c. The 1949 pre-planting allocation of wheat and barley has been completed on 31 October.

3. Food Distribution

a. 25,703 kilograms of cereal products and 178 pounds of canned food have been released due to spoilage during this report period. 8,420 kilograms of food was authorized to be processed to prevent loss from spoilage.

b. 50,758 metric tons of staple food were distributed to the residents of this prefecture which included 1840 metric tons as supplementary rations for laborers and 12,812 metric tons as 10 days advanced rations. The distribution for the 41 days period was approximately 19 days of rice, 13 days of flour, 5 days of sweet potatoes, 1 day each of wheat and pressed oatmeal, and 2 days of miscellaneous products which included Irish potatoes, sugar, milo, beans and noodles.

c. Supply of fresh, frozen, and processed fish increased from avera[illegible]aily receipts of 1[illegible],000 kan during the first ten days of October to a [illegible]y average of 60,000 kan during the latter part of the month.

d. The associations and officials handling fish at the Central Market feared reprisals from the producing areas for cooperating with the governmental control program. This fear seemed to have some foundation in early October as receipts fell and quality became poor. Later developments proved that the fear was unfounded as receipts increased and quality improved.

4. Fertilizer

a. Production figures for the manufacture of super-phosphate in Osaka Prefecture for the month of October are as follows:

Amount on hand as of 30 Sept 1948	7,955 tons
Total production for October 1948	10,752 tons
Total available for October 1948	18,707 tons
Amount consumed in Osaka Prefecture	102 tons
Amount exported from Osaka Prefecture	12,094 tons
Total consumed during October 1948	12,196 tons
Amount on hand as of 31 October 1948	6,511 tons

Production quota for October 1948	8,700 tons
Amount of production over quota	2,052 tons

b. Ammonium sulphate is produced as a by-product of the three gas producing plants of the Osaka Municipal Gas Company. Approximately 90% of the requirements of Osaka Prefecture are filled by this source.

Amount produced during October 1948	104 tons
Amount imported during October 1948	11 tons
Total amount consumed during October 1948	115 tons

c. Due to transportation difficulties and the anticipated fall and w[illegible] electricity shortage, there may be a drop in production. However, [illegible] balance on hand at the producing plants will probably offset any d[illegible]it that may develop.

5. Fisheries

a. Continuous sardine run has increased the fish catch from 1,168 metric tons during September to 2,547 metric tons during the past month.

b. 32,750 pounds of cotton thread and 30,400 pounds of rope and twine which were allocated for the second quarter have all been distributed. Deliveries to the fishermen of chemical dyes and oil dyes have been completed.

c. Fishermen request that consideration be given on the distribution of materials as the present link system makes no allowance when catches are poor.

6. Incentive Goods

a. The distribution of incentive goods for s[illegible]mer crops has not been completed due to insufficiency of indigenous tobacco and sake and the fact that the points for the excess quota deliveries have not been calculated.

b. Surveillance was exercised on the progress of the movement of 17,722,400 yards of cotton textiles in Osaka and 326,440 yards which were recently shipped into this prefecture. These textiles have been released from export stocks and will be used in the incentive goods progr

7. Transportation

a. Transportation Coordination

(1) The regular semi-monthly transportation coordination meetings were held at Osaka E.S.B. on a regional level on the 6th and 26th of October. Major topics of discussion were the transportation of rehabilitation materials to Fukui.

(2) The major difficulties experienced in meeting planned shipme is caused by the lack of mechanical facilities for rapid unloadi t the Fukui railhead. Conclusions arrived at the meetings were:

(a) To increase mechanical unloading devices

(b) To increase daily working hours

(c) To increase the number of laborers by one third

(d) To decrease the plan appropriate with facilities available for unloading purposes at Fukui.

(e) To build additional sidings at the Fukui railhead.

b. Municipal Transportation

(1) Additional revenue resulting from increase in transportation fees from three and one-half yen per zone to six yen per zone has brought the operation of GMC 2½ ton type bus from operating at a loss to a profit of 0.14 sen per kilometer.

(2) The overall loss per kilometer for all types of municipal transportation is 9 yen 11 sen. The deficit at the end of the 1948 fiscal year is estimated to be ¥89,000,000.

(3) The total deficit at the end of the 1948 fiscal year, to include the deficit carried forward from 1945, 1946, 1947, and 1948, is estimated to be approximately ¥314,000,000.

c. Transportation Control

(1) During this period, check points were maintained at highw rail, amd water control points to check and control the transpo tation of critical materials. Close supervision was maintained by local officials, and frequent changes of check points were made to prevent by-passing permanently established check points.

(2) A total of 4,455 persons were arrested for violating transportation regulations of economic control. This represents a decrease of 6% over the preceding period. Of the total, 4,161 persons were admonished and released, while 294 persons were sent to the Procurator's Office.

(3) All materials confiscated were turned over to the appropriate distribution agencies for proper redistribution. Approximately 50% of all items confiscated were staple food.

8. Electric Power

a. During this period, a drop of approximately 9.5% in comparison with last period was recorded in the amount of natural stream flow available in the Kansai 60 cycle area. This was, however, a comparatively high figure as it showed an increase of 24% over the same period during 1947 and an increase of 3% over the average of the last six years. This increase resulted from the unusual amount of rainfall for this season.

b. It is noteworthy that the amount of coal received by the Electric Industry permitted a daily addition of 75,065 K.W. of thermal generation, or 150% increase over the same period of 1947.

c. Although no severe restrictions were made throughout the prefecture during this period, the Commerce & Industry Bureau and the power company were taking the following steps deemed necessary to cope with the "power crisis" expected this winter:

(1) Eliminate all non-essential use of power by restriction on electric bakeries, public bath houses, amusement centers, electric melting machineries, outdoor neon lights, etc..

(2) Supply sufficient gas for cooking and heating purposes to alleviate the heavy load thrown on high tension transmission lines during peak periods.

(3) Encourage informers for details on delinquent consumers by paying rewards.

d. A 24 hour local strike was called by power employees in Fuse City on 25 October but did not materially affect the industrial activities of this area.

9. Public Works

The progress on most public works projects in this prefecture is delayed due to lack of funds from the Central Government. The old

projects are receiving limited amounts of temporary funds but the allotments to the new projects are almost negligible. The progress of the city projects is slower than the prefectural projects as the limited funds are not always channeled to the cities. The construction of roads and irrigation projects is delayed due to the lack of such materials as cement, asphalt, steel, and oil.

10. Redistribution of Critical Materials

a. Recent conferences and inspections disclose that the activities of Japanese agencies concerned with the redistribution of critical materials are not satisfactory. Under the present system, the Kodan is reluctant to make certain purchases of excess stock. They claim that if they purchase poor grade material at current prices, (low grade coal and steel) the Kodan will suffer financially when the stock is resold.

b. The present system of purchasing excess material is unsatisfactory. Some stock pile holders are being paid in cash and others with ten year bonds. It was suggested by this headquarters that all parties be paid in bonds and under this plan there is very little opportunity for discrimination.

c. It is contemplated by the end of the year that this program will be under control and the Kodan will have all reported excess stock on their books, and materials reallocated or in the process of reallocation.

11. Import-Export

Eight foreign flag vessels and five SCAJAP vessels arrived and departed at the Port of Osaka during the month of October with general cargo as shown below:

Vessels	Imports	Exports
Foreign Flag	4,451,640 M/T	8,421,190 M/T
SCAJAP	623,294 M/T	452,199 kgs

12. Stimulation of Critical Industries

a. A committee appointed by the Commerce and Industry Ministry conducted a survey of the blast furnace facilities in the Osaka Prefecture on the 21st and 22nd of October. They visited the Nakayama Seiko K.K. and the Kotobuki Sangyo K.K. to determine the possibilities

of placing these two plants back in operation. The Nakayama Seiko plant has two furnaces of 500 ton capacity per day, while Kotobuki Sangyo has one furnace with a 70 ton per day capacity. Final reports on the survey of these plants are expected to be completed by the early part of November.

b. During the month of October, 55 shipbuilding companies were visited. It was discovered that although the annual shipbuilding capacity in the Osaka area is 86,500 gross tons, which is equal to 10.8% of the total shipbuilding capacity of Japan, the average work load at present is only 10.6% of capacity and that the Osaka area has given only 6.5% of the shipbuilding work orders allocated throughout Japan. The number of shipyard laborers available for employment in the Osaka Prefecture is approximately 14,000 or an approximate 16.5% of the total shipyard laborers throughout Japan.

13 Release of Installations

The following is a list of real property releases made by this headquarters during the report period:

Former Military Property (Final)

No. of Bldgs	Bldg area	Land	Value of Bldgs
48	3,491 tsubo	None	¥ 635,570

14. Reparations

a. During the month of October, 51 reparations plants were visited for the purpose of insuring compliance with the provisions of current directives. Several discrepancies were found, such as: lists of machines authorized for use held by the plants did not tally, in some cases with the list maintained by Osaka Mil Govt Team. Some CPC machines still carried original inventory code numbers. Tool cribs not maintained, and some items of equipment recently evaluated did not carry any identifying code numbers. Steps have been taken by this headquarters to insure immediate correction of all deficiencies noted.

b. On 6 October 1948, the Osaka Shipbuilding Co. (Code No. 32-128) was flooded by sea water caused by high winds. The flood water ranged in depth from 2 to 4 feet and a large percentage of the reparations machines were inundated. However, all motors and electrical equipment had been moved to higher ground prior to the flood. The company was instructed to take immediate steps to thoroughly clean and re-grease all machines to prevent rusting.

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(Reports Control Symbol MG-11)(R2)

HEADQUARTERS
SAGA MILITARY GOVERNMENT TEAM
Saga, Kyushu, Japan
APO 929

HDG

5 November 1948

Monthly Military Government Activities Report
for Period 1 - 31 October 1948

ECONOMICS SUMMARY

(Capt. Harry D. Gilpin)

ANNEX D:

A. The fall harvest is progressing at a very rapid rate due to excellent weather during the month of October. At the present time cutting of the rice crop is almost complete. In many parts of the prefecture the ground is being readied for the coming wheat planting.

B. Crop Collection. Collection of the fall crops is progressing very satisfactorily as present percentages show a two-week advantage over last year's collection on the same date.

C. Allocation of Quotas.

1. Pre-planting Quotas for the wheat crop have been allocated down to the farmer level. This was completed by 1 Nov 1948.

2. Adjusted Quotas for the present collection will be given to all farmers by 5 November 1948. Field trips revealed that the quotas as adjusted are considered fair and that the farmers will be able to meet them.

D. Inter-prefectural Shipment of Rice. Letter Memorandum from Kyushu Military Government Region Headquarters, dated 28 October 1948 indicated that 30,000 koku of rice will be shipped from Saga to Fukuoka and Nagasaki during the month of November. (Note: 1 koku equals 330.75 pounds)

E. Fertilizer.

Unit: Ton — Receipt — As of 29 Oct. 1948

Type of Fertilizer	Allocation (A)	Total Amount Received (B)	Amount Received This Month	B/A Per Cent
Nitrogen	10,852,000	5,865.7178	2,968.3733	54.1
Phosphate	8,021,000	6,511.7056	2,908.1700	81.2
Potassium	355,500	189.7792	6.5772	53.4

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Unit: Ton	Distribution				
Type of Fertilizer	Distributed (C)	Amount Distributed this month	Amount on Hand in Kodan	C/A %	C/B %
Nitrogen	2,999.4828	2,960.6561	2,866.2351	29.6	51.1
Phosphate	4,310.8418	4,143.8480	2,200.8638	53.7	66.2
Potassium	0	0	189.7992	0	0

(Above allocations are for the coming wheat crop.)

F. Fish and Vegetable Distribution.

Fish. Fish export was 131,842 kan, 263.7 per cent of monthly quota. Prefecture distribution was 250,574 kan, 130.7 per cent of monthly quota. This excellent distribution will continue for approximately two more months. Special attention is being given to distribution of fish to farmers during this rice collection season.

Vegetable. Only 41.5 per cent of export quota and 33 per cent of prefecture distribution plan were met. The shortage is due to the flood damage and the fact that farmers are devoting this efforts to rice collection. A failure to meet the quota is anticipated for at least the next two months, however some improve is in sight.

G. Coal Production. A considerable increase in the monthly quota was given to Saga. However, the quota assigned was met and exceeded. This is the fifth consecutive month that the quota has been exceeded substantially. So far this year the quota has been met each month with the exception of May when 98.2 per cent of the quota was mined.

H. Mining Timber. With the exception of one mine, each mine in the prefecture now has a 30-day supply of mining timbers on hand. Due to lack of funds the Yamashiro Mine failed to stock a 30-day supply of mining timbers.

I. Critical Materials. The Sangyo Fukki Kodan is in the process of collecting all the reported critical materials available for redistribution and storing them in their warehouses.

J. Control Associations. Investigations are still being conducted in an effort to uncover any unreported control associations.

K. Reparations. During the period 27 October to 31 October Mr. Laffin, Reparations Section, GHQ SCAP visited the five reparations installations in Saga Prefecture. Minor discrepancies were found and corrected on the spot.

L. Land Reform. To date 96% of the purchased land has been resold. Total area now farmed by tenants represents approximately 7% of the total area cultivated.

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HEADQUARTERS
SAITAMA MILITARY GOVERNMENT TEAM
APO 201

Reports Control
Symbol MG-11 (R-2)

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT
FOR THE MONTH OF OCTOBER 1948

Economics Summary - Capt. Clyde E. Wertz

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1. Agriculture.

a. Crop Conditions.

A survey was made to determine the crop conditions resulting from heavy rains in the latter part of September. The survey disclosed that 6,055.6 "chobu" of sweet potato fields were affected throughout the prefecture with a crop damage of 10,717,000 "kan". Immediate drainage of fields and special handling of crops was put into effect in an effort to reduce loss of produce.

b. Extension Program.

The selection of extension agents was begun this month by the prefectural selection committee. High examination standards are being maintained to insure the selection of well qualified agents. Of the first 203 applicants examined, only 99 were considered qualified.

c. Cooperatives and Federations.

At gun level meetings, the advisability of joining the many forming federations was discussed. The attention of cooperative chairmen and village mayors was directed to the large number of federations that are being formed and they were advised to investigate the practicability of joining, especially where the prefectural government offers similar services which are paid for through taxation. The unnecessary federation expenses would be a double burder to the farmers.

d. Land Reform.

The purchasing phase of the Land Reform Program is 99.9% complete. The total land purchased, plus land accepted in lieu of taxes totalled 57,049 "chobu". Land acquired under Land Reform Program is 96.7% sold in the selling phase. A total of 928 "chobu" of the purchased

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area has been designated for expansion of residential and business areas and will not be sold under Land Reform Program.

2. Crop Collection.

a. To stimulate the crop collections in Saitama, expediting meetings are being held at the gun level. These meetings are attended by all city, town and village mayors, representatives of the food adjustment committees, and chairman of agricultural cooperative associations. Lectures are given by the Chief of Prefectural Agriculture and Forestry Department and a Military Government Officer, and a CIE film entitled "Food Program" is shown.

b. A plan was evolved by this section to set up an example area in order to stimulate crop collection. Kawagoe City was the area designated due to the fact that it is a center of black-market activities in disposition of staple foods, and it was the center of an area subjected to adverse weather conditions and it also has the average quota of the major cities in the prefecture. The mayor of Kawagoe has put a comprehensive plan of collection into effect and gratifying results are expected. Extensive publicity is being given to the plan and the fact that a consuming area is making a concerted effort to fulfill its obligations under the crop collection program under adverse conditions is expected to stimulate crop collection in the heavy production areas.

c. The crop collection as of 31 October 1948 is as follows:

Wheat and barley collected 439,075.5 koku or 97.79% of quota.

White potatoes collected 12,909,894 kan or 104.68% of quota.

Rice collected 137,989.1 koku or 18.41% of quota.

Sweet potatoes collected 27,565,194 kan or 59.90% of quota.

3. Food Distribution.

a. The prefectural food office reports a bogus population of approximately 37,000 in the prefecture. It is estimated that of this number 12,000 are people residing elsewhere and obtaining rations in Saitama, and the remaining 25,000 is made up of farmers that register as consumers, and contractors drawing rations for more people than they have employed. This office has been assured that the food office is working diligently to reduce to a minimum the practice of fraudulent drawing of rations and that definite progress is being made.

b. Inspections of imported foodstuffs warehouses disclosed that the use of hooks in handling materials is tearing a large percentage of the bags of sugar and resulting in losses of sugar. Officials were instructed that the use of hooks should be discontinued.

c. The fish and vegetable control program was carried on with gratifying

results during the month of October. A larger amount of fish has been received and distributed during the month of October than in the month of September. Fish imports for the month were 61.7 of the allocation. A total of no fish was received unfit for human consumption and was disposed of as fertilizer. Spoilage was due to lack of refrigeration in transit and the fact that presorting of fish is not practiced at the shipping points. Letters were dispatched to several shipping prefectures, requesting assistance in the fulfillment of the allocation of fish to this prefecture.

d. The Saitama Milk Products Sales and Purchasing Union, producers of fresh and powdered milk and baby foods was inspected and found to be operating at two-thirds capacity due to transportation difficulties encountered in shipments of raw materials for processing at the plant.

4. Fertilizer.

a. The Showa Denko Company, Chichibu Factory produced 594 metric tons of 18% nitrogenous content calcium cyaminide during the month of October. Of this amount, 475 metric tons were allocated and distributed within the prefecture. No shipments of fertilizer were made to areas outside of Saitama Prefecture. Anticipated production for November is 700 tons of calcium cyanimide.

5. Mining.

a. The loan for rehabilitation and operation of the pyrite mine applied for by the Chichibu Nitchitsu Mining Co. Ltd., from the Reconstruction Bank, is expected to be made available during the month of November. The company plans to use this loan to pay back wages and repair machinery and equipment. Due to this financial assistance and its resultant stabilizing effect, production of pyrite ore is expected to increase from 450 tons per month to 1,500 tons per month.

b. The Musashino Lignite Co., released seventy employees and production of lignite dropped 20.3% during October. Due to the increase in coal output throughout Japan and the resultant decrease in the demand for low grade fuel, the company states that they can not economically work low grade deposits of lignite.

6. Incentive Goods.

a. Large amounts of incentive goods such as cotton textiles, cotton clothings, working gloves, towels, jikatabis, bicycle tires and tubes, and rear car tires and tubes are on hand in this prefecture. These goods have been distributed to distribution points throughout the prefecture. However, to date, only a small percentage of these goods have actually been available to farmers, industrial workers, and Japanese working for the Occupation Forces. Surveillance over distribution points indicate poor warehousing, handling and storage of materials, and lack of supervision by prefectural officials in preparing a distribution plan and making available these goods to persons authorized to purchase same.

b. A conference was held with representatives of the Commercial Section, Commerce and Industry Bureau and they were instructed to correct all warehousing deficiencies and to evolve a comprehensive plan of distribution in order to expedite the disposition of incentive goods.

7. Forestry.

a. Lumber. In the past month, 775 sawmills were in operation in Saitama Prefecture. Fourteen mills are operated by the forestry association and seven hundred sixty-one are privately-owned. Production for the month was 44,550 "koku" of rough lumber, and 20,400 "koku" of dimensional stock.

b. Charcoal. During October 1,025 charcoal kilns were in operation and 442 tons of charcoal were produced. The production was 147% of the planned production. The increase is attributed to the increase in the government purchasing price.

Charcoal stocks on hand as of 20 October 1948, totalled 1,849 tons. A total of 2,035 tons were shipped in from other prefectures and only 630 tons of charcoal were distributed during the month. The small quantity of distribution resulted from a directive from the Agriculture and Forestry Ministry prohibiting charcoal distribution as of 10 October, pending changes in distribution system in accordance with adjustment regulations. The delayed distribution and ration shortage will be alleviated during the coming month.

c. Pine Bark Beetle.

