raised by the new revision of the restaurant control law immediately became the center of discussion. The police felt that they had been maneuvered into a difficult position with regard to enforcement by the quality of publicity given to the extension of the law. The angle taken emphasized decontrolled items, both present and anticipated, and mentioned little if anything of the fact that rice is still under control. The immediate public reaction was that everything is decontrolled, or soon will be, so there is no further need to worry about restaurant control. The EIA and the police agreed that owing to the misconceptions made possible by the publicity, and indeed by the way the law itself talks around the subject of rice, that the educational campaign will have to be renewed before any intensive punitive measures are taken. It is realized that this argument may represent to some degree an attempt by the autonomous police to justify continued failure to enforce an unpopular law. It is unfortunate, however, that the extension of this law, and its attendant announcement, was handled in such a manner as to create some justification for the present attitude of the enforcement authorities. (Note discussion of Restaurant Control, below).

b. As for obtaining better coordination, it developed that much of the requested information was presently being submitted to the NRP for forwarding to the EIA. The EIA idea that the chief of the major autonomous unit in each prefecture assume unofficial leadership, and try to insure coordinated efforts by smaller units did not meet with a warm response. The upshot of this discussion disclosed that the autonomous police association of each prefecture had meetings periodically, usually about once a month, and the EIA would be notified and would be welcome to attend.

c. Representatives of this section attended six prefectural EIA coordination meetings in addition to the weekly meetings with the Regional EIA. Significant points made at these meetings included:

(1) Word of the EIA investigation of the food storage warehouses has apparently "leaked" from higher up, which has permitted the adjustment of books, in some cases.

(2) There is some evidence that manufacturers of manila rope have refused to honor purchase certificates in anticipation of a sharp increase in prices after the removal of the production subsidy in June.

(3) An investigation by the Gifu EIA of standards of weights and measures indicated that about 50 percent of weights and measures were erroneous. Measures of volume were wrong by about 5% and weights were wrong by about 4%.

2. Restaurant Control.

a. Only three prefectures held public hearings during the past month. Gifu prefectural officials insisted that there were no violators to apprehend, while Mie and Fukui officials admitted that violations continued but claimed that they were unable to secure adequate proof. Even in the prefectures where public hearings were held, all of the cases tried were those concerning the operation of very small-scale business. All in all the attitude of most officials concerned towards restaurant control appeared to be little more than perfunctory.

b. Misleading press releases, apparently emanating from Tokyo, helped to create a widespread false belief that rice no longer required a meal coupon in restaurants. These press releases were issued in conjunction with the passage of the new Restaurant Control Law. This headquarters has encouraged all officials concerned thoroughly to clarify this point through all publicity channels available.

c. Although prefectural officials were considerably embarrassed when confronted with a statement by Tax officials that their investigations revealed that it was necessary to tax almost all of the restaurants on the basis of carrying on illegal business, there was no indication that any stronger action would be instituted to apprehend violators.

d. Results of open hearings are as follows:

Prefecture	Licenses Suspended	Licenses Revoked	Rest. Sealed	Warnings (May)	Hearings (May)	Cumulative Hearings
Aichi	6	0	4	15	4	12
Gifu	0	0	0	0	0	2
Mie	0	0	0	0	0	2
Fukui	0	0	0	0	0	2
Ishikawa	5	0	0	2	2	4
Toyama	6	0	0	1	1	3
Total	17	0	4	18	7	25

3. Incentive Goods and Fertilizer Distribution.

a. Farmers' discontent with present incentive goods distribution is indicated by the stockpiles of incentive goods on hand at ACA. Money-stringency on part of the farmers has been the chief reason for lack of purchasing enthusiasm. Although reduction in prices has been discussed on a national level, return of stockpiles to the commercial agents has only been lately decided. Local ACA are returning rejected

items to the wholesalers in compliance with current Ministry instructions with the Central Government making up the difference. The loss is incurr by the re-distribution of only 60% of the incentive goods at reduced pric..

b. In conjunction with an increase in fertilizer supplies, it has been noted that debts were in the increase also. Cash loans from the banks are often inadequate to meet the cost of allocation, so that farmers are forced either to forego their allocations or buy on credit. To eliminate the financial burdens of farmers, prefectural officials undertook 3 measures: (1) Let farmers know of pre-distribution plans so they could prepare "ready-money" (2) Encourage the use of credit. (3) Elimination of commercial dealers who are too irresponsible.

c. It has been reported by Ishikawa EIA that of the total fertilizer non-payment of ¥136,044,587, as of end of April, a sum of ¥62,880,717 was paid up, leaving a balance of ¥73,163,870. This is encouraging, considering that the situation is a bottle-neck to smooth fertilizer distribution.

4. Staple Food Rationing.

a. The EIA in Toyama reported a trend toward bartering rice, instead of cash transactions for merchandise. Sixteen retail shops (clothing, hardware, etc.) were found with excess stocks of rice on hand. This was attributable to the current shortage of cash in the hands of consumers, and a willingness of shopkeepers to accept rice at present prices to hold for seasonal price increases around September, in the opinion of the EIA.

b. The free market price of rice increased 15 yen in Aichi (Nagoya) and Gifu while a drop in price was noted in Toyama, Ishikawa, Fukui and Mie prefectures.

Place	Free Market Price Average in April	Free Market Price Average in May
Aichi (Nagoya)	95 yen	110 yen
Gifu	90 yen	105 yen
Mie (Tsu)	95 yen	90 yen
Ishikawa (Kanazawa)	80 yen	77 yen
Toyama	75 yen	67 yen
Fukui	70 yen	70 yen

c. It was reported that the price of rice in some areas traditionally tends to rise during Japanese elections, since it is customary

for candidates to pay their workers a daily wage and their food. This has nothing to do with the purchase of votes with rice. The above points were confirmed by several spot checks in central Aichi prefecture during the current election campaign.

d. Twelve newly established distribution points were inspected during this period. In most cases, the front part of a house was converted into a ration point. Storage space seemed inadequate but the general condition of the new ration points was found satisfactory. Consumers generally expressed satisfaction for getting better service and for the greater convenience as a result of the recent change.

e. The EIA reports that food stockpiles are still tending to increase, and that considerable rat damage is apparent in rural areas.

5. Perishable Food.

a. Vegetable receipts in Nagoya amounted to 2,203,583 kan, which is 52% greater than receipts during the same period last year. Consumption during May, last year, amounted to 49 momme per capita per day, while this month 77 momme, per capita per day, was reported.

b. Fish receipts in Nagoya Central Market amounted to 1,136,426 kan as compared to 1,284,000 kan during the same period last year. Consumption this month was 25.6 momme per capita per day. Prices have declined considerably to as much as one-half of former official prices for some plentiful varieties since decontrol in April.

c. The following places in Aichi prefecture were inspected with respect to fish processing and utilization: Nagoya Central Market, Yanagibashi Fish Market, Shimonishiki Fish Market, Nihon Refrigeration Plant, Chukyo Refrigeration Plant, and five small fish cake processing houses. The following facts were observed:

(1) Officials estimated that the percentage of damaged fish being unloaded at present from fishing boats or carriers is 0.5 percent, although inspection by this office indicated that the actual percentage might be considerably higher than this.

(2) Inspections of markets or carriers are not at present carried out by Japanese government inspectors in order to condemn fish, but no claims against shipments have been registered to date.

(3) Duck boards are used by one market but are not adequate, since the drainage was observed to be poor. In the other markets duck boards are not used and there is no drainage system.

(4) Tanks are not used in the washing of fish or boxes. Boxes are washed simply with cold running water.

(5) Ice supplies are plentiful, but ice is not always used in sufficient quantities to maintain the freshness of the fish. Chlorinated water is used in the production of the ice. Boxes are generally well protected by tarpaulins, although the rail cars are not cleaned or pre-cooled.

(6) In the refrigeration plants the frost on the refrigerator pipes is from 3-5 centimeters thick. Duck boards are used, but are dirty and do not permit proper circulation of air.

(7) Temperatures in cold storage rooms vary from 12-18 degrees C.

(8) Fresh fish are not stored in the same refrigeration room as stale fish.

(9) There are no canning plants in Aichi prefecture.

(10) Fish cake plants are fairly clean, but much could be done to improve the sanitary conditions during processing. Wholesome materials are used, however.

INDUSTRY

1. Production.

a. The industrial situation in this region continues spotty. In Gifu, Fukui and Ishikawa, the cotton and rayon industries report conditions to be continuing the slightly brightening trend initially reported last month. Manufacturers were reported to be holding back stocks to support prices. In Aichi prefecture on the other hand, one of the major industries, the Toyoda Automobile Co. at Koromo, was in serious financial and labor difficulties, owing to a falling off of demand, requiring curtailment of production to approximately two-thirds of capacity. Meanwhile newspaper accounts were noted from various localities indicating that unemployment benefit payments were mounting

and in some cases reaching new local records. (Note item Labor below.)

b. The Nagoya Trade Institute reported stocks of export goods in the Nagoya area, as of 15 May, valued at ¥1,059,143,000. The bulk of this amount is already destined for Southeast Asia, and Central and South America. Included in this amount, however, are 600,000 yards of unsold cotton textiles suitable for export, valued at ¥32,360,000, and 10,100 yards of woolen textiles suitable for export, valued at ¥6,800,000. Also included in the total are 427,800 yards of cotton textiles not suitable for export, valued at ¥18,420,000 and 17,900 yards of woolen textiles not suitable for export, valued at ¥12,200,000.

2. Reparations.

a. A total of 51 reparations plants were inspected during the past month, including those plants listed as requiring corrective action by letter from GHQ Civil Affairs Section, dated 8 May 1950, Subject: "Request for Corrective Action of Discrepancies in Reparations Plants in Aichi prefecture."

b. The report required by paragraph 3 of the above reference is as follows:

(1) Japanese Government custody funds for plants 01-72, 01-11, 01-41, and 01-27(a) have been discontinued. Prefectural reparations officials, however, are protesting this action as arbitrary on the grounds that the "30 percent or more" of reparations equipment in authorized use should be and is ordinarily worked out on the point system (a specific number of points for each type of machine) rather than by a simple physical count of items. In addition, the point is not clear as to whether EX items, the number of which is continually changing, should be counted, since they are not normally considered as U machinery.

(2) An application for the consolidation of idle machines at plant 01-23(b) with plant 01-23(a) was received and approved by this headquarters, and it is expected that the movement will be completed by the first week in June. Arrangements have been completed for the reduction of the combined custodial staff to 4 guards upon completion of centralization.

(3) The custodial staff at plant 01-21 has been reduced to 4 guards.

BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 31 May 1950.

(4) Plant 01-41 has refused to repay custodial funds allocated to it, pending an adequate reply to the objections cited in paragraph one. A representative of the prefectural reparations section is at present in Tokyo attempting to resolve the problem.

(5) The custodial staff at plant 01-30 has been reduced to 16.

(6) The custodial staff at plant 01-01 has been reduced to 9 guards.

(7) Six buildings at plant 01-22 have been released from reparations custody, and the custodial staff has been reduced to 4 guards.

(8) The custodial staff at plant 01-55(a) has been reduced to 20 guards and put on the reparations payroll.

(9) Twelve guards at plant 01-57 have been placed on the reparations payroll.

c. No further violations of maintenance and custody directives were observed, other than several minor instances of careless maintenance of U machinery, which were corrected immediately.

3. Restricted Industry.

a. Petroleum Storage.

(1) On 31 May representatives of the Daikyo Oil Co., Yokkaichi plant came to this office and claimed that on 22 May ESS, SCAP authorized the use of one oil storage tank, located within the 2nd Naval Fuel Depot at Yokkaichi (23-13). Permission was requested from this headquarters to begin repairs immediately, and this request was approved, pending confirmation from ESS, SCAP, through official channels.

4. Construction.

a. Building:

(1) The progress on construction of ferro-concrete apartment buildings is quite satisfactory, especially in

the Tokai area. These apartments are occupied almost immediately following completion. One point in regard to concrete construction which is considered a detriment, is the method by which gravel is classified. At the present time gravel to be used in concrete structures is simply classified as being from a designated river or gravel of like quality. Gravel to be used is designated thus in all building specifications instead of by a standard of cohesiveness, strength etc. If a standard of this type were used, regardless of the source of the gravel, and spot tests made at the building sites to insure that the minimum standards were met, the cost of gravel would be more constant and gravel from designated rivers would not bring a premium price for name only. By establishing the use of such as standard, gravel obtained from sources closer to building sites could be used and the transportation cost, which is the principal factor in the price of gravel, would be cut.

(2) No discrepancies in the specifications of government financed ferro-concrete buildings have been noted.

(3) In Nagoya city the cost between prefecturally financed and city financed ferro-concrete apartment buildings of the same size and type differed on an average of ¥58,000 per apartment (In every case the city's costs were higher than the prefectural costs.) The reasons for this difference in cost are now being investigated.

(4) Construction on the buildings for the All Japan Sports Meet to be held in Nagoya in November is progressing satisfactorily.

(5) Reference is made to page 4, "Construction" of the Consolidated Weekly Operations Report, Report Number 19, Volume 3, dated, 13 May 1950. Investigation at prefectural and city levels of the progress of removal of local building offices from prefecture to city control revealed that no official instructions have been received from the national government and the transfer is not expected to occur before September or October.

b. Roads:

(1) Road maintenance throughout the region is being carried

out inefficiently. The excuse given for this is that more efficient use of labor and equipment would have a tendency to cause greater unemployment.

(2) Progress on the Matsukawa bridge crossing the Shonai river was somewhat delayed by the contractor, and it was claimed, by the contractor, that he would be unable to meet the deadline set for completion. The prefectural road section did not consider that the contractor was justified in being granted an extension on his contract. The contractor went to members of the prefectural assembly with his request in an effort to have pressure brought on the road section. Members of the road section, the contractor and the assemblymen came to this section to discuss the subject. After a brief discussion the contractor stated that he would be able to meet the deadline on this project. Since this situation was cleared up an increase in the cooperation of the road section with this headquarters has been noticed.

(3) In Mie prefecture the Nagoya branch office of the Construction Ministry was given responsibility for the maintenance of 20 kilometers of the national highway between Yokkaichi city and the prefectural boarder (Highway No. 2). This transfer of responsibility from prefectural authority to the Construction Ministry occured on 19 May. No preparation for this transfer was made, however, and there has been no maintenance on this road other than that carried out locally. This fact has been brought to the attention of the Construction Ministry's Nagoya Office. The largest road improvement project being carried out by the construction ministry is on the Tokaido Highway between Motojiku and Akasaka in Aichi prefecture. The major portion of this work consists of building a badly needed new section of road, the straightening and widening of parts of the present road, and the building of a new concrete bridge.

(4) The chief of the Nagoya branch of the Construction Ministry claims that no money has been budgeted this year for any paving of roads under their jurisdiction.

(5) It has been found that all road sections, both prefectural and city, throughout the region have a strong

tendency to ignore small repairs until they have reached a major proportions. This attitude has been the cause of a great number of major repairs which could have been prevented if the maintenance and repair work had been accomplished sooner. Efforts are continually being made in conferences to overcome this attitude.

(6) On many of the paved roads, especially in Nagoya City, and kind of permanent repair is considered impractical, due to the poor and unsubstantial road bed that now exists under some of these streets.

(7) A plan was suggested to Nagoya Public Works officials whereby a more efficient reporting system would be put into effect, thereby giving the city officials in charge of asphalt and concrete repairs better and more prompt information on breaks in the roads. It is believed that when this plan gets to working a great deal of money will be saved by repairing a number of small breaks before they become too large.

c. Public Works.

(1) The Construction Ministry has budgeted ¥796 million for the 1950 fiscal year, to be used in river improvement, flood control, erosion control, and harbor improvement in this region. The bulk of the budget for erosion control, and river work is to be used in the Hokuriku district. This work is in addition to all prefectural work of this type.

(2) With the approaching typhoon and rainy season, city public works sections have been requested to cooperate with the sanitation sections to start a program, with the cooperation of property owners, to clean up trash and debris. This is done in an effort to keep debris from clogging drains during heavy rains and typhoons. It was also suggested that during a typhoon a crew of workers be kept on 24 hour duty, and any damage reported during this period be repaired immediately if possible or at least kept to a minimum. The police have the responsibility of reporting to the branch Public Works offices in each city any damage of obstructions to public works during storms. It is believed that the amount saved by

immediate control measures, while damage is still small, would more than compensate for the cost of keeping men on 24 hour duty during such occasions.

(3) Although the officials feel that this plan will be very practical they all offered many objections to it, chiefly because it is different from traditional procedure and denies the attitude that such types of damage cannot be minimized or prevented.

5. Electric Power.

a. The region office of the Ministry of International Trade reported that the amount of electrical power available in the Tokai-Hokuriku region during the month of May exceeded the average of the past seven years. On the basis of this fact, principally, the MITI office gave it as their opinion that the electric power situation was generally favorable.

b. Ishikawa prefecture, however, complained that some 750 silk and rayon plants needed at least 30 percent additional power to meet their orders. Toyama also reported a shortage of power for textile plants, although a check revealed that this reported shortage was actually rather small.

c. Both Toyama and Ishikawa reported that their allocations had been very substantially reduced as compared with last year's allocation. This allegation is being investigated thoroughly by MITI at the present time.

d. Dissatisfaction was still apparent throughout the Hokuriku district with regard to the proposed 9-bloc plan.

LABOR

1. Labor Relations.

a. The Toyota Automobile Company has approximately 8,000 employees on its payroll in Aichi prefecture. The labor agreement in effect has a provision for "full employment," and a provision that no personnel action can be taken by the company without the consent and approval of the union. The present force on the payroll is capable of producing between 1,400 and 1,500 units per month. At the time the contract was signed (December 1949), production was in excess of 1,000 units per month. The union at that time agreed to a 10% reduction in wage in exchange for this "full employment" provision for 1 year.

ASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 31 May 1950.

Production has decreased continuously since the first of the year and the company, trying to live up to its end of the contract and to operate in a de-controlled economy, has reached the stage of bankruptcy.

b. The company tried to negotiate a new contract with the union on a more sound labor relations basis, desiring to put into effect a force reduction of 1,600 employees. The union with 70 known Communist Party members and 200 sympathizers, would not agree to any of the company's proposals. The company applied to the court on 13 May for a ruling on the legality of the contract with regard to the strength of the "full employment" clause and the fact that it was not signed as provided for in Article 14 of the Trade Union Law. The Labor Officer maintained close contact with both the union and management representatives, and spoke at a general membership meeting at the plant on 20 May. The only action by the union following this meeting was an announcement that any employee desiring to resign should submit their resignations to the union for consideration.

c. A court ruling was issued in favor of the company on 29 May, enabling the company to go ahead with its scheduled force reduction. The court made a very important decision to the effect that the contract is null and void due to the fact that the names of the concerned parties affixed at the end of the contract are typewritten and are not in compliance with the law which prescribes that a contract will take effect when it is put into writing and signed by the parties concerned. The reactions that this decision is expected to cause will be reported in the next activities report.

d. The management of Nippon Hassodan in Toyama prefecture appealed to the Local Labor Relations Commission on 13 May because of a strike by the union which was held on May 1, 11, and 12 for the following reasons:

(1) To put pressure on Electric Industries Management Association in Tokyo for a new contract.

(2) Payment for wages deducted by company in previous strikes.

(3) Objection to the Company's Reorganization Plan.

e. The company contends that the union's actions are in violation of Article 37 of the Labor Relations Adjustment Law.

f. The Aichi Local Labor Relations Commission on 26 May rendered a decision on unfair labor practices. Four known Communist Party members,

employees of the Nagoya City administration, who were also members of the Municipal Workers' Union, were discharged in a force reduction in August 1949. They appealed their case to the Local Labor Relations Commission, whose decision mentioned above 26 May ordered 3 of them reinstated with pay for all time lost. The decision also carried a provision that if the city was unable to take these persons back, they should be paid an additional year's salary from the date of the decision. The City of Nagoya is appealing this decision to the Central Labor Relations Commission.

2. Labor Education.

a. This program is greatly handicapped in this region for lack of a sufficient budget. Complaints have been received against the Labor Ministry's turn-over tables on "Union Finances" and "How to Hold a Union Meeting." The main complaint has been that the language used is not simple and easy enough to understand. It is complex and academic. We are informed that the Japanese language used in these tables, is the type used in literature, and not the type used in conversation. It has also been suggested that one such table in color is worth more than 10 without color.

