

C O P Y

HEADQUARTERS EIGHTH ARMY  
United States Army  
Office of the Commanding General  
APO 343

AGMGEN 091 (JAPAN)

6 Dec 1948

SUBJECT: Establishment of Uniform Accounting and Bookkeeping Systems  
in Coal MinesTO : Commanding Officer  
Chugoku Military Government Region  
APO 317

1. Attached as inclosure 1 is a copy of a memorandum from GHQ, SCAP, ESS, requesting that the government develop a plan to establish a uniform system of accounting and bookkeeping in coal mines and the plan developed by the government to accomplish such an objective.

2. The auditing groups referred to in the Japanese plans have been dispatched to the field with instructions to contact, maintain liaison with, and report findings to the Military Government Teams in your area. The auditing groups are not new or additional members of the Japanese Coal Production Teams but while in the area will work with them. These surveys are expected to be completed by February 1949.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

1 Incl:  
Memo, ESS/SCAP/s/t/ MONROE N. HINEY  
Major, AGD  
Asst Adj Gen

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic & Scientific Section

3 November 1948.

CONFIDENTIAL

MEMORANDUM FOR: Mr. Shinzo Oya, Minister of Commerce and Industry  
Mr. Sanroku Ixusiyama, Minister of Finance

SUBJECT: Establishment of Uniform Accounting and Bookkeeping  
Systems in Coal Mines.

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.

W.F. MARQUAT  
Major General, U.S. Army  
Chief, Economic and Scientific Section.

*Sub 1*

## CONCERNING: AUDITING OF COAL-MINE FUND

November 5, 1948.

Audit Section,

Agency of Coal

I. Principle

In view of the important position the coal-mine financing occupies in the industrial financing, especially in the financing made by the Reconstruction Finance Bank and the present stringent condition of financing, we intend to enforce the fund auditing on coal-mines with a view to reflecting the results will be obtained on the future measures to be taken on coal-mine financing and at the same time clarifying the realities of accounting systems of coal-mines in order to establish a uniform system of accounting for coal-mines in accordance with SCAP suggestions.

II. Outline

## (1) Items to be audited.

- (1) Inspection shall be made on the use of fund financed to coal-mines. In other words, inspection shall be made (A) whether the fund was not used improperly (as in the case of permanently diverting funds for equipment or dwelling house funds to working funds) or

- 2 -

(B) whether the fund was not for its just purpose (as in the case of diverting it to purposes other than coal mining.)

(1) Realities of accounting systems of coal-mines shall be clarified in order to establish a uniform system of accounting and books for all coal-mines.

(2) Formation of Auditing Branch.

(i) The Coal-mine Fund Auditing Branch shall be composed of officials of the Economic Stabilization Board, the Ministry of finance, the Agency of Coal, the Regional Bureaux of Coal, the Regional Bureaux of Finance and the local offices of the Ministry of Construction, and shall obtain the cooperation of the staffs of the Bank of Japan and the Reconstruction Finance Bank.

(ii) In order to audit the accounting of coal-mines having head offices in Tokyo, three Head Office Auditing Branches shall be established.

(iii) In order to audit the accounting of coal-mines in the operating field, 14 Coal mine Auditing Branches shall be established. These branches shall be assigned to local districts as follows:

Hokkaido District	4 Branches
Joban	2 "

- 3 -

Ube	
Ube District	2 Branches
Kyushu "	6 "
<hr/>	
Total	14 Branches

- (iv) One Auditing Branch shall be consisted of four to six persons, and each branch shall audit three or four coal-mines.
- (v) The Coal-mine Fund Auditing Branch shall temporarily belong to the Coal-mine Special Investigation Team of the district concerned, and the chief of the Auditing Branch shall execute the auditing receiving orders from the chief of the Special Investigation Team.
- (5) Method of Auditing.
- (i) Auditing shall be made mainly on tables, statements, books, vouchers, documentary evidences and the like, but at the same time spot inspection shall be made to ascertain the progress of the work and other conditions. if necessary side investigation shall also be made on the financial relations with other undertakings conducted by the same enterpriser.
- (ii) Measures shall be taken to notify the coal-mines of the auditing at least two days before the date of auditing by which date simplified auditing data shall be prepared.

- 4 -

- (iii) The scope of financing, which shall become the object of auditing, shall be the amounts financed since the beginning of the latter half term of 1945 fiscal year to the end of the first half term of 1948 fiscal year (i.e. until the end of September, 1948.)
- (iv) The Branches shall obtain beforehand from the Agency of Coal and the Reconstruction Finance Bank the data on the funds financed to coal-mines, and carry such data with them in order that they may execute the auditing referring to such data with those supplied by the coal-mines.
- (v) The number of days required for auditing one coal-mine shall be about three days, but, if necessary for the attainment of the object of auditing, such days may be prolonged.