(1) The pine bark beetle control regulations enacted by the prefectural assembly are briefly as follows:

(a) Required immediate reporting of infected trees to prefectural government forestry section.

(b) Forest owners are required to cut infected trees, destroy the bark and branches by burning on the cutting site.

(c) In cases where forest owners fail to comply with regulations, disposal of infected trees will be accomplished by the prefecture and the expenses paid by forest owner.

(d) The transportation of infected trees from the area of infestation is prohibited.

(2) Instructional conferences are being held with district offices, forest unions and federations concerning control measures.

(3) "PBB Control" pamphlets were distributed to villages affected by PBB.

(4) The prefectural assembly approved a budget expenditure to subsidize control expenses.

(5) Eighty "koku" of salvage timber has been cut.

(6) None of the salvaged timber was removed from the forest areas.

(7) The infected forest area is estimated at 27 "cho" in area with 6,502 "koku" of lumber in volume.

8. Transportation.

a. Rolling Stock Repair. The Nihon Sharyo Rolling Stock Co. Ltd., Kawaguchi, repaired eleven freight cars during the month. This completes the consignment of one hundred fifty cars for repair that this company had for the five months period of June through October. An additional eighty box cars were manufactured during October. Thirty freight cars were repaired at the Omiya Plant of Tetsudo Sharyo.

9. Electric Power.

a. During the first half of October, electric power supply was adequate due to sufficient rainfall and stream flow. On the eighteenth, power was restricted with an emergency cut from ten to twenty minutes every twenty-four hours in factories and dwelling houses. From the twenty-first, supply was further restricted with priority given to electrical heater bath houses and essential industries. In view of declining stream flow, further reductions of electric power are anticipated.

10. Petroleum.

a. Ninety-one percent (91%) of petroleum products allocated were received during the month of October.

b. The Kawagoe City Petroleum Distribution Center is under investigation by the Economic Police and the Procurator's Office for illegal purchasing, from Niigata Prefecture, of approximately 1,685 drums of waste oil which was later shipped back to Niigata Prefecture and refined at the Niigata Oil Refining Industry Co. Ltd., located at Niigata, City, into turpentine, engine oils and transformer oils. These refined oils were then returned to Kawagoe and sold through black-market channels into Tokyo and surrounding areas by the Kawagoe Distribution Center.

11. Construction.

a. Construction permits were issued for one hundred thirty (130) dwelling houses; sixteen (16) combined dwellings and business houses and eighty-five (85) non-dwelling houses for the month of October. Two hundred twenty-three (223) extensions, reconstruction, and removal permits were issued. Six (6) violations of the building construction law were found during the month.

b. Plans are being formulated for the construction of buildings for the construction of buildings for the Saitama Prefectural Government to replace those destroyed by fire on 25 October 1948. Conferences are now being held to determine the type of buildings to erect and whether or not it is feasible to

rebuild on a new site to relieve the area congestion which previously [illegible]. Other problems under consideration are whether to expend the 20,000,000 yen building fund now available for temporary buildings or to use this sum toward the construction of a large permanent structure which will accommodate all of the governmental sections that lost their office space in the fire.

12. Stimulation of Critical Industries.

a. Numerous textile goods, chemical industry products, mechanical and metallic goods, paper and foodstuffs manufactured and processed within this prefecture were displayed at the Sight-seeing Products Exhibition. The display of goods from Saitama Prefecture was sponsored by the Saitama Foreign Trade Promoting Association and the exhibition was held from 4 October to 18 October, at the Matsuzakaya Department Store, Ueno, Tokyo-to. During the 15 days these goods were on display an estimated 900,000 people visited the exhibition. It was announced by the Japan Tourist Federation of Tokyo that the display was highly successful and contributed greatly towards stimulating industry.

b. During the past eight months, a continuous campaign has been carried out by this section and the promotion section of the Commerce and Industry Bureau to induce new manufacturers to move their facilities to Saitama Prefecture or to influence existing plants to make wider use of their installations. To date the results have been very gratifying and fourteen new industries have begun operation in former military or released reparations areas.

c. Emphasis is now being placed on the reconversion of plants that were used for the manufacture of wartime products and are now idle or being operated on a small scale by the wartime users, to their former production. The survey of such plants reveals that Marunaka Textile Co., of Hanno falls in such a category and the former textile plant is only being used at 20% of its available area by the Hanno Optical Co. The former plant owner, Mr. Marunaka desires to regain possession of the plant and employ 300 people in the manufacture of textiles but the plant is under the custody and control of the Closed Institutes Liquidating Commission and all attempts of the Marunaka Textile Co., to regain possession of the plant for operation have met with negative results. A special report on this situation has been submitted.

13. Elimination of Control Associations.

a. Reports on four hundred fifty-two control associations were submitted to higher headquarters during the month of October. Four of the control associations reported on were visited and the managing-directors interviewed to check the accuracy of these reports. All information as submitted on the reports was found to conform with information given by the managers interviewed. To date the only control association that has been directed to dissolve is the Saitama Horse Breeders' Association.

14. Blackmarket.

a. The fish and vegetable program is becoming more effective each month.

This is apparent in view of the fact that a greater amount of fish and vegetables are appearing in registered shops at official prices. On the 15th, 20th and 25th of October, special control was exercised over fish and vegetable distribution in the five major cities in the prefecture. Also on these dates trains were checked at Oniya, Kawagoe and Hashigaya and a large amount of vegetables and staple foods were returned to proper channels.

b. For the reporting period there were 2,374 cases of food control violations of which 813 were sent to court for further action.

c. Plans have been made to conduct strict surveillance over the sales and distribution of controlled merchandise by Chinese and Koreans in the Oniya-Urawa area during the month of November. This surveillance will be made by members of military government, the military police and Japanese police. It has been reported that this area contains the largest percent of blackmarket operators in the prefecture and that it is difficult to exercise control over Japanese retailers if Chinese and Korean merchants are selling merchandise at blackmarket prices and are not subject to Japanese police action.

15. Use of Japanese Supplies and Facilities by the Occupation Forces.

a. Plans are being drawn up for the use of a large portion of Chugai Kakohin K. K., Owada Plant, Saitama, Plant #34-42 as an ammunition storage area for the First Cavalry Division. This area was released from reparations custody and control after consolidation of reparations items, on 16 April 1948. Investigation of the proposed plan reveals that the use of the area in which explosives were formerly stored by Chugai Kakohin, as an ammunition dump for the First Cavalry Division, will not affect the local economy adversely nor will it disrupt or curtail industrial production.

16. Reparations.

a. Thirty-nine reparations areas were inspected during the month of October of October to ascertain the degree of compliance to existing directives concerning operation, maintenance, custody, and control. All areas with the exception of Kumagaya Koku K. K., Plant #34-10, were found to be in a satisfactory condition. A special report on conditions at Plant #34-10 has been resubmitted to higher headquarters.

b. Plans are being evolved to insure that an adequate supply of packing and crating materials will be on hand when and if reparations equipment located in Saitama Prefecture is allocated for shipment. During 1947, the prefectural reparations section had three stockpiles totalling 100,000 koku of lumber on hand for this contingency, but subsequent delay in the allocation of equipment to claimant nations made it imperative that the lumber be disposed of since it was decaying and becoming badly weather checked. Under the new plan, the prefectural reparations section expects to receive adequate intermittent shipments of lumber from the Special Procurement Board and to have access to supplies of oil, grease, paper and other sundry packing materials through the Commerce and Industry Bureau.

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Report Control Symbol MG-11 (R2)
Annex D Monthly MG Act Rpt
1 - 31 October 1948

Shiga Mil Govt Team
APO 25, Unit 3
13 November 1948

ECONOMICS
(Prepared by Capt Charles Wenner)

1. AGRICULTURE.

a. Food Adjustment Committee Elections

Food adjustment committee elections slated for 30 Nov 48 have been given publicity and farmers have been encouraged to correct past quota adjustment grievances by the election of best persons available.

b. Land Reform

(1) Area available for purchase	17,366	cho
(2) Area purchased as of 31 Oct 48	17,366	"
(3) Area sold as of 31 Oct 48	17,243	"
(4) Balance remaining to be sold	123	" (.008%)

(5) Ken Land Department has initiated a program to publicize and bring about correct leasing procedures.

c. Farm Cooperatives and Nogyo-Kai

(1) Majority of Co-ops have made the transition without apparent difficulty, however, there are several that have not yet come to agreement on division of Nogyō-kai assets. (ie: Whses and other physical property that does not lend itself to division). Ken officials have been alerted to take steps to prevent these problems from interfering with crop collections.

d. Extension Service

(1) Ken By-Law No. 69, dated 30 Sept 48, was enacted by the Shiga Ken Assembly in order to qualify for Central Govt Funds to permit local reorganization of the Farm Extension Service. Subject by-law is considered inadequate. Special Report No. 48/E/A/5, dated 25 Oct 48, was submitted.

e. Land Reclamation

Reference is made to 3d Ind GHQ SCAP, file AG 602 (27 Aug 48) NR/A to basic letter this team, file 48/E/A/4, dated 27 Aug 48, Subj: "Disposition of Farm Land". Agriculture and Forestry Ministry representatives did visit this Ken relative to disposition of subject lands. To date 209 cho of the Azuchi Project have been sold and the balance of 75 cho is scheduled for sale this month. Former Farm Guidance Lands are being disposed of according to directives received from the Ministry.

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2. FOOD DISTRIBUTION

a. (1) Out of ken food shipments for Nov 48.

	Quota	Shipped as of 2 Nov 48
Sweet Potatoes	1,000,000 Kan	666,342 Kan
Rice	110,000 Koku	16,397 Koku

(2) Difficulty is experienced in both the out of ken shipment and local distribution of sweet potatoes due to the abundant crop and to reluctance of other areas, as well as local consumers, to accept distribution of sweet potatoes as a substitute for their rice ration.

(3) Collections: (as of 31 Oct 48)

	Quota	Collected	%
Rice	886,600 Koku	178,629 Koku	20
Sweet Potatoes	3,305,000 Kan	3,377,628 Kan	106.4

3. FISHERIES

a. The Ken Fish Section held several educational meetings during the month, demonstrations of and assistance in approved methods of displaying licenses, price lists and correct method of bookkeeping were given for the purpose of obtaining uniformity in keeping accounts. Spot checks by this Team revealed a decided improvement in the accounts of the retailers.

b. This Team has initiated a methodical check of all incoming fish shipments against their respective allocations. Several " Short Weight" shipments have been revealed and are now the subject of further investigation.

c. Primary effort of the Surveillance Team is being made to induce the Ken Officials to make all required checks and to take corrective action without delay.

4. MINING

a. This Ken has 21 lignite mines that employ approximately 679 men and 114 women. Lignite is no longer being purchased by the Coal Kodan as of 16 Oct 48. The operators of the mines are experiencing difficulty in obtaining transportation and in selling their product on the open market. A special report will be submitted on this subject.

b. A special report on coal distribution, file 48/E/IR/7 was submitted on 22 Oct 48.

5. INCENTIVE GOODS

To date operation of the program by local officials has been satisfactory.

6. TR.NSPORT.TI N

.. survey of the Ken Railroads was made during this month. .llocation of the rolling stock for this Ken is made in the Osaka office of the Railroad Company. Freight destined for Fukui continues to take most of the storage space in freight stations. Stocks of lignite are stored at some stations (approx 1700 tons) due to conditions referred to in par 4, above. It was found that about 98% of the general freight cars are unloaded and loaded within 24 hours of arrival at destination.

7. ELECTRIC POWER

a. Local conditions continue to be favorable.

b. .. conservation plan is in readiness in the event power availability becomes more restricted. Farmers are to continue to receive power needed to harvest crops.

8. PUBLIC WORKS

Special Report, file 48/E/PW/1, dated 21 Oct 48, was submitted on restoration of the Yokaichi Japanese .rmy .irfield to its prewar state of productive farmland. To date reclamation of area in need of restoration (approx 611 tans) has been on a "squatter basis" with no apparent progress.

9. STIMUL..TION OF CRITIC.L INDUSTRIES

Survey of Ken industries shows that stocks of finished textile goods are again being built up. This is allegedly due to non-distribution of allocation tickets by Central Government .gencies.

10. ECONOMIC INVESTIG..TION BO..RD

a. This agency now has 24 men of an authorized T/O of 39.

b. The EIB has started to function and as of this date has conducted several investigations and obtained favorable results.

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ANNEX D

ECONOMICS SUMMARY

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Shimane Military Government Team
For Period Ending 31 October 1948

By Capt Stephen H. Condict

1. Agriculture:

a. Land Reform: Constant checking of this program at village and prefectural level revealed that:

(1) All former extension farm land has been purchased for resale to farmers.

(2) Approximately 90 per cent of the land purchased has been resold to farmers, the balance of 10 per cent representing land to be owned by the Government, and land, the sale of which has been delayed due to actual surveys, disputes or which was voluntarily released by former landowners in excess of legal requirements.

(3) Approximately 75 per cent of owner cultivators have made full down payments for land purchased under the program.

b. Dissolution of Nogyo-kai and formation of Co-operative Associations:

(1) Enquiries in the field revealed that almost all town and village branches of Nogyo-kai have been dissolved and assets transferred to the new Co-operative Associations. It is estimated that the balance of town and village organizations will be wound up by the end of November and the Prefectural Nogyo-kai by the end of January 1949.

(2) As of 31 October, 136 town and village Co-operative Associations, representing approximately 40 per cent of those registered, have adopted the "points system" suggested by this Team as a basis for eligibility of voting membership. This system appears to be taking a firm hold in all Co-operative Associations with the exception of Livestock Co-operatives which are doing everything within their power to upset the Prefectural Government control of livestock markets.

c. Extension System: Farmers do not fully understand the benefits of this system but after some explanation was given by this Team, they appeared more enthusiastic. Action taken by this Team was mainly in connection with promoting study groups in village with Agricultural Libraries to be formed in Co-operative Associations to make technical data on cultivation available to the farming population.

ANNEX D TO ACTIVITIES REPORT , ending 31 October 1948, ECONOMICS SUMMARY

d. Land Reclamation: Two large reclamation plans are in progress, one involving the return to cultivation of 184 cho of land rendered unusable by the subsiding of a river delta, and one involving the draining of a shallow lake. Both projects are active and will materially assist in food production when completed.

2. Crop Collection:

a. From observations made by field teams during the month, it is obvious that mountain areas have rice and sweet potato crops slightly below those of an average year whereas the plains areas have crops a little better than those of an average year. No difficulty is anticipated in completing the Prefectural quotas, but full deliveries in some areas may cause individual hardship in spite of reduced quotas which are scheduled for complete breakdown to individual farmer level not later than 21 November.

b. Fall crop quota collections as of 31 October are as follows:

	Revised Quota	Collected and Purchased	Percentage
Rice and Rice Substitutes	412,800 koku	132,252.3 koku	32%
Sweet Potatoes	3,969,000 kan	1,736,062 kan	43.74%

Note: Quota figures shown do not take Prefectural Adjustment allowances into consideration.

3. Food Distribution:

a. During October, further checks of ration points, processing plants and food warehouses were carried out and the general condition of most installations was greatly improved. A regular inspection and reporting system has been devised and will operate from 1 November. By this system it is anticipated that all installations will be brought into first class condition within three months.

b. Due to transportation shortage, inland towns and villages are receiving very small quantities of fish for rationing but there appears to be little possibility of relieving the position until more rail freight is available.

4. Fertilizer:

a. Working to a plan suggested by this Team, fertilizer experts covered a further 18 villages during the month. Their mission has been that of encouraging farmers to cultivate more green fertilizer and increase barnyard compost as supplements to chemical fertilizers, the best uses of which they convey to farmers by means of lectures.

b. Amendments and breakdown of fertilizer allocations, Kodan receipts and distributions are as follows:

ANNEX D TO ACTIVITIES REPORT, ending 31 October 1948, ECONOMICS SUMMARY

(1) Period: 1 August to 31 December 1948:

Use	Type	Prefectural Allocation TONS	Kodan Received TONS	Percentage Received	Farmers Received TONS	Percentage
General	Nitrogen	3565	3565	100	494	13.9
	Phosphorus	3451	2679	77.6	602	22.5
	Potassium	153	7	4.6	1	14.3
Link	Nitrogen	8	8	100	5	62.5

(2) Period: 1 January to 31 July 1949:

General	Nitrogen	5411	1272	23.7	186	15.6
	Phosphorus	206	206	100	206	100

c. Delay in delivery to farmer level is explained by the fact that either farmers have insufficient funds to pay for their allocations or else have sufficient barnyard compost to be independent. Further, Co-operative Associations and retail dealers are not availing themselves of the credit system devised by Central Government by reason of the attitude of farmers.

5. Fisheries: Adverse ocean currents during the first twenty days of October lo ered the catch greatly, however, unusually large catches of mackerel and horse mackerel during the closing ten days of October brought the monthly catch to approsimately 4,140,000 lbs. The receipt of small quantities of rope, nets and twine as Link goods did not greatly relieve the short supply condition. The need for these articles remain acute.

6. Mining:

a. The mining position apart from coal remains static with production limited, in many cases, by the transport available for movement of ores to industrial areas. Development of the Hokoku Coal Mine is proceeding and the effect should be felt by the end of December. In the meantime, this mine is producing sufficient only to fill Coal Board quotas.

b. There is no shrotage of mining timber due to the fact that this is a surplus producing prefecture.

7. Incentive Goods:

a. Summer Crops: All incentive goods for early deliveries and completion of summer crop quotas have been distributed to individual farmers, but some items, notably cotton gloves and cigarettes, have not yet been received to cover over-quota deliveries.

b. Fall Crops: Not only are there insufficient allocations of incentive goods for early rice and sweet potato deliveries, but none had been received within the prefecture as of 31 October. In spite of utmost efforts on the part of Incentive Goods Surveillance Team personnel, incentive goods for quota deliveries are slow in coming forward although some villages are on the verge of completing quota deliveries for both crops.

c. Forestry Products: With the exception of cotton gloves and soap, all incentive goods for the period April to September have been delivered to the individuals concerned.

d. Fisheries: The only item not received to complete the April to September program is cotton textile.

e. Coal Mining: All items received have been distributed down to individual miner level.

3. Forestry:

a. The production of lumber and lumber products remained constant with a decrease of 177,400 B.F. in rough lumber. The harvest season for fall crops caused a delay in production of approximately 1,580,000 kg of charcoal as well as a sharp decrease in cord wood cutting. This reduction in production is customary at this time of the year.

b. Elimination of Pine Bark Beetle: this program is proceeding steadily with progress as follows:

(1) Surveillance revealed another 6.1 chobu of infested forest land with approximately 9140 koku of timber affected.

(2) During October, control was carried out over an area of 7 chobu and bark peeled and burned.

(3) Timber salvaged after peeling was estimated at 1080 koku.

(4) During the month, 1200 koku of salvaged timber, utilized as domestic fuels, was removed from forest areas.

(5) Total area remaining infested as of 31 October was estimated at 574.5 chobu with approximately 26524 koku of affected timber yet to be treated.

9. Transportation:

a. Large stockpiles of charcoal and firewood wtill remain to be shipped, not only at railroad sidings but in village loading points not served by rail and at cutting and burning areas. Although the railways have already exceeded operational plans, this Team considers it possible that production will fall off unless

the fuels produced are removed to consuming areas and producers receive prompt payment.

b. In order to facilitate the lifting of these stockpiles, the movement of non-critical materials was somewhat curtailed.

