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

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

DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT
11 Jan. 51	Tokyo Region Railway Freight Analysis	SCAP
January 51	Investigation of Transportational Status	Coordinating Dept. of Hiroshima EIB
28 Feb. 51	The 23rd Session of Chugoku Regional Economics Recovery Committee	Chugoku Liaison & Coordiantion Office

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77061

ECONOMICS
CHIEF
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LABOR
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CHUGOKU LIAISON AND COORDINATION OFFICE

CHL No. 19 (TK) 28 February 1951

SUBJECT: The 23rd Session of Chugoku Regional Economic Recovery Committee

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

Submitted enclosed herein is a report on the subject session held on 16 inst. at Hiroshima Regional Economic Bureau.

MINES & MINING AND INDUSTRY FILE

OSAMU ITAGAKI
Director
Chugoku Liaison & Coordination Office

Inclosure: as indicated above

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77801

Summary Minutes of the 23rd Session of Chugoku Regional Economic Recovery Committee

1. Highlight of the Conference

At this session discussions were highlighted on both power emergency restriction put in force since Feb 14 and transportation problems. In particular, attention was invited to the report made by a rep. of Hiroshima Economic Bureau to the effect that supply of freight cars to Yamaguchi coal mines was suspended at the biginning of Feb. due to uncooperation with efficiency improvement movement of the Railway Control Bureau, on the part of Yamaguchi coal mine operators.

2. Report on Financial Sub-Committee

Subject Sub-Committee was convened to discuss credit for medium & minor enterprises down at Tokuyama & Shimonoseki cities during the period of Jan. 18 thru 18 with attendance of representatives of the local financial organs.

Characteristic feature of Yamaguchi medium & minor enterprisers is not only frazil in its economic basis, but also weak in business relation with major enterprises except in Ube area. In other words, they have not so strong organizations as file and needle makers' coops in Hiroshima Prefecture. They are in need of long term funds for equipments contrary to Fukuyama's medium and minor enterprisers, whose requirement is rather to get short term funds for tax payment.

3. Power Demand & Supply

a. A rep. of the Secretariat of Public Utilities Commission Hiroshima Br. stated that power emergency restriction order was lately issued in accordance with instructions from central PUC, due to the bad condition of demand and supply in Kinki Region despite the fairly well balanced status in this region. For the question made by a Ube coal mine operator why emergency restriction order was lifted down in Kyushu, he replied that this was probably due to the fact that Kyushu Region has either less relation with Kinki Region or they lack in faithfulness to law. He also added that electric power for security of coal mines is kept out of limitation.

b. For Nippatsu Co's responsibility called by a civil Committee-member why such a critical situation was caused, the rep. of the Commission explained that 200,000 KW has been generated in Chugoku Region at present inspite of the fact that safe operating limit is 180,000 KW; and that Nippatsu buys 10,000 KW from both Teijin Mihara and Iwakuni plants which have power generating facilities.

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c. The question was also taken up from another angle by a civil committee-member to the effect that the present power allocation system, in which the power consumption of corresponding period of last year is considered as a main factor to decide allocation for the same period this year, is unjustifiable in view of the big change in industrial circles since Korean Hostilities.

He also suggested to decide allocation, based on recent three months average.

For the above question lodged, the rep. of the Commission replied that present allocation plan is based on idea that power generation is no more than that of the basic month last year; and that power supply, made available in excess of basic month's generation, was furnished through burning more coal, therefore excess part of supply should be covered by the thermal charge. He added also that adjustment has been made for the application made so far by individual enterprisers, taking the recent factor into consideration. Against the above statement, a Committee member pointed out the partiality incurred by the present allocation system, saying that some cooperations are obliged to pay thermal charge of 60% out of the total charge and others pay no thermal charge at all. The rep. of the Commission replied that adjustment would be made to take care of such unusual cases upon submission of application.