(4) Coal Mines to be Audited.

Plan of auditing head offices is as described in the attached sheet, and coal-mines, on which the auditing shall be made, shall be fixed separately in accordance with the conditions of the operating fields.

(5) Period of Auditing.

The first Fund Auditing shall begin about the middle of November and end about the middle of December, and the definite schedule shall be fixed separately.



(6) Measures to be Taken.

- (1) Against the enterprisers who are found as the result of auditing to have diverted fund unjustly, measures shall be taken to have them pay back a part of the financed fund or stop or diminish the fund to be financed in future.
- (ii) Against the enterprisers who diverted fund improperly and in ways of vicious nature, the measures similiar as above shall be taken.
- (iii) When financing in future to enterprisers who came under the preceding items (i) or (ii), measures shall be taken for the time being to issue supervision order in accordance with the provisions of Article 9 of the Coal Mining Control Law to insure the proper use of the fund to financed.
- (iv) On the enterprisers who were found as the result of auditing to have been of specially vicious nature, measures shall be taken to indict them to the Prosecutor's Office.

Program of Auditing Fund of  
Coal-mine Head Offices. (Draft)

Schedule	First Branch	Second Branch	Third Branch
	Mitsui Mining Co.	Mitsubishi Mining Co.	Hokkaido Coal Mine
	Mining Co.	Mining Co.	Coal Mine
	Seika Mining Co., Branch Office	Nittetsu Mining Co.	Furukawa Mining Co.

NAME OF COALMINES OF WHICH ACCOUNTING AND BOOK-KEEPING  
SITUATION ARE TO BE EXAMINED AND OF AUDITORS

District	Coalmine	Company	Auditor
Hokkaido	Yubari	Hokkaido Tanko K.K. (Hokkaido coalmining Co., Ltd.)	TAKEDA Noritoku, Secretary of Audit Section, Control Bureau, Coal Board.
"	Sorachi	"	YANADA Ichiro, Secretary of Audit Section, Control Bureau, Coal Board
"	Ashibetsu	Mitsui Kosan K.K. (Mitsui Mining Co., Ltd.)	HASAGAWA Genichi, Secretary of Accounting Section, Control Bureau, Coal Board.
"	Oyubari	Mitsubishi Kogyo K.K. (Mitsubishi Mining Co., Ltd.)	UMEHARA Otoji, Secretary of Companies Section Finance Bureau, Ministry of Finance
"	Kashirai	Seika Kogyo K.K. (Seika Mining Co., Ltd.)	SATO Takio, Secretary of Companies Section, Finance Bureau, Ministry of Finance.

Hokkaido

Kayama

Kayama Tanko Kogyo K.K.  
(Kayama Carbide Industry  
Co., Ltd.)

SASAKI , Chief of Coal Pro-  
duction Section, Motive Power Bureau,  
Economic Stabilization Board.

Branch Office,

Hokkaido

Mining Co., Ltd.

Johan

Johan

Johan Tanko K.K.  
(Johan Coalmining Co., Ltd.)

NADAIRI Tokujiro, Secretary of  
Coal Board.

Nakoso

Dainippon Tanko K.K.  
(Great Japan Coalmining  
Co., Ltd.)

TAKANASHI Senso, Secretary of  
Accounting Section, Control Bureau,  
Coal Board.

Akai

Nippon Soda K.K.  
(Japan Soda Co., Ltd.)

ARAKI Masao, Secretary of Companies  
Section, Finance Bureau, Ministry of  
Finance.

INOBE Yoshiharu, Chief of Industrial  
Finance Section, E.S.B.

Joban

Akai

Nippon Soda K.K.  
(Japan Soda Co., Ltd.)

KINOKO Saburo, Secretary of  
Reconstruction Section, Reconstruc-  
tion Bureau, E.S.B.

Ube

Main Office,  
Ube Kosan  
K.K.

(Ube Industry  
Co., Ltd.)

HANEISHI Seichi, Secretary of  
Audit Section, Control Bureau  
Coal Board.

"

Higashi Misome

Ube Kosan K.K.

SHICTANI Tadao, Secretary of Recon-  
struction Finance Section, Banking  
Bureau, Ministry of Finance.

"

Ube Tanko  
Kumiai Honsha  
(Main Office,  
Ube Coalmine  
Operators  
Association)

KANAI Takehito, Secretary of In-  
dustrial Finance Section, E.S.B.

"

Daini Suzumeda ~~IRAWA SUZUMEDA~~ Hiroshi  
(Suzumeda No. 2)

WATSEDA Kunitetsu, Secretary of  
Industrial Finance Section, E.S.B.

