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CIVIL AFFAIRS
MONTHLY ACTIVITIES REPORT
FOR JUNE 1949
ANNEX D
&
SUMMARY

PLAN:

DATE:

Date Arr.	LAB	M + I	C + T	N R	No Heads C	No Heads D	No Pages C	No Pages D	Head Prop C	Head Prop D	
7/13	7/15	7-15	7-15	7-15	10	13	12	9	x	x	Hokkaido
		7-15	7-15	7-16							
		7-17	7-17	7-17							
7/21		7-20	7-21	7-21	8	13	6	5	x	x	Aomori
		7-13	7-13	7-13							
7/16	7/12	7-14	7-14	7-14	9	35	5	6	x	x	Akita
		7-11	7-11	7-11							
7/14	7/11	7-14	7-14	7-17	11	15	8	6	x	x	Iwate
7/18	7/15	7-15	7-15	7-15	10	10	7	6	x	x	Yamagata
		7-16	7-16	7-15							
7/20	7/14	7-14	7-14	7-14	10	14	11	7	x	x	Miyagi
		7-15	7-16	7-20							
		7-12	7-12	7-12							
7/19	7/14	7-18	7-18	7-19	10	12	7	10	x	x	Fukushima
7/20	7/11	7-13	7-13	7-13	9	15	4	9	x	x	Niigata
		7-14	7-14	7-14							
		7-12	7-12	7-12							
7/19	7/14	7-18	7-18	7-19	12	13	6	5	x	x	Nagano
7/18	7/15	7-15	7-15	7-15	14	9	4	6	x	x	Gumma
		7-16	7-16	7-18							
7/20	7/14	7-14	7-14	7-14	10	19	8	7	x	x	Tochigi
		7-13	7-14	7-14							
7/19	7/15	7-15	7-15	7-15	10	10	5	6	x	x	Ibaraki
		7-16	7-16	7-16							
7/14	7/14	7-13	7-13	7-13	10	14	5	12	x	x	Saitama
		7-14	7-14	7-14							
7/18	7/15	7-15	7-15	7-15	12	8	8	4	x	x	Chiba
		7-16	7-16	7-18							
7/14	7/11	7-14	7-14	7-14	10	12	7	6	x	x	Yamanashi
		7-13	7-14	7-17							
7/12	7/11	7-11	7-11	7-11	10	18	6	7	x	x	Fukui
		7-13	7-14	7-17							
7/18	7/15	7-15	7-15	7-15	8	14	6	4	x	x	Shiga
		7-16	7-16	7-18							
7/20	7/14	7-14	7-14	7-14	8	9	4	4	x	x	Nara
		7-15	7-16	7-20							
7/12	7/8	7-13	7-13	7-13	10	13	5	8	x	x	Wakayama
		7-14	7-14	7-14							
7/19	7/14	7-18	7-18	7-18	5	18	6	13	x	x	Kyoto
		7-18	7-18	7-19							
7/19	7/14	7-18	7-18	7-18	10	17	10	18	x	x	Osaka
		7-18	7-18	7-19							
7/19	7/12	7-18	7-18	7-18	7	15	8	10	x	x	Hyogo
7/16	7/13	7-13	7-13	7-13	10	15	8	13	x	x	Ishikawa
		7-16	7-16	7-16							
7/14	7/10	7-11	7-11	7-11	10	19	6	18	x	x	Toyama
		7-14	7-14	7-17							
7/17	7/14	7-14	7-14	7-14	10	15	6	16	x	x	Gifu
		7-15	7-16	7-20							
7/16	7/14	7-14	7-14	7-14	11	15	16	13	x	x	Aichi
		7-15	7-16	7-14							
7/16	7/12	7-13	7-13	7-13	10	17	7	7	x	x	Mie
		7-14	7-14	7-14							
7/18	7/15	7-15	7-15	7-15	8	18	6	13	x	x	Fukuoka
		7-16	7-18	7-18							
7/14	7/11	7-12	7-12	7-12	5	13	4	6	x	x	Oita
		7-13	7-14	7-14							
7/21	7/12	7-19	7-19	7-19	11	18	6	7	x	x	Nagasaki
		7-20	7-20	7-24							
7/14	7/11	7-12	7-12	7-12	10	14	4	7	x	x	Kumamoto
		7-13	7-14	7-14							
7/16	7/13	7-13	7-13	7-13	8	8	4	5	x	x	Miyazaki
		7-14	7-16	7-16							
7/14	7/11	7-12	7-12	7-12	10	19	4	14	x	x	Kagoshima
		7-13	7-14	7-14							
7/14	7/10	7-12	7-12	7-12	10	18	5	9	x	x	Saga
		7-13	7-13	7-13							
7/16	7/14	7-14	7-14	7-14	10	16	4	14	x	x	Shizuoka
		7-15	7-16	7-14							
7/19	7/15	7-15	7-15	7-15	11	20	8	16	x	x	Kanagawa
		7-15	7-17	7-16							
7/21	7/19	7-19	7-19	7-19	11	18	12	14	x	x	Tokyo
		7-20	7-20	7-21							
7/14	7/11	7-11	7-11	7-11	10	10	6	8	x	x	Ehime
		7-13	7-14	7-17							
7/20	7/14	7-14	7-14	7-14	7	16	6	12	x	x	Kagawa
		7-15	7-16	7-20							
7/14	7/11	7-11	7-11	7-11	8	19	4	8	x	x	Kochi
		7-13	7-14	7-17							
7/19	7/15	7-15	7-15	7-15	10	10	5	8	x	x	Tokushima
		7-16	7-16	7-16							
7/16	7/14	7-13	7-13	7-13	14	9	11	5	x	x	Hiroshima
		7-14	7-16	7-16							
7/16	7/12	7-13	7-13	7-13	10	19	5	18	x	x	Okayama
		7-14	7-16	7-14							
7/19	7/15	7-15	7-15	7-15	12	17	6	7	x	x	Shimane
		7-15	7-18	7-16							
7/16	7/14	7-14	7-14	7-14	10	18	5	9	x	x	Tottori
		7-15	7-16	7-14							
7/20	7/14	7-14	7-14	7-14	8	18	5	12	x	x	Yamaguchi
		7-15	7-16	7-20							