10. Electric Power: At present, householders are receiving approximately 75 per cent of normal requirements and enquiries reveal that this ration is not likely to be increased during the winter months. Efforts to utilize excess generation of power during slack consuming periods resulted in special night shifts being worked in certain industrial concerns.

11. Petroleum: Special surveillance of oil storage facilities of the prefecture, carried out during October, reveal acute shortages of petroleum and petroleum products. Fishing associations are particular in this category due to unusually heavy catches of fish during September, causing October and part of November allocation of Link oil to be issued. Corrective action has been taken up with Higher Headquarters and the situation is expected to be relieved in the near future. Also special investigations were made concerning reported excessive storages of allocations of petroleum in the prefecture but the reports were found to be false.

12. Construction: Surveillance of construction is being conducted by the Economics Officer. Due to the fact that no violations have been reported for several months it has been decided that screening of all constructions permits will be undertaken as of 1 November.

13. Public Works: Plans are under way for the construction of locks across the Ohashi River and the Sada River in an effort to keep the water of Lake Shinji free from contamination by salt water which previously caused more than 1000 chobu of land to be withdrawn from cultivation. Discussions have taken place as to the best means of financing this work which would bring so much arable land back into production as well as permitting of fish hatcheries for the cultivation of a fresh water fishing industry which is impossible under present conditions.

14. Stimulation of Critical Industries: Special effort has been directed toward securing contracts for the building of Russian Barges for "twenty-five wooden shipbuilders of Shimane." The recent issuance of the contracts for the third allocation of barges did not include this prefecture, although the ship builders had accumulated materials in anticipation of the work. Also application for the release of certain food processing machinery has been made and at this time, no action has been taken on recommendations of this Headquarters concerning either of the above subjects; however, information is expected in the near future as to the results of efforts.

15. Elimination of Control Associations: Special surveillance and investigation of Co-operative Associations have revealed instances of associations which, in the opinion of this Headquarters, exercise controls and carry out functions which make them Control Associations. These are in every instance reported to higher Headquarters. The lists submitted are being checked and forwarded. In addition, the Public Health Associations which were organized to replace the Sanitary Associations and which were dissolved during September 1947, had, in some cases become active again in block and local areas. Their practices were immediately stopped.

ANNEX D TO ACTIVITIES REPORT, ending 31 October 1948, ECONOMICS SUMMARY

Surveillance will be continued in this particular field as well as the continued program on all control associations as scheduled by Eighth Army.

16. Blackmarkets: The drive on blackmarkets and rigid control of Fish and Vegetables has practically eliminated blackmarkets locally as well as in the larger cities throughout the prefecture. Small villages, landing ports, water transportation and rail transportation are now points of concentrated efforts and are bringing desired results. Vegetables are available in abundance at less than legal prices, while fish exists in adequate quantities for full rations at legal prices. The overall result continues satisfactory.

17. Release of Installations: Installations not in use by Occupation Forces have been released except in a few cases. The ones in question are now in process of revision and requests have been submitted to using Units for permission to release the unused portions. Complete list of all un-released installations or portions thereof is being prepared and will be sent to Eighth Army on completion.

18. Reparations: Inspection of the one Arsenal and one Thermal Power Plant during October showed an improvement in upkeep and maintenance of the machinery as well as marked improvement in the cleanliness of the grounds and buildings. Requests were submitted by the Shimane Chemical Company for the return of certain food processing machinery and for the exemption from Reparations of certain rayon manufacturing equipment after rigid investigations had been made. These requests were concurred in and forwarded by this Headquarters with recommended approval action taken and results are expected in the near future.

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Reports Control Symbol MG-11 (R2)

HEADQUARTERS
SHIZUOKA MILITARY GOVERNMENT TEAM
APO 1007

ANNEX D: Economics Summary
To Military Government Activities Report
Period Ending 31 October 1948

Prepared by Capt. Carl C. Cullison
Mr. J. Warren Jones, DAC

AGRICULTURE

Crops - The fall crops are still suffering from the excessive amount of rainfall that came during and after the typhoon "Ione". The sweet potatoes have especially been affected by so much rain. The vines have grown to such an extent that the growth of the bulb has been effected therefore the potato yield of this prefecture will not be as much as was anticipated.

Information has been received on the reduction of crop collection quotas for this prefecture. These quotas will be given to the individual farmers not later than 20 November 1948. The total acreage of cultivated land is as follows:

Paddy Field 133,158; Fields 136,931; (Orchards 15,854;
Mulberry 3,736; Tea 27,961; Others 89,380)

Land Reform - A total of 24 towns were inspected during this reporting period. The Land Commissions and the Agriculture Cooperatives were examined. All of the land available for purchase by the government has been purchased and most of the Commissions report a complete resale.

As of 15 October 1948 the land sales to tenant farmers totaled 31,702.5 cho. The government has received 11,733 cho of land in lieu of taxes as of 15 October 1948. This makes a total of 55,901 cho of reclaimable land available for purchase by the tenant farmers. It is reported that 893 cho of pasture land has been purchased as of 1 October and that 196 cho of this land has been resold. Prefecture Government has received instructions from the Central Government that on 30th of August 1948 the poster, "Rental Contracts Must be Written and Modeled After the Sample Contract in the Agriculture Land Commission Office", should not be given any distribution until further notice is received from the Central Government. Some of these posters have been distributed.

Agriculture Extension - An Agriculture Scientific exhibition was held during the month. Different kinds of fertilizer, insects and agriculture implements were on display. Many posters illustrating methods of insect control were displayed. Uses of fertilizer and farm implements were demonstrated. The pamphlets "How to Store Sweet Potatoes" have been distributed to all communities. Radio broadcasts from prefecture stations have given the farmers much data and suggestions on agriculture improvements. A total of 125 local committees have been established and 765 area commissioners have been elected. The prefecture Agriculture Committees will be in operation by 15th of November 1948. Additional applicants for official technicians will be examined by 1st

of December. Examination rules for the authorized technicians have been formulated and are effective. It is planned that the official examinations will be held in January 1949. Agriculture technical officials are active in every locality placed in their jurisdiction.

Cooperative Associations.- All of the 449 Cooperatives have completed their constituent general meetings. 445 of this number have been approved by the prefectural governor. A total of 996 directors and 304 auditors were elected who were former officials of the Nogyo-kai. There were 3,831 directors and 1,247 auditors elected who were never officials of the Nogyo-kai.

All 15 Federations of Agriculture Cooperative Associations have completed their constituent general meeting and 14 Federations have been approved by the prefectural governor. A total of 120 directors and 33 auditors were elected who were former Nogyo-kai officials. 123 directors and 26 auditors were elected who have never been officials in the Nogyo-kai.

The estimated value of the Nogyo-kai property is based on the present value of the Yen. All cooperatives desire that this property be value according to the value carried in the Asset books of the Nogyo-kai.

Dairy Products - Milk production during October is estimated at 819,540 litres as compared to 699,486 litres for the month of September. Approximately 65% of this amount was turned in through normal channels while the remaining 35% was used for home consumption or calf feeding. 76% of the milk turned in through normal channels was processed while the remaining 24% was delivered as fresh bottled milk.

Information Media - Local radio stations, JOPK and JODG, have broadcast programs of 15 minutes duration on the following subjects: "Prefectural consultation Service on Land Reform", "Agricultural Extension System", "Livestock and Breeding", Farm Management in October", "Election of Agricultural Extension Committee", "Disinfection of Seed Barley and Wheat," "Storage of Sweet Potatoes", and "Wheat and Barley Sowing".

There were 15,000 leaflets on "How to Store Sweet potatoes" and 10,000 leaflets on "Prefectural Consultation Service on Land Reform" distributed throughout the prefecture, also 140 posters on, "Production Increase of Soy Bean for Green Manure and Food", were sent to the gun offices.

Publicity on the Crop Collection Program has been delayed somewhat due to the late date the farmers will receive their quotas. The delay in assigning quotas was due to a reduction in this prefecture.

Tea: - The tea farmers of this prefecture are deeply concerned over tea payments due them for tea that was purchased for export. This tea was shipped in May and only 50% payment has been received. Unless prompt payment is received from the Central Government the farmers will be unable to make tax payments as well as purchase the needed commodities.

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CROP COLLECTION

The crop collection is progressing in a favorable manner at the present time. It is anticipated that this prefecture will be able to meet the crop quotas in full because of the reduction which was granted in consideration of the damage caused by the typhoon "Ione".

The collection as of 31 October is as follows:

Crop	Collection	Percentage
Rice	9,034 Koku	3.2
Sweet Potato	10,301,000 Kan	29.5

FOOD DISTRIBUTION

The following tables show the fish and vegetable collection and distribution for period 1 thru 20 October.

Vegetable collection and Distribution:

	1947		1948	
	B Area (Kan)	C Area (Kan)	B Area (Kan)	C Area (Kan)
Collection plan for Oct. Nov and Dec	1,996,700	1,481,700	1,720,200	600,700
Amount collected from 10 thru 20 Oct	10,652	13,720	114,301	21,964
Cumulative amount collected since 1 Oct	19,523	27,440	195,160	36,481
Percentage of cumulative amount collected against collection plan	1 %	2 %	11.3 %	6 %

Fish Shipment and Distribution:

	1947	1948
Plan of shipment within the prefecture for Oct.	477,900 Kan	524,100 Kan
Actually shipped from 10 thru 20 Oct.	155,767 "	112,595 "
Cumulative amount shipped since 1 Oct.	213,314 "	237,364 "
Percentage of cumulative amount shipped against shipping plan	42 %	45 %

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Fish Shipment and Distribution (Cont'd)

	1947	1948
Plan of shipment to other prefectures for Oct.	226,000 Kan	386,000 Kan
Actually shipped from 10 thru 20 Oct.	34,063 "	47,956 "
Cumulative amount shipped since 1 Oct.	77,055 "	71,829 "
Percentage of cumulative amount shipped against shipping plan	35 %	19 %

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Fertilizer - There was 5,958 kg of fertilizer manufactured in this prefecture during the month of October. This was 60% of the planned production made by the Japanese Government. The Prefectural Government is still urging the farmers to increase the amount of compost used and to supplement their regular allotment of commercial fertilizer by the use of night soils, ashes, garbage and etc. This program is being pushed forward by the use of posters, newspapers and radio. The goal is a 10% increase in the use of natural fertilizers.

FISHERIES

Coastal fishing is still showing a good catch, composed mostly of sardine, but ocean fishing has shown a sharp decline due to the fact that the bonito are going out of season and the tuna have just started. The typhoons "Ione" and "Libby" were also large factors in causing such a poor catch of deep sea fish.

The total catch as compared with the previous period is as follows:

From August 15 to September 14	From September 15 to October 14	Ratio
		Kg.
6,026,417.50	6,587,972.50	110 %

The total marine production for this reporting period is 4,388,092.5 Kg. The total amount of fish shipped to other prefecture for the month of September amounted to 781,327 Kg. The amount used for general consumption amounted to 1,180,961 Kg.

MINING

Shown below is the output of all mines of this prefecture during the month of October.

Name	Employee			Quantity
	Man	Woman	Total	
1. Gold ore (Contain Silver)	864	171	1,035	5,680 ton
2. Pyrite ore	819	108	927	3,437 ton
3. Kerosene	12	0	12	885 C.M.
4. Silex	203	86	289	4,313 ton
5. Lime	63	3	66	1,302 ton
6. Talc	18	7	25	20 ton
7. Clay	18	8	26	66 ton
8. Natural Gas	7	15	89	44,836 C.M.
9. Copper	41	15	56	75 ton

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The Kuno Pyrite Mine is having some difficulty in the shipment of their products due to recent landslides that have made the only road outlet impassible.

INCENTIVE GOODS

The fall crop incentive goods have started to arrive. About 30% of the textile allocation has been received. Only about 10% of the overall incentive goods allocation has been received. The prefectural officials are being urged to make payment for the incentive goods as soon as possible in order to speed up the delivery of the same.

FORESTRY

Log Production - The October log production totaled 1,672,823 cubic ft. The stockpiles totaled 3,381,608 cubic ft. Timber production decreased 471,710 cubic feet during October and lumber showed a decrease. The decrease is due to a falling off in the demand of the finished product. It is felt by most of the consumers that the official price of lumber is much to high for the average citizen to pay.

Charcoal, Firewood and Gasumaki - Firewood production of 5,878 cubic metres was reported for the month of October as compared to 7,655 cubic meters for the month of September. Charcoal output in October was 912,105 metric tons as compared to 2,581,440 metric tons during the previous month. There was 854,739 metric tons of Gasumaki produced in October. September production totaled 2,014,202 metric tons. Firewood production fell 80% short of the planned production but due to a considerable amount on hand and some wood imported from other prefectures the situation did not become critical.

NR
Follow up

Reforestation - Approximatily 64,804 acres of land are in need of reforestation. To replant this area will require 1,631 kilograms of seed above what is already on hand. Deforestation during the month of October was 517 acres of which none has been replanted due to the season. A total of 4,154 metre of new roads have been constructed opening approximately 2,616 acres of forestland.

Pulp Production - The production of pulp during the month of October:

Type of Pulp	Output (L.T.)	Percentage of Capacity
Grand pulp	3128	78.2 %
Kraft Pulp	274	53 %
Soda Pulp	24	25 %

Plants are falling short of maximum production due to lack of electricity, coal, funds, caustic soda and timber.

Pine Bark Beetle - The number of damaged trees discovered up to the present time totals 19,823 trees (2,413 koku). This is same as was reported for month of September.

ANNEX D: (Cont'd)

Disinfected during this month			Infected as of the end of this month		
Area cho	Number	Volume	Area cho	Number	Volume
3.45	188,100	1,274	17.60	17,290	434,340

TRANSPORTATION

A total of 4,381 officials made inspections of railway, boat, and truck transportation facilities during the month of October. The number of cases checked totaled 14,830. The black-market cases reported totaled 1,718: of which 327 were sent to procurators office and 1,391 were handled locally.

ELECTRIC POWER

Industrial concerns served by "A", "B", and "C" lines used 2,755,569 KWH above quota during October as follows:

	Quota	Consumed	Overage
"A" Line	4,018,600	4,158,371	139,771
"B" Line	4,890,054	5,767,029	876,975
"C" Line	6,517,397	8,256,220	1,728,823

Although distributors report service on a 24 hour basis throughout the month, users report they are subject to usual electric holidays and curtailments at certain hours during the day.

PETROLEUM

The Petroleum Distribution Kodan has petitioned to make use of 6,500 KL of storage tanks at the unoperated refinery of Toa Nenryo KK at Shimizu. If permitted to use this tankage the Kodan can control any surpluses that may develop through retention of stocks which at present (except for heavy oil) are delivered immediately to distributors for lack of storage facilities.

It is difficult to prevent surpluses, beyond monthly requirements, from developing in the hands of contractors working for Occupation Forces under the present system of Japanese accounting. The Kodan when told to withhold or reduce deliveries to local contractors to balance surplus developed during the month advises it has no means of storing excess amounts unless the stocks are paid for, as the account of petroleum products for Occupation Forces' contractors must be cleared within 30 days.

CONSTRUCTION

During October 1,356 construction permits were issued; 795 of these required rationed materials, while 561 were issued by recognition of "on-hand"

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materials. Forty-seven percent of the permits were for now construction, thirty-one percent for expansions, and twenty-two percent for remodeling, repair or conversion.

Seventy-five violations of the construction ordinance were reported during the month; ensuing prosecution involved 61 cases of "administrative" punishment, and 14 judicial.

Eighty-nine public project residences were completed during the month. An additional 449 residences are under construction.

PUBLIC WORKS

The Prefectural Government reports no difficulty in authorized projects other than that of reconstruction of war-damaged cities along new improved plans. These projects are hampered by inadequate budgets, lack of materials and difficulty in land adjustment and consequent delay in moving houses. These are 5 year projects begun in 1946. Chiefs of the projects in 7 cities convened in the Kencho on the 18th of October, with the result that they agreed to unify and harmonize their procedures, and to hold monthly conferences to endeavor to smooth out the bottlenecks regarding materials, land adjustment, removal of houses and exchange of sites.

REDISTRIBUTION OF CRITICAL MATERIALS.

Cabinet Order #65. - Excess materials inventoried under this cabinet order have received little redistribution to date. During October a total of 10,689 kg. of iron bars and 289 kg of sheet iron were withdrawn from four sources and allocated to 24 companies.

During October 11 cases originally referred by ESB for prosecution (September report Annex D-1, 1., c., (3)) were acted upon. Ten cases were dismissed and one firm was prosecuted (2,583 yards of textiles confiscated, company fined ¥ 2,000, and person responsible ¥ 1,000).

Economic Investigation Board. - Authorized personnel of the prefectural Board is 35 class 2, and 24 class 3 officials; present strength is 6 class 3, and 20 class 2 officials. The local coordinating committee was not established during October but list of appointees was received from Region, 4 November.

The Foodstuffs Section of the EIB made 22 investigations during the month; one violation was uncovered. The Material Section made 90 investigations; 20 violations were uncovered. Foodstuffs were turned in for official distribution, other materials are impounded awaiting instructions from Region. Seven of the 20 violations uncovered involved illegal dealing in leather by the Shizuoka Prefectural Meat Dealers Commercial Co-operative Association, dating back to January of this year.

IMPORTS AND EXPORTS

Imports. - During this reporting period there were two Import Ships at Shimizu Port. They were the:

ANNEX D: (Cont'd)

NAME	CARGO	TONNAGE	TIME OF ARRIVAL	TIME OF DEPARTURE
S/S Coe Victory	Amm. Nit.	9332 L/T	20 Oct 48	25 Oct 48
M/S Tjimenteng	Bauxite	8800 L/T	11 Oct 48	14 Oct 48

Exports. - During this reporting period there were three Export Ships at Shimizu Port. They were the:

S/S Pioneer Cove	Tea	115 M/T	28 Oct 48	28 Oct 48
S/S Kyska	Tea	179 M/T	28 Oct 48	28 Oct 48
M/S Clytoneus	Tea	180 M/T	28 Oct 48	28 Oct 48

SCAJAP Inspection. - During this reporting period the following SCAJAP ships were inspected:

NAME	VESSEL NUMBER	PERMIT NUMBER	TIME OF ARRIVAL	TIME OF DEPARTURE	DESTINATION
Hadachi Maru	X 033	0640	3 Oct 48	6 Oct 48	Osaka
Kinyu Maru	X 076	0710	2 Oct 48	5 Oct 48	Taketoyo
Dabushi Maru	D 031	0054	6 Oct 48	10 Oct 48	Kushiro
Amagi Maru	A 079	1457	9 Oct 48	13 Oct 48	Muroran
Konan Maru	K 070	1400	24 Oct 48	29 Oct 48	Moji
Daishan Maru	D 055	1390	25 Oct 48	27 Oct 48	Ujina

STIMULATION OF CRITICAL INDUSTRIES

Industrial Production. - September production compared with August, registered decreases in metal production (except aluminum, Nippon Keikinzoku production increased 439 tons), also in casting and fabrication, machine tool, wood-working and industrial machines, engines, hand tools, textile machinery and parts, electrical apparatus, refrigeration, lighting, and communication equipment, chemicals (including fertilizer), paints, pulp and paper, yarns (except cotton), weaving (except cotton and wool), lumber. Except for a few categories (machinery, automobile and railroad parts, electrical equipment, precision tools and instruments, rubber products, industrial paper, rayon yarn, silk cloth, leather goods, and clothing) all production continues above the average level for 1947. Increases over August were noted in aluminum, metal products, agricultural tools, automobiles, rolling stock parts, ships, electrical parts, precision tools and instruments, vegetable oils, tires and rubber footwear, cotton yarn and textiles, wool textiles, clothing, musical instruments, waterproof silk.