"

Wakayama

KATAGAKI Shisoso

Kyushu

- 4 -

Coalmine and Company  
to be examined are  
now under consideration  
between Jukuoka Coal  
Bureau and Kyushu Special  
Inspection Team

ISONO Taro, Chief of Audit Section,  
Control Bureau, Coal Board.

AGYAGI Tadaichi,

MIRAIKUNI Hisashi,

ISHII Kyobai, Secretary of Audit  
Section, Control Bureau, Coal Board.

YANASUDA Hideaki, Secretary of  
Control Section, Control Bureau,  
Coal Board.

FUJII Toshiaki,

TAKAYAHAGI Gobei, Secretary of Account-  
ing Section, Control Bureau, Coal Board.

TANAKA Jiro, Secretary of Economic  
Section, Finance Bureau, Ministry of  
Finance.

Kyushu

Coalmine and Company  
to be examined are  
now under consideration  
between Fukuoka Coal  
Bureau and Kyushu Special  
Inspection Team.

UMEZAWA Kiyoshi, Secretary of  
Audit Section, Superintendence  
Bureau, Ministry of Finance

ASANO Yuso, Secretary of Companies  
Finance Section, Funds Bureau,  
Bank of Japan.

YOSHIZAKI Kohji, Secretary of Domestic  
Research Section, Research Bureau,  
Bank of Japan.

O O 15E

HEADQUARTERS EIGHTH ARMY  
Military Government Section  
Economics Division  
Natural Resources Branch  
APO 343

TO: Economics Officer  
Chugoku MG Region  
APO 317

7 December 1948

1. According to the preliminary telegraphic reports received by the Central Coal Board from various local Coal Bureaus, the coal production for 3rd ten-days of November and for the month of November, 1948 was: (Unit: 1,000 tons)

(a) Production for 3rd ten-day period, November.

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	275.0	268.8	97.7%
Tohoku	65.1	63.3	97.2
Tobu	24.5	22.0	89.8
Seibu	2.9	3.3	113.8
Yamaguchi	78.6	92.5	117.7
Kyushu	510.8	538.0	105.3
<hr/>			
Total	956.8	987.9	103.2%

(b) Production for the month of November.

<u>District</u>	<u>Goal</u>	<u>Actual</u>	<u>% of Goal</u>
Hokkaido	895.0	782.9	87.4%
Tohoku	210.5	199.0	94.5
Tobu	78.8	72.5	92.0
Seibu	8.9	8.6	96.6
Yamaguchi	238.8	260.2	109.0
Kyushu	1,640.8	1,613.1	98.3
<hr/>			
Total	3,072.8	2,935.4	95.5%

2. Final Figures will be forwarded when available.

3048

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file no 15

GENERAL HEADQUARTERS  
 SUPREME COMMANDER FOR THE ALLIED POWERS  
 Natural Resources Section

HGS/RYG/JBL/ak  
 29 November 1948

NR 641 (29 Nov 48)MG

MEMORANDUM FOR: Record

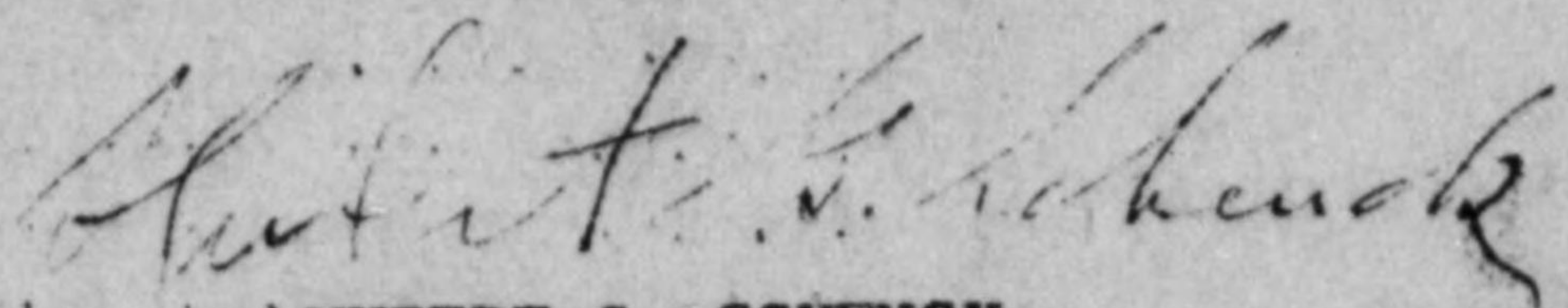
SUBJECT: Coal Classification Maps

1. The attached classification maps of the coal fields of Japan have been abstracted from a Natural Resources Section report on the Japanese coal industry, now in preparation, for distribution to agencies and personnel of the Occupation concerned with production and utilization of coal in Japan.