4. Railway trasportation in Chugoku Region

Following report on subject above was made by the Chief of Hiroshima Railway Control Bureau.

a. Power

Though discussions have been highlighted how to secure coal for national railway which has been in high price of coal since the out-break of Korean Hostilities and which is scarce due to the coal mine strike in Kyushu, the situation has not been so imminent as to induce decrease of transportation. There is reserved a certain quantity of coal stock-pile down in Kyushu.

b. Facilities

Some railway lines need improvement of facilities. Generally speaking, however, there are not so big requirements for improvement.

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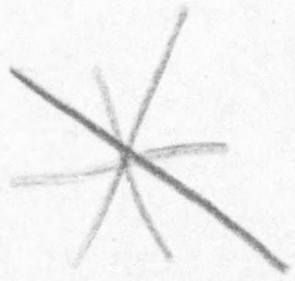
c. Personnel

It is presumed that man power for national railway has been becoming short due to the railway's suspension policy of new employment to fill up vacancies. The shortage is covered by casual laborers at present.

d. Rolling-stock

1) No shortage has been felt on locomotives due to favorable progress of repairs, which had been, however, insufficient right after the termination of war.

2) Bottle neck for railway transportation is shortage of both freight-cars and passenger-cars.



Referring to freight-cars, there were 987 freight-cars available during the month of last January for the total requirement of 1920 cars in Chugoku Region. Hence, the utmost effort has been made by the Bureau to accelerate circulation of rolling stocks (stagnate hour of freight-cars in last January averages 17:00 for 25:00 hours in last in August)

5. Maritime transportation

Following statement was made on subject matter by the Chief of Chugoku Maritime Bureau.

In consequence of the Western Japan Transportation Conference which will be referred to in the following para. 6, necessity has been revealed to haul more coal, especially the coal for thermal generation. However, there is no other way than to depend on engined sailing ships in order to transport more coal due to the shortage of bottoms of ordinary vessels. As the result of the above conference, Japanese side requested to GHQ additional allocation of fuel oil for engined sailing ships to haul coal to Osaka area. They were granted to use during Feb. 1,000 KL of fuel oil, which would be carried back from March allocation, and out of which allocation of 150 KL was granted to Chugoku Maritime Bureau area.

6. Report on Western Japan Transportation Conference

Following statement was on subject matter by a rep. of Hiroshima Economic Bureau.

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Subject conference, whose major object was to discuss on coal hauling, was convened on last Jan. 25-26 with special attendance of representatives of both ESB and Transportation Ministry.

a. Purport of the conference.

Kinki Regional Economic Bureau wanted to discuss with Hiroshima & Fukuoka EB's on coal supply for Kinki Region due to the coal shortage which has become critical since the middle of Dec.

b. Situation.

In view of the difficulty of sending freight-cars to the Western part from Kinki Region and the Eastern part, freight-cars are concentrated in Kinki & Keihin area. In order to increase coal hauling, there is no other way than to depend upon engined sailing ships. However, the use of engined sailing ships are restricted for coal hauling due to GHQ letter which indicates that fuel for coal hauling should be done by means of coal.

c. Conclusion.

As the result of contact with the Central Gov't after the conference, they were granted to use during Feb. 1,000 KL of fuel oil, which would be carried back from March allocation, as fuel oil for engined sailing ships in order to transport staple materials.

d. Uncooperation with railway transportation program on the part of Yamaguchi coal mines operators.

Representatives of both Transportation Ministry and National Railway blamed Yamaguchi coal mine operators for failure to cooperate with the transportation program of the railways during the first ten days of January.

Referring to the above subject, Chief of Hiroshima Railway Control Bureau stated that it was suspended to send freight-cars to Yamaguchi mines for a period of one week by way of warning and that the cars released from coal hauling were used to haul mine timbers. A rep. of Hiroshima IT & I Bureau requested understanding of all attendants, stating that such a situation was incurred for the reason that female laborers were reluctant to work in holidays; however, shift system was taken over to remedy the situation at present.

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III. Investigation of Transportational Status

(1) National Railway Transportation

With the Korean War as a turning focal point, shipping state of various freights saw vigorous increasements. In consequence absolute procurement of required freight cars became rather short, and lacking. The national railway during the months of October, November and December opened up a campaign for improving efficiency on freight shipments, and effected a shorter stopping period for trains. Also midnight freighting operations were conducted. The exertion of efforts towards extension of the shipping capacity resulted in a great improvement in efficiency, and subsequently investigational reports on the status of the various agencies in charge were sent to headquarters.