ANNEX D: (Cont'd)

Foreign Trade. - Only one foreign trader (other than one resident tea buyer) was reported active in this prefecture during the month. Export contracts were reported concluded for the following: Special veneer board 142 cases; other veneer board 10,082 sq. ft; shirts 1,360 doz.; auto tires and tubes 8,000 sets; raw silk 987 kan; canned bonito 4,000 cases; packing boxes (momi) 6,000; kanphyo (gourd-shavings) 100 cases; bamboo toys 6,700 doz.; harmonicas 500 doz.; veneer chests 1,000; childrens clothing 7,521 doz.; table cloths 100 sets; bamboo stakes 380,000 pcs.; sarong 22,500 yd.; from government cotton textiles 1,061,080 sq. yds, yarn 66,400 lb.; tea 563,700 lb.

Mining Machinery.- Hitachi Ltd., Shimizu Plant (#C-4002) produced machinery to the amount of ¥ 5,239,747 during October; orders outstanding at end of month were for ¥ 7,801,642. This production was under the previous month probably due to labor difficulties; the company and the union have been endeavoring to negotiate during the month to prevent a strike. The company requires the following for current orders: coal 80 tons, coke 25 tons, steel 40 tons, pig iron 56 tons, copper 500 kg., copper wire 300 kg., iron wire 300 kg., machine oil 480 liters, moulding oil 330 kg., lacquer 50 kg.

Coal Allocations. - Spot checks made at 15 consumers during the month indicate 2nd quarter deliveries averaged 85%, but few had ~~been advised as to~~ 3rd quarter allocations.

The Haitan Kodan reported deliveries of 15,413 tons of standard coal during the month which is 32% of the 3rd quarter quota as announced to date; substandard coal deliveries were 876 tons, or 47% of the quarter's distribution as planned to date.

This Headquarters approved for the Kodan one minor change in distribution at the local level which involved reallocation of only 80 tons.

ELIMINATION OF CONTROL ASSOCIATIONS

All control association reports have been prepared and forwarded to higher headquarters. Continued investigations are being conducted. Sanitary Associations have been dissolved.

MILITARY INSTALLATION

Japanese Military Installations released to the Japanese Government to date are 112.

One Japanese Military Installation is pending partial release. (Fujieda Air Port 1330-1315).

Japanese Military Installations still held by the Occupation Forces are as follows:

1. Fuji Susono Manoeuver Area, 1385-1350.7, Tamaho-mura, Sunto-gun, Shizuoka-ken.

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2. South Hamamatsu Air Port, 1289.4-1305.5, Kamikuro-mura, Hamana-gun, Shizuoka-ken.

3. Fujieda Air Port, 1330-1315, Otomi and Ogawa-mura, Shida-gun, Shizuoka-ken.

4. Oi Air Base, 1315.2-1309.2, Katsumada-mura, Haibara-gun, Shizuoka-ken.

5. Numazu Naval Arsenal, 1384.8-1352.7, Takashima-cho, Numazu city, Shizuoka-ken.

6. Nagoya Army Arsenal, Suruga Plant, 1387.3-1353.8, Oka, Numazu city, Shizuoka-ken.

The above mentioned Former Japanese Military Installations are considred essential to the Occupational Forces.

REPARATIONS

Custody and Maintenance. - All installations were inspected one or more times during the month; custody and maintenance is satisfactory at all locations.

Partial Releases. - Area under custody was reduced at the following locations:

a. Fuji Sangyo KK, Arai Plant, inventory number 37-4 (aircraft) (for the establishment of a spinning company),

b. Fuso (Sumitomo) Kinzoku KK, inventory number 37-21 (aircraft) (for city housing),

c. Daito Kiko KK, inventory number 37-26 (machine tool) (for establishment of a straw-mat factory),

d. Kokura Seiko KK, inventory number 37-30 (machine tool) (storage area outside of plant compound for contemplated establishment of a rolling stock parts factory).

The areas released were not required for custody of reparations equipment.

RESTRICTED INDUSTRIAL OPERATIONS

Surveillance of Shipbuilding. - Shipyards at Numazu-shi and on the eastern side of the Izu peninsula were inspected during the month. At the 14 yards checked no construction was observed requiring a permit. New construction was entirely wooden and all under 100 G/T. There were 19 vessels building with total tonnage of 596 tons. Thirty (30) vessels were under repair totalling 1,942 G/T; 9 of these were over 100 G/T.

Employees, in the yards checked, varied in number from 9 to 140; average wage is ¥4,490 per month.

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ANNEX D: (Cont'd)

A fire on 28 October at the Yaizu Dockyard Ltd. (Shida-gun) destroyed 4 shops totalling 208 tsubo, some machinery, tools, and raw materials and 3 vessels under construction, one of which was a barge, 40% completed, for the U.S.S.R.

Pacific Coast Oil Refinery. - The Shimizu Plant of Toa Nenryo KK (SCAPIN 1404) was inspected of 21 October. The plant is not operated. A petition by the Sekiyu Haikyu Kodan is pending to use unoperated storage facilities to improve Kodan operations.

Manufacture of Fireworks. - This Headquarters issued 8 permits for manufacture of fireworks during the month. Manufacturers in this prefecture are receiving allocations of 100 to 120 kan of powder annually.

HEADQUARTERS
TOCHIGI MILITARY GOVERNMENT TEAM
APO 201

Reports Control
Symbol MG-11(R2)
John M. Nelson
DAC

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT FOR THE MONTH OF OCTOBER 1

ECONOMICS SUMMARY

1. Agriculture

a. Crop conditions

(1) Rice is now being harvested in this prefecture. The crop reporting office reported an estimated decrease in production of 24,527 koku as of 15 Oct 48, resulting from the storm of 1 Sept 48. Figures represent 2% of the production quota of 1,526,663 koku.

(2) Individual allocation of 1949 wheat and barley pre-planting quota was completed by 20 Oct 48. Planting of wheat and barley was virtually completed by 31 Oct 48. Weather conditions for planting of wheat and barley and harvesting of rice have been good.

b. Land productivity survey

(1) Plans are under way, by the Prefectural Government, for two different methods of determing land productivity. Purpose is to gain more nearly equitable allocations between towns and villages and between Guns. According to Prefecture Government, surveys are to be completed by 31 Mar 49.

c. 10% productivity increase drive

(1) The Prefectural Government held several meetings in October to determine methods of increasing, by 10%, the 1949 wheat and barley and white potato crops.

d. Agriculture Extension Work

(1) The Agriculture Improvement Section of Tochigi Prefecture Government appointed 50 Extension Agents (including two

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women) of 153 authorized. On 1 Oct 480 Agriculture committees were appointed. Purpose of the committees is to assist the Agriculture Extension Agents. During this reporting period 5 Prefectural Agriculture committees and other experienced agriculture personnel were appointed.

e. Disposition of Sweet Potatoes

(1) The sudden and unexpected heavy delivery of sweet potatoes created a critical problem. To prevent spoilage of approcimately 2,000,000 kan, this headquarters advised the Prefecture Government, Food Office, and Potato Bureau to c. on help from schools and prisons to prepare this overflow of potatoes for drying. This plan was carried out. Cooperation has been excellent.

2. Crop Collection

a. Collection of the 1948 summer crops has been completed. Fall crop collection is progressing satisfactorily. Due to a good crop and the pre-planting allocation system, the collection of sweet potatoes has been especially good.

b. The status of staple food collection as of 31 Oct 48 is as follows:

CROP	QUOTA	COLLECTION	PERCENTAGE
Wheat and barley	283,000 rice koku	283,028 rice koku	100.1
White Potato	6,723,000 Kan	6,723,000 Kan	100
Rice	803,200 koku	350,783 koku	43.6
Sweet Potato	15,167,000 kan	16,095,302 kan	106.1

3. Food Distribution

a. Food storage

(1) Storehouses, food processing factories, and ration depot were checked during October for fire precautions, security, and bookkeeping. Custodians are beginning to realize the importance of their position, due primary to emphasis placed on

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imported food safe keeping by this headquarters.

b. Food transportation

(1) Shipment of staple food to other prefectures is shown in the following table:

AREA	QUOTA	RESULT	PERCENTAGE	REMARKS
Tokyo	1,100,000 kan	2,202,000 kan	205	for month of S & Oct
Hokkaido	700,000 kan	780,000 kan	111	do
Akita	825,000 kan	861,000 kan	104	do
Yamagata	504,000 kan	727,000 kan	144	do
Gumma	600,000 kan	326,000 kan	54	do
Aomori	100,000 kan	5,000 kan	5	for month of Oct
Iwate	100,000 kan	2,000 kan	2	for month of Oct

c. Rice shipment

AREA	QUOTA	RESULT
Tokyo	50,000 koku	27,000 koku
Shizuoka	10,000 koku	10,000 koku
Kanagawa	10,000 koku	0 koku
Total	70,000 koku	37,000 koku

Primary reason for non-completion of quota set is all available freight space is being used for transportation of sweet potatoes.

d. Imported foods

(1) Close surveillance is being maintained on imported foods in this prefecture. The distribution of processed foods is as follows:

AREA	AMOUNT	FOOD
Tokyo	417,780 kg	Milo

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Tokyo	347,650 kg	Barley
Fukushima	628,496 kg	Corn
Aomori	290,752 kg	Corn

e. Distribution

(1) Staple food distribution based on the established rat of 50% rice, 37% sweet potato, 6% wheat products, and 7% : ported sugar on the basis of 2.5 go per person is as follo

FOOD	UNIT	PRICE
Rice	5.5 kg	146.30 yen
Sugar	.77 kg	22.46 yen
Sweet potatoes	18.315 kg	131.87 yen
Wheat products	.66 kg	21.93 yen

The food Kodan has distributed advance rations of sweet potatoes for Nov. There exists a strong tendency on the part of consumers to reject this ration.

4. Fertilizer (Reference OD# 43)

a. The increased amount of fertilizer for 1949 wheat and barley acts as a great encouragement for farmers in their production increase drive. Receipt of fertilizer by distribution Kodan is satisfactory as shown by following table. Distribution to individual farmers has been very much improved in time for the planting of the 1949 wheat and barley crop.

RECEIPT AND DISTRIBUTION OF AUTUMN FERTILIZERS
(As of 20 October 1948)

	Prefectural Quota Amount (A)	Amount of Shipment Received (B)	B/A	C/A	Amount delivered by dealers (C)	C/B	D/C	Amount delivered to farmers (D)
Nitric fertilizers	13,679 tons	9,152 tons	67%	52%	7,485 T	82%	88%	6565T
Sulphate fertilizers	15,538T	10,186%	66%	61%	9,425	93%	94%	8,837

This was increased to 95% and 97% as of 25 October 1948 D C

MG-4 ANNEX D October Tochigi Mil Govt Team

BASIC: Annex D to Monthly Military Government Team Activities Report for the month of October 1948

5. Incentive goods

a. Incentive goods linked with the delivery of wheat, barley, and white potatoes have been received according to schedule. 8 of the 9 items received have been completely distributed. All of the released i - ported cigaretts and cotton textile goods have been received and will be distributed completely by 10 Nov 48.

6. Forestry

a. Reforestation program (Reference OD# 38)

(1) In compliance with Central Government instructions of 1 September 1948, committees have been formed in this pre- fecture by the prefecture and Guns. Function of committees is to examine and recommend on cases of Government purchase of forest land for reclamation. This has acted to relieve worries of forest land owners and farmers.

b. Pine Bark beetle damage (Reference OD# 40)

(1) Vigorous efforts have been made by the Prefecture Govor - ment to reduce the number of insects and check their spread- ing. Despite the cooperation of forestry owners associations, forestry industries associations and private owners, the beetle continues to spread. Progress of damage is shown by following table which was submitted by Prefectural Government.

STATUS OF CONTROL AND SALVAGE OPERATIONS OF PINE BARK BEETLES
(As of 31 October 1948)

	ACERAGE	NO. OF TREES	VOLUME OF TREES
A. Infested amount as of 30 Sept 48	304.1 cho	73,348	43,939
B. Increase of damage during Oct 48	225.0 cho	46,366	16,789
C. Salvage in Oct 48	32.0 cho	7,009	2,899
D. Infested amount as of 31 Oct 48	497.0 cho	112,706	57,829

Map referred to in paragraph 4a, OD# 40 is inclosure # 1.

c. Production of timber, charcoal, and firowood

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(1) Production of timber, charcoal, and firewood is satisfactory primarily due to an adequate supply of electricity, improvement in railway transportation, and increase in official prices.

(2) However, the timber business is largely inactive, due to little purchasing power in the consuming area. Unfavorable financial conditions are also affecting the operation of saw mills, which have been customarily depending on pr ment in advance. Many of the small mills have ceased operation.

(3) The recent increase in the official price of charcoal has resulted in a corresponding increase in labor cost and in the price of timber used in charcoal making. In line with the desire to increase charcoal production, it is desired by the charcoal makers that an official price be established for wood used in charcoal making. The establishment of an official price for this charcoal timber is also strongly concurred in by this headquarters.

PRODUCTION OF TIMBER, CHARCOAL, AND FIREWOOD
(As of 30 Sept 48)

	Production quota Apr - Sept	Amount of production	Percentage of production
Timber	530,000 koku	818,718 koku	154.5%
Charcoal	14,541 tons	15,754 tons	108.3%
Firewood	333,471 sokoku	396,500 sokoku	118.9%
Gaswood	7,806 tons	8,779 tons	112.5%

7. Transportation

a. Shipment of sweet potatoes to northern prefectures constituted most of the freight shipments this month. In Oct 47, 6,936 tons of freight was shipped from this prefecture. In contrast, shipments in Oct 48 totaled 28,010 tons or 404% of last October's total. This was traced to the fact that, due to the bonus system for early delivery, most farmers turned in their quota around the 10th of October.

(1) Freight stock at railheads on 5 October totaled 480 tons. On 15 October this stock had increased to 6,236 tons

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although 11,148 tons was shipped out during this ten day period.

b. Transportation control

(1) The Economic Police have conducted 114 inspections and have seized the following material:

Charcoal	170 bales	30,345 yen
Firewood	508 bundles	17,526 yen
Lumber	98 koku	98,000 yen
Soy-sauce	1.1 koku	4,565 yen
	Total	150,436 yen

(2) Police have been advised to pay more attention to charcoal and firewood control in view of the heavy demand during the winter months.

c. Although the yen value of confiscated property has increased slightly, it is felt that black market activities are decreasing. Reasons to support this belief are; decreasing buying power, and lessening margin between blackmarket and official prices.

8. Electric power

a. In the first half of the month, supply of electric power was adequate. However, since the 18th of October power was cut off several times a day. The local Kanto Haiden explain this as a result of dry weather in the middle of the month. Close surveillance is required to prevent unnecessary damage to production in important industries, especially those holding export licenses.

9. Redistribution of Critical Materials

a. The purchase and resale of excess materials continues to receive emphasis. First priority is given to six items which include, mild steel, iron and steel secondary products, cast iron pipe, electric wire, iron scrap, and steel scrap. The power to issue allocation certificates on these critical materials has been delegated to the Prefecture Government. An overall reinvestigation of actual stock of excess materials is being carried out by the Japanese, starting 15 Oct 48. Errors in estimation and misunderstanding of regulations are to be corrected.

b. Close surveillance is kept on the accuracy of inventory and records of transfer after inventory is made. Results of inspections are satisfactory except for minor defects in bookkeeping.

BASIC: Annex D to Monthly Military Government Team Activities Report f the month of October 1948

10. Stimulation of Critical Industries

a. Railroad rolling stock repair .

(1) Progress of this program is satisfactory. 25 freight cars were repaired as scheduled for the repair shop in this prefecture. Officials in charge of this repair work are fully aware of the importance of this program and are making a real effort to overcome various difficulties. Chief difficulty is the narrow profit margin allowed by official repair prices.

b. Coal mining machinery production

(1) Production of rock drills from the Ashio Seisakusho continues satisfactory. Drills from this company have a reputation of being of high quality. Efforts are being made to further improve quality.

c. Coal

(1) Delivery of coal from the Solid Fuel Distribution Kodan is satisfactory. Since the revision of freight rates, consumers have become more critical of the quality of coal they receive. Difficulties are experienced in breaking down allocations to minor consumers (2 or 3 tons monthly) in such a way that each individual may receive coal of a desired quality.

11. Elimination of Control Associations

a. The Tochigi Prefecture Federation of Horse Association was dissolved in Jul 48 in compliance with the Horse Race law. The five local Horse Associations in this prefecture are under dissolution in accordance with the Horse Association Dissolution Law. Four of the five associations have applied to the Governor for dissolution. These associations have formed five Agriculture Cooperative Associations.

b. The Tochigi Prefecture Forestry Association completed its dissolution on 29 Sept 48. Although this was not a control association the members decided to dissolve this organization voluntarily in order to meet demands for a more efficient organization.

12. Blackmarket (Economic Investigation Board)

a. The EIB in this prefecture is still in a state of organization. 14 of 26 posts for second class officials have been filled and 12

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of 17 posts for third class officials. Major activities are, investigation of slaughter houses and tanneries in view of the revised official prices for raw hides and investigation of warehouses with critical materials in mind. Compliance with laws is satisfactory except for minor instances of misunderstanding of economic laws. In some instances factory officials pay too much attention to suggestions, disregarding the fact that the most efficient production is possible only in the best equipped factories. EIB officials have been advised to concentrate their efforts on the elimination of blackmarket dealings in rice, especially that directed into illegal channels for making "sake".

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Annex D to MG-4, Reports Control Symbol MG-11 (R2), Headquarters Tokushima Military Government Team, APO 1050, October 1948

RUSSELL E. SIGMELL, Captain, Infantry, Economics Officer

1. Agriculture

a. Land Reform - 214 cho were purchased during October which brought the total purchase figure up to 13,438 cho inclusive of those lands acquired in lieu of taxes. 12,876 cho have been sold to tenants to date with most of the balance to be sold during the coming month. Prefectural officials claim that there will be approximately 560 cho remaining in the hands of the government at the end of the year as suitable purchasers cannot be found for that remaining amount. Prefectural officials originally estimated that there would be 1,000 cho remaining in government custody after the land sale program but intensive encouragement efforts by this headquarters prompted the officials to find suitable purchasers for 50 percent of that amount. This headquarters will continue to make every effort to actuate the officials to find suitable purchasers for the balance.

b. Extension Service - The extension section became active in the field during the past month with 49 newly appointed agents. Baloptican slides received from Shikoku Mil Govt Region on plant disease control and planting of wheat and barley were given to the extension service to be used as augmentive material for lectures. The Extension Section in cooperation with the Prefectural Civil Education Section, has arranged a series of farmer meetings throughout the prefecture. Baloptican slides will be utilized at these meetings.

c. Crop Conditions - The rice harvest is approximately 90 percent completed and it appears that the crop compares favorably with a normal year. Prefectural officials have made gross claims as to the extent of disease damage but observations and conferences with farmers does not bear out their claims.