2. The areas of proved coal and possible workable coal reserves are indicated as accurately as possible for each field. Appropriate patterns, as explained in the legend, indicate the coal classification. The legend describes the physical and chemical characteristics of the coal, which are necessarily generalized.

3. The maps also indicate locations of the principal mines. The "Index of Principal Coal Mines", in conjunction with the legend, indicates the class of coal for individual mines. Most of the mines work several seams by multiple-seam mining, so that two or more classes are indicated for many of the mines.

4. Coal reserves, as published by the Japanese Government in 1932, are tabulated to indicate the productive potential of each coal producing region and each individual field. Coal mined since 1931 has been compensated for by proving of additional reserves. New reserves are being secured in several coal fields of Kyushu, principally in those where coal-bearing measures extend under the sea. In Hokkaido, where the coal mining industry has been relatively underdeveloped compared to that in Kyushu, substantial additions are being realized, generally in areas between mining claims. Coordination of coal exploration and compilation of reserves are supervised by the Coal Exploration Advisory Committee, established under the guidance of the Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers, in October 1947.



HUBERT G. SCHENCK  
 Lt Col CE  
 Chief, Natural Resources Section

3 Incls

1-3. Coal classification maps

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2ND



DISTRIBUTION:

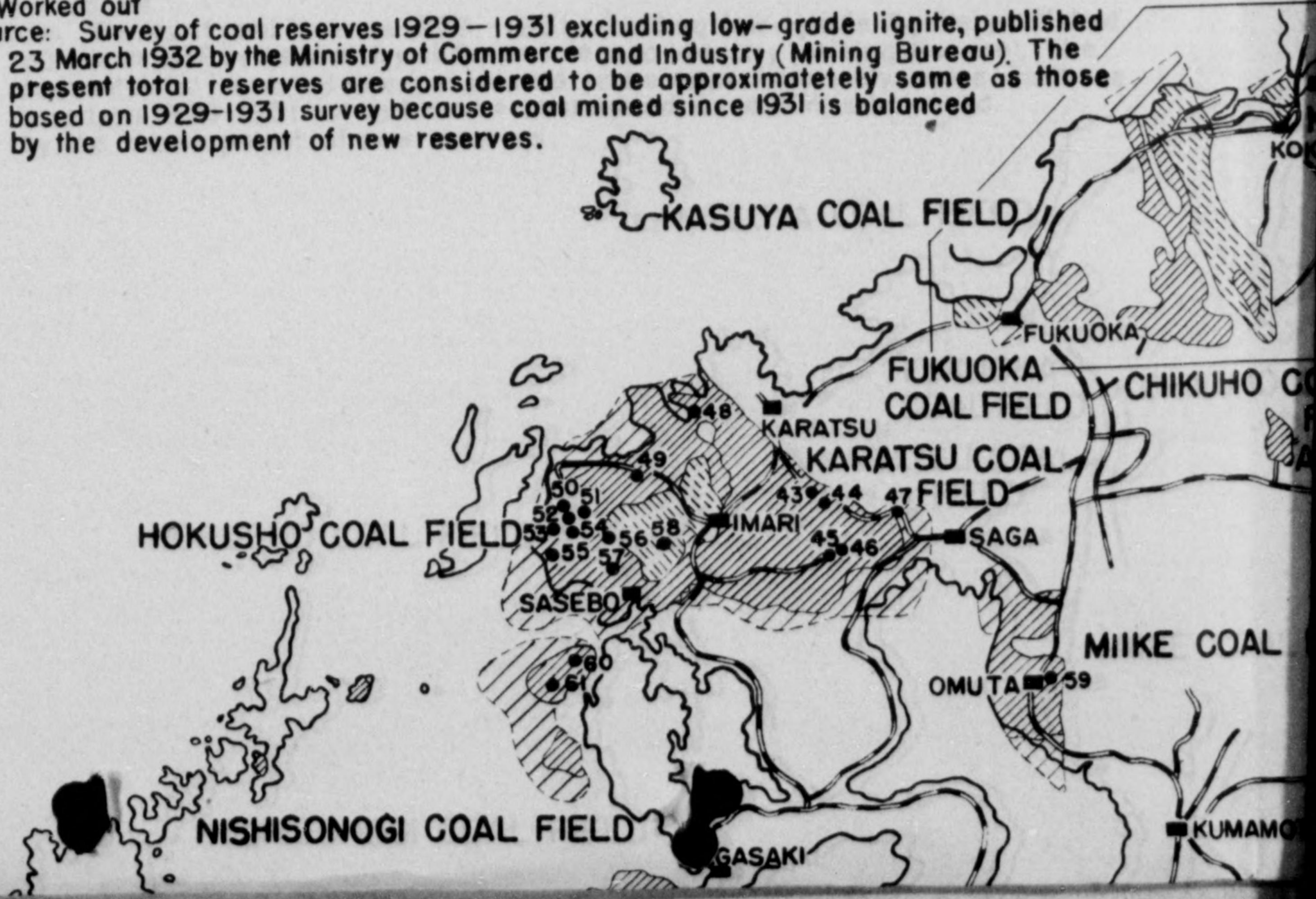
Office of Deputy Chief of Staff . . . . .	2
G-4 . . . . .	1
Economic and Scientific Section	
Far East Command Allocations Committee . . . . .	3
Industry Division	
Coal Coordinating Unit . . . . .	2
Coal Production Committee . . . . .	3
Requirements Unit . . . . .	2
Machinery and Equipment . . . . .	2
Statistics and Reports Section . . . . .	1
Civil Transportation Section . . . . .	1
Headquarters, Eighth Army Library Branch . . . . .	5
Eighth Army, Attn: Military Government Section . . . . .	3
Headquarters I Corps . . . . .	2
Headquarters IX Corps . . . . .	2
Hokkaido Military Government District . . . . .	2
Hokkaido Coal Production Team . . . . .	5
Kyushu Military Government Region . . . . .	2
Kyushu Coal Production Team . . . . .	5
Fukuoka Military Government Team . . . . .	1
Kumamoto Military Government Team . . . . .	1
Nagasaki Military Government Team . . . . .	1
Chugoku Military Government Region . . . . .	2
Yamaguchi Military Government Team . . . . .	1
Kanto Military Government Region . . . . .	2
Ibaraki Military Government Team . . . . .	1
Tohoku Military Government Region . . . . .	2
Fukushima Military Government Team . . . . .	1
Natural Resources Section . . . . .	5