(2) Status of Transportation through motor powered vessels in Chugoku District.

Investigations made on the situations of cargo space, shipping and fuel for motor powered vessels reveals, the main reason for increases of shipments to be: transportation of special demand commodities through the Korean War; transportation of materials for recovery due to "Jane" typhoon; and the increased demands for vessels transportation due to difficulty realized in the procurements of freight cars.

(3) Truck Transportation

Investigation on shipping status of freights through trucking concerns of the 5 prefectures, nationally operated trucks, and also on future aspects of shipments for special demands was made and reported to headquarters. Conclusions reached through this revealed no impediments to be looming over truck transportations, unless some special situations arose.

INDUSTRY AND TRADE FILE 1-34

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

General Condition of Transportation

(別紙 2)

運輸概況

管理局別	月別 (Month)	使用者 (User)	対比 (%)	在貨屯数 (Tonnage left)	発送屯数 (Tonnage shipped)	対比 (%)	貨車停留時間 (Hours of Train stop)	備考 (Remarks)
広島鉄道管理局 (Hiroshima Railway Cont. Off.)	10	908	99%	36.744	427.000	104%	31.3	
	11	967	103%	37.395	435.000	107%	22.5	
	12	1040	102%	40.887	489.000	103%	27.9	12月上旬より特殊輸送
岡山鉄道管理局 (Okayama Railway Cont. Off.)	10	571	91%	26.313	266.915	95%	19.4	
	11	596	98%	23.883	262,391	98%	16.1	
	12	610	97%	30.340	285.952	97%	14.9	
米子鉄道管理局 (Yonago Railway Cont. Off.)	10	379	88%	36.735	155.661	84%	13.9	
	11	410	95%	34.567	171,918	94%	14.0	
	12	346	77%	23.592	145,602	74%	14.3	12月中旬より特殊輸送有り

註　発送屯数を除三ノ日平均

Chart indicating actuals of Transportation on Critical Materials

1) 主要物資輸送実績表

時期	宮目	米 Rice	果物 Fruits	セメント Cement	肥料 Fertilizer	塩 Salt	石灰石 Coal	鉱砿石 Ores	木材 Lumber	薪 Firewood	木炭 Charcoal	備考 Remarks
十月	広島 HIROSHIMA	計画 Plan	5.500	800	1,800	20.500	7.400	37.000	10.000	45.000	5.2000	3.000	木材(円)は抗木を示す
		実績 actual	4.898	2.437	10.240	2.574	4.797	49.015	7.603	(12.973)	4.549	2.543	
		%	89.	305	57	10	65	132	76	29	87	85	
	岡山 OKAYAMA	計画 Plan	1.200	6.300	16.500	9.900	11.300	27.000	24.800	32.000	19.600	6.000	
		実績 actual	1.378.	3.932	17.886	11.849	5.935	25.020	33.518	39.366	17.372	5.435	
		%	115.	62	106	120	53	93	135	92	89	91	
	米子 YONAGO	計画 Plan	1.700	3.100	200	300	800		6.300	62.100	14.300	12.600	
		実績 actual	3.580	587	642	400	869	47	6.470	49.191	9.747	12.578	
		%	210	19	321	133	209		103	79	68	100	
十一月	広島 HIROSHIMA	計画	5.400	4.300	16.600	20.000	5.400	45.000	7.400	35.000 (13.000)	5.500	2.800	
		実績	4.400	3.742	12.516	22.493	4.400	51.414	9.394	39.284 (15.077)	4.168	6.875	
		%	81	87	75	112	81	114	127	112	76	246	
	岡山 OKAYAMA	計画	9.800	8.000	19.600	11.300	10.000	27.000	33.000	28.000	18.000	6.000	
		実績	3.436	7.162	16.768	8.554	7.439	24.544	21.026	23.958	12.157	6.535	
		%	35	90	86	76	74	85	91	86	68	109	
	米子 YONAGO	計画	11.200	1.400	300	300	900		7.300	61.000	12.000	12.000	
		実績	9.274	717	390	264	855		9.049	53.626	9.678	13.975	