2. Crop Collection

a. Collection Progress - Collection progress as of the end of October was as follows:

Item	Amount Purchased		Quota		Percent	
	1947	1948	1947	1948	1947	1948
Wheat & Barley	122,503 koku	187,970 koku	122,500 koku	185,000 koku	100.0	101.6
White Potatoes	1,814,652 kan	1,897,694 kan	1,422,000 kan	1,663,000 kan	127.6	114.0
Rice	29,797 koku	42,673 koku	245,000 koku	225,200 koku	12.2	18.9
Sweet Potatoes	1,571,804 kan	1,453,851 kan	8,703,000 kan	8,563,000 kan	18.1	16.9

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b. Quota Reduction - This prefecture received 22,000 koku reduction for disease damage and 8,000 koku for adjustment. The 8,000 koku adjustment reduction is particularly redundant to this headquarters as the 22,000 koku reduction would have more than sufficed to cover any adjustment needed. Last year, this prefecture had a rice quota of 245,000 koku and no trouble was experienced in fulfilling it; this year the quota is 225,200 exclusive of the 8,000 koku allowed for adjustment purposes. It will be difficult to attain this goal as 8,000 koku will have to be surplus turn-in by farmers. Under the present system, a farmer must turn-in over his original quota before he is given credit for surplus turn-in and becomes eligible for the extra price and incentive goods. e.g. Joe Tanaka had a pre-planting quota of 5 koku, he put in a claim for disease damage and received a reduction of 1 koku making his final quota 4 koku. On harvesting his crops, he found that he has 6 koku that he could sell to the government. Under the present system, Joe has to turn in 5 of the 6 koku at the regular price and then get credit for surplus for the last koku. Joe's quota is actually only 4 koku so Joe decides he will sell the other two on the blackmarket as he will get more money that way and also is not subject to tax for that amount. If Joe had received no reduction and he found that he had six koku he could sell he would be far more apt to sell the extra koku to the government at three times the regular price than he is if he had to sell one extra at the regular price before he could get bonuses for the extra koku. It would appear that a lower pre-planting quota with no reduction would enable the government to collect more food than the present system or a very high pre-planting quota with a sizable reduction and no surplus collection would be more advantageous to the government. If surplus collection over the revised quota is desired, then the farmer should get credit for all turned in over his revised quota as surplus and the reduction should be held to a minimum. As long as the quota has not been filled, MG can keep pressing the officials and farmers to fulfill the quota. However, once the 100 percent quota is attained, MG's efforts to get the officials to collect surplus are mostly in vain.

3. Food Distribution - The influx of sweet potatoes during the latter part of the month has created a storage problem in the prefecture. The Food Office has been hard pressed to find storage space but by transfering barley from urban warehouses to outlying warehouses enough storage space was obtained. There is an abundance of sweet potatoes available at the present time and many of the consumers are refusing to buy their ration. The new ration scale scheduled to commence 1 Nov will be delayed approximately ten days in this prefecture due to administrative delays in the changeover. Koden officials have assured this headquarters that the delay will be no longer than ten days and back rations will be given out immediately. Surveillance of unloading of imported sugar revealed that the stevedores were using hooks to handle the sugar resulting in torn bags and the loss of sugar. This matter was brought to the attention of the Food Office officials and remedial action was immediately taken.

4. Fertilizer - Distribution of fall fertilizer has been slow to date but during the forepart of November it should accelerate considerably. This headquarters is constantly stressing the importance of prompt distribution and it appears that Japanese officials are doing their utmost to move the present stocks. Reasons for retarded distribution are as follows:

a. Farmers in this area do not apply fertilizer on any staple food crop during October and therefore would rather leave fertilizer stockpiled at the Kodan or dealer than in their own warehouses. As a result dealers have not been purchasing from the Kodan.

b. Many of the villages were delinquent in distributing ration tickets.

c. Dealers were lacking in capital with which to purchase fertilizer due to the increase in price.

d. Farmers lacked funds with which to purchase the fertilizer from the dealers.

As of the end of October, the following is a tabulation on the fertilizer situation in the prefecture.

Type	Allocation	Arrived in Prefecture	Delivered to Dealers	Delivered to Farmers
Nitrogen	7,539 MT	6,046 (80)	2,826 (37)	2,038 (27)
Super Phosphate	6,750 MT	5,657 (84)	2,400 (36)	1,741 (26)
Potash	325 MT	147 (45)	0	0

Note: ( ) denotes percentage against allocation

5. Fisheries - The availability of fishing materials is improving every month and many of the fishermen are now buying materials at official prices whereas before they did all their dealing on the blackmarket. Fishermen continue to complain about the low ration of link oil for the catch but are well satisfied with the present official prices they receive for fish provided they could get more oil through official channels.

6. Mining - A check of the coal mines in this prefecture reveals that the miners are receiving incentive goods and management and labor are co-operating together to increase coal production. The biggest obstacle

M+I and NR follow up

to increased production of coal in this prefecture is the lack of means of transportation. A special report is now under preparation on this matter and will be submitted in the near future. Mining production for the past month was Coal - 1,445 tons; Pyrite - 976 tons.

7. Incentive Goods - All released US Army goods for summer crop incentive goods were received during the latter part of the month. Delivery is scheduled to be made to the farmer during November with some of the farmers receiving the goods personally from the governor. It is felt by this headquarters that the distribution of these goods at this time will stimulate over-quota turn-ins of the rice crop.

8. Economic Investigation Board - The director of the local board has still not been appointed but the board appears to be functioning smoothly. Emphasis was placed by the acting director during the past month on enlightening the public as to the functions of the board. Investigations carried on included processing of staple foods and hoarding of goods. No serious violations were disclosed but numerous minor cases were uncovered. The Economic Advisory Committee was appointed during the latter part of the month and the first [illegible] committee meeting will be held during the forepart of November.

ELON

HEAD UARTERS
TOKYO ILITARY GOVERNMENT TEAM
APO 181

Annex D
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ctivities Report

1 October to 31 October 1948

ECONOMICS SUMMARY MG 11 (R 2)

George B. Niblock, Jr., Major, Infantry

1. Agriculture. - Harvesting of fall crops during the period showed some change in the unit yield as compared to the previous crop year. Upland rice, favored by continuous precipitation, averaged 1.1 koku per tan, an increase of 10% over 1947. Harvesting of 39,970 tan of this crop was completed. Paddyland rice, damaged by insects and disease and retarded in normal development by unfavorable weather conditions, averaged 1.9 koku per tan. 75% of the 60,000 tan cultivated was harvested during the period. A decrease of 5% in the sweet potato yield was noted. The average was 379 kan per tan from 90% (44,740 tan) of the planted acreage harvested during the period. The vegetable harvest from 5,500 tan was estimated at 400 kan per tan, mainly radish, green onions, turnips, carrots, greens and burdock. An additional 48,000 tan of these vegetables were showing effects of insect and disease damage. Preventive measures were taken. Sowing of winter wheat and barley was underway during the latter part of the period.

2. Crop Collection.

a. Collection of 1948 crops in Tokyo-to, as of 31 October 1948 was as follows:

Wheat and Barley	36,587.5 koku	104.5%
White potatoes	6,682,662 kan	110.8%
Rice	7,372.3 koku	25.8%
Sweet potatoes	10,198,239 kan	77.7%

b. Inter-prefectural rice shipments to Tokyo-to as of 31 October 1948 were 336,871 koku or 38.2% of ministerial allocations. Sweet potato shipments, as of the same date, totaled 23,619,356 kan, 108.7% of ministerial allocations.

3. Food Distribution. - During the period, 75,921,240 kgs. of staple food were distributed to residents of Tokyo-to, including 1,333,360 kgs. as supplementary rations to laborers and others. Distribution was 16,596,120 kgs. more than the previous period. Approximately 35% of the distribution was sweet potatoes, 20% rice, 30% wheat and barley and the balance miscellaneous foods. Staple food stocks in kodans at the close of the period totaled 14,464,500 kgs., an 8-day supply. Other foods distributed (vegetables, marine products, miso, etc.) totaled

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Annex D to Monthly Mil Govt Activities Report for Period 1 October to 31 October 1948

52,763,178 kgs., an increase of 6,667,533 kgs. over the previous period. Vegetables accounted for 60% of the distribution and marine products 25%. Marine products in storage at the end of the period totaled 1,050,000 kgs.

4. Fertilizer. - Commercial fertilizer production for six Tokyo factories was 5,139,733 kan during the period. From total stocks of 8,073,000 kan, 5,924,366 kan was exported to other prefectures and 301,176 kan allocated for local distribution. Stock on hand at the close of the period totaled 8,072,930 kan. Requirements in Tokyo-to were 1,869,120 kan of commercial (nitrogenous, 35%; phosphatic, 44%; potassium, 21%) and 40,779,360 kan of indigenous. Farmers supplied 34,485,780 kan of the latter (night soil, humus, etc.) and 1,029,158 kan of chemical fertilizers (nitrogenous, 51%; phosphatic, 49%) were distributed. At the close of the period, 495,860 kan of chemical fertilizers remained in Kodan warehouses.

5. Fisheries.

a. Marine products taken from prefectural waters during the period totaled 324,018 kan, a decrease of 6% from the previous period. The decrease was due to fishermen's continued diversion in preparation for the laver season started during September 1948. Low temperatures and the low specific gravity of water reduced the fish runs in the Izu island vicinity. The total supply of marine products, imported and from prefectural waters was 14,372,000 kgs., an increase of 5,962,000 kgs. over the previous period and 4,019,500 kgs. more than for the same period in 1947.

b. Fishermen express dissatisfaction over several factors affecting that industry. These are mainly:

(1) Income from reduced catches, especially in the vicinity of the Izu islands, is insufficient to meet operating costs. Increased official prices for fishing material further aggravates the situation.

(2) Official prices for controlled fish are too low compared with fish not controlled. Fishermen say that the price of some non-controlled fish is ten times that of fish in control.

(3) Essential materials are not available to laver gatherers and non-powered fishing boat operators in spite of the fact that the role they play is important in the overall recovery of Japan.

(4) In recent price revisions, manufacturers and dealers of fish-

ing materials failed to honor contracts based on lower prices even though raw material had been acquired at former prices. Higher material prices were considered out of line with official prices for fish.

(3) Manufacturers were reported hoarding critical materials in anticipation of higher prices.

c. The Tokyo Bay Fishery Association reported that 1,332 fishing boats were in operation during the period. This was an increase of 97 boats compared with the previous period. Boats of 5 - 100 tons numbered 25 and under 5 tons 1,307.

6. Incentive Goods.

a. Distribution of incentive goods to farmers included 16,000 tan of textiles, 120 koku of sake, 335,000 packages of tobacco, 19,000 packages of cigarettes, 276 cotton shirts, 276 pairs of cotton trousers, 551 pairs of drawers, 552 undershirts and 276 pairs of socks. Other incentive goods, tires, tubes, textiles, etc. received by the prefectural government will be distributed upon delivery of fall crops.

b. All incentive goods allocated to fishery organs for the period were distributed. Included were 15 tons of cement, 200 liters of kerosene and 50 liters of machine oil for construction of anchorage and landing facilities at Niijima (Izu Island).

7. Forestry.

a. The prospects for improved conditions in the full situation are good. Charcoal producers are on the increase and new kilns are being constructed. Higher prices and the new registration system for dealers has stimulated an interest in the industry. Tokyo-to has provided funds for increasing production at the Izu islands and water transportation facilities have improved. To offset ill effects of typhoon "Ione" at Iwate Prefecture, arrangements have been made to transport more charcoal and firewood from Fukushima Prefecture. Detrimental factors are shortage of freight cars, Jikatabi, truck tires and tubes.

b. Easing of building and repairing restrictions showed signs of providing the desired stimulus for building activity. Distribution of 74,310 koku of lumber and 99,527 tsubo of plywood was authorized for families drawing staple food rations. Five koku of lumber per family was permitted. Imports of lumber decreased due to emphasis on transportation of staple food. Lumber supplies in dealer stocks were still excessive with 595,575 koku reported.

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c. Local lumber production was 30,800 koku during the period, a decrease of 600 koku from September. Imports were down from 237,259 koku in September to 170,762 koku this period. Plywood imports were 108,324 shoku compared to 404,732 shoku the previous period and local production increased from 984,063 shoku to 1,324,721 shoku. Local production of charcoal was up from 22,756 bales to 43,326 and imports increased from 231,310 to 260,823 bales. Local firewood production decreased from 120,236 to 87,653 bundles and imports for the period increased from 872,365 bundles to 931,576 bundles.

d. The Tokyo Prefectural Afforestation Program experienced no change during the period. The nursery area of 33.5 cho remained at 65% of the 52 cho required for afforestation in the prefecture. The afforested area increased by 5 cho during the period to total 843 cho or 76% of the area planned for the current fiscal year.

e. Seedling growth on reforested areas, public and private, was examined and found satisfactory. No insect or disease problems exist and damage by the elements appeared negligible. Lack of sufficient funds has prevented maximum brush and vine clearance.

f. Examination of prefectural nurseries indicated a need for closer supervision by competent authorities. Lack of adequate protective measures and failure to properly apply disinfectants resulted in heavy damage to seedlings. Nursery farm attendants devote only 30% of the land area to seedling growth and the soil is not revitalized by cultivation of legume crops. Cultivation of other food crops absorbs the time and energy of nursery employees. Prefectural authorities are currently surveying seedling requirements for spring planting.

g. The program for control of pine bark beetle will be intensified as farmers devote less time to farm duties. Progress is expected to be more satisfactory during the winter months when the beetle larvae is inactive. The extent and control of pine bark beetle by districts is shown in the table on page 5.

8. Transportation.

a. According to the September report of the Road Transport Supervision Office, Ministry of Transportation, petroleum products were used for food transportation as follows:

(1) 7,674,903 kan of vegetables were carried a total of 700,777 kilometers at an expenditure of 216,480 liters of gas and 6,381 liters of lubricant oils.

(2) For the same period, 26,737 liters of gas and 854 liters of lubricant oils were used to transport 2,154,420 kan of fish

a distance of 132,652 kilometers.

b. Meetings with the Kanto Transportation Coordination Committee were held in conjunction with the Tokyo ESB on 4 and 19 October 1948. Problems discussed were:

(1) The bottleneck existing in Tokyo Bay shipping. - According to reports rendered, lack of adequate dock facilities forced the discharge of cargoes by lighters. There was a shortage of this type of craft and insufficient funds to build new ones or keep existing equipment in repair. Attempts are being made to secure dockage and the requisite mechanical devices to expedite the unloading, but the shortage of critical materials is prpsently holding up the program.

(2) The traffic situation with particular reference to the movement of fall crops. - It was stated that, as of 19 October, 92 % of the sweet potato crop had been delivered to Tokyo and about 50 % of the early rice quotas. Reports showed that it had been possible to supply the rolling stock required for this operation when and where it was needed.

9. Construction.

a. During the period, the Building Bureau, Tokyo-to, issued building permits for 7,603 dwelling houses and 597 commercial buildings. This was a decrease of 851 permits from the previous period, 65 of this number being for commercial building applications. Construction of 4,407 dwelling houses and 333 commercial buildings was initiated during the period. This was an increase of 73 and 133, respectively, as compared to the previous period. Completed during the period were 3,774 dwelling houses and 102 commercial type buildings, a decrease of 674 and 102, respectively. Prefectural sponsored housing projects under construction included 1,089 wooden units, 140 concrete and alteration of 192 units.

b. In addition, the prefectural government completed plans and let contracts for 3,435 units comprising a single housing project at Shinjuku-ku, as previously reported. A ground breaking ceremony was held and U. S. Army released pre-fabricated material moved to the site. Preparations for construction of the reinforced concrete apartment buildings was initiated. Several sites were being considered for an additional 3,000 units to be constructed during the current fiscal year.

c. The Inspection Section, Building Bureau, discovered 878 violations -

PINE BARK BEETLE CONTROL

District	Damage as of 30 Sept 1948			Damage during October 1948			Control against damage for Oct			Damage as of 31 Oct 1948		
	Area (cho)	Tree	Koku	Area (cho)	Tree	Koku	Area (cho)	Tree	Koku	Area (cho)	Tree	Koku
Kitatama-gun	4	1,363	2,247	-	-	-	2	611	743	2	920	1,504
Minamitama-gun	2	57	83	-	-	-	-	-	-	2	57	83
Nishitama-gun	10	2,874	1,382	-	-	-	-	-	-	10	2,874	1,382
Miyako-shima	-	-	-	-	-	-	-	-	-	-	-	-
Hachijo-shima	3	2,199	3,664	-	-	-	-	-	-	3	2,199	3,664
Setagaya-ku	3	61	174	3	17	10	3	5	4	3	73	180
Meguro-ku	2	30	75	-	-	-	-	-	-	2	30	75
Shibuya-ku	1	27	46	-	-	-	-	-	-	-	27	46
Ohta-ku*	-	-	-	-	22	122	-	22	122	-	-	-
Nerima-ku	2	41	104	-	-	-	-	-	-	2	41	104
Parks	26	155	41	1	17	4	1	17	4	26	155	41
TOTAL	53	7,107	7,816	4	56	136	6	655	873	51	6,508	7,079

*In Ohta-ku, the pine trees stand isolated and, therefore, cover no distinct area.

RESTRICTED
- 51 - RESTRICTED

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of building regulations during the period. Those without permits numbered 823 and 19 were referred to the procurators. The remaining cases were disposed of by administrative action which included suspension of construction on 708 buildings pending issuance of permits, removal of 26 buildings and change in the design of 7 more. Of 85 persons violating permit provisions, 52 were dealt with administratively and 3 were referred to the procurators.

10. Redistribution of Critical Materials.

a. Several conferences were held with the officials of the Tokyo Branch Office of Tokyo C&I Bureau, ESB, MIB, Sangyo Fukko Kodan, the Coal Distribution Kodan and the Petroleum Distribution Kodan for the purpose of establishing coordination. This is essential in expediting the transfer of excess industrial stockpiled materials to the ownership of the respective kodans for subsequent re-allocation.

b. On 30 September 1948, the Tokyo Branch Office of Tokyo C&I Bureau issued a freeze order to all owners reporting excess stockpiled materials on 31 March 1948. Supplementary inventories were submitted by the individual owners showing the status of excess materials on 30 September 1948. On the basis of these supplementary inventories, the Tokyo Branch Office has ordered 75 companies to transfer their excess stockpiled materials to the ownership of the respective kodans for re-allocation. Sangyo Fukko Kodan has received 59 purchasing instructions, Coal Distribution Kodan 25 and the Petroleum Distribution Kodan 31 orders to purchase excess stocks.

c. Sangyo Fukko Kodan had redistributed critical materials valued at ¥13,009,046 during the month and was ordered by the ESB to pick up hoarded materials involving 39 cases of economic violation.

11. Import-Export.

a. During the period, one ship, the Kojo Maru, discharged 2,011 m/tons of Kita Daito Island phosphate rock.

b. The Tokyo Quartermaster Commissary and Sales Store released 6,261 lbs of rice, flour, sugar and honey to the Japanese Government.

c. The Tokyo Quartermaster Depot released 387,346 lbs of raisins, mayonnaise, sugar, salt, wheat flour and canned foods to the Japanese Government.

12. Stimulation of Critical Industries.

a. The railway freight rolling stock production and repair, accomplished

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by designated plants in Tokyo during October, consisted of new construction of 10 refrigerator cars (Reki), 44 box cars (Hamu) and 5 gondola cars (Toki), general repair of 5 freight cars and partial repair of 11 freight cars. The Yokokawa Bridge Company has completed its contract and wants additional contracts to continue rolling stock repair work.

b. The ten designated coal mining equipment manufacturers produced mining machinery valued at ¥67,000,000 during October and have outstanding orders valued at ¥437,000,000. The major problem confronting all manufacturers is insufficient operating capital. This condition has indirectly caused labor disturbances and minimized purchasing power for critically needed raw materials, production equipment and machinery.

13. Elimination of Control Associations. - Numerous food processing associations and forest products associations were found to be receiving group allocations of raw materials from the government allocation agencies. Steps are being taken to have such associations reported as control associations. In no case was it found that either the lack of personnel or expense involved justified the transfer of this control function to the associations. Associations ordered dissolved have been liquidated. No violations of the Fair Trade Act were reported.