3. Labor Standards.

a. The morale in the Labor Standards' offices is very low and the efficiency is handicapped due to a statement which appeared in a press release from Tokyo on 11 April. This statement was to the effect that Labor Standards administration would be placed under the supervision of the prefecture. It is believed a great deal of good would come from a statement issued by the Labor Ministry that no such change is contemplated, or if it is contemplated, to give these people some definite information on the subject.

b. Violations are on the decline. It is believed that this is due to better cooperation on the part of management since they now believe that Labor Standards Law is not going to be repealed but that it is here to stay.

4. Workmen's Compensation Insurance.

a. The Workmen's Compensation Insurance offices believe they will be able to operate in the future with a smaller deficit than they have been handicapped with in the past. The administrators are all grateful for the increase in the rate of premiums. It seems that the objection to the new rates that was raised by the management associations at the time it was increased have greatly diminished, and the new rate is generally accepted with very little objection. The administration of these offices is good with the exception of the morale problem mentioned above.

BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 31 May 1950.

5. Women's and Minors' Bureau.

a. A great deal of work during the month was on the dormitory problem. In general, this situation has shown some improvements. In many instances the chiefs of these offices want to form women's divisions of labor unions to which the women belong. Stress has been laid on the importance of the union and not on the women's division of the union. It is encouraging to note the Women's and Minors' Bureau is receiving more and better cooperation from the prefectural federations than in the past.

6. Employment.

a. It was suspected that many persons were registering as unemployed and were collecting unemployment benefits who were not entitled to receive them. An investigation into this situation was made and 29.4% of 10,866 casual laborers registered, were disqualified. This investigation was conducted in the City of Nagoya. Effective 22 May, no casual laborer was referred to any openings unless he had met the new requirements of the prefecture. The new requirements are:

(1) That the applicant must prove through his papers or by other means, the fact that he is unemployed, and does not have any job at the present time.

(2) The applicant must prove that he has been a recipient of unemployment insurance benefits for more than 90 days.

(3) The applicant must demonstrate that he is a man of good reputation who will not create any nuisance.

(4) The applicant must demonstrate that he is physically capable to carry out his duties.

b. Unemployment demonstrations have been very few during this month. This is due to the concentration of Communist activities for their candidates for the House of Councillors. It is believed that the Communists will use the new requirements for job referrals or unemployment insurance demonstrations in the future.

c. Enforcement of the Mariner's Law is hampered by a lack of inspecting personnel and transportation. There is a total of 13 inspectors in this region and they are also required to perform administrative duties. Each inspector is supposed to conduct 20 inspections per month but actually they average only about 15 per month.

BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 31 May 1950.

d. Only one case of violation of the law has ever been referred to the procurator for action. This violation was discovered in April, 194. and concerned the employment of minors. In most cases the violations are considered unavoidable or are due to the fact that the violator does not know the law's requirements. Most frequently violated articles are:

(1) Article No. 50 - Mariner's Pocket Ledger. This ledger is supposed to include a photograph of the seaman, but in many cases does not because the seaman has not had an opportunity to get a photograph. Violators are warned in these cases.

(2) Article No. 53 - Payment of Salary. In many cases salaries are not paid regularly. This is due to the poor financial condition of the ship owners and little can be done by the Maritime Bureau to improve the situation.

(3) Article No. 37 - Certificate of Contract of Engagement. When a contract is changed, the law requires that it be reported to the Maritime Bureau. In many instances this is not done immediately because the changes occur suddenly. Warnings are issued in these cases.

(4) Article No. 81 - Certificate of Health. Violations of this article are usually due to the fact that responsible persons are not aware that the law requires regular renewal of the health certificate.

e. The number of violations discovered varies only slightly from month to month. It is certain that many violations go undiscovered because so few inspections can be conducted with the available personnel.

RESTRICTED

HEADQUARTERS
KINKI CIVIL AFFAIRS REGION
APO 25 (Osaka, Honshu)

ANNEX D

To Monthly Civil Affairs Activities Report
Period Ending 31 May 1950

ECONOMICS SUMMARY

Prepared by Joe C. Goldsby, DAC

1. Agriculture

a. Fertilizer Requirements

(1) Prefectural government and Fertilizer Kodan officials in all six prefectures were visited twice. Officials and farmers were interviewed in eleven villages in Kyoto, five in Wakayama and eight in Osaka.

(2) While some individual farmers continue to reject their chemical fertilizer allocations, the prefectures generally are accepting their full allocations and can still take more. Any difficulty in disposal of allocated fertilizer can be attributed to delay in receipt, and this headquarters has been unable to confirm any such delay.

(3) Prefectural officials estimated the current ratio of allocations to requirements as follows:

	NITROGENOUS	PHOSPHATE	POTASH
Shiga	100 %	110 %	78 %
Kyoto	93 %	89 %	64 %
Osaka	85 %	51 %	45 %
Hyogo	96 %	97 %	55 %
Nara	83 %	88 %	42 %
Wakayama	100 %	67 %	38 %

b. Agricultural Reform

(1) Land Reform

(a) All prefectural government and prefectural registration offices and the Regional Land Bureau were visited twice. Officials and farmers were interviewed in eleven villages in Kyoto, five in Wakayama and eight in Osaka.

(b) Land registration has been or soon will be complete in four of the six prefectures. There will remain 315 cho in Kyoto and 54 cho in Nara which prefectural officials say might never be registered. These lands are contained in areas which were consolidated during the war, and cannot be surveyed and registered until the consolidation is confirmed and registered. Such registration costs upwards of 100 yen per tan, and was subsidized by the government until the land reform laws went into effect. Farmers in the consolidated areas are tilling land which they and their neighbors recognize as theirs, and see no reason to pay for registration. Only those farmers who received land under Land Reform have any motive to wish the land registered, and they are in the minority.

(c) Quotas for areas to be consolidated have been received from the Regional Land Bureau by all six prefectures. In every prefecture except Kyoto, the number of areas to be subsidized by the Central Government is smaller than the number applied for, and the prefectures are now making their final selection of consolidation areas. In Wakayama, the criterion is the efficiency of the local land commissions; in Kyoto, it is the desires of the farmers; and in Nara, the size of the area.

(2) Cooperatives

(a) Government and cooperative federation officials in all six prefectures were visited twice. Farmers and officials were interviewed in eleven villages in Kyoto, five in Wakayama and eight in Osaka.

(b) Local cooperatives have suspended or limited payments on deposits as follows:

	SUSPEND	LIMIT
Shiga	0	2
Kyoto	5	3
Osaka	4	0
Hyogo	3	5
Nara	5	2
Wakayama	3	9

Prefectural officials are working hard to get these cooperatives to reorganize on a sound basis. Lack of merchandising ability and failure of the rank

and file to watch and control cooperative officials are the two big shortcomings of the affected organizations.

(c) All six prefectural purchasing federations expressed readiness to take over the wholesaling of chemical fertilizer. Following are the amounts which will have to be borrowed from the prefectural credit federations:

Shiga	¥ 80,000,000
Kyoto	50,000,000
Osaka	45,000,000
Hyogo	150,000,000
Nara	30,000,000
Wakayama	80,000,000

(d) All credit federations except those of Osaka and Wakayama were willing to lend the money required. The Osaka Federation cited an outstanding account of 90,000,000 yen loaned to the purchasing federation, which is 10,000,000 yen over the legal limit, and stated that their members would have to be consulted before further loans were made. The Wakayama Purchasing Federation is 80,000,000 yen in debt, and the credit federation is not inclined to make additional loans.

(e) All prefectures have organized Agricultural Cooperative Advisory Councils. Prefectural governments have designated those cooperatives most in need of help, and the councils are sponsoring educational meetings for the officers of these cooperatives. Preparations are being made to arrange financial help for those in need of it, as soon as the central government forwards procedural instructions.

(f) Wakayama and Kyoto prefectural governments were found to have taken advantage of suggestions from this headquarters for streamlining their system of inspecting local cooperatives. As a consequence, they are beginning to find for themselves discrepancies of the type which this headquarters has been finding and pointing out to them in the past. Wakayama found that five out of twelve cooperatives had made illegal loans totaling 2,054,600 yen, and Kyoto six out of eight, totaling 2,909,690 yen.

(g) Following are plans for courses of instruction for cooperative officials in 1950:

	NATIONAL SUBSIDY	PREFECTURE BUDGET	HOURS OF INSTRUCTION	NUMBER OF STUDENTS
Shiga	¥ 140,000	¥ 140,000	588	40
Kyoto	150,000	691,000	1,500	60
Osaka	150,000	319,000	460	30
Hyogo	150,000	1,000,000	594	31
Nara	150,000	150,000	450	30
Wakayama	150,000	150,000	378	20

(h) Osaka Prefecture is planning an appropriation of 100,000,000 yen for short term loans to farmers, fishermen and lumbermen. This is intended to supplement the medium and long term loans to be made by the Central Bank for Agriculture and Forestry.

c. Extension Reorganization

(1) Experimental stations in Hyogo (Akashi) and Wakayama (Wakayama City) were visited. A group of farm advisors were attending an all day session at the Wakayama Station, securing information for dissemination to the farmers. The Kyoto University Agricultural Experimental Station, located at Takatsuki, Osaka Prefecture, was found to be concentrating mostly on efficiency of various types fertilizers on fruit trees. Their hot houses did not compare favorably with prefecture-operated farms.

(2) Following her first trip into the field (see April Monthly Activities Report) the Hyogo Home Advisor has conducted several meetings and is being provided transportation by the prefecture. She was asked to return, along with a representative of this headquarters, and conduct meetings in two other towns in the same gun as her first visit.

(3) A visit was made to a community in Shiga Prefecture where all of the people together constructed a community center. To date the villagers have not been able to afford tatami, but use rough mats. They hold very simple marriage ceremonies, limiting themselves to one "kampai." They meet every month, men and women together, with at least one idea for home improvement or farm production increase. These ideas, when they meet with everyone's approval, are put into effect immediately. Cash has been obtained by cleaning the shrine or working at the near-by cycle race

track. With the cash, community machines have been purchased for polishing rice, making noodles or flour. It has been found that cases like the above are unusual and the home improvement program is still in the talking stage with comparatively few major projects being undertaken.

(4) In the central part of Kyoto Prefecture there is considerable interest shown in getting home advisors. Check with Kyoto Prefecture farm extension sub-section chief revealed that nine new home advisors are being processed, six of these will be stationed out in the remote guns and the others will work out of the Kyoto office in the surrounding guns.

(5) A two-day 4-H Club Kinki Region Conference was held at the time of Mr. Paul Rose and Dr. S. C. Salmon's visit to this area. Of particular interest in the field was a project conducted by 4-H Club members in connection with the Agricultural Experimental Station. Different kinds of rice seed were being grown under identical conditions and resultant crops will be studied.

(6) Delegates at the regional meeting admired the fine publication of the Hyogo Prefecture Farm Extension Section.

d. Staple Food Crop Collection

(1) Prefectural government and Food Office officials were visited in all six prefectures, and farmers and local officials were visited in eleven towns in Kyoto, five in Wakayama and eight in Osaka.

(2) Quotas for the 1950 summer crop have been completely allocated.

(3) Quotas for 1950 rice have been allocated in all except in seven villages in Osaka. Distribution of copies of the allocations to the Food Office is progressing well except in Shiga. There the copies are sent to the prefectural government for checking before they are given to the Food Office, and completion is not expected before the end of July. However, the time spent in checking should be of value at crop collection time, when many misunderstandings customarily arise to delay delivery.

(4) On 7 May, in Osaka, representatives of sixteen prefectural governments in Kinki, Shikoku and Chugoku, together with Purchasing Federation officials and retailers, attended a meeting called by Mr. Sakamoto, vice chief of the Administrative Section of the Agriculture and Forestry Ministry, and addressed by Mr. Hasegawa, chief of the Materials Section of the Ministry. Newspaper reporters were barred from the meeting. Those present were told that the government will appropriate approximately 600,000,000 yen to subsidize the difference between the cost and the present market value of 1949 rice incentive goods held by the federations. This, added to 340,000,000 yen owed by the wholesalers on account of improper profits on 1948 incentive goods, would enable the sale of the goods at an average 35% mark-down. Federations were advised to go ahead with the sale of the goods on this basis, or to return them to the wholesalers at cost so the wholesalers could resell them at the lower price. Reaction of the federations was varied.

(a) Nara succeeded in returning 2,474,744 yen worth of incentive goods but still has 229,127 yen worth of towels on hand. The federation has not been reimbursed for the goods returned.

(b) Osaka returned 1,400,000 yen worth, leaving 1,300,000 yen on hand. No payment has been made for the goods.

(c) Hyogo is planning to sell its 43,000,000 yen worth of incentive goods to the farmers at 30% off. However, the Hyogo prefectural government delegate to the 7 May meeting said he would hesitate to act on the basis of what he heard there.

(d) Wakayama had given its local cooperatives until 31 May to return unsold goods to the federation, so had not started negotiations with the wholesalers. The federation planned to return about 50% of the goods, for which they had not paid the wholesalers, and then negotiate for return of the rest.

(e) Kyoto returned 3,000,000 yen worth of goods for which they had not paid the wholesalers, and are negotiating for return of 1,000,000 yen more.

(f) Shiga returned about half of its 35,000 tan of rejected textiles, for which the wholesalers had not been paid.

2. Fisheries

a. Supplies

(1) All six prefectural governments were visited twice, and fishermen and officials were interviewed in three villages in Shiga, three in Osaka and three in Wakayama.

(2) All nine villages reported about 30% shortage of petroleum, with most of the difference made up by blackmarket purchases, or by borrowing against future allocations. It was claimed that boats were tied up for ten days at one Shiga village and for three or four days at one village in Wakayama. No boats were observed to be idle at the time of the visit.

(3) At Kada, in Wakayama, blackmarket prices for Diesel oil are about 200 yen per liter, and the source appears to be trucking companies. At the Osaka villages, the price was much lower, and the source seemed to be colliers and freighters from Shikoku and Kyushu.

(4) Nishiwakino (Wakayama) desired 100% more cotton yarn, and Tanoura (Wakayama) wants 300% more Manila rope. The same people, however, complained that prices for cordage were too high. All other villages stated that fishermen were buying all the cordage they could afford.

(5) Procedure for reporting the catch was investigated, and it was found that the prefectural governments depend entirely upon the cooperatives for their figures. In Kyoto, it is the prefectural cooperative federation which furnishes the figures. Thus, fish consumed by the fishermen or sold directly to dealers are not included in the figures. With controls lifted, the only motive for failure to report the catch is evasion of taxes. Along the Japan Sea coast, small fish, sardines for example, are dried and sold by the fishermen, while bulk catches, like mackerel, are sold 100% through the federation. The amount consumed by fishermen (about one kan per week each) and that sold direct by them is a constant figure the year around, while the bulk catches vary with the season.

(6) Prefectural officials were asked to estimate the percent of the catch unreported during control, and that unreported now, with the following results:

	UNDER CONTROL	NOW
Shiga	30%	10%
Kyoto	30%	10%
Osaka	30%	10%
Hyogo	60%	30%
Wakayama	50%	10%

b. Cooperatives

(1) All six prefectural governments were visited twice, and fishermen and officials were interviewed in three villages each in Shiga, Osaka, and Wakayama prefectures.

(2) Reports on election of fishing rights administration committees were incomplete in all prefectures, and the prefectural governments were advised that this indicated a lack of interest on their part. With various villages not reporting, the data on committees elected were as follows:

	GYOGYOKAI	ELECTIONS HELD
Shiga	58	45
Kyoto	32	17
Osaka	27	26
Hyogo	81	51
Nara	0	0
Wakayama	92	35

(3) In seven of the nine villages checked, from 70% to 100% of the membership had voted in these elections. In two others, no elections had been held because the fishermen had been out every day.

(4) Boats in the four maritime prefectures are insured as follows:

	BOATS	INSURED
Kyoto	4,088	192
Osaka	3,112	62
Hyogo (Japan Sea)	1,200	645
(Inland Sea)	6,000	565
Wakayama	11,000	331

(5) These figures pretty well represent the risks involved in boat operation. In Kyoto, eleven insured boats have been lost and four damaged since 1947. In Hyogo, about

200 boats have been lost or damaged, of which 145 were insured. There have been no boats lost in Osaka in recent years.

(6) The chief of the Economics Bureau, Osaka prefectural government, was made chief director of the Insurance Kumiai in September 1949, and the number of boats insured increased from 4 to 92 since that time.

3. Forestry

a. All prefectural governments were visited twice, and inspections were made at four places in Nara, three in Wakayama and three in Shiga.

b. The method of administering management plans after the proposed dissolution of the Forest Owners' Association was taken up, and all agreed that only the owners of medium acreage (10 - 20 cho) would be affected. Large owners generally have their own plans, but medium owners are inclined to speculate, clear-cutting when prices are high or they need ready cash. All agreed that these medium owners would be reluctant to organize Shinrinkai for their own control, particularly if they had to pay dues to cover administrative expenses.

c. Removal of subsidies for seedlings has not had much effect on plans for 1950 reforestation. All prefectures had appropriated money to match national subsidies before they were told that there would be none, and most of them will use the money as prefectural subsidies.

d. Nara Prefecture has designated 12 areas for trial of selective cutting. Wakayama has appropriated 1,000,000 yen to subsidize clear-cutting of 500 cho of coppice. Shiga also has appropriated 1,000,000 yen to subsidize selective cutting. All three prefectures believe that spot clear-cutting will prevail in coniferous stands, because income from selective cutting will not cover the high transportation costs.

e. The Forestry Association of Hirata village in Shiga sent a petition for dissolution to the prefectural government. It was denied on the ground that under a new law, the association would needed to carry out forestry programs.

f. The troubles of this village arise from the fact that 30 cho out of 120 cho of forest land has been reclaimed in the past two years, and 20 cho more is to be reclaimed this year. It has been announced that all forest land with an inclination of less than 15° will be reclaimed within three years. This headquarters pointed out to prefectural officials the need for a clear-cut, well publicized policy and closer liaison among various sections on reclamation.

4. Mining

a. The Myoho copper and sulphur mine of the Ishihara Sangyo Company was inspected.

(1) Ore reserves are 200,000 tons, averaging 2% copper and 15% sulphur. A geologist stationed at the mine is prospecting for new reserves.

(2) Production rose from 5,000,000 tons in 1945 to 13,500,000 in 1949, and is running now at 1,500,000 tons a month. Two out of 20 veins are being mined. Average grade in these veins is 4% copper and 14% sulphur.

(3) For wide prospecting, cut and fill method is used with square-set timbering. Overhand stopping is used on the regular vein, with cross timbering, and underhand stopping with prop timbering is used where the hanging wall is weak.

(4) Concentrates are shipped to Yokkaichi, in Mie Prefecture, for smelting.

(5) Patrol inspections are conducted daily by six technical foremen, and maintenance diaries are inspected once or twice a week by the maintenance foreman. It was found however, that no inspections were made or diary maintained on holidays. The explosives storehouse was not adequately protected and was too close to nearby dwellings. Two electric power lines near blasting areas were found to be in danger of crossing. Management promised to rectify these conditions.

(6) On 24 March 1949, Mr. Botsford and Mr. MacMaster, NRS/SCAP, recommended the use of certain jackhammers and stoppers. Those machines have been obtained and are working out satisfactorily.

(7) Electric power and gasoline allocations are adequate or near so, but 50 gallons of transformer oil is urgently needed for transformers which have not been filled since 1947.

(8) Health and recreation facilities were excellent.

(9) Mine Safety Committee was established in November 1949 and has held monthly meetings, but no record has been kept since February. The committee promised to correct this situation.

(10) The Osaka Mine Safety and Inspection Division inspects here about once a month, and all deficiencies have been, or are being corrected.

b. Conference was held with the Osaka Mine Safety and Inspection Division.

(1) There were no serious accidents in Kinki Region in May.

(2) In 18 mines, 38 man-days were spent in inspections. No major discrepancies were found.

(3) Special inspections were made of a 200 meter hoist at the Akenobe Mine and the boiler of the Osaka Smelter (Taihei Kogyo K.K.). They were found in order.

5. Price and Distribution

a. Economic Investigation Agency

(1) During the month members of this headquarters attended all six Prefectural EIA Coordination Committee conferences, one Region Directors Conference, one special Kinki-Nagoya-Takamatsu Directors Conference, and twelve special restaurant and staple food control conferences.

(2) On 6 May a conference between this headquarters and Regional EIA was held. It was found that no action had yet been taken on the second supplement to PD Enforcement Memo No. 15, "Illegal Receipt of Staple Food," although the drive was to have begun 1 May. Regional EIA had no information concerning action taken by prefectural EIA's. Following this conference action began, and conferences and coordination meetings were held on 9, 13, and 15 May by Regional EIA, and ten other meetings were held by prefectural EIA's. Members of this headquarters attended these conferences to stimulate EIA action. Police, who were among the principal attendants at the conferences, had received their instructions and are directing their surveillance toward the general public. The EIA is putting its emphasis on laborers' rations, and food distribution points.