# KYUSHU CO (COAL CLAS

## KYUSHU COAL RESERVES ( 1,000 metric tones )

Coal Field	TOTAL RESERVES				RECOVERABLE RESERVES	
	Proved	Probable	Possible	Total	Proved by Mine Operators	Probable 60-65% assumed
<b>Coal</b>						
Kokura	5438	2253	130	7,821	3902	1,464
Chikuho	1,784,983	783,311	503,196	3,071,490	1,337,742	327,074
Munakata	6,037		496	6,533	4,975	
Kasuya	139,532	52,157	48,321	240,010	101,573	33,902
Fukuoka	19,758	10,590	22	30,370	11,315	6,884
Asakura	178,131	94,670	136,788	409,589	107,517	61,536
Karatsu	144,112	132,453	52,326	328,891	104,225	86,094
Miike	166,618	106,658	122,868	396,144	82,948	69,328
Hokusho	402,058	292,040	130,715	824,813	301,400	189,826
Nishisonogi	158,309	86,252	221,744	466,305	83,446	56,064
Amakusa	18,357	13,393	11,420	43,170	12,034	8,805
<b>Total</b>	<b>3,023,333</b>	<b>1,573,777</b>	<b>1,228,026</b>	<b>5,825,136</b>	<b>2,151,077</b>	<b>840,977</b>
<b>Natural Coke</b>						
Karatsu	1,298			1,298	794	
Chikuho	138,439	80,139	59,264	277,842	89,387	48,083
Nishisonogi		652	17,411	18,063		391
<b>Total</b>	<b>139,737</b>	<b>80,791</b>	<b>76,675</b>	<b>297,203</b>	<b>90,181</b>	<b>48,474</b>
<b>Grand Total</b>	<b>3,163,070</b>	<b>1,654,568</b>	<b>1,304,701</b>	<b>6,122,339</b>	<b>2,241,258</b>	<b>889,451</b>