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HEADQUARTERS
AICHI MILITARY GOVERNMENT TEAM
APO 710 (Nagoya, Honshu)

ANNEX D

To Military Government Activities Report
Period Ending 30 June 1949

Authors: Howard J. Belser, Economics Officer
Lt. R. M. Baranouskas, Natural Resources, Food Control & Fish and Vegetable Surveillance
Lt. F. A. Kutilek, Commerce & Trade and Customs & Immigration
E. F. Jouard, Reparations

1. Agriculture

a. General

(1) Harvesting of cereals was completed during the reporting period but due to rice planting, threshing is only sixty-five percent accomplished with the mountain and upland areas yet to be harvested. As of 30 June, sixty-three percent of the rice and seventy-five percent of the sweet potato has been planted. The farmers are about five days delayed in their work due to heavy rains.

(2) Spring fertilizer distribution to farmers, as of 15 June reached 94 percent of nitrogenous, 89 percent of superphosphate of lime and 87 percent of imported potassium salt. Small quantities of autumn allocated fertilizers have already reached the distribution points. Farmers desire additional fertilizer allocations for the decreased efficiency of applied fertilizers which is attributed to heavy rains, particularly in the mountain and upland areas.

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BASIC: Annex D to Mil Govt Activities Report
Aichi Mil Govt Team, period ending 30 June 49, cont'd.