Number in parenthesis under indicates number of rows for mines

BER

NOVEMBER

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		実績	3.580	587	642	400	869	47	6.470	41.111	7.747	12.378
	子	%	210	19	321	133	209		103	79	68	100
十一月	広島 HIROSHIMA	計画	5.400	4.300	16.600	20.000	5.400	45.000	7.400	35.000 (13.000)	5.500	2.800
		実績	4.400	3.742	12.516	22.493	4.400	51.414	9.394	39.284 (15.077)	4.168	6.875
		%	81	87	75	112	81	114	127	112	76	246
	岡山 OKAYAMA	計画	9.800	8.000	19.600	11.300	10.000	27.000	33.000	28.000	18.000	6.000
		実績	3.436	7.162	16.768	8.554	7.439	24.544	21.026	23.958	12.157	6.535
		%	35	90	86	76	74	85	91	86	68	109
	米子 YONAGO	計画	11.200	1.400	300	300	900		7.300	61.000	12.000	12.000
		実績	9.274	717	390	264	855		9.049	53.626	9.678	13.975
		%	83	51	130	88	95		124	88	81	116
十二月	広島 HIROSHIMA	計画	19.100	6.200	16.000	19.600	4.000	57.000	7.450	43.500	6.500	4.700
		実績	9.546	6.766	7.835	8.758	2.245	62.386	8.743	40.583	4.478	4.714
		%	50	109	49	45	56	109	118	93	77	100
	岡山 OKAYAMA	計画	22.000	15.900	18.100	11.800	9.000	30.000	24.000	27.000	17.800	8.000
		実績	10.994	12.170	14.367	8.360	7.841	30.512	25.268	27.979	18.224	6.379
		%	50	77	79	71	87	102	105	104	92	80
	米子 YONAGO	計画	15.000	300	400	400	600		7.500	63.200	14.100	18.800
		実績	8.089	337	305	225	900		6.721	38.145	7.687	11.477
		%	54	112	77	56	150		90	60	55	61

Number in parenthesis under number indicates number of woodn engines for mines

(9/65)

NOVEMBER

DECEMBER

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

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 79818

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

11 JAN 1951

453 (14 Dec 50) CAS-EI

SUBJECT: Tokyo Region Railway Freight Analysis

TO: Chief, Chugoku Civil Affairs Region, APO 182
Chief, Hokkaido Civil Affairs Region, APO 309
Chief, Kanto Civil Affairs Region, APO 500
Chief, Kinki Civil Affairs Region, APO 15
Chief, Kyushu Civil Affairs Region, APO 1105
Chief, Shikoku Civil Affairs Region, APO 1050
Chief, Tohoku Civil Affairs Region, APO 547
Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

A-337

1. Reference:

Operational Directive Number 11, General Headquarters, Supreme Commander for the Allied Powers, Civil Affairs Section, subject: "Industry", dated 10 April 1950.

2. The critical Japanese transportation situation, as reported by the Civil Affairs Regions during the last two months, has been under study by this headquarters.

3. The Civil Transportation Section, this headquarters, which maintains surveillance over transportation systems reports that information received from Civil Affairs Regions has been useful and helpful in their studies of the transportation situation.

4. The following general statements by Civil Transportation Section indicate the transportation policy of the Japanese Government:

a. The Japanese Government does not have a complete or coordinated long range plan. CTS, for many months, has been urging the Minister of Transportation to study the situation and to recommend some policy which would coordinate all agencies into an overall program. At present political groups have looked only to the construction of rail line, to the extent that road construction has been suppressed. An acute shortage of cars prevents the transportation of commodities over the existing lines. New line construction prior to augmentation of car supply would not correct, but rather would aggravate the ability of the railroad to carry the commodities offered. Still the Diet members insist on expending the available funds for construction of rail lines rather than equipment.