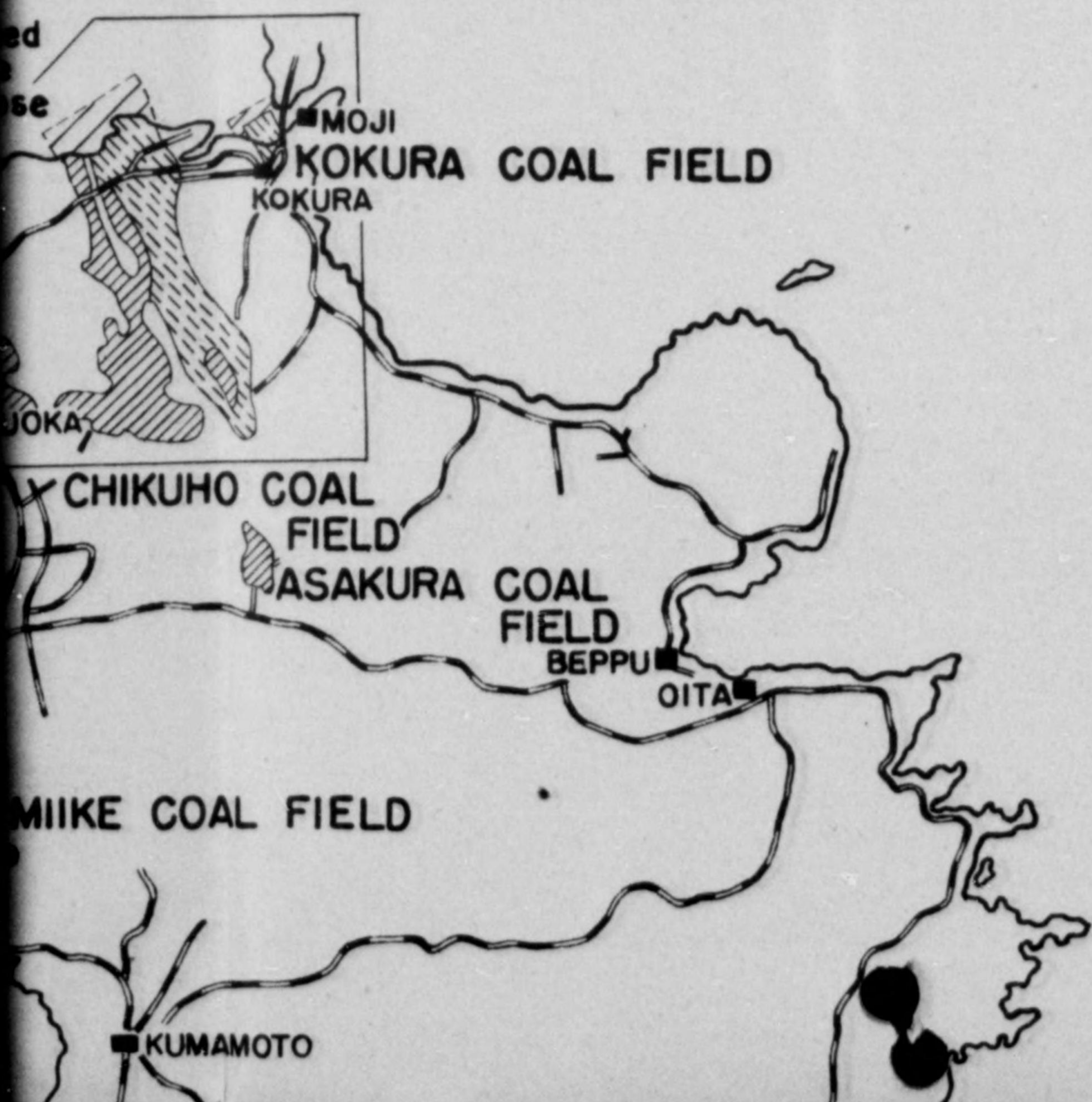
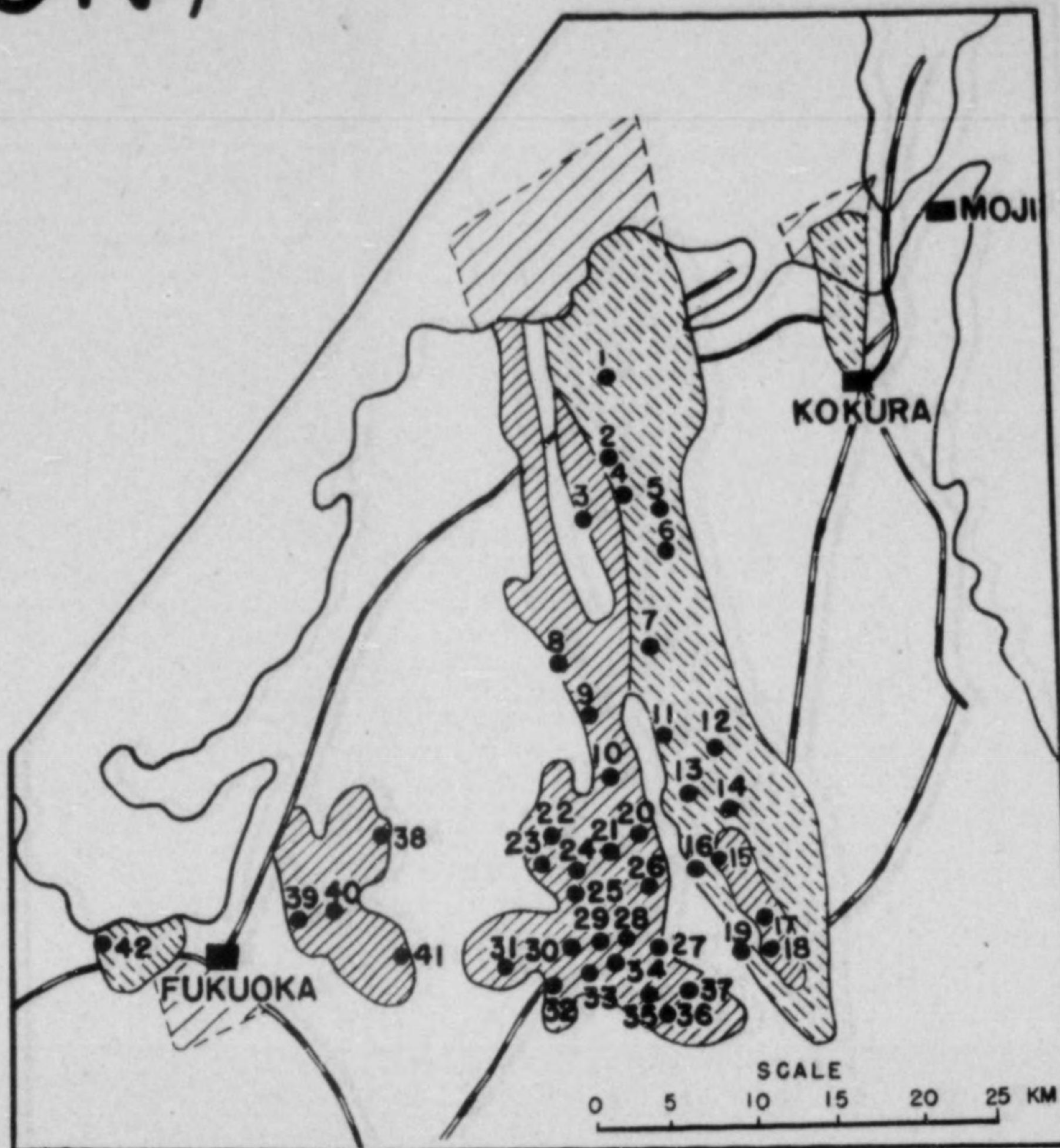
Q/ Worked out  
 Source: Survey of coal reserves 1929-1931 excluding low-grade lignite, published 23 March 1932 by the Ministry of Commerce and Industry (Mining Bureau). The present total reserves are considered to be approximately the same as those based on 1929-1931 survey because coal mined since 1931 is balanced by the development of new reserves.