(3) On 15 May Kinki Regional EIA held a special conference with police, prefectural government and prefectural EIA officials to discuss the revisions to the Restaurant Control

Law. At the time of this meeting police had not received official notice of the revised law. The EIA and prefectural government received their notifications approximately five days after the law had been passed by the Diet. EIA suggested that unlicensed restaurants, restaurants operating jointly as sushi shops, restaurants serving staple foods without the exchange of coupons and price violators should receive the emphasis of programs directed toward the enforcement of the new Restaurant Control Law. Stress was also made on strict punishment for violators and extended use of open hearing.

(4) On 18 May, a control coordination conference was held between members of Nagoya Region EIA, Kinki Region EIA, Osaka Region NRP Headquarters and members of the Tokai-Hokuriku and Kinki Civil Affairs Regions. This conference was the second of its kind, the first one being held 12 March 1950. These meetings have been arranged because Kinki Region EIA has Fukui Prefecture under the jurisdiction of its office, and this headquarters does not; also, the headquarters for the NRP of the Kinki and Tokai-Hokuriku Regions is in Osaka. The conferences have as their purpose the coordination of control activities between the two regions. Following is a list of the subjects discussed at the conference:

(a) Future control policy of the revised Restaurant Law.

(b) Illegal receipt of staple food rations.

(c) Violations of the Staple Food Control Law.

(d) Control of violations committed by employees of the Staple Food Kodan.
A breakdown of work done by police and the EIA was reviewed. It was decided that in the case of staple food violations involving illegal "private food kodans," a preliminary investigation covering location and intensity of operation would be made by EIA and, following this, the investigation would be turned over to the police for completion. The police also requested that EIA give them more information on violation discovered during the audit of the Staple Food Distribution Corporation. In the investigation of ghost population, EIA has assumed the responsibility of laborers' rations and food distribution points, while police will cover the general population. All cases of illegal receipt of extra rations will be turned over to the police for prosecution.

BASIC: ANNEX D to Monthly Civil Affairs Activities Report, Kinki Civil Affairs Region, APO 25, period ending 31 May 1950, cont'd.

(5) On 24 May, a conference of pefectural and regional EIA directors from Nagoya, Takamatsu and Kinki Regions was held at Kyoto Prefectural EIA. Representatives of this headquarters attended the conference with a member of Civil Affairs Section, SCAP. The revised EIA Law, and the present policy of cutting personnel were discussed.

(a) In regard to personnel cuts, EIA explained that a 25% cut on a regional level and a 39.93% cut on a prefectural level would have to be made by October of this year. Incompetent and undesirable employees are to be cut first. The basic ratio between police and non-police officials must be maintained.

(b) A representative of the Central EIA explained the revised EIA Law and stated to other members that economic control will still be the primary job of EIA.

(6) The total strength of all EIA units in this region including Regional EIA is 414 investigators, 21 secretaries, and 52 other employees, a decrease of 27 persons as compared with last month's total. The decrease in personnel is in line with the present policy of reduction of personnel which must be accomplished by October 1950.

(7) During the period 19 April to 10 May 1950, EIA's made a survey of iron and steel products, production and delivery in the Kinki Region. Seven teams composed of personnel from Osaka, Hyogo, Kyoto, and Nara Prefectural EIA's made the inspection under the guidance of a team from Central EIA. Date lag and fictitious delivery are two of the irregularities uncovered. For details of this inspection, refer to the Industry section of this month's report.

(8) All prefectural EIA's completed investigation of the Oils and Fats Distribution Kodan at the end of the month. Account settlement by the Kodan at the end of March was summed up on 15 May. Comparison of the accounts with the stocks was started 16 May and is now in progress. Central EIA officials gave initial instructions to a conference of regional and prefectural investigators. Regional officials were detailed to prefectural EIA's to assist them in the supervision of the investigations which were carried out by Kodan officials. In most prefectures it was found that the Kodan's bookkeeping was unsatisfactory and the EIA had to delay investigation pending correction of accounts.

(9) Regional EIA finds that as a result of increases in the official price of fertilizer, the demand for fertilizer in remote rural areas has fallen off and there is a slight decline in blackmarket activity in these areas. In the farming zones surrounding cities, the distribution of fertilizer is still insufficient and blackmarket activities continue. Osaka Prefectural EIA found that in about 20% of the cases they investigated there were price control violations. The price of blackmarket fertilizer is only about 5.6% higher than the official price, the increase being charged as transportation cost.

b. Restaurant Control

(1) To discuss and further effect restaurant control in compliance with the revision of the Restaurant Control Law, twelve coordination meetings were held by regional and prefectural EIA's during this month.

(2) Regional EIA took steps to increase coordination between law enforcement and government agencies by holding a special meeting 15 May with all regional agencies concerned. The program was further aided by detailing region officials to prefectural EIA's to guide and stimulate controls.

(3) Wakayama Prefecture presents the most difficult problem in enforcement of the Restaurant Control Law in this region. Repeated efforts on the part of Wakayama EIA and an administrative inspection by Regional EIA resulted in the transfer of restaurant control from the Public Health Section to the Food Section of the prefecture on 1 April 1950. The method of holding open hearings in Wakayama Prefecture, however, is different from that followed by other prefectures in this region. Throughout Wakayama, district offices hear violations first, after this the case is transferred to a prefectural inquiry committee which in turn submits its opinion to the governor. The district office, in initially hearing the case, interviews only the violator. The committee considers only the violator's opinion and makes its recommendation to the governor on his testimony. Wakayama EIA has suggested to the prefectural governor that he remedy this situation by arranging for hearings to be handled in the same way as they are held by other prefectures.

(4) On 25 April 1950, an inquiry meeting was conducted between EIA and Wakayama prefectural officials of the open

hearing committee to ascertain why the prefecture continued to ignore the law. Several interesting opinions by prefectural officials were recorded by EIA, some of which follow:

(a) One committeeman claimed that it was unfair for the EIA to request punishment of violators serving staple foods uncovered during surveillance periods because everyone else not discovered was doing the same thing.

(b) Almost all committeemen were of the opinion that hotel operators, being big contributors to prefectural tax funds, should be given special consideration, as suspension of their business or cancellation of their license would harm the prefecture's finances.

(c) Some committeemen stated that because of the inadequacy of the meal coupon system in general, hotel and restaurant operators should not be required to collect coupons nor should they be punished for failure to collect coupons.

(5) The following shows the number of hearings and the number of cases heard in each prefecture in the region during the month:

	OPEN HEARINGS	NUMBER OF CASES
Shiga	1	4
Kyoto	3	7
Osaka	1	20
Hyogo	2	47
Nara	1	12
Wakayama	1	15

(6) Following is the number of licenses issued and decisions handed down during the month:

	LICENSES TO DATE	NEW LICENSES	SUSPENSIONS	REVOCATIONS
Shiga	1,224	27	20	0
Kyoto	6,691	127	4	2
Osaka	17,814	440	23	5
Hyogo	10,233	296	17	0
Nara	1,608	65	13	3
Wakayama	2,752	24	9	0

c. Staple Food Rationing

(1) During the month personnel of this headquarters attended twelve staple food control conferences and visited an average of eight police stations in each prefecture to discuss and observe the staple food control program.

(2) Police were found to be continuing their surveillance activities with road blocks, inspections at railroad stations and raids on large blackmarket areas. No big change was noticed in surveillance operations, however, several of the special squads such as the one riding on the National Railroad Line from Maibara, Shiga Prefecture, to Kyoto Station, and the one riding the Kishin Line in Hyogo Prefecture, have reverted from daily trips to once or twice monthly.

(3) Only one case of violence by blackmarketeers occurred in the region during the month. The action occurred on the Kishin Line in the vicinity of Himeji City, and took place just after the train left the station. Blackmarket operators sitting in a car being raided dislodged train seats and smashed windows of the car. Train police phoned Himeji City and upon arrival of the train at the next station as many of the violators as could be located were arrested. The majority of the offenders were Koreans. Police complained that a group of Japanese who did not enter into the actual violence, continuously walked in front of, or interferred with the action of the police. Several of these people also have been arrested. Police believe them to be Communists or Communist sympathizers.

(4) Hyogo Prefecture NRP has found a slight increase in the illegal movement of staple foods by small boat from Kyushu and Shikoku to the Kobe area. In cooperation with the water police they have increased their surveillance along the coast line. Important ferry landing points will be checked more closely in the future.

(5) Investigation of the illegal receipt of staple food rations moved slowly during the first part of the month, however, after conferences between EIA and this office, more vigorous action was taken.

(a) Osaka Prefectural EIA investigated six suspected cases and uncovered three violations. Kyoto EIA investigated nineteen cases and found two violations.

Nara and Shiga EIA's, which had conducted surveillance in previous months, found no cases. Wakayama Prefectural EIA discovered a total of 236 kgs in illegal industrial rations.

(b) Police uncovered ten cases in Osaka, eight cases in Kyoto, 41 cases in Hyogo, two cases in Nara and one case in Wakayama. This represented a total of 252 illegal receivers and represents a quantity of 17,112 kgs of staple foods.

(c) EIA's in all cases gave special attention to industrial rations and ration distribution points. The surveillance of the general population is being conducted by the police who have increased their regular surveillance during this months special program.

(6) The refusal of staple food rations has continued to increase during the past two months. Following is a list of the quantities in kilograms of staple foods refused by prefectures for the month of April 1950:

Shiga	134,855
Kyoto	901,000
Osaka	4,513,215
Hyogo	1,679,000
Nara	280,038
Wakayama	1,386,240

(a) Noodles, wheat and barley are the items most often refused. The availability of rice on the black-market at low prices is the main reason for the refusal of rationed foods. Rice has been refused only in cases where it has been of extremely poor quality.

(b) The Staple Food Distribution Corporation has attempted in several instances to pulverize refused noodles and broken imported rice for resale as wheat or rice flour, however, the cost of processing is high.

(c) Kodans have been able in some cases to dispose of small quantities of refused stocks by special open ration to general consumers, distribution for authorized pastry making and for distilling. In some cases inferior quality or spoiled stocks have been

sold as animal feed, however, stockpiles are increasing and there is a decreasing demand by consumers. Kodans feel that in the future they will not be able to dispose of stocks at official prices and that some adjustment in price will have to be made.

(d) A peculiarity in the refusal of rations is that the identical foodstuffs, wheat, barley, noodles and beans, are being sold on the blackmarket. Police, EM.'s and Food Office officials explain that the ration being refused is the household ration. The blackmarket buying of these types of staples is done by cake and candy makers, illegal brewers, restaurants and other large processors.

(7) Staple foods confiscated during the month of April totaled 220,341 kgs, and of this, rice constituted 136,855 kilograms. This is a decrease of 87,433 kgs from the amount confiscated during March.

(a) Enforcement officials state that while confiscations have dropped during this month, the period during the months of July, August, and September, when there is a shortage of rice, may be expected to bring increased blackmarket prices and increased illegal movement and sale of staple foods, primarily rice.

6. Industry

a. Production

(1) Steel production

(a) The Hirohata Works of the Fuji Iron and Steel Company, Ltd., Hirohata, Hyogo Prefecture, was surveyed in connection with use of imported coal and iron ore and use of pig iron in open hearth furnaces.

1 Producers of blast furnace pig iron are authorized by SCAP memorandum to consume up to fifty percent ratio of imported United States coking coal and unlimited amounts imported from other sources. At the present time, the Hirohata Plant is charging its coking ovens with 10% U.S. coal, 30% Kailan coal and 60% domestic coal. Restricted use of U.S. coal is due to short supply. More ample receipts from the United States are anticipated in the following quarter, which will permit an increase in the coal use ratio. The plant has

found that use of a major percentage of U. S. coal produces a better quality coke at lower cost than if Kailan coal is predominately used.

2. Existing directives do not limit use of imported iron ore. The plant has on hand 30,887 m/t of imported ore, and 44,000 m/t of domestic ore, which represents a 60 day supply for its single operating blast furnace. This amount is not considered to be excessive in view of the plant's production schedule of 46,000 m/t of pig iron in May and June. Based on the iron content of imported and domestic ores currently being used in the blast furnace, and the consumption ratio between the two ores, the average yield of pig iron is approximately one-half ton per ton of ore used.

3. The Hirohata Plant is authorized by SCAP memorandum to consume pig iron in its open hearth furnaces up to 30% of the total charge. The plant's three operating furnaces, 150 m/t yield capacity each, are charged with 50 m/t of molten iron and 110 to 120 m/t of scrap iron, which places consumption of pig iron within the cited limitations.

(b) Surveillance of the Hirohata Plant included action taken by the plant management to implement suggestions and recommendations made by ESS and NRS expert consultants in the course of recent surveys of the installation. Suggested improvements to accelerate scrap charging of open hearth furnaces and use of slag collecting pans in the furnaces have been adopted with very satisfactory results. Steam blowing to prevent adherence of materials to sides of the blast furnace, top pouring of ten ton ingots instead of bottom pouring, pre-sizing of blast furnace raw materials, acceleration of methods of inspecting and testing open hearth melt, and hot-scarfing of steel slabs prior to rolling, are very favorably considered by the plant management but must be deferred for action at a future time, inasmuch as the company cannot, at the present time, afford to install the additional equipment which would be required. The management stated that the recommendations would be implemented as soon as funds become available. Charging of manganese ore one minute before topping and use of

aluminum balls in ingot molds are under experimentation, and will be adopted when the processes are mastered. Recommended installation of Blaw-Knox control valves for open hearth furnaces is not favorably considered due to unsatisfactory results of experiments with this type of valve at the Yawata Plant of the company. Rolling narrow faces of ingots first instead of the wide faces, as recommended by the expert consultants, has been abandoned as experiments have proven that the suggested method is not appropriate to the short type of ingot produced by the plant.

(2) Operation of oil refineries

(a) The Wakayama refinery of the Toa Nenryo Kogyo Company and the Shimotsu refinery of Maruzen Oil Company, both in Wakayama Prefecture, were surveyed to determine progress in the repair and rehabilitation program directed by SCAPIN 6983-A, 28 November 1949.

1. The directive requires the Wakayama refinery of the Toa Nenryo Kogyo Company to be in operable condition not later than 1 July 1950 to received and process imported crude oil into a complete line of refined products at the rate of approximately 6,000 barrels per calendar day. Repair and rehabilitation of the plant's equipment was completed on 10 April, and production refining operations began on 15 April. As of 26 May, the plant had processed 179,000 barrels of crude oil into gasoline, kerosene and fuel oil. The plant will be able to process the required 6,000 barrels daily, and have four to six days per month for maintenance of equipment. The plant is preparing to rehabilitate its lubricating oil facilities so as to add lubricating oils to its refined products production. Rehabilitation of the lubricating oil facilities is scheduled for completion by 1 October 1950, with production operations commencing immediately thereafter. As closely as could be determined, operations are efficient. One instance of non-conformity with SCAPIN 6983-A was noted in that oil was used for boiler fuel, whereas paragraph 3c of the SCAPIN indicates that use of coal for boiler fuel instead of oil is desirable. However, the boilers are designed for oil fuel. Consequently, use of oil permits more efficient and economical operation than if coal were used.

Furthermore, conversion of the boilers from oil to coal burners would involve considerable expense.

2. The Shinotsu refinery of the Maruzen Oil Company began production operations on 1 April, and has since been processing approximately 3,000 barrels of crude oil daily as required by SCAPIN 6983-A. The SCAPIN cited 1 July 1950 as the latest acceptable date for commencement of production operations. The Shinotsu refinery is using coal for boiler fuel, having converted its boilers from oil to coal burners. The plant management stated that use of coal for boiler fuel costs approximately 12,000,000 yen per month more than if oil were used. Except for loss incurred by use of coal boiler fuel, operations appeared to be efficient. The plant is installing three additional tanks, totaling 120,000 barrels, for storing crude oil. With the three additional tanks, the plant's total storage capacity will be 500,000 barrels.

(3) Investigation of steel subsidies

The Osaka Regional ELA completed an investigation of government subsidies paid to steel mills. The survey was initiated by the Finance Ministry and the Price Board and turned over to the ELA after preliminary investigation indicated that improper receipt of government subsidy payments by the steel mills existed on a large scale. The Osaka Regional ELA surveyed 126 subsidized steel mills in the Kinki Region. Questionable payments totaling 64,156,710 yen were discovered. Discrepancies ranged from clear cases of fraud wherein mills claimed payment for steel which was never delivered to the purchaser and in some instances never even produced, to cases involving technicalities based on interpretation of the subsidy regulations. The ELA investigators stated that the loose and ambiguous terminology employed in the subsidy regulations has permitted the steel mills to receive payments to which they were not entitled, although actual fraud may not exist. It was further indicated that the government would recover most of the improper payments, probably

through withholding of current accounts payable to offenders. Action to be taken against offenders will not be determined until the Price Board has reviewed and clarified the subsidy regulations.

b. Reparations

(1) Plant inspections
Of the 206 inspection targets in the region, 115 were inspected to complete required inspections for the quarter ending 30 June. Personnel of this headquarters covered 22 installations in Osaka Prefecture and one in Shiga. Personnel from CPC/Rep inspected twenty plants in Osaka Prefecture, 35 in Hyogo, 35 in Kyoto and two in Nara. Discrepancies encountered were of a minor nature. Custody and maintenance were generally satisfactory. With a few exceptions which were corrected on the spot, use of equipment was in accordance with authorization.

(2) Reference: Memorandum for the Reparations Agency, Japanese Government, subject: "Maintenance, Centralization of Machines, and Repair of Buildings in Reparations Plants," 25 February 1950. All of the 84 installations in the region which received funds under the provisions of referenced memorandum were inspected. In each instance, work for which funds had been allocated was either completed or nearing completion. Work performed in each case reflected proper use of the allocated funds. Each plant reported full receipt of the funds.

(3) A conference was held with the Regional MITI regarding custody and maintenance of privately-owned plants under their jurisdiction. Current reparations directives and standards of custody and maintenance were reviewed. Discrepancies encountered by this headquarters and inspectors from CPC/Rep in the course of plant inspections were discussed and suggestions for corrective and preventive action were offered.

(4) A conference was held with the Reparations Section of Osaka Prefectural Government, which was attended by representatives from each privately-owned plant in Osaka Prefecture except shipyards. Current reparations directives and standards of custody and maintenance were reviewed. Discrepancies encountered at the Osaka plants were discussed and suggestions made for preventive action. The plant representatives were advised against

any relaxing of custody and maintenance measures due to the apparently prevalent belief that the reparations program is drawing to a close. They were informed that existing directives will receive maximum enforcement until rescinded by SCAP.

(5) Shipment of allocated equipment

(a) One hundred crates were loaded aboard the SS Susana for shipment to the Philippine Government as follows:

AN 3-57	15 crates	51 m/t	134 meas/t
AN 3-60	82 "	454 "	846.8 "
AN 3-61	3 "	75 "	83.7 "
	100 crates	580 m/t	1,064.5 meas/t

(b) The cargo for AN 3-57 was loaded at Kobe and for AN's 3-60 and 3-61 at Osaka.

(c) Execution of delivery receipts was witnessed by a member of this headquarters.

(d) The Susana departed Osaka on 11 May 1950.

c. Restricted Industry

(1) Explosive

The Ishihara Kakohin K.K. in Osaka was inspected to complete required inspections of explosives producing plants for the quarter ending 30 June 1950. Production of signal firing devices for ships was in accordance with authorizations.

(2) Shipbuilding

(a) Fourteen steel shipyards in Osaka Prefecture and two in Hyogo were inspected. Except as reported below, no violations of directives were encountered.

(b) Unauthorized conversion of a steel mud carrier to a 500 DW/T oil carrier was discovered at the Shioyama Zosen, Osaka City. The Shioyama manager stated that application for permission to convert the ship had not been made to SCAP due to belief that SCAP approval is not required for this type of operation. The matter was referred to the Kinki Maritime Bureau. The Maritime Bureau instructed the Shioyama Zosen to submit an application to SCAP, and to suspend operations pending action thereon.

d. Electric Power

(1) A conference was held with the Osaka International Trade and Industry Bureau to determine action taken to encourage conversation of electric power and to correct unjust business discrimination or malpractice in the administration of the electric power industry when instances are discovered.