MANUFACTURING AND INDUSTRY FILE I-38

JAN 15 1951 4795

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453, subject: Tokyo Region Railway Freight Analysis

b. The Japanese agencies on a regional level should exert their efforts toward pointing out to the Central Government, the existing deficiencies in transportation and to recommend to local political groups, the necessity for setting aside local political ambitions and desires, in the interest of a national policy which would tend to render a transportation service beneficial to all rather than to a few.

c. The general shortage of cars by necessity will cause many commodities to remain un-shipped. Establishment of priorities excepting in a general way would further distress the situation. Greater utilization of cars can be accomplished when loadings are possible at the point where a car is made empty. If an empty car must be moved a great distance to secure a priority load, the efficiency of utilization will decrease. Of course if two loads are available at the point where a car is made empty, the load having a higher priority should be lifted.

d. Under the present emergency, no time limit for unloading cars containing occupation materials can be established. The subject of timely unloading is one having constant supervision. A committee in Japan Logistical Command, constantly reviews the car situation and reprimands any service or installation whose car detention is greater than 24 hours. There is no undue impact on the Japanese economy for the reason of increased movement by Occupation Forces. The reduction in the number of installations caused by the out movement of troops from Japan reduced the normal car requirement in almost as great an amount as the demand for car to handle material from depots to ports under present operation. This claim of adverse effect on the car supply due to Occupation Force demand is generally a subterfuge to cover the real situation which is simply a general car shortage.

5. Memoranda prepared by Civil Transportation Section are forwarded for your information as follows:

a. Memorandum to the Minister of Transportation, subject: "Long Range Transportation Plan", (inclosure 1).

b. Memorandum to the Chief, Civil Transportation Section, subject: "Shortage of Freight Cars", (inclosure 2).

6. Reports from local Japanese Government economic or other agencies to Civil Affairs Regions on the transportation situation which are considered to be pertinent to this problem will continue to be submitted to this section.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

J. A. O'BRIEN
CWO USA
Actg Off

2 Incls:
1. CTS Memo to MT dtd 3 Jan 51
2. Memo to Chief, CTS dtd 29 Nov 50

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

CIVIL TRANSPORTATION SECTION
GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

3 January 1951

MEMORANDUM FOR: Ministry of Transportation

SUBJECT: Long Range Transportation Plan

1. There are two points to be discussed in considering this memorandum - first, the need for new railway cars - second, the principles which should govern the construction and retention of railway lines.

2. To state, or even imply,that there is not a pressing need for a large additional number of railway cars, indicates an odd unwillingness to appreciate the facts. The Ministry knows that for most of the year the tax payers of Japan are seriously harmed by inability to ship their commodities promptly by rail. It knows that part of this failure of the railroad to carry these shipments forces this business to the coastwise vessels who charge excessive rates because they can force the shipper to pay them. It knows that labor in many mines and plants has been unemployed because the railroad could not supply enough cars. It knows that the present car supply would be even more unsatisfactory if the JNR used a demurrage system that was less unjust and hard on the shipper. It knows that the JNR still has many thousands of cars that are not worth repair or rebuild and must be replaced this year, next year and each year thereafter.

3. The Ministry knows these things. In its job of protecting the interests of the Japanese public it should be urging the fabrication of new cars, rather than considering the diversion of funds to new railroad construction. This does not mean any peak and valley demand on the car building industry. The need is such, for the JNR alone, that the car builders could be kept reasonably busy for many years - on a steady production basis. The only limit, at present and in the foreseeable future, is the funds available. Mind you - every one of these new cars can be well employed and contribute to a net profit for the railroad.

4. The second point is the construction and maintenance of railway lines. Here, the problem is not as simple as that of car supply discussed above. That is just a plain need to consider shipper's demands, the costs of the cars and the profits each will earn. This matter of railway lines requires larger, and less definite, considerations. For that reason, there is the more need to weigh matters more judiciously, with less emphasis on local political patronage and with more thought on the entire picture - main line and feeder lines; local development; local highways vs railroads; etc.

5. There still remains entirely too much emphasis on three matters - local political pressure; the desire to perpetuate a large design and construction force in the JNR; and the desire to place large construction contracts with their various related group and individual personal opportunities.