(3) A recent census of livestock in Aichi Prefecture indicated a thirteen percent decrease in the number of horses since 1946. According to the reported figures, swine showed the greatest increase with cattle, goats and sheep following in the order named. The per animal budget allocation for the past fiscal year was the highest for horses (330 yen), with sheep, goats, cattle and swine following in the order named. Although inaccuracies exist in the census figures, it appears that only an estimated twenty-five percent of the sheep were reported. This may be attributed to the prefecture's widespread textile industry, which presents amply opportunity for the unofficial disposal of home-grown wool.

b. Agricultural Extension Service

(1) A conference of Extension officials from Tokai and Kinki Regions was held in Nagoya on 17 and 18 June under the sponsorship of the Ministry of Forestry and Agriculture.

(2) Special courses for agents was held in Aichi Prefecture during the reporting period on increasing production of white potatoes and including the current problems pertaining to storage and rot. Ways of treating seed potatoes and wheat were shown to the group so that agents may inform and encourage farmers to use those methods.

(3) Four model Farm Youth Clubs and four Home Demonstration Clubs were finally designated in Aichi Prefecture in June. Both of these phases of the Extension program, although on the surface appear to be progressing satisfactorily, lack the vitality that a clearly understood program could have attained by this time. An educational program was requested

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

by this office for farm families throughout the prefecture on the difference between a farm youth associations and the 4-H club; between Home Demonstration and the life improvement meetings held by various Women's Associations and, also what the educational provision of the Cooperative Law is intended to provide, as compared with the Extension Service Program. Surveillance will be maintained over the model clubs by this office for assurance of adherence to the basic principals of the Extension Service Law.

2. Agricultural Reform

a. The Land Reform registration phase appears to be progressing favorably in Aichi Prefecture. The difficulty reported by the registration office is the shortage of budgetary allowances for the payment of clerks and extra help. Whether this will retard the program or not remains to be seen, however, it will be used as an excuse if the completion deadline is not met.

b. The leaflets on the election of Agriculture Land Commissions from MAF have not arrived in Aichi Prefecture as yet. In addition to the expected MAF leaflets, the prefecture is preparing 5,000 posters and 10,000 leaflets on the aforementioned subject for distribution in July. The Agriculture Committee from the Prefectural Council is sponsoring an essay contest on "How should the election of Land Committee-men be managed." The contest has the specification that essays must contribute toward the formation of democratic land commissions. There are no restrictions on the qualifications of writers and with the attractive prizes offered, should create much interest in the prefecture.

c. The total area reclaimed in Aichi Prefecture, as of 30 June was 10,443 cho, of which farmers have purchased 2,561 cho.

d. The status of the collection and payment phases of the Land Reform Program in Aichi Prefecture, is as follows:

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To Be paid	Paid	Percentage	To be Collected	Collected	Percentage
¥260,587,115	¥227,318,327	90%	¥260,626,642	¥260,626,642	100%

e. The completion of the transfer of Nogyo Kai assets in Aichi Prefecture is pending the settlement of several disputed cases. One of the cases involve the transfer of a hospital in Seto city which appears to be delayed at Central Government where the Prefectural approved recommendation of the Property Disposal Board has been since February. Ninety-eight percent of the transfers have been completed as of 30 June.

3. Crop Collection

a. Investigation of the over-quota rice deliveries was requested and completed by the Aichi EIB during the reporting period. A number of individual violations were found on the gun and village levels, resulting in continued investigation of authorized collectors in two guns. It is believed that the overall investigation successfully accomplished the purpose it was intended to by this office, in that prefectural officials are taking steps to tighten the accounting procedures for staple crop over-quota deliveries.

b. Based on damage reports from villages, the prefectural government has requested a revision of cereal and white potato quotas. A reduction of 134,168 (BRE) koku in cereals and 5,046,840 kan of the white potato quota was requested of Central Government or forty-seven percent of the white potato preplanting quota. Although unseasonal weather occurred during the growing season and disease and insect damage did reduce the crop yield, it is the opinion of this office that the requested reduction is based on a report of over-estimated damages from the farmer up to and including the prefectural government.

c. Cereal collection, as of 30 June, totaled 67,623 (BRE) koku or 23.1 percent of the preplanting quota. As a comparison, on the same date a year ago, 6.8 percent of the quota was delivered.

d. White potato collections, as of 30 June, reached 5,499,304 kan or 52.2 percent of the preplanting quota. Percentage on the same

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date a year ago was 77.9 percent of the quota. Many farmers are delivering all of their retention, reporting that the new potatoes are conducive to rot caused by excessive rains, which flooded many fields prior to harvest. This has created a white potato storage problem for farmers and the Foodstuffs Office.