14. Blackmarket. - The metropolitan police, autonomous police and national rural police apprehended 7,634 persons for violation of economic laws during October 1948. This was an increase of 463 over the previous period. Of the total, 4,290 cases were referred to the procurators and 3,344 disposed of administratively. Persons apprehended for violation of food control laws numbered 6,456, a large percentage of these for illegal traffic in staple foods. Police confiscated 45 214 kgs. of staple food, 40,261 kgs. of perishable food, 1,281 bales of charcoal and firewood and considerable stocks of other commodities. Police apprehended 78 persons for violation of restaurant control regulations. 41 of these were disposed of administratively and 37 were referred to the procurators. Thirteen establishments were closed permanently and 29 temporarily. Tokyo procurators, during the period, imposed fines on 924 economic control violators, meted out penal servitude to 126 offenders and had not completed decision in the case of 753 persons.

15. Release of Installations. - The following is a list of real property releases which have been made by this headquarters up to 31 October 1948:

No. of BLDGS.	BLDG. AREA (TSUBO)	LAND (TSUBO)	VALUE OF LAND AND BLDGS. (YEN)
a. Former Military Property (Final).			
498	46,413	1,323,999	35,837,543

b. Former Military Property (Partial).

368	41,854	525,985	39,930,682

c. Private Property (Final).

65	4,592	461,570	Not required

d. Private Property (Partial).

227	31,118	261,501	Not required

16. Reparations.

a. Items are constantly being reported in various plants which are subject to reparations action but have never been inventoried or evaluated. Specific instances are: 5 pumps reported at the Azuma Seiko, Azuma Plant (39-142), 5 October 1948; and an estimated 1,000 items discovered in the former Military Fuel Board Fuel Laboratory (39-66) which were passed over by the evaluation committees.

b. Communistic activities are reported increasing in the various reparations plants. The focal center at present seems to be in the Musashi and Kitatama-gun areas, but is quite common in most areas. Whether this is renewed activity, or only a former underground movement which has come to light, is open to speculation. Specific instances have been cited in the 3rd, 6th and 8th Technical Laboratories, Kogyo Sangyo K.K. (39-121) and Nihon Steel Works (39-111).

c. One company, Okada Optical Company, occupant of the former 1st Tokyo Arsenal (39-51) was suspended from operations for an indefinite period because of neglect of maintenance of reparations items.

d. Many items of reparations property have been marked "EX" in various arsenals because of the misinterpretation of the signature of Capt Scoggins, 1st Cav Division. This officer placed his signature on inventories that he checked in 1945 and early 1946; this signature was interpreted as releasing the equipment involved. The situation is being corrected on all equipment involved.

e. Because of repeated complaints of power failure in various arsenals and laboratories, the breakdown distribution and maintenance, formerly performed by the Finance Bureau, has been contracted to the Kanto Haiden.

f. Fire hazards and carelessness has resulted in two reported fires in the past month; 11 October in plant 39-146 and 23 October in plant 39-67. Fortunately there was no serious loss and no damage to reparations items.

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¥3,000,000 production loss resulted from a motor breakdown at 39-142, 27 October 1948.

g. Security has improved generally. Known losses from theft during the past month occurred at PEA COY 39-111 and consisted of 5 bales of raw rubber and instruments from an electronic control panel, part of an allocated integrated facility.

h. A concerted drive was established, utilizing all available personnel, to get all items in every reparations plant on a definite status of exempted, authorized for use, or available in storage. All applications for exemption of items taken into a plant without permission were deadlined as of 15 October. Arsenals and laboratories designated for probable allocation in the near future were taken first and at present all arsenals and laboratories have been completed and applications submitted by private concerns are being processed. All items not specifically exempted have been designated available.

i. A checkup on Tokyo-to indicated that their inspectors spent less than six hours per week on the job, exclusive of transportation time, during the past month.

17. Restricted Industrial Operations.

a. No unauthorized construction of steel vessels of any size or of wooden vessels over 100 tons was observed during the inspection of 40 shipyards.

b. There was no production of industrial explosives reported.

R E S T R I C T E D

Reports Control
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ANNEX D

ECONOMICS SUMMARY

Tottori Military Government Team
For Period Ending 31 October 1948

By Capt Kenneth D. Moxley
and
Capt Owen S. Davies (RCOF)

1. Agriculture.

a. Land Reform - In an attempt to iron out the numerous small difficulties which impede completion of this program, this headquarters has persuaded the prefecture government to interview all local land commissions in the prefecture. The principal problems disclosed thus far are:

(1) Thousands of small pieces of land amounting to about 500 cho are going to remain unsold after 2 December 1948 because their present tenant is not eligible to buy this land by virtue of the fact that he does not qualify as a full time owner farmer by cultivating at least two tan of land. This problem will be made the subject of a special report.

(2) The local bank has received only a small portion of the bonds necessary to make payments to former land lords though Land Commissions have completed the issue of certificates to landlords authorizing payment. This was reported to region headquarters and they are attempting to expedite delivery of bonds to local banks.

(3) Former Japanese Army and Navy property has not been disposed of because the minimum amount of land that an owner-farmer may purchase has not been decided. This has also been reported to region headquarters though the prefecture is expecting a settlement of this question by the middle of next month.

b. Dissolution of Nogyo-kai and Formation of Independent Cooperatives - Instructions have been received from the Central Government on the method to be used in evaluating the assets of the former Prefectural Nogyo-kai and under the supervision of the liquidator from the Central Cooperative Bank for Agriculture and Forestry this evaluation is proceeding. Final distribution of the assets to the Prefectural Credit, Buying and Selling Federations

ANNEX D-ECONOMICS SUMMARY-TOTTORI MIL GOVT TEAM-31 October 1948-By Capt Kenneth P. Moxley and Capt Owen S. Davies (PCOF)

cannot be made until Central Government approval is received.

c. Extension Service - With the formation during the month of the Prefectural Agricultural Education, Research and Extension Committee, the establishment of the administrative system to control agricultural extension has been completed. An additional two, "Increased Food Production Technicians", have been appointed filling the prefectural quota of 64 technicians. These technicians are assigned throughout the prefecture on a basis of one to every three or four villages. Inspections reveal that this service is much appreciated by farmers, and prefectural authorities are being urged to make every effort to keep technicians well informed of all agricultural developments.

d. Land Reclamation - The prefecture government has finally been allocated funds by the Agriculture and Forestry Ministry and work will begin on the land reclamation project along the Yumigahama peninsula during this quarter. A dedication was held, attended by the SMGO but contracts for the work have not been let. For details of this project see letter, this headquarters, file no 64, subject: Land Reclamation Project on Yumigahama Peninsula, dated 4 November 1947.

The president of village headmen's association solicited the support of this headquarters in an attempt to get an increased Central Government subsidies to farmers for improving their land. The following is a table of the reclamation work planned for 1949.

LAND IMPROVEMENT EXPENSES

Type of Improvement Work	Area	Per "Cho"	Total	Percent of funds Allocated by Government
Culvert draining	900 cho	22,460 yen	20,214,000 yen	35%
Elevating low land	900	32,490	29,241,000	35%
Irrigation and drainage	7,010	18,090	126,810,900	40%
Irrigation and drainage by pumps	1,300	37,600	48,880,000	50%
Land readjustment	720	23,000	16,560,000	40%
Making loose bed firm	150	2,500	375,000	35%
Total	10,980		242,080,900	
Country road repair	100,000 ken	600	60,000,000	35%

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This work is done by the individual farmer under the supervision of prefecture engineers and these funds are paid direct to the farmer as a subsidy for expense incurred by the work. Subsidies have been cut 5 and 10% over previous years. This is 20 to 25% below what is actually needed according to this official.

2. Crop Collection - Fall crop collections as of 31 October total:

Rice -	18,542 koku	5.7%
Sweet potatoes -	2,966,869 kan	38.3%

These deliveries are considerably in excess of the collection plan. Severe crop damage was experienced in some areas due to disease, but present indications are that prefectural deliveries will exceed quotas in both fall crops. From opinions expressed by the many farmers interviewed, it is apparent that by far the greatest incentive to maximum crop delivery is the over quota bonus. Appreciation was also expressed by farmers of the more efficient fertilizer and incentive goods distribution.

Following notification on 21 October of reductions of fall crop quotas, the Prefectural Agricultural Section, with the assistance of Increased Food Production Technicians and the Crop Reporting Office, have concentrated on collecting accurate data on crop damage. The Prefectural Food Adjustment Committee will not meet until 4 November, but, as this detailed information will then be available to them, it is not expected that any difficulty will be experienced in allocating quota reductions to farmers by the deadline date of 21 November.

The inaugural meeting of the Prefectural Council for the Prevention of Illegal Liquor Brewing was held on 27 October. As illicit brewing in this prefecture causes considerable diversion of rice from legal channels, it is intended to take every opportunity to urge the council to intensify to the maximum blackmarket liquor controls.

3. Agricultural Mutual Relief Associations - Claims totalling between ¥4,500,000 and ¥5,000,000 have been lodged for fall crop damage. This is greatly in excess of compensation claimed on summer crops and is an indication that the payment in full of all claims on summer crops has created much greater confidence among farmers in the new system.

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4. Food Distribution - During the month a total of 260,000 kan of sweet potatoes distributed by the Food Distribution Kodan thru official ration channels were not purchased by consumers. The main reason advanced is that many consumers are purchasing illegally direct from producers at a quoted price of ¥250 per ten kan, representing a saving to the consumer and an increase in price to the producer. This headquarters is coordinating the efforts of police and F.U.B. in an attempt to eliminate these illegal practices. In addition, this year vegetables are still plentiful and consumers prefer the variety which vegetables provide in their diet. All surpluses caused by refusals to purchase the ration were shipped to Osaka as additional exports. It is anticipated by the Food Distribution Kodan that this condition will continue, and the Food Office has applied to the Agriculture and Forestry Ministry for an increase of from 1,000,000 kan to 1,200,000 kan in the prefectural export quota to Osaka.

As a result of conference of Team Economic and Public Health Officers, representatives of the Prefectural Public Health Department and Food Distribution Kodan, it has been decided to introduce a new food rationing system into the larger hospitals in the prefecture. Under this system, rations for all patients will be drawn by hospitals on patients' special ration coupons which will be issued by the Kodan for all patients admitted. This system will eliminate the necessity of overcrowding hospitals with patients families as cooking will be done centrally by hospital staffs. Hospitals are now being prepared for operation under the new system which will be introduced as soon as preparations are completed.

5. Fishing - Catches increased from 490 metric tons to 1,194 tons with the advent of the drag net season. Spot checks show that with this increase in catch distribution was more equitable throughout the prefecture. The increased catch and the warm weather also caused some shortage of ice which will automatically be corrected by this month's cooler weather.

A considerable quantity of fishing equipment was received during the month including 160,160 lbs of much needed manila rope. This is the first receipt of rope manufactured from 222,384 lbs of hemp allocated this prefecture. The manufacture and distribution of rope from this hemp, handled through the Yaro Fishing Association, is being closely checked by this headquarters.

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By Capt Kenneth D. Moxley and Capt Owen S. Davies (BCOF)

6. Mining - Inspection of the Uradome coal mine disclosed that work is going forward very slowely. About 300 tons of coal has been mined so far but even though the mine was visited during the month by Kyosuke Aikawa, chief of the Production Section of the Ube no Coal Mine Bureau no assurance of assistance has been given. All work is being done by hand, no electricity or pumps are available to drain the mine and the mine owner has not even been informed where to ship the coal thus far produced. Notification was received that Mr. Macfee, a mining engineer from GHQ would visit this mine on 15 November.

7. Incentive Goods - All incentive goods for summer crop deliveries haeve been received and with the excention of clothing and rear car tires and tubes, distribution has been completed. These goods. for over-quota deliveries, have been held until final delivery figures were determined. Distribution is now proceeding.

Prefectural distribution plans for fall crop incentive goods have been completed and distributing agencies have been notified. Goods are now being received and the necessity for prompt distribution to farmers has been impressed upon distributors. Full details of the fall crop incentive godds program have been widely publicized by this headquarters by news releases and posters on all village bulletin boards.

Considerable quantities of July-September fish incentive goods have not been distributed. It was found that this is not due to any inefficiency in the distribution system. The goods have actually been available to fishermen but because of extremely light catches during these months, few fishermen have qualified for the goods.

8. Forestry.

a. Reforestation - With the advent of the reforestation season, the prospects of reaching the prefectural goal of 1520 cho for the 1948 fiscal year are improving. Applications for subsidies are being received in increasing numbers. The majority of these are "general type subsidy" for prefectural owned land. Applications for community and private forests are expected to increase during the next period. It is believed that sufficient seedlings are available in this prefecture to supply demands for this year, which is a favorable factor since previous reforestation programs were hampered by a shortage of seedlings, though securing of sufficient labor continues to be a problem.

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The maximum of 27 cho of forest tree nurseries have been established in this prefecture. Seven cho of this land is set aside for rotation allowing only 20 cho actually in nursery beds at any one time. Plans are now being prepared to increase this area to 34 cho in 1949 as allowed by the Japanese Central Government.

At the suggestion of this headquarters the Prefectural Government in cooperation with the Tottori Prefectural Forestry Union produced and distributed a poster and pamphlet in connection with the reforestation program. The poster which colorfully portrayed a farmer planting trees in a denuded forest area was produced in 500 copies and distributed at the rate of approximately 3 per village. Three-thousand copies of the pamphlet were produced and distributed at the rate of approximately 2 per "buraku". It explained in minute detail the procedure for obtaining bond type subsidies and also carried a brief comment on the importance of reforestation.

The prefectural government has planned two demonstrations to be conducted in the heavily forested areas in the prefecture during November. The program for each will consist of orations on the forestry situation and the importance of immediate reforestation given by responsible officials, actual planting demonstrations and narratives by experienced foresters on the appliance of special techniques to suit conditions in that area. It is anticipated that these functions will be well attended by forest owners and forestry technicians. A member of this headquarters will also be present.

Uncultivated Land Purchasing Committees have been established in each "gun" in the prefecture as outlined in instructions sent to the prefectural governor from the vice-minister of Agriculture and Forestry (Ref: NRS Weekly Summary No 150). A complete review of each committee reveals that all parties concerned are impartially and adequately represented.

b. Production - Production of charcoal and firewood nearly doubled that of last month with production figures on 2,152 tons and 106,269 koku respectively. This is the usual trend for this period principally because so many part-time farmers were released from wheat and potato harvesting for a few weeks prior to rice and sweet potato harvests. Plywood, prepared and unprepared timber production registered from slight to medium gains over last month while Casumaki production took a sharp drop with only 268 tons for this period as compared with 405 tons for last month.

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9. Transportation - Intensified efforts of railroad officials and the addition of one freight train daily failed to reduce the 44,059 tons of freight backlogged at local stations. The tonnage of freight moved did increase from 72,144 tons to 82,846 tons but the backlog increased slightly to 45,767 tons, 35,735 tons of which is lumber, charcoal and firewood.

10. Electric Power - Generation increased from 13,394,980 KWH to 14,969,920 KWH which is a high for post war production. Consumption increased from 6,533,366 to 7,454,115 KWH for the month. Despite this favorable local situation it was necessary to initiate power rationing beginning 28 October in order to keep consumption within the 20,000 KW hour allocation for this month because of the water shortage in other parts of the region. This is being accomplished by cutting down or shutting off power during certain hours of the day.

11. Petroleum - A report of excessive quantities of fuel and oil was made by the CIB to this headquarters. Their investigation disclosed no violation of law and a report of this oil to Hiroshima was made for redistribution was made. But since this allocation of oil is made by the Ministry of Construction and Public Works direct to the local branch of the Chugoku-Shikoku District Construction Bureau it was thought that this situation should be brought to the attention of authorities in Tokyo in order that it could be properly adjusted at the source. Accordingly a report was made in a letter, this headquarters, file no 51, subject: Allocation of Fuel and Oil for Japanese Public Works and Reconstruction, dated 15 October 1948

12. Redistribution of Critical Materials - Conference with the local branch of the Hiroshima Commerce and Industry Bureau reveal some progress is being made toward redistribution of the materials inventoried. The reinventory of materials which was reported last month as impeding the program has been completed and all "surplus material report sheets" forwarded to Hiroshima. The local branch of the Hiroshima Commerce and Industry Bureau has also forwarded transfer orders to the appropriate kaiun and orders to the factory concerned, on the six items not suitable for transfer, covering all installations which are handled by them. They are now in the process of reallocating these items to applicants within their jurisdiction.

13. Stimulation of Critical Industries - This headquarters was approached with a petition from the Tottori Wooden Ship Builders Union requesting assistance in obtaining a contract to build a portion, preferably fifteen, of the one hundred; fifteen ton tugboats that are

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to be constructed for Russia. Apparently local shipbuilders were not awarded any of these contracts because of the anticipated difficulty of delivering the completed boats to an inland sea port. Local shipbuilders contend that they have a great deal of experience in this sort of operation and this would not present any difficulty. They are willing to accept responsibility for delivery at any port designated. This petition is being forwarded through channels as these contracts would be of considerable help in stimulating the local ship building industry whose activities are presently confined to repairs.

Investigations of material allocations continue to reveal that manufacturers are able to get materials once they receive their allocation tickets but they complain that allocations are not adequate. From this it would seem that some increase in allocations are in order though collecting reliable data to put in the form of specific recommendations is difficult.

14. Elimination of Control Associations - Submission of required control association reports to this headquarters has been delayed by the endless corrections necessary. To date only nine reports have been satisfactorily completed out of approximately three hundred and thirty reports required. Investigation revealed that progress was also hindered by a shortage of translators and typists in the prefecture government. Efforts are being made to expedite submission of reports so that a final check of the information contained can be made.

15. Blackmarket - Road checks by all police departments and checks of passenger trains by the railroad police continue to be extremely successful. During this month these checks resulted in the confiscation of 9,326 kgs of rice, 4,914 kgs of other staple food and 397 kgs of fish plus considerable quantities of other goods.

16. Reparations - As reported last month the machinery located at Chiyogawa Seisakujo K.K. and code no 41-9c, and Tottori Ken Nokigu Kogyo Kumiai, now named Maeda Seisakusho, code no 41-9b and 41-9h is being moved to Kawasaki Zoki K.K. for centralization and better maintenance. This eliminates these two dispersal areas and cuts the number of reparations installations in this prefecture to five main plants and three dispersal areas. A special report containing the details of this movement is being prepared.

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HEADQUARTERS
TOYAMA MILITARY GOVERNMENT TEAM
APO 301

ANNEX D

To Monthly Military Government Activities Report
Period Ending 31 October 1948

Prepared By Sgt B. E. Duquette & Mr. J. J. Lewis (DAC)

ECONOMICS SUMMARY

1. Agriculture:

a. The rice harvest is in full swing during this period. The early rice harvest is approximately completed and the harvesting of the late rice has just begun. Due to increased allocation of fertilizer and climatic conditions the yield of rice per tan is slightly higher on an average, than that of last year. There have been a few isolated complaints by farmers that they were unable to obtain sufficient electricity for threshing. This problem does not seem to be general throughout the Prefecture. Rain in the first two weeks of October delayed the harvesting to some extent, but reasonably clear weather in the last two weeks of October enabled the farmers to overcome the delay.

b. Land Reform:

On 2 October 526 cho of land were purchased and during the month 3,078 cho of land were sold to tenants. Of this total 1,374 cho were tax land. This completed 99% of the Land Reform Program. It is estimated that there will be approximately 80 cho of land to be purchased on 2 December and that this will complete the Land Reform Program.

c. Agricultural Cooperative Associations:

During the month of October six (6) Agricultural Cooperative Associations were approved by Prefectural authorities. Of the 323 associations which have been established and approved, 242 have completed the transfer of assets. The total amount of assets transferred to date is ¥1,216,128,000.00. Farmers interviewed throughout the Prefecture stated that it is their opinion that the new associations will offer more unrestricted benefits than their forerunners. As a general rule all farmers expressed confidence in their leaders.

d. Agricultural Extension Service:

The Agricultural Extension Service in the Prefecture has a committee in each Gun, City, Town and Village; the number of committees formed are as follows:

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Prefecture	1
Guns	8
Cities	2
Towns	29
Villages	183
Total	323

Planning of community farm improvements projects, such as disease and insect control, improvement of facilities for social life, formation of drainage, irrigation, land reclamation and conservation projects, consolidating of farm fields, development of community pastures, canning projects, and formation of farm youth clubs have been implied by these communities.

e. Land Reclamation:

Of the estimated 7,500 cho of land available for reclamation, 2,786 cho has been purchased to date. The number of homes established is 1,500, with 4,500 occupants reclaiming the land. Shortage of funds is the largest obstacle in the reclamation projects.