(a) Industrial users represent the principal source of power savings through conservation. In this connection, the ITI Bureau arranged the formation of a commission, made up of Bureau personnel, industrial consumers and Kansai Haiden technicians, to stimulate and encourage conservation of power through efficient use. The commission studies power use by the various types of industries so as to devise means of increasing efficiency. The commission reports to the ITI Bureau, but the commission's findings are available to the consumers concerned.

(b) The ITI Bureau closely observes Nippatsu and Haiden operations and assures corrective action in cases of wasteful or inefficient generation and distribution practices.

(c) Encouragement of conservation by general consumers is not active at the present time due to abundance of power available for distribution. In the dry seasons, when supply is short, the ITI Bureau conducts conservation campaigns by displaying posters, and in coordination with the Kansai Haiden, arranges exhibitions and displays which demonstrate how power can be conserved by home, office and other non-industrial users.

(d) Action taken by the Osaka ITI Bureau to encourage conservation of electric power is considered adequate.

(c) The ITI Bureau stated that no instances of discrimination or malpractice in the administration of the electric power industry in this region have been discovered.

e. Survey of Tetra-Ethyl Lead Stocks

(1) Investigation of tetra-ethyl lead stocks in the region, cite paragraph 6 d of Annex D to Monthly Activities Report from this headquarters for the period ending 30 April 1950, was completed.

(a) Subsequent to the above cited report, an additional 16,156 liters were discovered in Hyogo and Wakayama Prefectures, bringing total stocks known to exist in the region to 97,656 liters. Of the 16,156 liters additionally discovered, 4,805 liters were, as of 31 May, consumed by the Wakayama refinery of the Toa Nenryo K.K. in the production of gasoline.

(b) It has further been determined that with the exception of 400 liters at Himeji Airfield in Hyogo Prefecture, the tetra-ethyl lead located at the numberous dispersed locations discovered by personnel of this headquarters has since been allocated by the Japanese Government to the Shinotsu refinery of the Maruzen Oil Company and the Wakayama refinery of the Toa Nenryo K.K., both in Wakayama prefecture, and that the material was delivered to the refineries in the period 24 - 31 May. The actual quantity was 75 liters less the quantity originally reported. The 400 liters at Himeji Airfield, which is under custody of the Kinki Finance Bureau, has not yet been allocated.

(c) Stocks of tetra-ethyl lead known to exist in the Kinki Region to date are therefore as follows:

AMOUNT		HOLDER
Liter	Drum	
65,256	313	Shinotsu Refinery of Maruzen Oil Co. Ltd., Shinotsu-cho Kaiso-gun, Wakayama Prefecture.
27,120	142	Wakayama Refinery of Toa Nenryo Kogyo K.K., 1000 Hajikami-hama, Hajikami-mura, Kaiso-gun, Wakayama Prefecture
400	2	Former Himeji Air Base, Uzurano, Kuchura, Kasai-gun, Hyogo Prefecture. Under custody of the Kakogawa Office, Kobe Branch of Kinki Finance Bureau.
92,776	457	

f. Purchases of Coking Coal by the Osaka Gas Company

In compliance with telephoned instructions from Civil Affairs Section, SCAP, on 5 May, a check was made to determine accuracy of reports received by ESS/IND that the Osaka Gas Company is purchasing coking coal from either the Coal Kodan or the cooperative of coal dealers which purchased the Kodan stockpiles. The Osaka Gas Company stated to a member of this headquarters that it had not purchased any coking coal from the Kodan since January 1950. This statement was confirmed by the local Kodan liquidator. The chief of the cooperative stated that no coking coal had been sold to the Gas Company since the cooperative began operations. Results of the investigation were telephoned to Civil Affairs Section, SCAP, on 6 May.

7. Control Association

a. Issuance of ESB Notification No. 281 has given new impetus to the program for elimination of control associations in this region. In order to achieve close contact and cooperative between the enforcement and supervisory agencies concerned with this program, representatives from Osaka ESB, the Fair Trade Commission and Kinki Civil Affairs Region scheduled meetings during the month with officials in all six prefectures of this region. Following these meetings, a representative from this headquarters assisted each prefecture individually in preparing a final corrected list of associations still requiring administrative action, reorganization or dissolution.

b. Many errors were found in the original lists made in 1948 which disclosed a total of 4,847 associations in this region. Some prefectures had incorrectly listed Agricultural Cooperative Associations as control associations. Other prefectures had reported groups of similar control associations as only one association. For example, Hyogo Prefecture has 392 Cultivated Land Adjustment Associations, 26 Agricultural Mutual Relief Associations, 30 ordinary irrigation associations and 373 National Health Insurance Associations, but this prefecture had reported each group as only one association respectively.

c. A thorough check of the prefecture and Civil Affairs lists of control associations was made and existing inaccuracies were corrected. Although further check is still continuing, the number of control associations believed still existing in each prefecture of the region and requiring action under the new notification follows:

Shiga	2 associations
Kyoto	1 association
Osaka	49 associations
Hyogo	22 associations
Nara	88 associations
Wakayama	1 association

d. Prefectural officials assigned to the elimination of control associations in the region are now functioning to carry out the provisions of ESB No. 281. In each prefecture these officials will contact all associations which existing laws require to reorganize or dissolve. Such associations will be notified of the time limitations involved and of the penalties for non-compliance. Border-line cases or disputed cases will be thoroughly investigated. Regional ESB and the Fair Trade Commission have volunteered full cooperation wherever further investigation or interpretation of the law is necessary.

8. Labor

a. Labor Relations

(1) Trends

(a) It became increasingly apparent during the month of May that most labor disputes in this region were falling generally into two categories, namely, disputes growing out of demands for increased wages or disputes resulting from personnel discharges. Cotton textile unions in this region issued a strike call for 1 June, after their negotiations with the employers association at the national level broke down. A last minute decision by union officials to accept the last Cotton Spinning Management Association's offer averted a national tie-up in the cotton textile division on 31 May.

(b) Another cause for growing unrest in certain industries is the inability of many firms to meet their payrolls, due partly to mismanagement and partly to a further curtailment of loans by banks to small and medium enterprises, as well as continued instability of markets. Wage delinquency, with its immediate effect upon the welfare and living standards of the workers, is causing increasing concern among Japanese officials responsible for the administration and enforcement of the Labor Standards Law. Two cases of production control, growing out of chronic wage delinquency in two firms, developed during the month and will be covered later in this report.

(2) Communist Activities

Communist dominated unions in this area stepped up their activities, partly to influence voters as a propaganda prelude to the Diet elections scheduled for 4 June. Most serious unrest, traceable to CP influence, was found in the steel, chemical, drugs, textile machinery and port transportation industries. One encouraging by-product of several of these communist inspired disputes has been the creation of anti-communist unions in some of the affected plants. Both the Sodomei and Shinsanbetsu federations are actively combating communist control in a number of factories and present indications are that they will succeed in ousting the CP leaders in some of them as a result of a direct appeal to the rank and file in these unions. The following serious cases involving various stages of production control clearly indicate an increasing belligerence and defiance of law and order by leftist CP controlled unions in this region:

(a) The Otani Case

The communist inspired production control at the Otani plant was reported in some detail last month. The Hyogo District Court issued an injunction 2 May requiring among other things that the first union evacuate the Otani factory. The court order was not effective, however, until 4 May when the first union voluntarily evacuated the factory ending over four weeks' illegal occupancy of the company premises. The court, acting under the provisions of the injunction, authorized resumption of plant operations on 8 May when members of the first and second union were invited to return to their jobs. The second union reported to work on the morning of 8 May but the first union instead of reporting to work, entered the plant compound, held a general meeting at the union headquarters, and then proceeded to break up any attempt to restore production by cutting electric power throughout the plant, intimidating, molesting and interfering with members of the second union in their attempt to resume their jobs. The first union ordered its members to refrain from working until a demand for full pay during the strike period, as well as a contribution by Otani management to cover all strike expenses by the first union, were met by the Otani company. Subsequent negotiations between the first union and Otani were futile. A mediation attempt was made on two occasions by Mr. Kitayama, lawyer member of the Hyogo Labor Relations

Commission, who was attached to the court bailiffs as advisor in their administration of the court order. Mr. Kitayama and Judge Furukawa of Hyogo Court offered a plan for settlement which involved payment of some 5,200,000 yen by Otani management to the first union as an inducement to return to work according to the interpretation of this headquarters. Such a plan, if accepted by Otani, would have constituted a violation of Article 2 of the Trade Union Law, which prohibits any contribution by an employer towards union expenses. There is evidence that the court officers as well as the police in Amagasaki have failed to accomplish the requirements of the court order, since there was a provision in that order for expulsion from the plant premises of any union whose members were involved in any acts of violence during the plant operations as authorized by the court bailiffs. The communists continue to completely dominate the situation at the Otani plant defying law and order, intimidating management and blocking all attempts by the 350 members of the second union to return to their jobs. A number of cases of violence occurred during the month but brought no corrective action by the Amagasaki police. Goon squads of the first union have visited other plants in the Osaka-Hyogo area, inciting other unions to engage in similar struggles in the factories. Conferences were held 2,5,9,18,29, and 31 May by personnel of this headquarters with representatives of first union, second union and Otani management, It was suggested to all three parties in the dispute that every attempt should be made to restore production at the plant and permit the workers of both unions to return to their jobs while differences between the first union and management could be settled by further direct negotiations or through the good offices of the Hyogo Labor Relations Commission. The first union refused to approve referral to the Labor Relations Commission, claiming they would not receive "fair treatment" since there was no Sanbetsu representative among the labor membership in Hyogo Labor Relations Commission.

(b) The Wako Junyaku Case

Another serious dispute developed during the latter part of April resulting in the seizure of a drug producing plant owned by the Wako Junyaku Company Ltd., a subsidiary of Takeda Pharmaceutical Company. Members of the company union, dissatisfied with the management's refusal to capitulate to a demand for increase of base wage to 12,000 yen, seized control of the plant buildings and entered into production control on 13 May. Company guards and management were ejected from the factory compound by union members. This plant is located in Amagasaki city, in the same general area as the Otani plant. This move by the company union was their reaction an order issued by management on 28 April, closing the factory temporarily pending settlement of the dispute. The union affiliated with Dai-Kagaku (and backed by Amagasaki locals of the All Japan Metal Union) is clearly under communist influence and maintains constant liaison with Otani first union. On 20 May, the company appealed to the Kobe local court for an injunction for preservation of the company equipment and exclusion of the workers from illegal occupancy of plant buildings. Thus far (31 May), no action has been taken by the court on this appeal. A further complaint was filed by the company with the Kobe procurator against 15 union executives and one Miyazaki of Dai-Kagaku on a charge of illegal detention of company officials at a so-called "collective bargaining" session, obstruction of business and illegal trespass into private property, claiming violence was inflicted on members of management staff on three occasions. On 19 and 22 May, management appealed to the Amagasaki police for restoration of a quantity of drugs, apparently stolen from the company warehouse by union members. As the result of this complaint, the police arrested two union officials, namely, one Takamura and Kanazawa on a charge of selling saccharin intermediates to a local dealer for 120 thousand yen. No further arbitrary disposition of company products or equipment by the union have been reported since, although the union continued to occupy the factory up to 31 May.

(c) The Osaka Glass Company Case

On 15 May, 230 union members of the Osaka Glass Company, located in Osaka, seized control of the

plant property and proceeded to engage in production of glassware without management direction. This action by the union grew out of chronic wage delinquency on the part of management who have been one month in arrears in wage payments for the past several months. This firm obviously suffers some poor administration and lack of credit with the local banks since the firm owes some 27 million yen to its creditors. This case differs from other control production cases in the area since there is no evidence of communist activity and the union is a Sodomei affiliate. Since the workers seized the plant, they claim they have increased productivity by 20 percent and have collected almost all back pay due as a result of direct sales to customers by the union. This headquarters was informed that the union will shortly return control of the plant to the management. Management is attempting to reorganize itself in an effort to attain financial stability.

Conferences were held by personnel of this headquarters with representatives of union and management on 16 and 17 May when both groups were advised to attempt an immediate settlement of the dispute since the factory held a contract for export of glassware to the United States totaling some 40 thousand dollars which would absorb full production of one of the two glass furnaces of the plant. The union was further advised that they were acting in violation of the existing laws when they arbitrarily seized control of the plant premises on the 15th.

(d) The Terasaka Farm Implement Case

The union at the Terasaka Farm Implement Company, Sakai city, divided into two unions when members disagreed over union policy concerning a dispute over back wages on 20 April. The first union joined the All Japan Metal Workers Union while the second union affiliated with Shinsanbetsu. On 11 May, the first union seized control of the plant property after filing an appeal with the local court to recover back pay. Members of the second union were prevented from entering the company property until 20 May when the second union stormed the plant and

threw out the first union. On 26 May, another clash occurred at the entrance of the plant resulting in the injury of one first union member and the arrest of one second union member for assault. Further violence occurred on 27 May when the first union, reinforced by a delegation from the Otani first union, stormed the factory gates engaging in a free-for-all with elements of the second union. Several workers on both sides received minor injuries but apparently neither side filed charges for court action. A short time after this, the second union vacated the factory buildings which were in turn reoccupied by the first union. The case is similar in many respects to the Otani case with the second union anxious to return immediately to work and reportedly receiving part of their wages from management during the period in which the plant has been out of production. There is evidence of active communist influence behind the actions of the first union with obvious coordination of action by the CP factions within the Otani, Wako Junyaku and Terasaka unions.

(c) The Awaji Industrial Company Case

The Awaji Industrial Company of Sumoto city, Awaji Island, manufacturers of textile machine parts notified their 180 employees in mid-April that it would be necessary to discharge some 40 employees due to increasing financial stringency. This announcement which came at a time when the local was demanding an increase in base pay, resulted in direct action on 27 April by the union when they seized part of the plant buildings and cut the power switches rendering further operations impossible. On 2 and 5 May, company officials were forced to bargain with some 50 or 60 union members and were subjected to considerable violence and intimidation according to reports received via the Sumoto police and Hyogo Labor Policy officials. Under duress, management capitulated to union demands for increased wages and signed a new wage agreement which they promptly rescinded a few days later by public announcement, claiming that negotiations were illegal and management was forced to sign the agreement under coercion by the union. Meantime, the union, which up to this time had been an independent local, formally affiliated with the leftist All Japan Metal Workers

national union, receiving full support from local communist officials and friendly Sanbetsu locals. Several members of union struggle committee were later arrested by Sumoto police on a charge of assault during the "negotiations" which took place on 2 and 5 May. Shortly thereafter, three more members of the struggle committee, namely, Kuichi UMEDA, Katsumi KUWOJIMA, Fukuichi HOZOKAWA were arrested for theft of tin ingots from the company storehouse, valued at 50 thousand yen which they reportedly sold to a second-hand dealer in Nonobe for 28 thousand yen. As of 31 May, the workers still remain in illegal possession of company property defying a management order issued 15 May closing the plant for an indefinite period. The Awaji Co. subsequently sent discharge notices to all members of the union. A company appeal for an injunction ordering the plant cleared has not yet been acted upon by the Hyogo court. On 17 May, company spokesmen notified the prefectural officials that the Awaji Industrial Company had a current liability in excess of 30 million yen and would incur an additional monthly operating deficit of some 500 thousand yen if the firm was forced to accept the seven thousand yen average base wage demanded by the union.

b. Labor Education

(1) Labor unions still appear reluctant to engage in Labor Education activities. Diversion of union treasury funds into election campaigns is a further deterrant to union sponsored education programs. Many union leaders, who still regard the union movement as a personal political vehicle, rather than as an agency representing workers' welfare, use considerable union money to foster political interests. Workers are beginning to rebel. In at least one case (Kobe Harbor workers) the rank and file have demanded a reduction of dues. Many other workers groups are showing concern over the issue of union finances, dues, and the lack of tangible returns. The government program of labor education functions as the only significant source of training and education for the rank and file in this region. The problem facing the Labor Ministry is to keep their program practical rather than

theoretical, or even politically tinged, as is often the case. Particular care has been given to the issue of lectures and curriculum in order to preclude this from occurring. Equal attention has been given to the selection of union students particularly as regards the prefectural summer training school.

(2) Prefectural labor education sections are trying to rid their monthly labor publications of useless material such as articles on Japanese culture and to reslant them toward the workers' intellectual level. New use of simple graphs and charts is being made, and generally the publications will be redesigned to provide more attractive layouts. It is extremely doubtful if any of the publications as they now stand ever really "reach" the worker group.
Conferences were held by personnel of this headquarters during the month with Labor Education Sections at the six prefectures in this region at which time the problems discussed above were covered.

c. Labor Standards

(1) Officials of the Inspection Section of Labor Standards Bureau, Osaka Prefecture, informed this headquarters that they were concerned over the possibility of increased violations of the Labor Standards Law, going undetected as a result of the new inspection policy calling for more thorough inspections rather than placing stress on covering as many establishments as possible. Although Osaka Labor Standards Bureau admit that they were able to detect more violations on individual inspections as a result of the new policy, they reported a substantial drop in the number of establishments covered and felt a considerable number of violations would be overlooked with more and more plants unchecked from month to month under the new system.

(2) Inspection Section of Kyoto Labor Standards Bureau took a different viewpoint of the quality type inspection claiming that it was their belief that careful and thorough inspections were already paying dividends in the form of corrective action on the part of employers throughout Kyoto Prefecture. They further informed this headquarters that the Nishijin area which had contributed most of the violations in Kyoto for the last several months was showing a marked improvement, partly as a result of a visit by representatives of this headquarters to Kyoto recently when Korean employers were warned to

comply immediately with the Labor Standards regulations and permit inspections of their plants without submitting Labor Standards Bureau inspectors to any further coercion. Other prefectural Labor Standards Bureau officials indicated an improvement in inspection techniques was having a beneficial effect generally, but the coverage of plants in their prefectures was more difficult since they have insufficient inspectors to maintain the previous plant coverage.

(3) As a result of improved conditions in some industries, no marked increase in wage delinquency cases was reported for the month of May. Kyoto Prefecture actually showed a decrease of 40 percent from the April high of 110 new cases while Osaka Prefecture showed a slight drop in new cases reporting 193 for May as against a high of 222 of March 1950. Many of the current cases, however, are of a critical nature particularly among the textiles and agricultural machine manufacturing firms.

d. Workmen's Compensation Insurance

Hyogo Labor Standards Bureau, apparently unable to get effective assistance from the Labor Ministry, continues to carry a mounting deficit of unpaid accident compensation claims. This deficit, as of 30 May, stands at 120 million yen and Hyogo claims it is trying by every possible means to reduce accident claims through intensive safety campaigns and a more adequate screening of accident claims. Hyogo reported they will receive a special appropriation of 35 million yen from the Ministry shortly which will cut down their claim deficit slightly. Hyogo Labor Standards Bureau stoutly maintains it is very carefully screening all accident claims. Premium collections in Hyogo were 93 percent for the fiscal period through 31 March 1950. Kyoto Prefecture reported a surplus of some 30 million yen in excess of its accident compensation claims but it must be pointed out that this prefecture is predominately one of small and medium sized plants with far fewer high risk industries than Hyogo and Osaka Prefectures. All prefectures reported active accident prevention campaigns with Kyoto adding one variation in the form of special employer meetings in areas within the prefecture where serious accidents were recurring.

e. Employment and Unemployment

Unemployment continues to rise slightly both among the permanent workers and the day labor groups. Some officials, however, appear

rather optimistic concerning future conditions, particularly during the summer months. PESO officials in both Kobe and Osaka cities report that although the daily transient labor problem remains serious, the warmer weather lessens the hardship and suffering of this group somewhat. Also recent increases in funds in some critical areas have helped to reduce the under-unemployment among day laborers. These officials also state that because of communist pressure tactics and the resultant publicity, more attention is being focussed on this group than is warranted by the prevailing conditions. The PESO officials in most areas are doing an effective and equitable job considering the limited work relief funds at their disposal. The tactics of the communist agitators among day laborers in this area include a demand for "full" employment rather than rotation of jobs in order to spread out employment. They engage in harassing tactics even in places where only a small proportion of workers are unable to find immediate jobs. The latest innovation being used by the leaders of unemployed groups is to transfer their pressure tactics and demonstrations from PESO or prefectural labor offices to the administration offices or the mayor's office of the areas involved. In some prefectures, this is the result of political promises made by locally elected officials in return for labor support. Meanwhile some courageous prefectural labor officers limited by tight budgets are standing fast, refusing to make any concessions to this political pressure, but continue to administer their work relief programs as directed by the Labor Ministry. Some elected officials faced with angry demonstrative CP agitated day laborer groups have found it more convenient to make concessions to this pressure than to refute it. Demonstrations at PESO offices have declined in some areas while demonstrations at local prefectural and city offices have increased in recent weeks.