4. Food Distribution

a. Vegetable supply in Nagoya has shown the expected seasonal increase and prices have dropped as compared with the previous month. The current slight rise in price is attributed to the heavy rains and typhoon. Retail prices are higher in Nagoya than in the Tokyo and Osaka areas, attributed to the diversion of vegetables to one crop areas by brokers, who have taken advantage of the poor financial condition of retailers. Prefectural and city officials are cognizant of the need for establishing a sound vegetable distribution channel in this district but have yet to take any positive steps.

b. Investigation on special rations of staple food to workers was completed in Aichi Prefecture by the EIB. Among the comments made was that smooth distribution would be impossible to attain if the present large number of various government agencies involved are to remain in the distribution system. It takes approximately sixty days from the time application is made to the issuance of the ration book and the papers pass through six different agencies. The difference of opinion which exists among various government agencies as to which kind of industries shall be qualified for special rations should be clarified by Central Government. The report showed that no two agencies had the same opinion.

c. A conference was held with the representatives of all governmental staple food distribution agencies and the contents of SCAPIN 1978, together with the EIB report, was discussed and explained. Emphasis was placed on the necessity of strengthening the rationing system as the actual food distribution in June exceeded the food allocation by 62,874 rations. However, this figure does show a considerable drop over preceding months.

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

d. The average consumption of meat per capita for the period 21 May to 20 June in Aichi Prefecture was 56.59 momme.

e. During the period 6 June to 20 June, the status of foodstuffs distribution in the four principal districts in Aichi Prefecture was as follows:

District	Supply on Hand	Average Calories per capita per day
Nagoya	1.78	1453
Toyohashi	6.17	1367
Ichinomiya	5.03	1328
Shinshiro	3.82	1372

5. Fisheries

a. Receipts at the Nagoya Central Market for the period 21 May to 20 June from outside the prefecture totaled 801,273 kan, a decrease of 125,967 kan over the preceding period. From within the prefecture receipts totaled 40,876 kan, showing an increase of 25,876 kan.

b. Fish shipments from Nagasaki included 47,000 kan of tainted fish unfit for consumption as fresh fish during the month of June. The spoilage is attributed to scarce catches and improperly equipped boats for prolonged fishing trips. Should be flagged

c. Net manufacturers in Aichi Prefecture report large stocks on hand because of the financial situation of fishermen and their associations. Nets delivered on credit in 1948 have for the most part, not been paid for by the fishermen in receiving prefectures, leaving the manufacturers in financial difficulties. Increased allocations for nets are desired by fishermen in this prefecture.

6. Fisheries Cooperatives

a. As most of the fishermen in Aichi Prefecture are part farmers, the organization of Fisheries Cooperatives during the reporting

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period progressed slowly. Field trips to fishing villages revealed that most preparatory and general meetings held to date were scheduled on Sunday. And during the week days most of the fishermen were either farming or fishing, creating a difficulty in obtaining the required attendance for meetings.

Fishery Association to be Dissolved	100
" " Dissolved	0
Preparatory Meetings Held	28
General Meetings Held	5
Cooperatives Approved	0

7. Forestry

a. Emphasis is being placed on a long range forest conservation plan in Aichi Prefecture. At a recent conference with Forestry officials the following points were suggested and discussed as ways to encourage reforestation and as a means for setting a definite policy on conservation:

(1) Removing the uncertainty that prevails among private owners about the future of their lands by legally fixing acreage as forest areas.

(2) Establishment of overall planning of forestry to prevent or curtail excessive area cutting in the future.