2. Crop Collection:

Rice collection reached 92.7% of the quota and sweet potato collection reached 70% of the quota, with 108 villages completing 100% of the rice quota and 82 villages completing 100% of the sweet potato quota by 31 October. During the latter part of the month rice delivery slowed due to the fact that many farmers were engaged in harvesting sweet potatoes.

Leaflets encouraging rice and sweet potato delivery, and explaining the bonus system have been prepared by the Prefectural Government and are being distributed. Most of the prefecture has been covered by distribution of these pamphlets.

3. Food Distribution:

a. Storage areas of imported and indigenous foods for distribution are spot checked and suggestions as to ways for improvement are made when discrepancies are noted. All reports of spoiled foods are investigated and release is made when danger of spoiling is eminent.

b. Inter-Prefectural shipments of staple foods are approximately two weeks ahead of schedule. Shipments of rice by water to designated Prefectures has improved the transportation of staple foods a great deal by relieving part of the load on other transportation agencies.

c. Two weeks ration of rice and substitute are being distributed at a time. The substitutes consisted mostly of wheat flour, sugar, and sweet potatoes. All distribution points visited had the priced posted in front of

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Annex D to Monthly Military Government Activities Report, Toyama Mil Govt Team, period ending 31 October 1948, cont'd.

the building. Record of these distribution points visited showed great variation in the system and style of bookkeeping. If a standard and simple bookkeeping system could be established the checking of records would be more complete and efficient.

4. Fishing:

The fish catch for the month totaled 370 K tons or 38 tons less than the previous month. Visits to different fishing villages revealed that while fishermen received full allocation of fuel, the allocations is not sufficient to meet their needs. The fishermen interviewed stated that the delivery of link and incentive goods is 200% better than last year.

5. Mining:

Coal production for October was approximately 33% of capacity. A visit to the mine revealed that three of the six galleries being worked were worked out, and prospecting for additional coal is being carried on. The manager stated that a larger pump was need to handle the water in the mine. All incentive goods allocated to the miners have been received and no complaints on food rationing were made. Of the 157 employees at the mine eighty of these worked underground.

Lignite production reached 1,329 tons or approximately 82% of maximum production. The three (3) graphite mines of the Prefecture produced 427 tons or 95% of estimated maximum capacity.

Production of lime was down owing to decrease in demand for the type of quick lime produced in this Prefecture.

6. Incentive Goods:

A check on incentive goods received revealed that when the goods are received by the Prefectural officials they are kept in warehouses from three to ten days depending on the amount of the shipment. The goods are then delivered to village offices and Agriculture Coperative Associations for distribution to farmers. Routine checks are made of warehouses storing Incentive Goods for fire protection and proper storage. Fishermen receive their incentive goods regularly, but due to the small amount of fish caught in summer month only small amounts of incentive goods are received.

7. Forestry:

There were 27,273 Koku of lumber produced in the Prefecture during October. Charcoal and firewood transportation is receiving a high priority to enable the producers to ship firewood and charcoal to the consumers before heavy snows in the producing areas halt all traffic. In many cases, especially close to the producing areas, the blackmarket price on charcoal and firewood is less than the official price. Lack of adequate transportation

is one reason given for this situation. There was no reforestation during the month of October. The Forestry Section of the Kencho has employed 130 men to go to the forests to pick up seeds to be used in growing seedlings in the three (3) forestry stations. It is planned that during November that two (2) cho of land will be reforested under the supervision of the forestry section.

8. Transportation:

The transportation coordinating committee has helped the transportation problem at Fushiki Port, but more freight cars are needed to handle the volume of traffic out of that area.

Inter-Prefectural rice shipments have first priority in transportation and the situation is progressing satisfactorily to date.

Police maintain check points for trucks, to see that transportation certificates are carried with cargoes of critical materials.

The production of one (1) designated plant for the manufacturing of railway rolling stock is hampered by lack of transformer oil. One transformer was damaged and as of this date they have been unable to receive an allocation of transformer oil, to place the repaired transformer in operation.

9. Electric Power:

Hydro electric power produced during October totaled 380,301,830 KWH or 16,976,830 KWH more than during September. This increase was in spite of a shut down of forty-six (46) plants for a total of 2,438 man hours by strikes of the Electrical Workers Union, breakdown of machinery, and repairs. These delays lost an estimated 3,507,720 KWH of electricity.

10. Construction:

During October 261 permits were issued to build private residents and 71 permits were issued to build business houses. There were 17 cases of violations of construction regulations.

11. Public Works:

Repairs on bridges destroyed or damaged by the July flood still continue, although rather slowly. Repair of roads are hampered by lack of asphalt and modern equipment. Most of the repair work on road is done by hand labor. Although this gives a great deal of common labor work it is extremely slow in the repairing of the roads. Two (2) dredges are working in Fushiki Harbor, and one (1) dredge is working in Uozu Harbor.

12. Critical Materials:

The Toyama Industrial Reconstruction Government Corporation, Nagoya Branch reported the following critical materials purchased:

Major non-ferrous metals	17,605 Kgs
Secondary Steel	6,551 "
Fabrics (cotton)	2,929 Yds
Yarn "	13,162 "
Nets "	473 "
Clothing	5,012 Pieces
Paper	540 Lbs

No material purchased was distributed.

13. Economic Investigation Board:

The Economic Investigation Board in Toyama Prefecture was officially opened on 13 October. It is set up in accordance with the EIB Law, and in general is satisfactory, although there is still a need for more personnel. Thus far nine (9) second class inspectors and thirteen (13) third class inspectors have been appointed by the Central Government. Close liaison is kept between this headquarters and the EIB at all times, to insure that all agencies and officials of the local government cooperate with the EIB. The Toyama Local Economic Investigation Committee was established on 14 October, consisting of 21 personnel, of which three (3) are EIB investigators. During the month of October the EIB made thirty (30) inspections and found six (6) violations.

14. Imports and Exports:

During the month of October 7,021 K tons of semi-coke arrived at the port of Fushiki from Russian territory. Imports from Korea totaled 1,224 K tons of graphite. Except for minor breakdowns in the unloading equipment no delay was apparent in the discharging of cargoes.

A meeting of all manufacturers of export materials was held and the New Private Trade Export Procedure was explained by personnel of this Section.

15. Critical Industry:

Fertilizer production by the five chemical fertilizer plants of the Prefecture totaled 3,724.8 K tons of Ammonium Sulfate, 1,944.4 K tons of Superphosphate, and 5,818.7 K tons of Calcium Cyanimide. A request by the Nissan Chemical Co., Toyama Plant (Ammonium Sulfate) and the Nippon Soda Co., Takaoka Plant (Sulfuric Acid) for additional allocation of Pyrite to stock pile for the coming winter months was forwarded by Special Report 48/E/IR/7, subject: "Allocation and Shipment of Pyrite", dated 9 October 1948.

16. Elimination of Control Associations:

Investigation of the former Fitting Control Association (Tategu Tosei Kumiai) revealed that this association was dissolved in February 1947. The functions of this association was to obtain material for making house fittings (screens, doors, etc) especially from Japanese Military forces. Two (2) associations were formed in April 1947 to take the place of the former association. These associations are the Toyama Ken Fitting Commerce and Industry Cooperative Union, with 200 members, and the Toyama Shi Fitting Commerce and Industry Cooperative Union, with 17 members. The main functions of these associations are to obtain materials for the members and to inspect the fittings (screens, doors, etc) before they are placed on sale. The inspectors receive 50 sen per ¥100.00 value on every piece inspected. On lumber which is purchased by the association, a 3% profit is made when resold to the members. The members of the association buy shares at ¥100.00 per share when they join, and this money is used to buy lumber to be resold to the members and to pay the clerks. It is not compulsory to join this organization and the directors do not receive pay for their duties except from what they make from the Prefecture on inspections.

17. Black Market:

The Economic Crime Section of the National Rural Police reported that of the 1,993 black market cases caught during October 1,541 of the cases were prosecuted. The majority of the black market cases concerned rice and other staple foods. The black marketing of fish was low because of the small amount of fish caught at this season. Over 3,000 kgs of rice was confiscated by the police in black market cases. This rice has been placed on the Prefectural Rice Delivery Quota.

18. Reparations:

All plants under reparational control and custody were visited for compliance with SCAPIN 1219. All machines and equipment were found in satisfactory condition.

19. Ship Building:

The Saga Ship Yard Co., authorized to convert two (2) former Japanese Naval vessels into fish carriers have completed 75% on one and 10.5% on the other.

The Nippon Kai Dockyard Co. reported that they have repaired seven (7) vessels during the month of October.

20. Production of Industry:

The production of major industries of Toyama Ken for the month of October is as follows:

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Annex D to Monthly Military Government Activities Report, Toyama Mil Govt Team, period ending 31 October 1948, cont'd.

Name of Product	Unit	Amount
Steel	Ton	3,554.4
Pig Iron	"	3,299
Textiles		
Linen thread	Lbs	147,753
Cotton "	"	3,184,184
Silk "	"	49,550
Linen cloth	Sq Yds	44,032
Cotton "	"	4,375,447
Silk "	"	258,045
Rayon "	"	224,530
Manila Rope	Lbs	131,056
Toys for Export	Yen	125,000.00

Activities Report, Wakayama Mil Govt Team,
APO 25, 10 Nov 48 (Period 1 to 31 Oct 48)

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ANNEX D
ECONOMICS SUMMARY
(Prepared by Major G. N. Morgan)

1. Agriculture

a. Land Reform

(1) The land reform program is progressing satisfactorily. The government has purchased 12,700 cho 1 tan and resold 11,589 cho 9 tan. Former Army and Navy targets turned back to the Japanese Government for farming purposes totals 161 cho 1 tan, all of which is now under cultivation. The government will issue instructions in the near future as to qualified buyers for this land.

(2) There has been 313 cho 7 tan of land purchased for taxes and 261 cho 6 tan resold.

b. Extension Service

On the 7th October 1948 a conference on the agriculture extension system was attended in Kyoto. An outline of the system was discussed in detail. As of 31 October there are 73 extension workers in the prefecture. The Prefectural Committee has elected 7 members. Although the prefecture is only allocated 69 members 73 were hired. The additional members will be paid by the prefecture.

2. Crop Collection

a. The crop collection program is being retarded by the continuous change in quotas which requires extensive meetings on the part of the Japanese to decide who will actually receive the reductions. The Ken rice quota was reduced to 209,500 koku from 243,500 koku. The Chief of Agriculture and Forestry indicated that an additional 5,000 koku reduction had been granted. No official notice of this reduction was received by this headquarters. The collection as of 31 October is as follows: Sweet potato 33.05%, rice 3.43%, wheat and barley and white potato--no change from last month.

b. Mr. Hintz, of I Corps, visited the team on 27 October for the purpose of impressing district chiefs, mayors, and village chiefs on the importances of as much crop turn-in as possible, also on the tremendous cost of imported food.

3. Food Distribution

a. Staple Foods

(1) Reports have been received from all sections of the Ken pertaining to Egyptian rice distributed during October. The consumers claimed the rice was dirty and had hay seeds or similar seeds in it. Three distribution points were visited and samples taken from unopened bags of Egyptian rice and weighed prior to and after screening with the following results: (a) Sunayama District Point, 3 kg. of rice screened 400 grams of dirt, etc. (b) Takamatsu District Point, 3 kg. rice screened 290 grams (c) Iguchi District Point, 5 kg of rice screened 350 grams of dirt, etc. Complaints are still being received by Food Distribution Aodan.

(2) The food stored in warehouses appeared to be in excellent condition. No loss from fire or thief was reported and stored food is being rotated.

(3) No delay in distribution for 173 days.

(4) From 20 September to 31 October a total of 586,000 kan of sweet potatoes were shipped to Osaka-ken. Officials estimate that a total of 1,300,000 kan will be shipped to Osaka during October and November.

(5) Following amounts of rice were received from Ishikawa Ken--11,703 koku, Toyama--9,716 koku, Fukui--4,400 koku up to 31 October.

(6) Seed white potatoes received from Hokkaido during October was 110,000 kan from a total of 300,000 kan to be received.

(7) As of 30 October a total of 757,506 people were drawing rations from distribution points throughout the Ken. Of this amount 200,415 are farmers who are drawing rations during the fall harvest.

b. Food and Vegetable Surveillance

(1) Surveillance Team conducted routine surveillance of all fish and vegetable distribution during the month. Offshore surveillance of fishing was conducted with the M.G. boat on five occasions. The team found eleven Hyogo Prefecture boats and three Osaka Prefecture boats fishing or operating illegally. An informant reported that Wakayama City receiving agencies were charging a coordination fee of two and a half times the legal price on each fish transaction. An MIB investigation was not able to confirm this report. The head of the Wakayama Fish Retailer's Association estimates that only 1/3 of the free fish shipped into Wakayama City

goes into legal channels. City police are now submitting port traffic reports on all fishing boats entering the city harbors to show amounts of fish shipped, consignees and consignors. Such reports will be used to cross-check the monthly receipts of receiving agencies and fishing associations.

(2) Surveillance Team inspected fifteen vegetable retail stores in the prefecture. In Wakayama City vegetables are generally sold at legal price except those in very short supply. In other parts of the prefecture vegetable sells at about 2½ times legal price except those in excessive large supply.

(3) The people of Yawata-cho, Arida-gun asked the governor to a public meeting in their village at which meeting the citizens complained that they had not had a ration of fish all summer. The governor promised to give the people some help. Most local papers carried articles on this meeting.

4. Fisheries

a. Four fishing associations were visited during the month. Fishermen had received allocations of oil, rope, and net in proper amounts. Fishermen complained of the continued shortage of aid and of bad financial conditions.

b. Fishing continued to be bad during the first of the month but improved toward the end. Total catch was 189,379 kan. During the month, the Ken Government presented the "Flag of Excellence" to the Kushimoto Fishing Association who caught 298% of its quarterly quota, a total of 253,000 kan of fish.

c. The Ken Government officials are studying the draft of the new fishing rights regulation which is due for legislation this winter. Officials are in favor of the present draft generally but disagree with some small points.

d. During the month a number of Tokushima Prefecture boats unloaded sea bream in this prefecture. There is no price control on sea bream. It appears that Wakayama City, where fish is usually plentiful, is offering more for high class fish than Osaka. A special letter has been written on this matter.

5. Fertilizer

a. In this prefecture there are 14 fish meal plants registered. During September and October 10 were inspected; 5 of the 10 were not operating due to the lack of raw materials. The other five produced 5,170 kan to date during 1948, while if raw materials were available these plants could produce 125,000 kan annually, according to plant officials. This prefecture requires approximately 1,000,000 kan of fish meal annually, the deficiency coming from blackmarket sources at blackmarket prices, mostly from Hokkaido. The EIB are investigating these dealings.

b. The chemical fertilizer allocated for the period August to the end of December 1948 was nitrogenous 1,562,209 kan, amount received as of 30 October was 1,143,326 kan, and for supur-phosphate 1,060,593 kan allocated and 710,963 kan received as of 30 October.

6. Mining

a. The Myoho Copper Mine was visited during the month. The mine is operating on a small scale at present but plan to increase production in the near future. Lack of modern equipment and transportation hinders large scale production.

b. Shortages of material and machinery at the coal mines in this prefecture has hampered the mines from reaching peak production. The allocations for materials, etc. are usually approved but by the time they reach the mines several weeks has elapsed thus, forcing the mines to purchase materials through illegal channels. This action is necessary by the mines if quotas are to be reached.

c. Same is true with loans from the central government. Takes too long to get to the mine.

7. Incentive Goods

a. There were 600 pounds of artifical gut distributed during July, August and September and 48,400 hon of natural gut distributed during the same period to the fishermen.

b. Of the 967 shirts allocated to this prefecture for the April and May fish catch, 965 were received. Of these 64 were distributed to Katsuura, a Class A port, and 50 trousers were distributed to the same port for the June catch.

c. It has been reported by the Katsuura Fisherman's Union that shipowners, office workers and other doing non-essential work are getting more than their share of incentive goods. The Union was encouraged to take the matter up with the incentive goods allocation committee.

d. The incentive goods to farmers appear to be flowing very good. Several spot-checks revealed but minor discrepancy.

8. Forestry

a. Bark beetle damage to pine trees amounted to 940 trees damaged during this reporting period. The reforestation program is making progress but the cutting exceeds the planting, the largest drawback being the lack of young trees. In one large forest area checked, it was pointed out that only 50% of the young tree requirements were being received.

b. The production of lumber and charcoal for the month are as follows:

(1)	Unsawed lumber --------	98,500 koku	Priced from 564 yen for 1st class to 459 yen for 3rd class.
(2)	Sawed lumber ----------	48,100 koku	Priced from 1,069 yen for 1st class to 711 yen for 3rd class.
(3)	Charcoal ----------	1,792 tons	Priced around 106 yen per bale.

c. There is 547,300 koku of unsawed lumber, 49,800 koku of sawed lumber, and 141,355 bales of charcoal stockpiled throughout the prefecture.

9. Transportation

Transportation of critical materials and foodstuff has not caused a problem this month. A one month's stockpile of lumber and charcoal has been observed and reported throughout the prefecture.

10. Electric Power

Wakayama Prefecture's October electric power consumption totalled 20,436,436 K/H, a decrease of 6.8% under the September consumption.

11. Petroleum

Allocations of petroleum for this month have been received and distributed 100%. Complaints from fishermen are that their allocations are about 70% of their requirements.

12. Redistribution of Critical Materials

The Commerce and Industry Bureau of the prefecture is continuing the checking of scrap iron stockpiles. No discrepancies have been noted in the redistribution of critical materials.

13. Import and Export

a. Tanabe City celebrated the opening of its port to import-export business on the 16th October. Main import products are rice and fertilizer from Korea while exports consist mainly of lumber, tangerines and mushrooms. Lumber will be shipped to China; it is planned to export buttons also. At present there are no storage warehouses or lighters available and the port will accommodate only small ships.

b. During September and October 4,800 bales of cotton were shipped to this prefecture for processing. During this same period 929,330 pounds of cotton yarn were shipped out. This fell way short of requirements; the reason for this was caused by the lack of raw materials.

c. During September and October Manila hemp and Mexican Henequen twine for the manufacture of rope were received in quantities as indicated:

(1) Manila hemp - 690 bales

(2) Mexican Henequin twine - 468 bales

Some of the manufactured rope is being shipped to Hokkaido.

14. Blackmarketing

a. Blackmarketing in this prefecture continues as usual. An oil refinery owner reported that even with legal allocation ticket, a "coordination" fee is charged for caustic soda. Producers and dealers in caustic soda are now being prosecuted in Wakayama City courts.

b. The Price Control Division of the C&I Branch of the Ken Government conducted an anti-blackmarket drive during the month. The usual media of information propagation were used. The promotors reported that the public response was not encouraging. There appears to be an increase of articles in local newspapers on blackmarketing. An article in the October 28th issue of the Wakayama press points out that even though there are lots of fresh mackerel at the receiving agencies and fish ports, only squid is appearing in the ration. The paper suggests that receiving agents be made to prove to the public that their fish went to legal channels--or forfeit their licenses.

c. In conjunction with the Minoshima Police and Headquarters NRP, a check for blackmarketeers' ships was made off the coast of Gobo. Six ships were apprehended and all found to be fishing illegally. A seventh boat which was known to be carrying blackmarket fish escaped.