Encl 1

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6. On the level of the Ministry of Transportation, the first consideration should be whether a given area requires more transportation facilities. This determination should be based not upon political pressure such as delegations or petitions but upon a complete study as to the passenger and freight traffic, now and future probable; how that traffic is carried now and what increase there will be; what that traffic is worth both to the carriers and the community.

7. The Ministry's second consideration should be whether the transportation need is better served by additional rail or additional road. It is in this field that I believe the Ministry has done the least in serving the Japanese public. There has been entirely too much willingness to solve all transportation problems by use of rail even where the construction of good roads would be cheaper and much better for the public.

8. As you perhaps know, the members of CTS, including the Chief, have covered a good deal of the provincial roads in the less accessible areas. We have found that there is no physical reason why good two-way roads cannot be built in these areas. Our conclusions are definitely to the effect that the reason why the road net is poor is that there has been no real effort made by either the National Government or the provincial governments to solve the problem.

9. In almost all cases, a permanent type pavement, 7½ meters wide, highway can be built for less than the cost of a single track railway. This is because a maximum grade of 7 percent is satisfactory on a good highway while no grade over 1 percent is satisfactory for a rail line. The higher grade allowable on a highway means avoidance of much of the deep cuts, tunnels, high fills and high bridges required on a railroad along the same route. The use of the highway has a further advantage in that, if funds are not immediately available for the hard surface of concrete or bituminous concrete, a temporary waterbound macadam or clay-gravel surface can be used. Later, the permanent pavement can be added without wasting any of the temporary work. This is a big advantage in funding. For a fiven amount of funds, if necessary, many more kilometers of good traveled way can be provided by use of temporary road surfaces to be replaced later by permanent type pavement - whereas any railroad line must be built to finished standards befor it can be used at all.

10. For all short distance traffic up to 100 kilometers, the highway is much cheaper to the user than the railway - principally because it permits door-to-door delivery in the same vehicle. On the other hand the railroad requires local delivery to the railroad, rail haul, and local delivery from the railroad. This means much more handling, much more delay, much more damage to the freight. Over and beyond all these factors which apply in any country, there are benefits from good highways vs railways that are peculiar to Japan - the benefits to the local public using carts, bicycles and packing on foot.

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11. After these two items have been thoroughly studies by the Ministry, it will usually be found that the answer is to build or improve roads and not to build new railroads. Only in a few cases will it be found that a new railroad line is other than a political gift to some locality. There are a few such possible locations - one or two lines to open up new areas in Hokkaido and a new shorter high speed line between the Tokyo and Osaka areas for example.

12. There are also other places where the JNR might consider constructing new inter-connections or new relocations to improve overall operations and new branches to serve local trade. It is not necessary that these lines always pay for their cost of construction, but each new line built from JNR funds should pay a substantial portion of its operating expenses from the very first year of operations.

13. There is no logic in stating that each branch line should be self-sustaining by itself but there is logic in saying that each general line of the JNR, including the branches on that line, should be reasonably self-sustaining. There is logic in saying that a branch that serves only a single industry that is very expensive to maintain and earns only 20 percent of its operating costs, should be disposed of by the JNR. Likewise there is every reason to require that when the JNR, or any other railroad, wants to dispose of an unprofitable operation, the Public Convenience must be considered by the Transportation Council.

14. The effort of the Ministry as far as the JNR is concerned, should be to treat it like any other railroad company; tax it the same way as any other railroad and require it to furnish the best and safest service for its customers. If the JNR were operated reasonably efficiently and honestly - and I believe Mr. Kagayama and most of his officials are approaching this problem well - the railroad could provide much better service to the public; pay substantial taxes; and pay a substantial profit into the general funds of the Japanese Government.

15. The sine qua non for these achievements however, is for the Japanese Goverhment, and particularly the Minister of Transportation, to first of all, give proper consideration to highway needs and second - to treat the JNR as a Government owned but separate business and not as a tool for Government ends.

H. T. Miller, Colonel
Chief,
Civil Transportation Section