Conferences were held by personnel of this headquarters with PESO officials of the six prefectures during the month. This headquarters advised PESO chiefs to combat communist influence and propaganda among the day laborers group by fully utilizing the local press, radio and other media to keep the Japanese public informed of the true situation behind the increased day labor agitation.

Restricted

HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
APO 182

ANNEX D
ECONOMICS SUMMARY
By Mr. Henry C. Keisel

I. FIELD TRIPS were made by members of the Economics Section as follows:

Activity	Number of Conferences or Visits	Prefectures Covered	Japanese Participants	Purpose
Agricultural Extension	12	Hiroshima Tottori Shimane	Pref officials, Extension advisors, Experimental Station Staff, Home Improvement Specialists.	To inspect all phases of Extension activities with emphasis on administration and operation. To continue evaluation of Experimental Station consolidations.
Fertilizer Requirements	5	All five prefectures	Pref officials Purchase Federation of Co-op officials	To evaluate progress in spring quota distribution. To determine if prefecture Purchase Federations are equipped to assume control of fertilizer distribution if required.
Pine Bark Beetle Control	3	Tottori Hiroshima Shimane	Pref officials, Forestry Assn.	To evaluate progress in control of beetle damage
Forestry Extension	4	Hiroshima Tottori Shimane	Pref officials, Federation of Forestry Assn.	To inspect all phases of Forestry administration with emphasis on plans to expand extension staff.

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Land Reform	3	Okayama Yamaguchi Tottori	Pref and local officials	To inspect reclamation project.
Agricultural Cooperatives	13	All five prefectures	Pref officials, Pref Federation officials, Unit Co-op chiefs	To discern economic trends. To encourage remedial action at local level.
Reforestation	3	Tottori Shimane Okayama	Pref Forestry officials, Nursery managers.	To investigate land use at nurseries. To determine seed requirement in fulfillment thereof.
Crop Collection	6	All five prefectures	Pref officials	To expedite 1950 rice quota breakdown. To estimate 1950 mugi crop.
Aquatic Production	9	Okayama	Fisheries officials	To ascertain the percentage of marine landings not recorded and reported to the central govt.
Processing & Fish Utilization	10	Okayama Hiroshima	Fisheries officials	To ascertain the amount of fish spoilage and reasons therefor.
Fisheries Co-ops	9	All five prefectures	Fisheries officials	Status of final disposition in each prefecture.
Fishing Boat Insurance	10	All five prefectures	Fisheries officials	Acceptance and participation.
Fishing Rights	10	All five prefectures	Fisheries officials	To discuss program and plans
Fisheries Financing	10	All five prefectures	Fisheries officials	To ascertain financial and credit problems of fisherman.

Mine Safety and Rehabilitation	4	Okayama Yamaguchi Hiroshima	Bureau personnel, Mine operators and workers.	Acceptance of SCAP suggestions. Mine Safety practices and problems.
Perishable Food	3	Hiroshima	Central Fish Market	To observe effects of decontrol.
Staple Food Rationing	5	Hiroshima Tottori Yamaguchi	Ration points, Pref Food Section, City Officials	To investigate procedures on ration books. Spot checks of food rationing.
Control Associations	7	All five prefectures	ESB Pref officials	To discuss programs and plans
Restaurant Control	16	All five prefectures	Autonomous Police, NRP EIA Pref officials	To stimulate control program and public hearings.
EIA	9	All five prefectures	EIA	Administrative inspection and liaison conferences.
Industry	45	All five prefectures	Regional and Pref construction, civil engineer, commerce and industry officials and industrial leaders.	To stimulate industry and constructions. Surveillance of restricted industry.
Labor Relation	19	Hiroshima Okayama Yamaguchi	Trade union, Management, pref and local labor officials	Surveillance over implementation of SCAP labor programs.
Labor Education	31	"	"	"

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Labor Standards	14	Hiroshima Okayama Yamaguchi	Trade union, Management, pref and local labor officials.	Surveillance over implementation of SCAP labor programs.
Employment Security	11	"	"	"
Workmen's Compensation	5	"	"	"
Women's and Minor's	5	"	"	"

II. AGRICULTURE

A. Fertilizer Requirements

A survey of all Agricultural Cooperative purchase federation's in the region was made during the month in order to determine their financial ability and operational capacity to take over fertilizer distribution if the Kodan is dissolved in July. No purchase federation in this region has the capital or available funds to take over the operation on anything but a piece-meal basis. Consequently, each of the purchase of federations has begun negotiations for a loan from the credit federations. These run from ¥40,000,000 in Tottori to as high as ¥100,000,000 in Hiroshima. In each instance, attempts are being made to obtain special interest rates, and conferences with federation officials indicate that this can probably be done. Enthusiasm on the part of the federations to take over fertilizer distribution ranges from avidity in Okayama to apathy in Yamaguchi. However, with the exception of Yamaguchi the purchase federations express a keen desire to assume the responsibility because of the profits involved. If fertilizer distribution becomes the perogative of the federation it will constitute approximately 50% of their entire business operation. Moreover, they claim they can distribute fertilizer cheaper and more expeditiously than private dealers could or the Kodan is now doing. Federations were advised by Civil Affairs personnel to conduct a market survey to determine the effect of the impending price increase on future sales. They were particularly cautioned against making mistakes in fertilizer purchases and sales similar to the ones which caused their present dilemma.

B. Agriculture Reform:

Agricultural Co-operatives:

A close and continuing watch has been kept on the financial conditions in the Agricultural Co-operatives by Economics personnel since

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the inception of their financial troubles. The trend toward stability reported last month has continued and become slightly stronger. However, by no means should it be assumed that they are out of trouble or financially secure. The number of cooperatives suspending or limiting withdrawals has remained constant but a few in this category will be in a position to resume normal operations next month, a fact which in itself shows an upward trend. Co-operatives in the two-crop areas of the region will pull through the crisis and emerge substantially more sound next month than those in the one-crop areas. That is, payments for wheat and barley will be an important factor in bolstering the cooperatives in the two-crop areas while those in the one-crop areas will continue to have a difficult time. This Section has continued to emphasize the need for remedial action at unit co-op level in prefecture to dependence on further loans from higher echelons. With the possible exception of 1 or 2, no co-operatives in the region will fail. However, many will have to amalgamate and consolidate or depend upon outside help in order to survive.

C. Extension Reorganization:

A rapid acceleration of extension activities throughout the region is expected during the last half of the current year. All of the five prefectures in which surveillance is maintained have either received increased budgets or expect to obtain considerable increases for overall extension expansion in 1950.

As the prefectural extension sections increase the scope of their activities, a few of the outstanding field workers or new extension advisors will be used in technical posts at the Prefectural Government office and also on the staffs of Prefectural Experimental Stations. However, the bulk of all technical workers entering this field in the next few months will work at the village or gun-level to enable field workers to disseminate better information to farmers and also to visit them more often.

Fairs are proving popular with the public in several prefectures, namely, Okayama, Tottori, Hiroshima and Shimane, and give the prefectural Government as well as Experimental Station leaders an excellent opportunity to acquaint the rural population with the latest advances in agricultural techniques.

Following is a brief resume of recent Extension developments in Chugoku Region.

Hiroshima Prefecture - Planning to add 75 additional advisors to the staff, 15 of whom will be home improvement workers. The Prefectural Government budget for Extension information is ¥1,000,000 currently, an

increase of ¥400,000 over last year. Until a College of Agriculture is established in the prefecture, training of future extension leaders will be seriously handicapped.

Tottori Prefecture - Thirty-two (32) new extension agents will be added to the staff during the summer. Six of them will be homes improvement advisors who will work in gun offices. Village and prefecture improvement committees are still composed mainly of either farmers or men of learning. Farm women and young people from rural areas as yet have no official spokesman at meetings of these groups. More girl members are needed to balance the predominance of males in the prefecture 4-H clubs.

Transplanting of wheat and barley to obtain higher yields on a reduced acreage is being successfully carried on in the prefecture. The farm of R. Tanaka in Katsutani-mura, 18 miles from the prefectural capital, is outstanding. The experiment will be continued by the district extension office before any conclusions are made.

Shimane Prefecture - A total of 155 additional advisors will join the extension staff by mid-July. Of this number, 100 are technicians in local coops who will be paid through mutual agreement between the village or area improvement committees and the prefecture. Ten of the new advisors will be home improvement workers.

The new Agricultural Extension section has received a budget of ¥6,263,265, an increase of ¥1,061,325 over 1949. Efforts are being made to start rebuilding the experimental station at Izumo which was damaged by fire. The project - which will require several years to complete - will cost ¥9,000,000. All of the money is being raised through popular subscription.

When the extension staff reorganization is completed, ten district coordinators will be assigned to districts to maintain closer liaison with the field workers. Nevertheless, these coordinators will spend the major share of their time in the field.

Participation of girls in 4-H clubs is also in need of immediate strengthening. Farm women of all types attend the home improvement lectures held by the prefectural government specialist. It was found that the noon-hour was the best for steady attendance.

A recent storm and drought is expected to reduce the wheat and barley crops by as much as 25 percent in the Matsue metropolitan area. Other parts of the prefecture suffered from the storm but no estimate is available on their crop losses.

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D. Staple Food Collection:

Original estimates by prefectural officials of an excellent wheat and barley crop this year are being hurriedly and greatly modified as the collection time approaches. Since this is a routine and periodic pattern of thinking always evident just prior to every crop collection, there is no cause for alarm. Actually, the 1950 mugi crop will be better than last year by about 5% in the southern prefectures of Chugoku Region.

In these same prefectures the quota completion deadline has been advanced one month to 31 August. All things considered, not much difficulty is expected in the collection program.

III. FISHERIES

A. General

Economic section personnel conducted spot checks in ten fishing communities in Hiroshima and Okayama prefectures. Findings are found under the following appropriate headings.

1. Liquidation of Fisheries Associations

Of nine Coops visited 3 had completed the transfer of all assets (except fishing rights) and the remainder were in various stages of disposal of assets and liabilities with most of them nearing completion. No disputes over the division of assets, where more than one Coop replaced the old association were noted, although it is feared by some coop officials that disputes will arise over the transfer of fisheries rights in conjunction with Fishing Rights Reform.

2. Fishing Boat Insurance

The general attitude of fishermen towards the fishing boat insurance program in the areas visited was negative. There are two reasons for this disinterest: firstly because these fishermen very seldom go outside the protection of the Inland Sea and secondly, because during the war an insurance program similar to this one was in effect but when applications for damage reimbursement were made, little or no compensation was received. The average size of fishing boats in the area visited varied between 1 to 3 tons. Of the total of 1,510 powered and 1098 non-powered boats only 250 or 9.58 % of the combined total are currently insured. The Yorishima Coop with a 26% boat coverage rate and the Tomo Coop with a 20% rate had the largest amount of boats insured. The Shimotsui and Yoshiwa coops with a combined total of 126 powered and 760 non-powered boats had no boats insured.

3. Financial Condition of Coops and Fishermen

Most coops were struggling through financial difficulties and approximately 90% of the fishermen are feeling the current money shortage. All but two coops have insufficient capital stock and in many coops shares are only 1/3 to 1/2 paid up. Fishermen are getting heavily in debt due to the increase in the price of fishing gear and the decrease in the selling price of fish which, since decontrol, has dropped an average of 1/3 of the controlled price. Six of the 9 coops visited had banking facilities, but deposits were small and virtually no loans were being made. Three coops are deducting 10% - 20% of the catch income and depositing it for individual fishermen to help meet, at least partially, tax payment and other debts. Most fishermen are delinquent by at least one year in their payments. A very dangerous financial condition was found at the Tomo Coop. The net loss on business activities at the end of the 1949 JFY (31 March 50) was ¥225,304.33. The reason was that coop officials, feeling sorry for fishermen because of the low selling price of fish, paid member fishermen a higher price for fish handled by the coop than the prevailing wholesale market price, with the coop standing the loss. In addition the coop is in debt ¥2,600,000 to various banks. From the following statistics other financial hazards can be noted:

Capital Stock ----------	¥187,000 (each share ¥500)
Value of fixed assets ----	¥789,017.20
Fishermen's Deposits -----	¥417,968.66 (Interest .6% per day)
Loans to fishermen ------	¥1,002,724.54 (Interest 4 sen per ¥100 per day)

A 4% handling fee for catch is not always deducted from individual members who are in dire financial straits. A 5% handling fee for fishing gear and other commodities is charged against all members.

All other coops visited managed to make some profit by the end of the fiscal year. The Yorishima Coop drew the line very thin with a net-profit of only ¥29.40. Fishermen are utilizing the Fisheries Bill System, but loans received in December 1949 and January 1950 which are due in May and June have been only 30% - 50% repaid, with payment by the due date very doubtful. Both fishermen and coop officials complain that a six months term on these loans is too short, especially because by the time loans are approved, received by the fishermen and fishing gear etc purchased, two to three months have passed leaving only three to four months in which to repay the loans.

4. Fishing Rights Reform

The rights reform program was a topic of general conversation in all fishing villages visited. Meeting for fishermen have been held

by coop and prefectural officials to explain the basic points of the program. However, explanations have been insufficiently detailed for full understanding and are leaving doubt and misunderstanding in the minds of the fishermen. Coop and prefectural officials are not entirely to blame, as they report information received from the Fisheries Agency which up to now has been of a very general nature, so that full understanding on their own part has not been achieved. There is particular interest in the rights program in the area visited because of a situation peculiar to the Inland Sea. There has been constant friction between the fishermen of Hiroshima and Okayama prefectures and the fishermen of Kagawa and Ehime prefectures, on the Island of Shikoku. Coop and Prefectural officials believe that present prefectural boundaries favor the Shikoku prefectures, and that because the number of fishermen in the Shikoku prefectures is small in proportion to the area, that large fish resources as yet not fully exploited are available. Entry rights to these waters may be obtained by paying the legal fee (which is nominal), but in addition a huge "under the table" cooperation fee is required if they are to fish unmolested. They hope the rights program may improve this situation.

5. Supplies

No shortages of nets, rope or other fishing gear were found in the areas visited, although quality as well as price have increased tremendously. Reported fuel shortages by the Shimotsui, Tomo and Yoshiwa Coops of from 50-70% of requirements resulting in the loss of 10 fishing days per month or 20% of the catch could not be verified in any objective way.

6. Conclusions

a. The liquidation of fisheries associations and disposition of their assets and liabilities is progressing satisfactorily in the areas visited.

b. The Fishing Boat Insurance Program is not being accepted by small scale fishermen in the Inland Sea area visited, as they feel it is not necessary or deisrable and would only cause them an additional financial burden because of little faith in the government's intention to repay claims.

c. Both fishermen and coops in the areas visited are heavily in debt and financially insecure. Fishermen are unable to repay loans granted under the Fisheries Bill System within the six months deadline due to their present financial status.

d. Coops are desperately in need of sound business guidance at this critical stage in their development.

e. The line of demarcation between coop officials and fishermen members is clearly drawn. Fishermen are apparently content to let coop officials transact all business and make all coop decisions for them.

f. Fishermen are highly in favor of the Fishing Rights Reform Program, but sufficiently detailed information has not been received by them as yet.

g. Prefectural and national governments should assume a more aggressive attitude towards the dissemination of detailed information to fishermen on the Fishing Rights Program. This section will coordinate with the Civil Information Section of this headquarters to encourage prefectural officials to develop new techniques for the dissemination of information and educational materials.

h. Fishing gear supplies are sufficient and of good quality. Isolated instances of fuel shortages as reported above can be corrected at the prefectural level, as fuel and fishing gear allocation functions were transferred to prefectural governments effective 1 May 1950.

B. Economic Section personnel conducted a regional conference for representatives of prefectural Marine Products Section to evaluate and discuss the status of various phases of the Fisheries Program presented at the Tokyo NRS conference.

C. Fishing Coops

Progress in the organization of fishery coops by type and prefecture as of 31 May 1950 is shown in the following table.

Type	Hiroshima	Okayama	Yamaguchi	Shimane	Tottori
Fisherman's Coop, Assns	99	74	136	130	46
Fishermen's Production Coop Assns	7	1	7	0	1
Federations of Fishermen's Coop Assns	1	2	2	5	2
Marine Products Processing Coop Assns	0	0	4	2	2
Federations of Marine Products Processing Coop Assns	0	0	1	0	0

D. Unreported Aquatic Production

The following breakdown by 3 prefectures shows an estimate of the amount of fish caught not reported to the central government through Japanese channels.

Percentage 1949

Prefecture	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Yamaguchi	20	20	20	20	20	20	20	20	20	20	20	25
Okayama	1	1	1	1	1	5	5	5	1	1	15	15
Hiroshima	30	40	30	35	60	55	60	25	30	15	5	5

Percentage 1950

Prefecture	Jan	Feb	Mar	Apr
Yamaguchi	25	25	25	25
Okayama	15	15	15	15
Hiroshima	15	55	55	60

IV. FORESTRY CONSERVATION PROGRAM

A. Reforestation

Conference with forestry officials in Okayama, Tottori and Shimane and visits to forest nurseries in Shimane indicate that seedling requirements for this year will be met without difficulty. Moreover, withdrawal of the subsidy for nurseries will not affect the execution of present reforestation plans, according to prefectural authorities. Those prefectures which depend on outside sources for seedling supply were advised to check those sources again, to make sure that the greatly expanded reforestation schedule on a national scale would not jeopardize their expected seedling procurement.

If the nurseries visited in Shimane are typical, it can be definitely stated that nurseries under private management are far superior to those under prefectural management. In all respects, the seedlings in the private nurseries were healthier, stronger and better cared for than those in the prefectural nursery.

In this inspection no misuse or illegal use of lands designated for forest nursery purposes were noted.

B. Pine Bark Beetle Control

Investigation discloses that still greater vigilance is necessary to control damage from the beetle. Saiki-gun, where the current epidemic started in Hiroshima Prefecture, is still the most seriously infected area. Measures to reduce the beetle damage are handicapped by the fact that twenty species of the pine-boring insect have been discovered.

Tottori Prefecture which has checked - for the present - the infestation in the older trees, is carefully watching for any signs of outbreaks in young pine stands.

In Shimane-ken, the Oki Island area is the only one where the beetle is causing any serious damage. Efforts are being made to provide addition personnel there in an effort to reduce the prefecture's loss from the insect. Shipment of pine trees from the Oki Islands is carefully watched to prevent any of the infected logs entering other parts of the island with beetles still in the bark.

C. Forestry Extension:

15 forestry extension agents will be employed by the Tottori Forestry Department this summer. Five of them will work in the Ken-cho and the others will be stationed in the six gun offices.

In Shimane-ken, eight forestry technicians will be added to the staff late this year. Plans are also being made to send eighteen other forestry extension agents to the ten district offices, but funds will not be available for the latter until 1951.

V. MINING AND GEOLOGY

A. Mine Safety

1. Coal Mines

The Ube Coal Mine Safety and Inspection Division featured the prevention of transportation accidents during May, and sent an eight point plan to each mine under its jurisdiction, to be used as a basis for the elimination of mine accidents connected with transportation. The division recommended the Japanese version of "Safety in the Mining Industry" compiled by the U.S. Department of the Interior, Bureau of Mines, in 1949, and the "Monthly Safety Report" issued by the Mine Safety Bureau, Natural Resources Agency, to each mine operator for use as basic reference material for the education of laborers and themselves in safe mine practices.

Because of accidents caused by bad fuses at the Oohito Mine, Shizuoka prefecture, and the Budo Mine, Niigata prefecture, the Division ordered each coal mine operator to store surplus fuses in a safe manner and to report immediately the name of the manufacturer, the date of manufacture and the serial number of fuses which tend to burn too rapidly. Division personnel stated they believe some control over fuse manufacturers as to minimum standards may be necessary.

Division personnel conferred with all mine safety administrators concerning their opinion regarding revisions or amendments to the Coal Mine Safety Regulations.

The chief of the Division met with the Ube District Coal Mine Safety Committee, and explained the current status of Mine Safety in mines under his jurisdiction, and plans for the National Examinations for Safety Technicians.

Divisions inspectors made routine inspections in 28 coat mines during the month and discovered violations of 65 articles; special investigations of accidents were made at five mines. There were 3 deaths, 117 serious injuries and 741 slight injuries among coal miners during this period.

2. Mines other than Coal

The Hiroshima Mine Safety and Inspection Division distributed 400 copies of the pamphlet "The Light Green Cross in the Mine" to all mines, smelters and refineries in the region, and continued to develop detailed plans through cooperation with labor and management for National Mine Safety Week scheduled for 1-7 July.