# COAL FIELDS (CLASSIFICATION)

## RESERVES

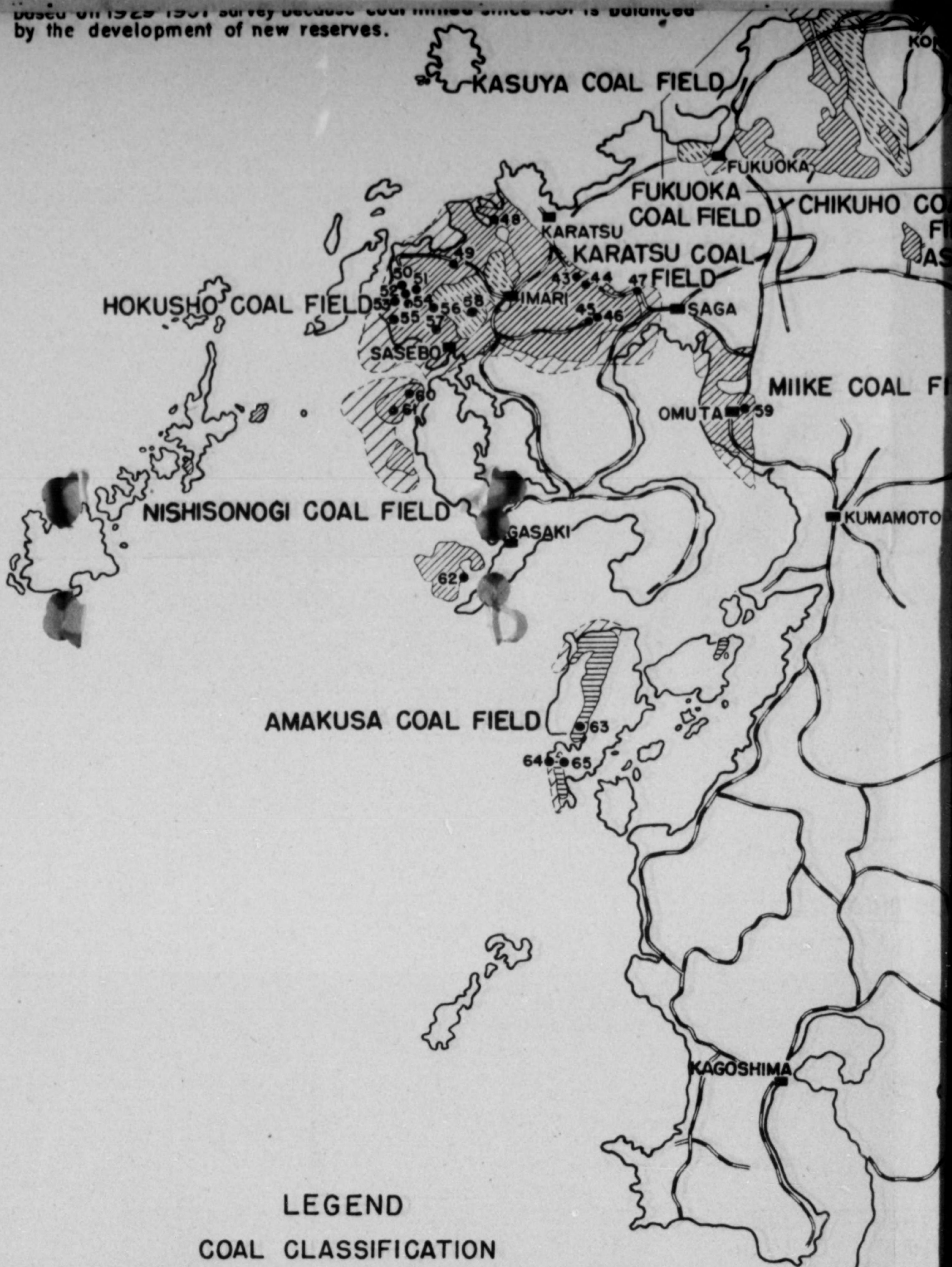
No.	RESERVES		Total
	Probable 60-65% assumed	Possible 50% assumed	
02	1,464	65	5,431
02	327,074	251,598	1,916,414
75		248	5,223
73	33,902	24,161	159,636
15	6,884	11	18,210
17	61,536	68,394	237,447
25	86,094	26,163	216,482
48	69,328	61,434	213,710
00	189,826	65,358	556,584
46	56,064	110,872	250,382
34	8,805	5,710	26,549
77	840,977	614,014	3,606,068
44			794
37	48,083	29,632	1,671,102
	391	8,706	9,097
31	48,474	38,338	1,769,933
38	88,945	652,352	3,783,061



Index of Principal Coal Mines

No	Class	Name	Mining Company	Coal Field
1	D-E	Takamatsu	Nissankagaku	
2	D-E	Nakazuru	Taisho	
3	D-E	Arate	Kyushu	
4	C-D	Shinnyu	Mitsubishi	
5	D-E	Otsuzi	Kaijima	
6	D-E	Koyanose	Chikuho	
7	D-E	Hondo	Shigeyoshi Kiso	
8	C-D-E	Onoura	Kaijima	
9	C-D	Shakanoo	Furukawa	
10	C-D	Namazuta	Mitsubishi	
11	C-D-E	Akaike	Meiji	
12	D	Hojo	Mitsubishi	
13	D	Shinoka	Rinpei Okagaki	
14	D	Hokoku	Meiji	
15	A-C-B <sub>2</sub>	Togawa	Mitsui	
16	D	Hoshu	Nogami	
17	C-D	Shimameguri	Kyodo	
18	B <sub>2</sub> -C-D	Omine	Furukawa	Chikuho
19	C-D-E	Toho	Hawashi Eto	
20	C-D	Tsunawaki	A	
21	B <sub>2</sub> -C-D	Yoshio	Asc	

based on 1929-1931 survey because coal mines since 1931 is balanced by the development of new reserves.



LEGEND  
COAL CLASSIFICATION

Classification			Specification			Utilization
Rank	Index	Coking Strength	Class of Coal	Calorific value Ash-moist Free (Kcal/Kg)	Fuel ratio Fixed carbon Volatile matter	
Anthracite and Natural coke		Non-coking	A <sub>1</sub>		> 4.0	General and briquetting
			A <sub>2</sub>			General
Bituminous Coal		Coking Strong	B <sub>1</sub>	> 8,400	> 1.5	Metallurgical coke
			B <sub>2</sub>			< 1.5
		Coking	C	> 8,100		Gas producing & general
Sub-bituminous Coal		Coking weak	D	> 7,800		Gas producing & general
		Non-coking	E	> 7,300		General
Black Lignite		Non-coking	F	< 7,300		General (Bed-moisture over 15 percent)
Possible Coal		Estimated aerial limit of possible coal measures.				