15. Reparations

All reparations plants in this prefecture were inspected for maintenance, custody and control. No violations of existing directives were noted.

16. Restricted Industrial Operations

a. No unauthorized shipbuilding was noted during October.

b. The Toa Nenryo Kogyo K. K. Ltd., a restricted concern, was granted permission from SCAP for partial release and use of their oil tank facilities.

17. Status of Local EIB

	2nd Class	3rd Class	Koin	Yoin
a. Authorized strength	24	16	7	7
b. Present strength	6	13	4	6

c. EIB are functioning.

d. A chief has been appointed.

e. A total of 9 cases for investigation were turned over to the EIB during October. Full details of the investigations are forthcoming.

R-E-S-T-R-I-C-T-E-D

HEADQUARTERS
YAMAGATA MIL GOVT TEAM
APO 468 UNIT 2

Reports Control
Symbol MG -11(R2)

Prepared by:
B. J. SULLIVAN
DAC CAF-12
Chief, RC&I Sec.

Annex D

to

Monthly Military Government Activities Report for the month of October 1948

ECONOMICS SUMMARY

1. Agriculture:

a. Information concerning the importance of the coming election of the city, town and village Agricultural Adjustment Committees is being disseminated through all available Japanese Governmental agencies.

2. Crop Collection:

a. 98% of Yamagata Prefecture's 1948 rice quota of 1,257,700 koku had been collected as of 31 October 1948. However, the delivery of rice has stopped, due to the fact that no decision has been reached on the exemption of excess delivery bonuses from taxation.

3. Food Distribution:

a. As of 31 October 1948, distribution of imported foods is progressing satisfactorily.

b. Inter-prefectural rice shipments have shown vast improvements during the latter part of the month due to increased railway rolling stock, thereby alleviating the temporary warehouse shortage.

4. Fishing:

a. Fish production increased 27% over the previous month. Sandfish, Cod and Sea-Bream were the principal types of fish caught.

b. As of 31 October 1948, the fishermen of Yamagata Prefecture have received approximately 50% of the allocated fish nets and ropes manufactured from imported raw materials.

5. Mining:

a. Coal:

(1) Although the production of 15,160 tons of coal resulted in an 800 ton increase over the previous month, the production plan of 15,200 tons was not achieved.

R-E-S-T-R-I-C-T-E-D

BASIC: Annex D to Monthly Military Government Activities Report for the month of October 1948 (Cont'd)

b. Metal:

(1) During October, 380 tons of kaolin was produced, the highest monthly production ever attained by this prefecture.

(2) The following are metal production figures:

Copper	-	552 tons
Iron	-	1,175 tons
Pyrite	-	2,240 tons
Sulphur	-	807 tons
Zinc	-	35 tons
Kaolin	-	380 tons
Iron Manganese	-	72 tons
Gold Ore	-	222 tons

6. Incentive Goods:

a. Distribution of the incentive goods for the 1948-49 rice and sweet potato collection program in Yamagata Prefecture is extremely unsatisfactory, due to delay in receipts of the allocated incentive items.

7. Forestry:

a. Reforestation:

(1) During the month of October, all available media were used to emphasize the necessity for reforestation in Yamagata Prefecture.

(2) Government sponsored Reforestation Period is being held from 20 October through 30 November 1948. 1 November has been designated as Arbor Day. Publicity by various Prefectural agencies is giving great impetus to the program designed for this Reforestation Period.

b. Pine Bark Beetle:

(1) In order to complete the destruction of as much of the infested forest land in this Prefecture before the heavy snows hit, every possible method of hurrying the processing of all infested tracts has been used.

(2) 49.31 cho of forest land has been processed by cutting the trees, peeling and burning the bark. Salvage in terms of timber cut is reported as 1,469 koku. Salvage

in terms of timber removed from the forest area is reported as 1,408 koku. An estimated 16.15 cho of forest-land remains infested and this area has approximately 5,670 koku of salvageable lumber in it.

8. Export Item Production:

a. Yamagata Prefecture shipped export items valued at 76,367,000 yen during the month of October. This figure is 13,000,000 yen higher than the export shipments of the previous month. Items shipped were primarily silk, rayon, and cotton textiles.

9. Ship Building:

a. Contracts to construct two tug-boats, with a gross tonnage of 25 tons each, for the U. S. S. R. have been received and are now being built by the Yamagata Shipbuilding Company, Ltd. Completion of the two vessels will be 30 November 1948 and 31 December 1948, respectively.

10. Blackmarket:

a. Rice, bound for the blackmarket, is increasing rapidly. Police throughout the prefecture are confiscating large quantities of rice in raids on trains and small coves along the Japan Sea; However, insufficient personnel are hampering their operations greatly.

b. A price chart for all types of fish has been published by the Prefectural Government, and all fish dealers are required to keep these charts posted in a conspicous place. This has been very effective in keeping the price of fish at legal levels.

11. Reparations:

a. The Nippi Hikoki K. K., Yamagata Kojo (44-01), the Tsuruoka Koku Kogyo K. K. (44-02) and the Yonezawa Shinko Seimitsu Kikai K. K. (44-05) were inspected by this Headquarters for maintenance and authorized use during the month of October.

b. The maintenance of reparations equipment at the above plants were all excellent and necessary corrections on "U" equipment suggested in recent instructions from GHQ, SCAP had already been made.

12. Release of Installations:

a. All installations and buildings not housing reparations equipment or being used by the Occupation Forces have been released to the Japanses Government.

YAMAGUCHI MILITARY GOVERNMENT TEAM

Month of October 1948

SUBJECT: Economics Summary
(Annex D - RCS: MG-11) (R1)

PREPARED BY: Major Frederick C. Wiggins
Mr. Eugene M. Ten Eyck, DAC, CAF-9
Sgt Ernest B. Broadstreet
Cpl Arthur F. Spinaci
WO II William J. Gibson

1. Agriculture

a. Addressed Ken Federation of Agricultural Cooperatives Assembly in Ogori-cho. Displayed posters of the TVA Project and described the reclamation, irrigation, flood control, and other subjects depicted.

b. The procurement of agricultural extension workers has been essentially completed and examinations were held 15 October.

c. As of 31 October approximately ten (10) percent of the landlords in Yamaguchi Prefecture have received the government land in payment of land purchased under the Land Reform Program.

d. Harvest of fall crops is progressing favourably and land is being prepared for wheat, barley, etc. Farmers are taking fullest advantage of daylight hours, Sundays included, weather permitting, and indications are that they are somewhat ahead of last year.

e. Addressed meeting in the Yamaguchi Prefectural Assembly Chamber comprising ken agricultural officials, ken foodstuffs adjustment committee, and ken branch office chiefs. Presented data on revised delivery quotas and stressed the urgency of speedy dissemination to farmers with 20 November as the deadline. Gun and City breakdown was completed on 23 October (Sunday) and most villages had been advised by 31 October.

2. Crop Collection

a. Delivery of fall crops is progressing favourably and demonstrates a decided improvement over the same period last year, ie:

	30 October 1947	30 October 1948
Rice	43,966 koku - 6.7%	118,240 koku - 19.1%
Potatoes	1,160,688 kan - 21.7%	1,829,168 kan - 34.9%

3. Food Distribution

a. Food distribution (staple) has been satisfactory, within the limits of the stipulated ration, with two (2) minor delays in Shimonoseki-shi of 1.5 and .8 days respectively, due to delay in transportation of imported food. Staple food stocks equal approximately 40 days' rations.

b. Per capita ration of miso and soy for October in Yamaguchi prefecture were 90 momme and 5 go respectively effecting 100% ration of previous plan for the month.

c. Perishable foods (fish and vegetable) continue to be rationed satisfactorily, consistent with availability, and there are few violations of controls. There were no complaints from consumers except the recurrent one regarding the unfresh state of fish from Shimonoseki.

4. Fertilizer (Distribution)

a. Fertilizer situation in Yamaguchi-ken as of 31 October is as follows, for 1949 wheat and barley:

Type	Alloc	Kodan	Dealers	Farmer	
N	8,024	8,094	4,323	2,126	MT
P	8,438	6,999	3,731	1,640	MT

5. Fisheries

a. Initiated and attended ice manufacturers association meeting in Kawatana-son, Yamaguchi-ken on 5 October, subject being a more efficient distribution of critical materials. Sufficient ice will be available for the fishing industry.

b. Attended conference comprising representatives of West Japan Trawlers Ass'n, fishing ass'n chiefs from eighteen (18) prefectures, and Mr. I. Fujita of the Fisheries Agency, Agriculture and Forestry Ministry, held in Yamaguchi-shi, 19 - 20 October. Committees were appointed to accelerate proposed fishery legislation and other pertinent related problems, to conduct studies, and present their recommendations to Mr. Fujita at a later date.

c. Conferred with the Shimonoseki Branch of the Critical Material Adjustment Board on delivery of fiber products to fish producers. Board reported that 85% of allocation of Manila rope had been received. Manufactured products are moving promptly from factory to using agency.

d. Allocation of heavy and light oil continue to meet less than half of the estimated requirements. Net dyes and carbide received no allocation.

e. Fish landings in October at Shimonoseki, Hagi and Senzaki ports (class A) totalled 9,784.7 tons or 158% of goal. Total number of boats departing was 20,914 in all classes.

6. Mining

a. Visited Kawayama pyrite mine, near Hongo-son, Kuga-gun, Yamaguchi-ken on 29 October. Workers were engaged in a 2-hour strike over dispute under negotiation in Tokyo. Anticipated production for October is 2,000 tons of concentrate against 4,000 tons of ore. Production can be boosted to 5,000 tons of ore by addition of approximately 20 miners. Management stated that the union is obstructing transfer of outside labor to mine work. Discussed the problem with union representatives and asked their cooperation.

b. A full time mining engineer (Japanese) has been employed and it is planned to conduct more comprehensive surveillance of mining enterprise in this prefecture.

c. Coal production report as of 31 October is 256,125 or 109.26% of goal. This production is outstanding when consideration is given to the loss of 20,000 tons production capacity in the flooded Okinoyama Mine, Ube-shi.

7. Incentive Goods

a. The status of incentive goods for summer crops as of 27 October is as follows, in percent of allocation:

	Rec'd in Ken	Shp'd within Ken	Rec'd by Farmers
Textiles	100%	100%	98.0%
Jika-tabi	100%	100%	93.0%
Bicycle Tires	100%	100%	89.0%
Bicycle Tubes	100%	100%	89.0%
Saccharine (tubes)	100%	100%	100%
Sake	74.0%	74.0%	74.0%
Rear Car Tire	100%	100%	62.0%
Rear Car Tube	100%	100%	62.0%
Gloves	•	•	•
Tobacco	100%	100%	74.0%
Imported Tobacco	100%	100%	51.0%

Item "Rec'd by Farmers" is based upon reports from distributing points where the farmer executes a receipt for merchandise.

b. Recommendations to the Yamaguchi Prefectural Government to establish an incentive goods liaison group has been acted upon and is currently functioning.

8. Transportation

Transportation activities were confined primarily to surveillance over movement of controlled materials without certificates and four spot checks were made in October.

Approximately 10,699 pounds of foodstuffs were confiscated during the month, with 416 persons being apprehended, 382 of which will be prosecuted. Other items related importance were 16.6 pounds of tobacco and 18.1 gals of shochu.

9. Petroleum

An investigation of petroleum products allocated to contractors and procurement demand projects has been instituted with the view of verifying requirements and proper usage.

10. Economic Investigation Board

One (1) 2nd grade official and twelve (12) 3d grade official have been employed as of 30 October against an authorization of 37 and 26 respectively. Frequent consultations are held with the Director of the Yamaguchi branch but significant activities, with a few exceptions, have been confined to encouraging speedier recruitment and liaison with city and Ken officials in an attempt to find adequate office space.

11. Blackmarket

a. Attended conference of NRP Economic Police in Shimonoseki on 25 October. Stressed intensification of control on new crop rice and sweet potatoes, illicit brewing of shochu and sake and closer check on transportation.

b. The only evidence of open blackmarketing is the sale of cigarettes on the streets of Shimonoseki-shi by children, mostly Koreans. Approximately 30,000 hand rolled cigarettes and a hundred odd offenders are delivered to the Monopoly Bureau monthly. Since May, 96,091 hand rolled, 83,660 recognized brands, and 17,266 kg of bulk tobacco have been confiscated. Source of the tobacco has not been determined.

12. Critical Materials

a. Considerable difficulty is encountered in making checks of critical materials against the file of inventories maintained by the Yamaguchi MG Team in that the inventories are old and stock levels are continually fluctuating.

b. Representatives of the Hiroshima ESB visited this Headquarters recently and were requested to establish closer liaison with the Hiroshima Commerce and Industry Bureau and to furnish a master list of reallocations of critical materials within Yamaguchi Prefecture. A similar list covering new allocations was also requested since both will be required before an adequate check can be made.

13. Reparations

a. All reparations installations in Yamaguchi Prefecture were inspected by Mr. J. A. Rudis and Capt. R. H. Gunnell, Reparations Section, GHQ, SCAP, during the period 5-11 October 1948.

b. R&R delegates from China, Holland, Philipines and United Kingdom made a pre-claim inspection of Iwakuni Army Fuel Depot during the period 6-14 October 1948.

c. Hikari Naval Arsenal (45-4). Leaky roofs previously reported at this location have all been repaired and all equipment is now in good condition.

14. Restricted Industrial Operations

a. Reference SCAPIN 5673-A, "Approval of Change in Construction Program of a Fishing Vessel", subject vessel, "Shimano Maru", under construction by Mitsubishi Shipyards, Shimonoseki City, Yamaguchi Prefecture is scheduled for

completion by the end of November 1948. At present approximately eighty percent of the work has been completed.

b. Six shipyards were inspected during October 1948. No unauthorized construction or conversion of steel vessels or wooden vessels over 100 tons gross.

c. Suspected violation of SCAPIN 1929 by Kasado Dockyard and Co., Ltd., Kasado Island, Yamaguchi Prefecture was reported to Headquarters Eighth Army by letter this Headquarters, Serial No. 1424-B, dated 13 October 1948.

15. Release of Installations

a. All former Japanese Army and Naval installations not in use by the Occupation Forces or being used for custody of reparations equipment have been returned to the Construction Board.

16. Elimination of Control Associations

a. All known control associations in this prefecture have been reported to Eighth Army.

b. All known Sanitary Associations in this prefecture were dissolved by 31 August 1948.

c. The prefectural governor has not been forced to issue any special instructions to any Sanitary Associations in order to have them eliminated.

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HEADQUARTERS
YAMANASHI MILITARY GOVERNMENT TEAM
APO 201

Oliver F. Morton
Captain, Cavalry
Chief of Section

Reports Control Symbol MG-14(

ANNEX D

TO

MONTHLY MILITARY GOVERNMENT ACTIVITIES REPORT FOR THE MONTH OF OCTOBER 1948

ECONOMICS SUMMARY

1. Agriculture:

a. During the first 10 days of October leafhoppers were noted on fields in Nakakoma and Nishiyatsushiro guns. Special distributions of petroleum were allocated to farmers to combat these insects.

b. Land Reclamation:

(1) Domestic animals, farming tools and fertilizer were distributed to 43 associations in the prefecture during the month.

2. Crop Collection:

a. The original preplanting quota for rice and cereals was reduced 7% for this prefecture.

b. Super-quota deliveries of wheat and barley since 1 September have brought the total quantity collected to 79,533 koku, 102% of the allocation quota as of 15 October.

c. As of 31 October the collected quantity of Irish potatoes was 131% of the delivery quota.

3. Food Distribution:

a. Housewives are complaining about receiving too many sweet potatoes in their ration.

b. Vegetable-receiving agencies in Yokohama-Tokyo districts have refused to accept shipment of vegetables from this prefecture due to their inferior quality. Surplus vegetables are being shipped to Shizuoka prefecture.

4. Fertilizer:

a. Allocation of fertilizer to farmers for wheat and barley has been completed to all villages.

RESTRICTED

BASIC: Annex D to Monthly Military Government Activities Report for the month of October 1948.

5. Fisheries:

a. Meeting was held under the auspices of Yamanashi Marine Product Association concerning consolidated shipment of trout produced at Yamanaka Lake.

6. Mining:

a. The Takara mine is back in production after being damaged by the typhoon that occurred in September 1948 and the Fuhi Coal mine is also back in production after being idle for nearly one year. The Yamanashi Coal mine will be out of production for 30 more days due to passage collapse caused by the typhoon in September 1948.

b. Mining production of iron-sulphate, gypsum and zinc increased 19%, 17% and 9.3% respectively.

c. Negotiation is being carried on concerning the starting of trial coal mining at Gomei-mura, Minamikoma-gun.

7. Incentive Goods:

a. Seven villages were checked to determine the promptness of allocation and delivery of incentive goods. All of the villages checked have made allocation and delivery to farmers for the commodities they had received from the guns.

b. Allocation of cotton textiles was made to guns on 16 September. Guns completed allocations to towns and villages 22 October, on the 30 September this prefecture had received 19,300 tan of the 26,000 tan allocated.

8. Forestry:

a. Reforestration:

(1) The reforestration plan and work for pruning and cutting weeds around planted trees has been completed for 1948. Attention has now been turned to the growing of saplings.

b. Pine Bark-Beetle Damage:

(1) 276 chobu of forest has been cut and the bark peeled and burned.

(2) 28,366 koku of trees have been salvaged by cutting.

(3) Total area infested by pine bark beetle damaged is 499 chobu in which 106,406 koku of timber was damaged.

BASIC: Annex D to Monthly Military Government Activities Report for t month of October 1948.

(4) 28,366 koku of timber was salvaged and removed from t forest.

c. Planting of seedlings in suitable localities commenced on 9 October 1948. Autumn planting of 250 acres will be completed by 15 November 1948.

9. Transportation:

a. Japanese officials are maintaining check points on all primary roads within the prefecture. Few violations were detected.

b. Railway transportation is moving critical materials promply. All railway lines are checked daily by Japanese police for violators transporting commodities illegally.

10. Electric Power:

a. Due to insufficient transformers and power, rotating blackouts for 15 minutes each day are being carried out in areas of Kofu City.

11. Construction:

a. The Construction Ministry has allocated materials for restoration work at Enzan-cho where nearly all major buildings were destroyed by fire last month.

12. Import-Export:

a. Block-crystal, crystal work, silk-textiles and grape wine were exhibited at Central Sight-Seeing and Special Product Exposition at Ueno, Tokyo.

13. Stimulation of Critical Industries:

a. Wooden-ware-Production increased 2% over last month due to increased purchasing power.

b. Textile-Production has fallen off considerably due to financing difficulties and sharp decrease in purchasing power.

c. Crystal-Small-scale manufactories are suffering from the lack of commercial funds.

14. Elimination of Control Association:

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a. Former officials of the Agricultural Practice Association are still active and continue to have much influence over the farmers.

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BASIC: Annex D to Monthly Military Government Activities Report for the month of October 1948.

15. Blackmarket:

a. Limited purchasing power has caused blackmarket prices of general commodities to become stable.

b. Official prices of sweet potatoes and some vegetables are higher than blackmarket prices.

16. Reparations:

a. All reparation plants were inspected during the month of October 1948 and in all cases the maintenance was satisfactory.