As three mines commenced operations during the month, the Division sent detailed instructions and explanation on how to abide by the provisions of the Mine Safety Law and Regulations. Division personnel inspected thirteen mines and one smelter during this report period.

Division personnel sent a summary of disasters occuring in mines throughout Japan, classified as to type and cause, to corresponding mines in this region, aimed at the prevention of similar accidents.

At a two day meeting, the Hiroshima Mine Safety Committee discussed amendments to the Mine Safety Law and Regulations, safety events scheduled for the JFY 1950 including the National Safety Week and discussed mine safety statistics for the JFY 1949.

There were no deaths in mines other than coal during this period, serious injuries numbered 12 and slight injuries 102.

B. Mine Rehabilitation

Economics Section personnel visited the Ube Coal fields, Yamaguchi prefecture, in company with a SCAP NRS official, and the Kawayama Copper-Pyrite Mine, Yamaguchi prefecture.

1. Ube Coal Fields

An all day conference was held with officials of the Ube Coal Bureau, the Coal Mine Safety and Inspection Division, the Coal Association, the Mining Federation, and coal mine operators. During the morning session good salesmanship, advertising campaigns to obtain public support and acceptance, and the necessity of fulfilling consumer demand as to coal type, shape and condition, were stressed. During the afternoon session the use of new machinery and methods was stressed through the display of magazines, pictures and photographs.

A visit was made to the Ube Kosan Michioki Land Reclamation Project. Repair work on the dykes was reported to be 80% complete; all water had been pumped out of the three flooded mines in the area. It was predicted that the total cost of repairs when finished would vary between fifty and sixty million yen.

Conferences were held with Ube Iron Works design engineers to ascertain the facilities available for and the procedures used in the construction of coal mine equipment.

A conference was held with production and geological personnel concerning the status of the Coal Reserve Survey Project in the Ube Area.

A boat trip was made to the site of one of the sea Boring Projects which form a basis for future exploritory and mining operations under the sea.

2. Kawayama Mine

Economic section personnel observed the testing of a shaker conveyor built by the Ube Iron Works at a cost of ¥360,000. The conveyor will be used on a 10° down dip, hauling forty tons of ore per hour. The conveyor uses a 15 HP electric motor, has a pan line of 59 meters, 80 strokes per minute with a stroke length of 110-165 mm, and is the first shaker conveyor to be installed in any mine in this region.

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An inspection was made to check the acceptance of specific suggestions made by Messrs Harrington and Page, NRS SCAP. Heavy V-type scrapers in the stopes with heavy duty motors had been obtained and were in use; results were highly satisfactory both as to increased production and safety.

The recommendation for the use of jumbo-mounted drifters for the center cut was understood, but a request was made for reference materials in Japanese or English in order to properly carry it out.

Four new automatic wet stopers were in operation and working satisfactorily. When eight more wet stopers are received from the Hiroshima Oriental Industry Company, the Kawayama Mines plan to use ten wet stopers exclusively, with two as standby reserves.

Mine engineers had designed and placed in operation a compressed air machine for the construction of clay tampers used with dynamite for blasting. Cost per tamper has been reduced from one yen to fifteen sen.

Detachable bits are now used exclusively, with considerable savings in manpower and increased production apparent.

Conferences with labor union, mine safety committee and company representatives revealed that the mine safety program was proceeding satisfactorily with good cooperation and coordination evident on the part of all concerned. This mine has many slight accidents as compared with other mines, but serious accidents and deaths are very few.

A new mine safety rescue equipment shack has been constructed near the mine entrance and is well stocked with rescue equipment.

A central system of fire mains and hydrants has been installed.

Management is aggressive, and plans for mechanization of the mine and enlargement of the mill to double the present crude ore capacity are proceeding satisfactorily.

VI. PRICE AND DISTRIBUTION

A. Economic Investigation Agnecy:

The conclusions resulting from the survey last month of the internal operations in each prefectural EIA were discussed with the Regional and five prefectural EIA's. The EIA Chiefs agreed with the findings in some

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instances, especially in regard to weak planning in the food section, writing of final reports by section chiefs, and supervision of investigators. Some chiefs, however, disagreed on some of these items, especially so on supervision; they feel that present supervision is adequate.

A joint conference of Prefectural EIA Chiefs of the Chugoku and Kyushu Regions was held in Yamaguchi City, which Central Economic Investigation Agency officials attended. The general purpose was to explain the revised law, and subsequent operations. At this conference, the findings of above mentioned survey were discussed by EIA officials.

In conferences held during this report period with each prefectural EIA the following items were stressed, and more concentrated efforts thereon requested.

(1) Eliminating ghost population (excess rations)

(2) Eliminating unlicensed restaurants

(3) Improved liaison and cooperation of government agencies concerned with EIA matters.

The various programs directed by Central EIA, currently under investigation, were checked and found to be proceeding according to instructions. The instructions to initiate new programs for the Materials Sections are in some instances received late, and thus periods of inactivity result.

The initial 15% personnel cut did not present any problem, since this was brought about by normal attrition. However, future cuts contemplated will present some difficulties in selection of personnel to be released.

The regional chief was conferred with on two occasions and all of the above mentioned items were discussed. In addition a new working arrangement for the monthly Economic Deliberating Conferences was completed. These conferences will henceforth be held the third week of each month so as to coincide with the visit of Civil Affairs personnel. Thus it will be possible to attend these conferences in each prefecture generally once a month. Based on past experience it has been impossible for the schedule of these conferences and the trips of Civil Affairs personnel to coincide, and thus very few conferences were attended. This new working arrangement should correct this discrepancy.

B. Restaurant Control Program

Joint conferences in connection with enforcement of the Temporary Restaurant Control Law were held with the EIA and police in all five

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prefectures. The police in Okayama and Yamaguchi Prefectures are particularly weak in this program. The combined operations of the NRP and MP in Yamaguchi resulted in uncovering one violation during the entire month of May. The Chief of Chugoku Civil Affairs Region expressed his displeasure to the two NRP Troop Commanders concerned.

At the request of this headquarters the Regional EIA and the Regional NRP established a standard form to be used in reporting violations to the prefectural governments for administrative disposition. Heretofore the reports received by the prefectures were incomplete and inaccurate, resulting in long delays before the cases were placed before public hearing.

Administrative disposals in Yamaguchi and Hiroshima Prefectures are very weak and sporadic. During visits by personnel of this headquarters on this matter, encouragement and guidance was extended to improve the situation. The Section Chief in Hiroshima Prefectural Government concerned with this program pleaded shortage of personnel and heavy case loads as handicaps in rapid disposals of the violations reported. The section chief was advised that these constitute no excuse for delays in administrative disposals, since other prefectures are confronted with the same problems and apparently have overcome them.

In Tottori Prefecture many violators have been admonished after public hearings. The number of such admonishments are excessive in comparison to other prefectures.

In checking this situation it was discovered that many of those cases admonished constituted violations which should have received stern punishment as indicated in MAF instruction Shokuryo 8786. The officials concerned were advised to conform with MAF policies.

In Shimane, authorities are very cooperative both in enforcement and administrative dispositions, as statistics below will prove. This situation has been utilized to stimulate other prefectures.

Since the actual inception of this program in January various reports have been received from Prefectural Governments, police and EIA regarding violations discovered and disposition effected. In comparing these reports against each other many errors were noted, especially regarding cases received by the Prefectural Government. In some cases police reported many cases of violations, yet the prefectural Government reports fail to substantiate the same number of cases. In addition the EIA reports received each month have also shown a different set of statistics. Finally, still different statistics were presented to Civil Affairs personnel.

This situation has resulted in great confusion and a suspicion that a possibility exists where cases may have been lost, mislaid or just dropped.

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To correct this situation the ELA was requested to re-survey the entire activities in all prefectures of the program since January 1950 and submit a report of the statistics compiled.

The following are statistics indicating progress in the administrative dispositions during the month of May 1950.

Pref.	No. of Public Hearings	No. of Cases put on Hearings	No. of Suspensions	No. of Sealings	No. of Reprimanded	No. of Cases remaining
Hiroshima	1	*31	0	0	0	163
Okayama	1	28	10	13	13	0
Shimane	6	84	75	1	8	27
Tottori	1	0	0	0	0	26
Yamaguchi	0	0	0	0	0	23

*Punishments are undecided at this time.

Ryos (Dormitories and Clubs mentioned in April Activities Report) were investigated by the ELA resulting in uncovering of one violation. Further investigations are scheduled for the next reporting period.

C. Staple Food Rationing:

Emphasis was placed on investigating distribution of ration books to pregnant women, newly born babies, travellers, individuals changing residence and the revocation of ration books upon deaths. Investigations were conducted in Tottori, Yamaguchi and Hiroshima Cities with two other small towns included in order to compare distribution procedures.

Conclusions reached are: For general consumers the system is adequate, and limited opportunities exist for receiving illegal rations. However, in some instances when a death occurs, proper reporting by the family concerned is not always accomplished within a short time and thereby the family will receive extra rations until corrective measures are taken. This point is not too serious in view of the fact that upon uncovering such discrepancies deductions will be made in subsequent rations.

The Yamaguchi Labor Standards Bureau investigated 64 factories in connection with illegal receipt of supplementary labor ration. This investigation resulted in the discovery of twenty-one violations.

Inspections of Hiroshima Kodan ration points revealed very poor facilities. Remedial action was advised wherever discrepancies were found.

Particular item of interest found during these inspections was the lack of uniformity in the processed wheat and barley sold. When ration point personnel were questioned concerning yield as established by

MAF they opined that specifications were not being met. The names of the factories concerned were recorded and the Food Office was requested to initiate investigation.

Staple food rations for April were maintained at March level of 61% rice. Indigenous staple foods distributed in April was 71%, indicating a drop of 5% over previous period.

Storage of "substitute rice" as reported by SCAP Civil Affairs Section has been investigated and found to be according to plan.

Blackmarket price trends on all designated staple foods continue to drop or remain at March level, except for white potatoes which rose approximately 25% during the report period.

For the report period transportation control resulted in confiscation or purchase of 61,476 kilograms of assorted staple foods. This figure is the highest of any month since February of this year.

D. Perishable Fppds (Fish Distribution)

The two wholesale fish markets in Hiroshima, and the one market in Kure City were inspected and conferences were held with officials in charge.

The three markets are commerical enterprises, one (Kusatsu Market) is a quasi-cooperative of retailers and receivers, while the other two are purely stock companies. The Kusatsu Market is a large scale operation, and appears to be solidly organized and operating without financial difficulties, while the other two markets are operating with a deficit.

Large fish catches combined with decontrol have forced prices down since April. The receiving companies are in financial difficulties due to loss of income. The volume of total sales has increased slightly while the total amount of income resulting from commission retained has decreased. The expenses for rail and truck movement remain high, and there has been a slight increase in handling charges.

One company is studying the problem of transportation from the port to the market. The expense for such transportation is now borne by the receiving agencies, and this company would like to have the cost pro-rated among the producers or have an increase in their commission.

The consumers are satisfied, and the retailers are working harder to please customers and increase trade. Improvement of retail shops has been noted, and cleaning of fish by the retailer now seems to be an accepted practice.

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VII. INDUSTRY

A. Production:

The prevailing high interest rate on loans for revolving funds, and the high cost of electricity continue to be brought forth as handicapping production expansion in industrial plants. Industrialists are becoming more conscious of the need for rationalization to reduce production cost, with the withdrawal of national subsidies and increase of competitive industrial sales. Strikes and slow-down activity of some labor union elements have presented a retarding influence on production.

B. Reparations:

1. Inspection of 3 of the 119 reparations installations revealed security to be adequate and maintenance to be satisfactory. Steps to eliminate excess personnel and other unwarranted expenditure of reparations funds have resulted in a 26 percent reduction of expenditures in May from the January expenditure. This 1,246,186 yen saving in monthly expenditure is distributed as follows:

	January	May	Reduction
Government Plants	¥3,507,162	¥3,092,923	¥414,239
Private Plants	1,236,948	404,999	831,949

Further reduction of reparation expenditures in this region will be continuous.

2. Reduction of guard personnel at two plants (45-1 and 45-14) in Yamaguchi Prefecture has been carried out in accordance with recommendations by Mr John S. Le Van, CPC Inspector, during his inspection of reparations plants in Yamaguchi Prefecture 3 to 15 April 1950.

3. Minor discrepancies uncovered during inspections of reparations plants by representatives of this headquarters have been corrected.

4. Inspection of two of twenty-one reparations oil storage areas revealed no unauthorized conversion or construction.

C. Restricted Industry:

1. Explosives:

Production of 568 tons of explosives, during May, shows an increase of 153 tons from April. An accidental explosion, which did not

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effect production, occurred 15 May at Asa Plant of Japan Chemical Company. All production during 1950 has been within authorization.

2. Fertilizer:

17,159 tons of ammonium sulphate and 17,034 tons of calcium super phosphate produced in May, shows an increase of 6,482 tons and a decrease of 109 tons respectively. The Hikoshima Plant of Toyo Koatsu Kogyo K.K. experienced washing tower trouble which hindered production. The Ube Chisso Plant, Ube Kosan K.K., in May achieved the largest production since the foundation of the plant. This extra production offset the loss in production in April due to labor dispute.

3. Shipbuilding:

Inspection of 19 of the 133 shipyards in this region revealed no unauthorized construction or conversion of ships in progress. Reference April Activity Report Annex D, paragraph VII C 3, regarding unauthorized construction of a 200 ton vessel, the company officials now desire to resume construction of this vessel. They were informed that an application must be submitted through Japanese channels for permission from SCAP.

D. Construction:

1. Building

Construction during the report period was 64 public and 1,679 private buildings. 1602 public and 20,167 private buildings are now planned to be constructed during the Japanese Fiscal Year 1950. Construction observed in the region was in compliance with regulations.

2. Roads

Central Government failure to allocate funds to the prefectures for the 1951 Fiscal Year is handicapping activity in road construction in the region. Considerable maintenance of existing roads is in progress, using prefectural funds.

3. Rivers and Harbors

Disaster rehabilitation, and water breaks construction was the major activity. Major river improvement and harbor construction work are waiting on Central Government approval of funds for 1950 Fiscal Year.

E. Electric Power:

An average of 5.92 MWH per day was consumed during May 1950 and 5.70 MWH per day in May 1949. Hydro-electric generation of 2.60 MWH per day in May 1950, in comparison to 4.26 in May 1949 was the lowest May generation in the last nine years. Natural flow of water in streams during the last ten days of May increased, indicating some possible improvement during next month. Completion of construction of an additional main transmission line from Okayama to Himeji, Hyogo Prefecture, doubles the capacity.

VIII. ELEIMINATION OF CONTROL ASSOCIATIONS

The officials in Okayama, Tottori, Shimane and Yamaguchi Prefectural Governments were conferred with in detail regarding their actions to comply with the latest Informal Memorandum of SCAP. The organization within each government, and subsequent assignment of duties was checked in addition to steps taken for compliance.

Each government has taken all associations reported in compliance with SCAPIN 1860 and assigned the various types of associations to sections within the government. Investigations, analysis and/or reporting will thus be accomplished by many sections, and generally consolidated by the Commerce and Industry Section. To accomplish this, much cooperation and liaison among sections is necessary.

This cooperation is the weak point of the entire program in three prefecturos (Okayama, Tottori, and Yamaguchi), while in Shimane one official who is well informed has been appointed coordinator, and is performing his duties adequately. In the other prefectures overlapping is evident, and the coordinating section is not effective in its function.

In Yamaguchi it was planned to utilize last year's investigation as the basis for the final report due in July. Those officials were referred to the new memo which directs each Prefectural Governor to take specific steps at this time. After discussion and explanation, the officials promised to proceed according to instructions.

All prefectues are depending on reports from the associations for the major part of their investigation. There will be very little field work or actual investigations.

In Shimane, an intelligent study of SCAP's memo has resulted in the discovery of a possible interpretation that is contrary to basic policy presented previously. In par 3 (a) of the new Informal Memorandum (16 Mar 50) it is implied that after 90 days an organization or association will not be permitted to effect any further reorganization of any kind, or be permitted

to dissolve if the members so desire. It is felt by officials that this interpretation is not the true intent for the future; however, the words in par 3 (a) do present that meaning.

All prefectures are confident they will complete the investigations and submit the reports by the end of July.

The assignment of types of associations to various sections within each prefecture is being put in chart form, so that proper distribution of associations among Civil Affairs sections may be effected. Thus, the continued surveillance over these associations will be more effectively accomplished by the Civil Affairs Section most concerned with the activities of the association. Most associations do come within the sphere of the Economics Section, however Public Health and Welfare Sections are concerned with some of them.

IX. LABOR

A. Labor Relations

1. Communist Activities

Early this month it became apparent that the Communist Party had decided on a campaign of violence in the few industrial plants in the Chugoku Region where it still retains union control.

Immediately on the outbreak of disorders (which occurred simultaneously in the prefectures of Yamaguchi and Okayama) this headquarters established intensive surveillance of each trouble spot. Teamwork between the Labor Division and the Legal and Government Section resulted in effective action by Japanese government authorities.

The most disturbing aspect for the future was the initial apathy exhibited by the police until this headquarters pointed out their responsibility.

The so-called "mobs" consisted merely of small numbers of Communists and Koreans. There were no large-scale demonstrations, and the workers themselves showed no enthusiasm about becoming involved.

In most cases the municipal police alone had larger forces available than the Communists, but this did not diminish the reluctance of the police to enforce the law. Wherever possible, the police carefully avoided reaching the scene of violence until it was over, even if it last for hours.

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Then they took the position that, since they had not witnessed the violence, an extended investigation lasting perhaps for weeks would be necessary before they could make arrests. In no case was any action taken until the most forceful inquiries were made by this headquarters.

The action finally taken, however, makes it clear that the present labor violence and seizure of plants by Communists can be easily stopped by the police when they try, but they will do it only when and if closely watched and questioned by Civil Affairs.

Even the small numbers of police now available are fully adequate to cope with labor violence, because of the fact that the overwhelming mass of Japanese workers do not support the Communists in illegal acts which they clearly understand are illegal. When arrests are made, it becomes clear to the Japanese worker that violence in a labor dispute is illegal. Otherwise, he is misled by the Communist myth (still widely believed though clearly refuted by Article I of the Trade Union Law) that any actions performed in a labor dispute are exempt from punishment under the Criminal Code. Prompt arrests, therefore, for violation of the Criminal Code during a labor dispute are essential to labor education and to the building of a democratic and permanent trade union movement in Japan. It is not necessary to arrest many - the chief value of the arrests is in establishing the illegality of acts now widely believed to be legal. Because of Japanese respect for law, such exemplary arrests quickly establish order.

The handling of many serious disputes in this region has also made it apparent that industrial plants can do much themselves to avoid Communist-inspired disorder. The typical Communist strategy to provoke disorder and cripple production consists of three phases: (1) The deliberate violation of company regulations, including slow-down, refusal to carry out assigned tasks, inferior workmanship, etc. (2) If the company takes no action in the first phase, the Communist union announces a "struggle phase" during which the workers lay down their tools for an increasing interval each day for Communist rallies and demonstrations inside the plant. (3) If the company still takes no action, "strike authority" is voted; but the Communists are now careful to avoid prolonged strikes which they know are usually fatal to their unions. Instead, they promote "piston" strikes to demoralize the workers and intimidate the management. Unless the company locks out the workers engaged in such strikes, they will inevitably increase in severity and violence until the company finds itself in the disastrous financial position of maintaining a payroll for work not performed. Continued weakness by the company at this point will result in the imprisonment of management officials, violence, and eventually the occupation of the factory from which the owners are excluded.

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Companies which are intelligentenough to meet the initial acts of sabotage by the discharge of those committing them, and to meet illegal acts at least by asking for police protection and court injunctions, experience little further trouble. But the employers who exhibit weakness, and attempt to appease Communist union leaders, are repaid by broken heads and kangarco courts.

2. Violence at Hitachi Kasado

An outstanding example of the disastrous result of management appeasement toward the Communists is the present hospitalization of the company executives of the HITACHI KASADO rolling stock plant at Kudamatsu in the prefecture of Yamaguchi.

As early as November 1949 the union, under complete Communist control, had begun to test the strength of the management. As no real point of dispute existed, they seized on the following hilarious issue: The company, too polite to discharge 203 workers it did not need, had placed them in the unique Japanese status of "home leave" - by which they could stay at home and continue to receive 93% of their pay. The Communist union violently protested. Inflammatory posters were placed outside and inside the plant, which the company felt it untactful to remove. Unauthorized outsiders marched into the plant against the orders of the guards. The management, however, made no protest to the police.

It was inevitable, as the company was warned by this labor officer, that the Communists would concentrate their efforts on the plant. It is even probable that an increasing number of Communists enrolled as "workers".

Turmoil constantly increased as endless collective bargaining took place on impossible demands. Company regulations were openly defied; daily union rallies took place inside the plant on working time. Late in April during a "piston" strike, the Communists entered the guard house and threw out the guards. The police, of course, arrived too late to identify anybody. They said afterward they were mildly surprised to find the unionists inside the guard house instead of the guards, but presumed it was an amicable arrangement. Besides, a combined investigation by the Labor Division and the Legal and Government Section indicated some question as to whether or not the company had called for the police at all until the trouble was over, although it claimed to have done so. In any event, the management decided to forgive and forget.

On 20 May the Communists tore up company posters inside the plant calling for voluntary retirements as part of a rationalization program. Only two persons were needed to defy the entire management. The company decided it would be safer to broadcast than to put up posters.

Considerably encouraged, the Communists decided the next day to tear the place apart. At 0700 hours, an "enraged mob" of fifteen Communists stormed into the company offices, inflicted physical injuries on the broadcasters, and demolished the broadcasting apparatus. They then held a kangaroo court for some of the company executives, who were subsequently taken to the hospital. A management official who tried to take films of the scene was knocked down and his camera confiscated.

The police were apparently not even notified until twenty minutes after the attack started; just why reamins obscure. In any event, it did not do much good as the police stated their working hours do not start until 0800 hours except for a CC. The police station is one kilometer distant, 5/8 of a mile.

One policeman, however, was either dispatched or was unluckily walking past while the fighting lasted. He also was beaten up and required ten days of hospitalization.

Other policemen did not appear on the scene until the fighting (which lasted one hour and five minutes) was over. There were fifty-nine men available on the municipal police force and only fifteen in the attacking "mob".

When the rest of the police finally arrived, no immediate arrests were made - although the fifteen assailants were still present and hundreds of witnesses, including those who had seen the assault on the policeman. His fellow officers tenderly carried off his prostrate body, and methodically set about to "investigate" the case.

Again the Legal and Government Section promptly cooperated to the fullest extent with the Labor Division in maintaining surveillance. In order to enable this headquarters to report the facts to higher headquarters, the Legal Officer asked the Labor Officer to secure a first-hand account. A brief visit was made the following night in the company of the Chief of the Labor Division, Civil Affairs, GHQ, SCAP.

A quiet conference was held at which a few witnesses, the Police Chief, and the Commissioner of Public Safety were present. The police stated they had sufficient evidence to justify arrests, but that unfortunately the nearest procurator at Tokuyama was leaving that city the next day and they did not know when the warrants could be secured.

They also expressed some fear that prompt arrests might result in further violence. On this point the company officials present (at least those who were still unhospitalized) agreed.

Civil Affairs then asked the Chief of Police if it did not appear proper to maintain a 24 hour vigil at the plant with at least one policeman at a time for informative purposes, in view of the fact that the police appeared to have so much difficulty in finding out what happened during their absence.

A management official interposed to say that this might excite the workers further against the company. Civil Affairs pointed out, however, that the protection of the workers was not a matter for the company to decide but for the police. It was not merely company property involved but the rights of Japanese citizens, who are guaranteed security by the Constitution.

The police agreed with Civil Affairs that this was their responsibility and that they would maintain such a vigil.

No instructions or recommendations were made to the police or other Japanese government agencies. It was emphasized, however, that Civil Affairs must report immediately to higher headquarters as to police activity or inactivity in maintaining order and as to whether or not they were capable of fulfilling their responsibilities under the law. It was also pointed out that it was perhaps the first time in the history of Japan that a policeman had been publicly assaulted before hundreds of spectators and no action taken.

The interview was concluded at 0100 hours. By 0500 hours, four hours later, warrants had been secured and five known participants in the assault (all of whom were Communist leaders) had been quietly arrested. Two more were arrested later. As predicted, the action did not increase the violence but instead eliminate it. The workers and the public are inflamed not against the police but against the Communists.

3. Violence at Onoda:

Almost simultaneously with the violence at Kudamatsu, Communists organized a similar attack at nearby Onoda in the heart of the coal-mining district. A "mob" of only fourteen Communists was permitted to assault not only the coal mine officials with whom they were carrying on collective bargaining, but to beat up and intimidate police.

While engaged in tormenting management executives in a kangaroo court, five policemen arrived on the scene and attempted to take photographs. The "mob" of fourteen immediately surrounded the police, seized their camera, and knocked down those who did not run away.

Instead of sending reinforcements, the remainder of the city police force quietly waited inside the station for a delegation from the union. On their way to the police station, the demonstrators found two policeman whom they grabbed and forced to march into the station with them. The entire police force listened quietly while the delegation served notice that in the future "no policeman should be dispatched without informing the union of the police coming".

When no action had been taken for several days, Civil Affairs asked why. The police answered that it seemed better to wait until collective bargaining was over. Certain comments were made by this headquarters but did not include instructions. A few hours later, the police arrested seven leaders of the violence, all of whom were Communists. There has been no further violence.

4. Okayama Train Manufacturing Plant

Last month's report described the fantastic situation in which Communists had embroiled both workers and the management. Finding it necessary to close the plant for lack of business, the company was prohibited from doing so. Two court injunctions had been secured: one prohibiting the workers from entering the plant and the other prohibiting the company from keeping them out. Management and union were alternately switching the power off and on; the union wanted it on, the management wanted it off.

This month the Communists kept the plant in a similar uproar. They seized company property which they said was destined for some customer but which the company did not want to deliver. By the time police caught up with them, the merchandise had been delivered. The workers were deluded into waiting for the plant to re-open, which is a financial impossibility, and are engaging in endless and futile demonstrations. Two carloads of gasoline from America were seized on the company's spur track, and prevented from being trans-shipped on the railway.

The company continues to maintain an attitude of appeasement toward the Communist leaders, and continues to have trouble.

5. Communist Violence Against Moderate Unionists

A new tactic of the Communist Party may be indicated by recent inter-union violence at the Shinagawa Fire Brick Plant in Okayama Prefecture.

Tired of the endless trouble created by the Communist union, the workers recently formed a second and moderate union. In past situations of this kind, the usual outcome has been the rapid decline of the Communist union. At this plant, however, instead of waiting for the inevitable extinction of their union, the Communists decided on a campaign of terror against the new union. On 31 May they attacked with such effectiveness that the moderate union has only five members left. In addition, the Communists subjected a management official to a "people's court" and indulged in other acts of violence against the company.

The police extended no protection and took no action until a week later. On 7 June, they arrested five Communist "union leaders" - none of whom are workers at the plant.

As one of those arrested is a Korean, the Korean Liberation League promptly held a protest demonstration. The Communists forced their way into the police station and raised a clamor against "unlawful oppression", serving a demand to the police station that hereafter they stay away from the plant. Those arrested are still in jail.

6. Observation

a. The number of Communists in even a Communist-controlled union is rarely more than 5% to 10% of the union membership.

b. The key factor in determing whether a union is Communist-controlled is whether a Communist majority exists on the executive board. In practically all cases Japanese workers follow the decision and recommendation of the executive board, including sabotage, slowdown, and strike. The election of Communists to the executive board is generally won by default or hari-kiri sentiments on the part of moderate leaders. Almost any organized moderate opposition will defeat the Communists at election time.

c. Despite the small number of Communists in a Communist-controlled union, the overwhelming majority of the workers will remain obedient to Communist directives unless a prolonged strike takes place or the bankruptcy of the company appears imminent. Even during a strike, if only one union exists the workers will remain loyal to it. If, however, a second union is formed, their practical sense (or possible that of their wives) will lead them to join the union which can give them jobs instead of the union which is depriving them of their jobs.

d. As long as the Communists control the executive board of the union, and only one union exists, it is impossible to organize moderate opposition. The removal of Communists from the executive board, . . .

would immediately transform almost every Communist union in Japan into a non-Communist one, increase industrial production, and eliminate present labor violence.

e. At the present time the Communists have begun a campaign of open violence in the labor unions they control. The workers do not participate but neither do they condemn the violence until the communists are arrested. They merely applaud the stronger party.

f. No resistance to Communist violence has been offered by Municipal Police or the National Rural Police at a single city in this region until reminded forcibly of their responsibilities by Civil Affairs - even despite the beating up of their fellow policemen and the holding of a kangaroo court for prefectural officials.

7. Labor Relations Commissions

This headquarters did not request lists of candidates for the new appointments. However, lists were submitted voluntarily by each prefecture, and guidance was asked. None of the new officials finally selected belong to uncertified unions or are Communists.

The character of decisions rendered by the Labor Relations Commissions, in their judicial function of passing on compalints under Article VII, is at an extremely low level and reflects the general confusion shared by Japanese authorities on the maintenance of law and order in labor disputes. This headquarters is now devoting special attention to friendly consultation with the Labor Relations Commissions - not so much on special cases in which, of course, they are left in complete liberty of action, as on surveillance of the criteria used in making their decisions.

At present the judicial function of the Labor Relations Commissions, is utilized almost exclusively by the communists to protect those of them who are discharged for illegal activities. Most of the cases presented are ones for which there is no logical justification to grant more than one hearing. The deliberations, however, presented by Communist attorneys go on for weeks. Meanwhile a court injunction can sometimes be obtained preventing the discharge until the Labor Relations Commission has rendered its decision. Most surprisingly of all, the Labor Relations Commission in many cases orders the reinstatement of the Communists who have committed the illegal acts.

A particularly exasperating decision was rendered this month by the Yamaguchi Labor Relations Commission in the case of the Hayashikane Shipbuilding Company of Shimonoseki. A Communist-controlled union

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affiliated with the All-Japan Metal Workers has caused months of harrassment to both workers and management, and crippled production to such an extent that the company faced bankruptcy. Their patience exhausted, the workers voluntarily formed a moderate union which now has 75% of the membership, and on which the Labor Officer of this headquarters has devoted much educational effort.

Following the tactics outlined previously in this report, the Communist union had encouraged deliberate defiance of company regulations. When no action was taken, the Communists proceeded to commit illegal acts, telling the workers that there are no legal restrictions in a labor dispute. At this point, the management had the courage to discharge a few of the employees who had flagrantly violated both company regulations and criminal law.

The Communists at once appealed to the LRC under Article VII of the Trade Union Law. They also found a weak-minded local judge who granted an injunction to compel the company to reinstate the employees until the LRC rendered its verdict. The company complied by reinstating them on the payroll but not on their jobs; in effect, paying them to stay home. They then applied for another injunction compelling the management not only to pay them but also to let them enter the plant and work. The LRC finally rendered its verdict. Most of the Communists were reinstated although the evidence made clear that they had committed acts justifying their discharge.

A discussion was held by this headquarters with the LRC in order to be able to report on the criteria used. The following criterion was presented for consideration of the LRC. If a union official is discharged for a relatively subjective cause like "inefficiency", the facts are difficult to determine and the case is naturally subject to considerable review. If, however, the discharge is made after the performance of admitted acts such as flagrant violence of company regulations or of the law, it makes no difference whether the worker is a union leader, a Communist, or a Buddhist. The company is entitled to discharge him for the acts committed even though it may have other grievances against him for which it would not be entitled to discharge him.

A similar verdict to that reported above was made this month by the Hiroshima LRC in a case submitted by Communists, discharged for cause from a Hiroshima Newspaper, who had also been expelled from the union.

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B. Labor Education

This headquarters held a series of educational conferences with unions at which the principal themes discussed were (1) the participation by all members in frequent union meetings and activities (2) confidence by union leaders in union democracy and in the common-sense of the workers to make their won decisions once the issues are clearly explained (3) the negotiation of fair and firm trade agreements with a maximum standard of living consistent with the present stage of the Japanese economy, grievance machinery, a peace clause, management determination of the number of workers who can be efficiently employed under present circumstances, and the right of management to control production.

C. Labor Standards

1. Labor Bosses

The drive against labor bosses continued with the inspection of 700 plants. 74 plants were found to be in violation of the law.

The important case at Tamano finally came to court and the first hearing was held 10 May. Three labor bosses, and two section chiefs of the Mitsui Shipbuilding Company whom the procurator alleges conspired personally with the labor bosses, are under indictment. The procurator is asking prison terms for all those indicted.

Most of the workers formerly employed by the labor bosses at Tamano are now in the direct employ of the company. The labor boss contractors are attempting to continue in existence by complying with the technicalities of the law, but they are now virtually bankrupt.

The Chief of the GHQ Internal Revenue Division, Hiroshima Regional Field Office, is extending the fullest cooperation to Civil Affairs in the investigation of tax evasion on the part of labor bosses and racketeers. This procedure may prove more effective than prosecution under the present labor laws.

2. Labor Standards:

Eleven companies were referred to the procurators this month for serious violations of the Labor Standards Law. These cases represented the result of the inspection of 598 plants. Four convictions were made on previous cases, but the punishment consisted of ¥5,000 fines.

3. Safety:

Twenty-two workers were killed this month in industrial accidents. A survey made by this headquarters in the Yamaguchi coal mine

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field revealed the fact that by official records the annual rate of underground accident and fatality is over 100% of the number of underground workers employed. This would appear to give every present worker a good chance of being hurt or killed within the next year.

D. Employment

The unemployment crisis in Kure, seat of the Chugoku Civil Affairs Region and one of the most devastated cities in Japan, was intensified this week by:

1. The decision of the Australian Government to withdraw all their troops from Japan - the last of the British Commonwealth Force of Occupation. As they are nearly all located in Kure, with many installations which will be abandoned, the present number of unemployed Japanese in Kure will be doubled. Even at present, it is estimated that one-third the population of Kure is without employment.

2. The necessity of discharging one-third of the employees in Kure's major industrial facility, now leased by the Harima Shipbuilding Company, due to the delay in acting on their application for permission to convert their facilities and manpower to peacetime heavy industry.

Already forbidden to build new ships or even reconvert them in a former naval port, the company applied on 27 March 1950 for permission to engage in other production valuable to the Japanese economy, including the manufacture of mining machinery, high pressure receptacles, steel structural works, and chemical machinery, for which they have the trained manpower and equipment.

The only permission received thus far is to manufacture light equipment such as bicycles - to accomplish which they would have to replace most of their employees, scrap their present machinery, and purchase new equipment. As this cannot be done with their present financial resources, they see no other recourse than to curtail operations.

If they receive the permission to engage in the peacetime non-shipbuilding industries mentioned above, they can retain the present number of employees and even augment their working force.

On 8 June 1950 the Governor of Hiroshima Prefecture and the Mayor of Kure, together with the Regional Chiefs of the Ministries of Finance and of International Trade and Industry and their staffs requested a conference with this headquarters to discuss the unemployment situation in Kure and ask for guidance.

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The primary petition presented at this conference was to restore the use of Kure's industrial facilities by giving early consideration to the application of the Harima Shipbuilding Company for peacetime heavy industry, if it is necessary to continue to restrict new merchant shipbuilding and reconversion in Kure.

To meet the immediate crisis in Kure, formerly a city three times the present size, further aid appears necessary from the central government. The current situation is entirely beyond the financial resources of either the city or the prefecture. Increased relief measures are needed to avoid the starvation and misery of many inhabitants until long-term projects can be realized. Already the city of Kure and the prefecture of Hiroshima are devoting a greater portion of their budgets to unemployment relief than almost any other section of Japan

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SHIKOKU CIVIL AFFAIRS REGION
APO 1050

ANNEX D
May 1950
ECONOMIC ACTIVITIES

By Mr. Carl A. Larsen

1. Field Trips and Conferences

Programs	Prefectures Covered	Number of Field Trips	Subject Discussed
Agriculture	All Prefs.	4	Fertilizer Requirements Land Reform Cooperatives Extension Reorganization Staple Food Collection
Fisheries	All Prefs.	4	Co-op activities Fish handling and storage problems
Forestry	All Prefs.	4	Reforestation Fertilizer Requirements Seed Requirements Forest Management Protection Forests
Mining & Geology	Ehime Kagawa	2	Mine Safety Mine Production and Rehabilitation Production of Precious Metals
Control Assn.	All Prefs.	4	Final Measures in Compliance with Applicable Laws
Price & Distr.	All Prefs.	4	EIA Restaurant Control Incentive Goods & Fertilizer Distribution Staple Food Rationing
Industry	All Prefs.	4	Production Reparations Fertilizer Textile Shipbuilding Building Construction Roads Public Works Electric Power

Monthly Activities Report (Ehimo Prefecture) (Cont'd)

Programs	Prefectures Covered	Number of Field Trips	Subject Discussed
Labor	Ehimo Kagawa Tokushima	3	Labor Relation Labor Education Labor Standards Workmen's Compensation Insurance Women's & Minors' Bureau Employment

The above-mentioned field trips and conferences on subjects as indicated were conducted in order to exercise required surveillance over programs pertaining to, and in compliance with, existing OD's and SCAPINS.

2. Agriculture

a. Fertilizer Requirements. Officials connected with fertilizer requirements and distribution expressed anxiety over the slowness with which farmers were accepting delivery during the month. Whether or not actual rejection of fertilizer, because of shortage of funds and increased prices, might result in the detriment of the 1950 rice and sweet potato yields cannot yet be determined; but present allocations will be equal to, if not in excess of, demands.

b. Land Reform.

(1) Progress of registration as of 31 May 1950 has not changed a great deal, compared with data reported in April. Problems remain substantially the same.

Agricultural Land

Purchases

	Ken Government				Attorney General's Office	
Pref.	Total Area purchased	Area to be registered	Area reported to R. O.	%	Total Area actually registered	%
Kagawa	17,685	17,028	17,028	100.0	15,811	92.8
Tokushima	11,429	11,164	11,119	99.5	10,473	93.8
Kochi	13,454	12,724	12,517	98.0	10,750	84.4
Ehime	21,655	21,655	21,323	99.3	19,482	89.9

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Monthly Activities Report - May 1950 (Cont'd)

Sales

Ken Government — Attorney General's Office

Pref.	Total Area Sold	Area to be registered	Area reported to R. O.	%	Total Area actually registered	%
Kagawa	22,539	22,539	22,539	100.0	20,321	90.1
Tokushima	13,650	13,650	13,554	99.3	12,895	94.4
Kochi	14,673	14,678	13,331	91.0	7,259	49.4
Ehime	23,661	23,661	22,977	97.8	16,375	69.2

Pasture Land

Purchases

Ken Government — Attorney General's Office

Pref.	Total Area purchased	Area to be registered	Area reported to R. O.	%	Area actually registered	%
Kagawa	128	128	128	100.0	16.7	13.0
Tokushima	631	631	615	97.6	321	50.8
Kochi	1,011	1,011	585	58.0	495	48.9
Ehime	432	432	354	81.9	242	56.0

Sales

Ken Government — Attorney General's Office

Pref.	Total Area Sold	Area to be registered	Area reported to R. O.	%	Area actually registered	%
Kagawa	128	128	128	100.0	21	16.4
Tokushima	692	692	639	92.3	266	38.4
Kochi	968	968	513	52.0	503	51.9
Ehime	432	432	306	70.0	222	51.3

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(2) Land Consolidation: The following demonstrates the situation of model areas expected to be consolidated during this year.

Prefecture	No. of model areas	Acreage(chobu)
Kagawa	15	2,694
Tokushima	10	1,547
Ehime	17	4,000
Kochi	12	3,410

Projects visited indicated that basic plans were well laid and that no serious problems would be encountered. It was noted, however, that the projects were in areas where in general the land was flat, plots regular, and soil relatively equal in value.

(3) Written lease contracts: Excellent work has been done in all prefectures to publicize and explain this program. In some instances many lease forms have already been drawn leaving a blank space to be filled in later to cover the rental prices. Until the new rental ceilings are announced, however, probably very little additional progress can be expected.

c. Cooperatives. (1) In addition to the information contained in NRS Weekly Summary No. 234 and 235, the Civil Affairs Natural Resources Conference notes from the Second Agricultural Session by Mr. G. H. Ward on 3 May were found to be invaluable as a concrete check list and aid toward effective guidance in this program.

(2) The following table shows the status of local cooperatives which were limiting or suspending withdrawals at the month's end:

Prefecture	No. suspended	No. limited
Kagawa	None	None
Tokushima	6	None
Kochi	13	15
Ehime	4	None

After visits by civil affairs personnel, a marked increase in activity by prefectural sections toward solving financial problems and improving management was noted. This was particularly true in Tokushima where prefectural officials were found to be extremely discouraged and without concrete plans.

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(3) Status of final liquidation activities as of 31 May is indicated as follows:

Prefecture	No. of Ex-Nogyo Kai	Liquidated	Liquidation Registered
Kagawa	172	60	60
Tokushima	134	132	115
Kochi	174	174	74
Ehime	259	259	259

In an effort to strengthen further the cooperative section, Kagawa prefecture transferred the former chief of the Land Reform section and placed him in charge of the Coop section. This man, Mr. Yashida Onishi, has long been regarded as one of the best administrators within the local government.

d. Extension Reorganization. Notes from the Third Agricultural Session of the Tokyo Civil Affairs Conference were used extensively as a check list and as subjects for special conferences with extension chiefs and their staffs in each prefecture. (The mimeograph lecture notes received from Miss M. L. Collings and Mr. Paul W. Rose on plans and policies for home improvement and youth organizations were found to be the most useful for present conference purposes.) Enthusiasm generated by these prefectural discussions combined with a clearer picture of over-all plans and objectives should materially improve extension activities in each of the areas and pave the way for a recruitment program for substantially better qualified personnel as well as overcoming much local prejudice against the program.

e. Staple Food Collection. During the month a long comprehensive 1950 wheat and barley crop damage survey was conducted in each prefecture by all of the local governments using personnel from the food stuff sections, local co-op technicians, members of agricultural adjustment committees, and other interested persons to provide data for prefectural governors with which to bargain for quota reductions. Estimates of decreases from production quotas claimed by these bodies are as follows:

Tokushima	33%
Kagawa	18%
Ehime	41%
Kochi	40%

Conversations with crop reporting agencies, personal observation of crop conditions, and the opinions of disinterested persons would lead to the conclusion that there was substantial damage in each prefecture and that the

yields would in fact be below average. It is believed, however, that only the Kagawa figure of 18% decrease was in any way realistic and representative of the actual situation.

Below is a study of crops planted and harvested as of 31 May.

Crops	Prefecture	Plantings Percent of planned area
Sweet potato	Tokushima	40%
	Kagawa	15%
	Ehime	7%
	Kochi	10%
Rice	Tokushima	6%
	Kochi	30%
Misc. grains	Ehime	55%
		Harvests
Wheat and barley	Tokushima	65%
	Kagawa	43%
	Ehime	26%
	Kochi	70%
White potatoes	Tokushima	30%
	Ehime	8%
	Kochi	30%
Misc. grains	Ehime	15%
	Tokushima	67%

Below is a study of rice pre-planting allocations as of 31 May.

Prefecture	Quota allocations to farmers	Publications	Confirmations
Tokushima	100%	100%	100%
Kagawa	100%	99%	92%
Ehime	100%	100%	73.6%
Kochi	100%	100%	100%

With the exception of Kagawa which still has to collect 860 koku of its 13,000 koku over-quota target in rice or rice equivalents, the rice collection program in this region is finished.

3. Fisheries

a. Fishing Port Inspections. Six fishermen's co-op's were inspected during the month. Problems general to the fishermen at these co-op's are the low price of fish and the high price of fishing supplies. For example, at Wada Shima, Tokushima Prefecture, the selling price of dried sardine is only one-third of the price which prevailed when sardine was controlled, and manila rope increased in price 2½ times. Most of the co-op's are interested in securing more fuel oil. But only one co-op, Nakabayashi in Tokushima Prefecture, reported the necessity of decreasing fishing hours from ten to seven hours a day due to oil shortage during long days of the summer season. They stated a desire for 100% increase in oil allocations. No reliable evidence could be gathered for substantiating the necessity of increases in oil allocations. Two of the co-op's borrowed money from private banks because the federations of fishermen's co-op's are too new to be able to make loans. The usual rate of interest charged by private banks to the co-op's is three sen per ¥100 per day. The handling of fish was found unsatisfactory at one of the co-op's because the concrete floor of the landing place was very dirty and didn't show any evidence of being hosed with water, and the wooden water tank used for washing fish boxes contained water heavily laden with drugs. Civil Affairs personnel together with a Prefectural Aquatic Section representative and a city official of the locality concerned saw the fish being landed on dirty concrete and the washing of fish boxes in dirty water. The Prefectural Health Section was notified. The refrigeration of fish was not a problem at the six co-op's inspected due to the fact that some of the fish were dried sardine and other fish were kept alive in under-sea cages for local consumption. Trends in memberships showed an increase. Two co-op's lost 18, and four co-op's gained 93. Reporting of catches in Shikoku is done by co-op's directly to prefectural aquatic sections. There is a wide variation of percentages of unreported catches which best can be explained by listing the localities and respective percentages as follows:

Place	% unreported
Nakabayashi, Tokushima	10
Wadashima, Tokushima	20
Kikuma-cho, Ehime	0
Ohama, Ehime	30
Obe, Ehime	50
Imabari, Ehime	65

The reasons given for the high percentages of unreported catches in some localities are the ability to secure more profit and the fact that some persons of the fishermen's households are fish peddlers.

b. Aquatic Section Activity. The Ehime Prefectural Government is encouraging the increase in facilities for proper handling and storage of fish. The aquatic section informed co-op's about the use of the counterpart fund for small enterprises, and it is reported that one co-op has taken advantage of it and is constructing refrigeration equipment by securing one-half of the necessary funds from a local bank and the other half from the counterpart fund. The prefecture is subsidizing one-fourth the cost of constructing refrigeration equipment for storage of processed fish to the amount of 1,770,000 yen and one-fourth the cost of constructing ice storage facilities in five co-op's selected by the prefecture on the basis of need to the amount of ¥500,000.

4. Forestry

a. Japanese Participation in Reforestation. The Regional Forestry Bureau conducted a conference regarding use of the counterpart fund with attendance of prefectural forestry officials and representatives from prefectural federations of forest owners associations. The following basic information was brought forth:

(1) Seedling Supply Status Without Using Counterpart Fund.

Area Unit: Cho Unit Number of Seedling: 1,000

	Reforestation area in 50 FY specified by MAF	Required No. of "YAMAYUKI" seedling to meet the reforestation (A)	Acreage of seedling nurseries as of Apr 1950	Production No. of "YAMAYUKI" seedling in 1950 FY (B)	Insufficient No. of "YAMAYUKI" seedlings (A) - (B)	Acreage of seedling nurseries to be expanded in 1950 FY to
Kagawa Pref. Private Forest	1,830	7,370	8	6,370	1,000	13
Tokushima Pref. Private Forest	7,491	19,120	60	14,360	4,760	48
Kochi Pref. Private Forest	5,915	15,000	35	11,000	4,000	10
Ehime Pref. Private Forest	7,820	20,000	90	20,000	0	0
Shikoku National Forest	3,004	8,980	57	8,330	650	38
Community Forest reforested by Kochi Bureau	100	400		400	0	
Total	26,160	70,870	225	60,460	10,410	

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Remarks: In and after 1951 fiscal year, when seed bed acreage will have been expanded, each prefecture will be able to produce enough seedlings for their requirements.

(2) Taking advantage of the counterpart fund, the Regional Forestry Bureau plans to supply 2,000 kilograms of seeds, 3,370,000 "Yamayuki" (ready for transplanting in the forest) seedlings, and 7,200,000 "Kenae" (usually one-year old) seedlings to private forest owners during the 1950 Fiscal Year.

(3) Ehime and Kagawa forestry officials stated that they desired to have the Regional Forestry Bureau collect and furnish seeds to a much greater extent than at present.

(4) In compliance with requests from prefectural government, the Regional Forestry Bureau is planning to provide seed storage equipment in Gunchu, Ehime Prefecture and Nyuta, Tokushima Prefecture for use of prefectural and private seedling growers. ¥800,000 from the counterpart fund will be used for these projects.

(5) Each prefecture, especially Ehime, complained that the seedling growing business of the Regional Forestry Bureau was not satisfactory because of the high cost of seedlings from that source. For example, the prevailing prices are compared here:

		Price by Branch Office of Regional Forestry Bureau, Ehime	Price by Private Growers in Ehime
Kenae	Codar Cypress	40 sen	20 to 30 sen
Yamayukinae	Codar Cypress	¥2.5 to ¥3.5	¥1.8

Prefectural officials stated a desire that each prefecture maintain enough seedling acreage to take care of its own needs and to be operated by private growers who have much experience and who should be provided the use of the counterpart fund.

b. School Reforestation Projects. In the 1949 FY public schools reforested 423.69 chobu against the plan of 700 chobu. Breakdown by prefecture is indicated below.

The Status of School Reforestation Program in 1949 Fiscal Year.

	Planned Area A	Actual reforested Area B	% B/A
Kagawa	100 cho	95.94 cho	95.94
Tokushima	100 "	75.0 "	75.0
Kochi	300 "	47.3 "	15.7
Ehimo	200 "	205.45 "	102.7
TOTAL	700 "	423.69 "	60.52

Prefectural forestry officials state that lack of interest on the part of the prefectural boards of education is the reason why more progress has not been made. The Kochi Prefectural Forestry Section purchased 700 copies of "Our Forests" several months ago and offered them free of charge to the Kochi Prefectural Board of Education for distribution to public schools. Several notices were sent to the board of education that the books were available. However, the books are still lying in the prefectural forestry section, and it appears that the board of education is not interested enough to bother getting them. As a stimulus to encourage school reforestation the Kochi Prefectural Forestry Section made a survey to determine and publicize benefits which schools have recently derived from school forests. It was found that 108,741 koku of lumber was produced by school forests in (72) different places in (17) villages since 1948; 7,581 koku was used for school building construction and 101,160 koku were sold for ¥ 18,208,800.

c. Fertilizer Requirements for Seedling Nurseries. Fertilizer requirements were 52,411 kan and the allocated amount was 43,156 kan in Shikoku during 1949 FY. Potassium is in the shortest supply. For complete details of requirements and allocations by each prefecture and national forest and each type of fertilizer for the 1948 and 1949 FY, see Appendix, Chart "A". The Regional Forestry Bureau received allocation ratios of fertilizer as follows: nitrogenous, ten (10); phosphatic, six (6); and potassium, one (1). The officials stated that the ideal ratios for nurseries is ten, one, and six.

d. Seed Requirements. Seed requirements are being met in each prefecture by 100% for the most part by collection and to a small degree by the use of stock seeds and seeds purchased from other prefectures in Shikoku. For details see Appendix, Chart "B".

e. Forest Management.

(1) Selective Cutting. Prefectural officials state that much clear-cutting is being conducted and that selective cutting in applicable areas is very little practiced by forest owners because of its unprofitableness due to the difficulty in removing the cut trees. In regard to coppice stands, it is estimated that selective cutting is conducted on only one to two percent of the total forest acreage.

(2) Over-all Status of Management Plans in Private Forests. The progress of management plans which were formulated in 1946 by each of the prefectural governments and continued is indicated in the chart below.

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Note: Status is from 1946 thru 1949 FY

Area Unit: Cho
Volume Unit: Koku

	Kagawa	Tokushima	Kochi	Ehime	TOTAL
Area for which mgt. plan was formulated (A)	21,932	173,598.83	229,636	210,546	635,713
Vol. of trees in the area for which mgt. plan was formulated (B)	2,019,171	55,269,633	38,979,828	37,415,715	133,684,347
Area for which planting and cutting plan was formulated (C)	12,419	1,529.5	36,009	3,837	53,794
Vol. of trees in area for which planting and cutting plan was formulated (D)	1,429,331	11,312,753	9,909,643	568,738	23,220,465
(A) + (C)	34,351	175,128.33	265,645	214,383	689,507
(B) + (D)	3,448,502	66,582,386	48,889,471	37,984,453	156,904,812
Total forest area (E)	85,430	316,941	468,100	354,831	1,225,302
Vol. of trees in total forest area (F)	7,384,906	91,554,267	62,757,962	79,900,930	241,598,065
$\frac{A + C}{E}$	40.2%	55.2%	56.7%	60.4%	56.2%
$\frac{B + D}{F}$	46.6%	72.7%	77.9%	47.5%	64.9%

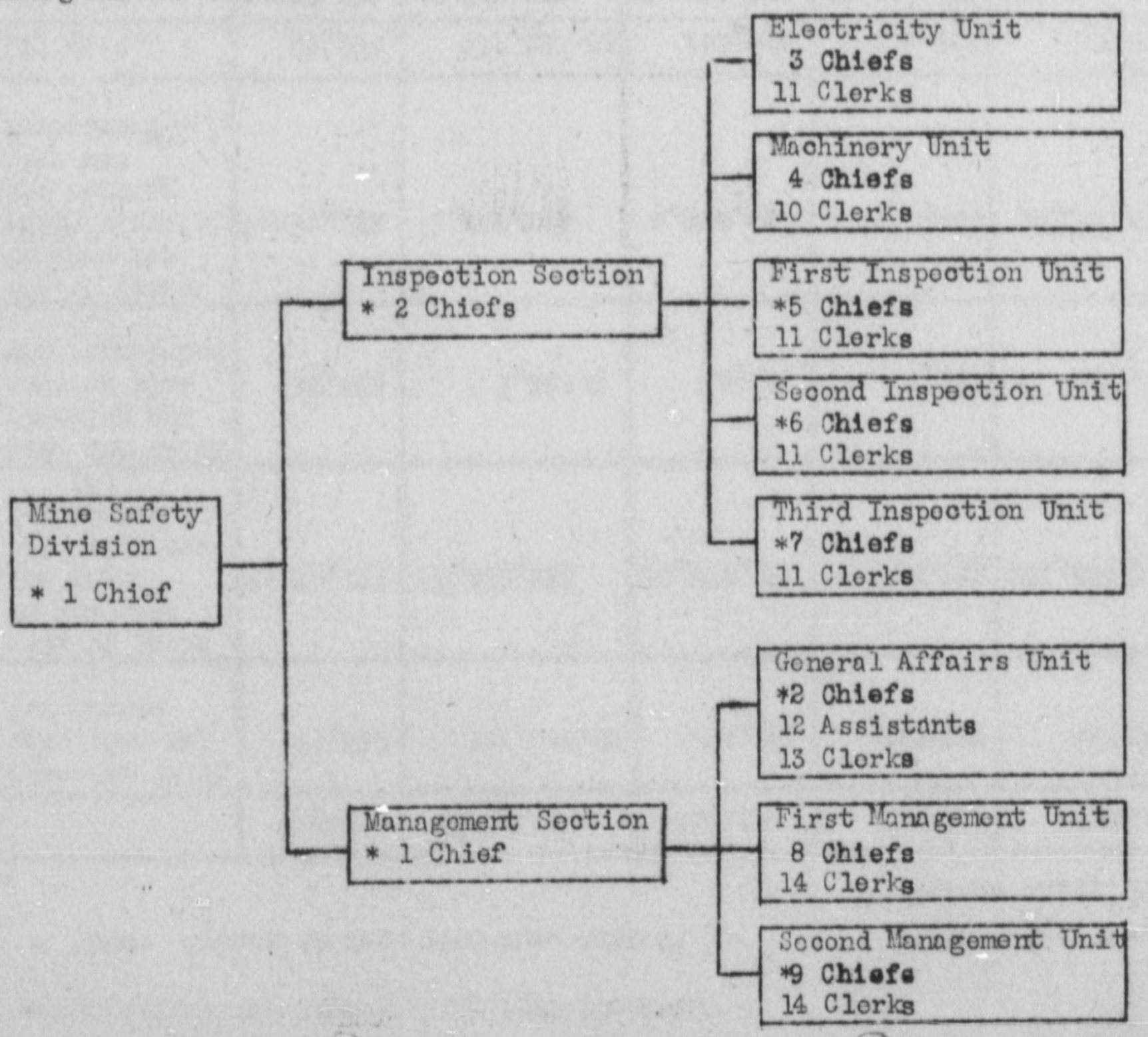
f. Protection Forests. No clear cutting is being done in protection forests and in view of the prevention of soil erosion the prefectural governments are trying as much as possible to designate forest areas which are seriously subject to soil erosion as protection forests. The status of increase is shown below.

	1946 FY	1947 FY	1948 FY	1949 FY
Kagawa Private Forests	9,825	9,825	9,788	10,384
Tokushima Private Forests	6,004	11,115	11,148	11,379
Kochi Private Forests	9,638	9,638	9,638	9,750
Ehime Private Forests	23,524	23,524	23,524	23,524
Shikoku National Forests	7,345	7,345	7,344	7,344
Total	56,336	61,447	61,442	62,381

5. Mining and Geology

a. Mine Safety.

(1) In accordance with the revision of the International Trade and Industry Ministry Order No. 29, (the International Trade and Industry Ministry Organization Regulation dated 24 April 1950), the organization of the Shikoku Mine Safety and Inspection Division was changed. The following chart shows the reorganization of the Division:



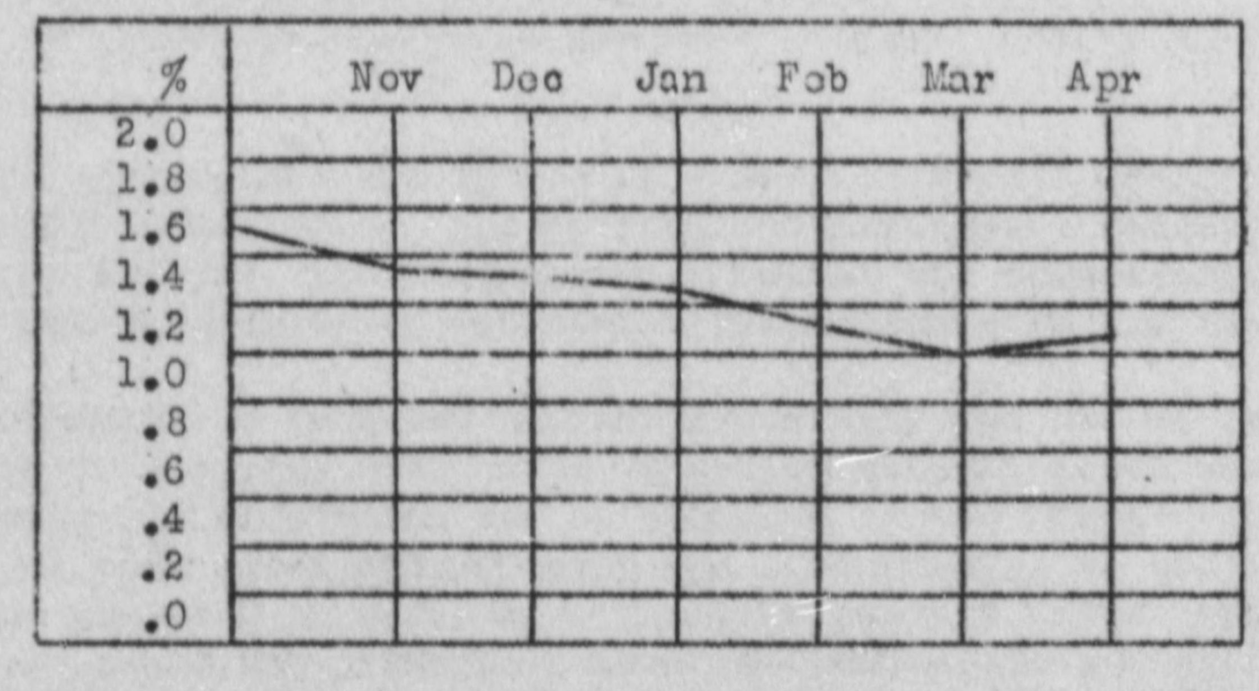
Note: In the above organization chart, each position has a number. When the same number appears in another position, it indicates that the same person has another position. The highest number in the chart indicates the total number of personnel in the organization.

* These employees are mine inspectors.

The main changes are:

The position of assistant chief was abolished.
In the old organization, the sections were informal.
The revised ministry order authorized the formal sections.
The former Equipment Unit was separated into an Electricity Unit and a Machinery Unit, and they were shifted from the Management Section to the Inspection Section.
The number of personnel of the Division has been increased from 11 to 14.

(2) The Mine Safety and Inspection Division inspected 10 mines and a smelter this month, and discovered 61 violations which included failure to post signs at dangerous places and others required, and failure to conduct periodical checks on machinery and equipment. According to the latest figures available as determined from the mine accident reports from the Mine Safety and Inspection Division, the number of accidents in mines during April was 114, including one death. The percentage of mine accidents compared to the number of workers during the past six months shows the following accident rates:



The rates of man hours lost and lost time accidents are as follows:

Period	Man hours lost per 1,000 man-hours of work	Lost time accidents per 1 M man hours of work
Nov 49	5.9	81
Dec 49	9.5	115
Jan 50	5.5	78
Feb 50	7.7	116
Mar 50	5.2	70
Apr 50	3.2	75

CORRECTION

THIS DOCUMENT

HAS BEEN REPHOTOGRAPHED

TO ASSURE LEGIBILITY