(3) Construction of roads to reach inner and untapped forest resources which will aid in minimizing over-cutting of easily accessible areas.

(4) Increasing production and reducing costs of seedlings. (Nurseries are not fully utilizing available land for seedlings, as they tend to raise staple and other crops, taking advantage of "catch cropping" and "soil enriching" as excuses.)

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

(5) Studying and introducing modern lumbering techniques for maximum utilization of logs and lumber. (An estimated forty percent of an original tree is used for fuel or wasted.)

b. Publicity on fire prevention was released during the reporting period and continued emphasis on reforestation via an educational program to the public was requested.

c. Several new outbreaks of bark beetle has been reported in the prefecture with immediate countermeasures applied. The past publicity on beetle infestation appear to have been effective, as forest owners are maintaining close surveillance of forest areas for outbreaks.

8. Import-Export

The following is a summary of Import and Export activities at the Nagoya Port during the period 1 June through 30 June 1949:

Import & Export during the month of June 1949

Nationality of Vessel	No. of Ships	Import (K/T)	Export (K/T)
U. S. A.	20	65,707.090	1,691.465
British	13	9,155.360	2,113.766
French	1		163.292
Chinese	2		233.624
Swedish	2		497.833
Norwegian	2		242.759
Philippine	3		831.877
Greek	1	8,534.400	2,570.630
Egyptian	1		257.034
Panamanian	1		763.445
Holland	3	(Includes Reparations 1.479 K/T)	369.659
Danish	3		713.000
	52	83,396.850	10,448.384

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

Total Tonnage by Type of Cargo

Import (K/T)		Export (K/T)	
Potash	8,565.000	Porcelain ware, etc.	6,249.420
Kaolin	519.710	Spinning Machine	995.248
Wheat	46,097.320	Machinery (Reparations	153.673
Corn	19,609.764	1.479 K/T)	
Salt	8,534.406	Cotton Piece Goods	90.892
Teak Square	70.650	Window Glass	66.324
		Woolen Hooked Rug	0.016
		Wooden Ware	0.161
		Toys	1.266
		Steel Ingot, Scrap & Billet	2,826.148
		Machine Head	39.181
		Marble	6.566
		Cotton Fishing Net	5.850
		Ajinoumi	0.816
		Hurricane Lantern	2.953
		Metal Lamp	7.914
		Bicycle Rim	1.956
Total	83,396.850	Total	10,448.384

9. Shipbuilding

a. Routine surveillance of shipbuilding in compliance with OD 76 for 1946 disclosed no unauthorized constructions in this prefecture during the period 1-30 June 1949.

b. Satisfactory progress is being made in the construction of the four (4) oil barges previously reported in MG-11 (R2) Annex D paragraph 13b covering the period ending 31 May 1949. At present subject barges are, large barges 30%, small barges 50%, completed.

c. The Nagoya Zosen (Nagoya Shipbuilding Company Limited) has notified this headquarters that the Maritime Safety Headquarters, Nagoya Branch has ordered one 450 ton patrol boat, however construction is being delayed pending receipt of SCAP authorization.

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

10. Transportation

a. Routine surveillance of railroad rolling stock repair and construction, in compliance with OD 15 for 1948 disclosed no unauthorized construction in this prefecture.

b. Status of an order for the construction of ten (10) locomotives by the Nippon Sharyo (Japan Rolling Stock Company Limited) for Siam is as follows:

(1) Six (6) have been completed and tested.
(2) Seventh (7th) is to be tested on or about 5 July.
(3) Eighth (8th) is to be tested on 15 July.
(4) Ninth (9th) is to be tested on 16 July.
(5) Tenth (10th) is to be tested on 21 July.

Upon completion of tests, locomotives will be sent to Kobe for shipment to Siam.

11. Reparations

a. In accordance with telephone instructions from Hq Eighth Army, three (3) packages of reparations equipment from the Toyokawa Naval Arsenal (01-60) were delivered to the Netherlands Government at Nagoya Port on 14 June. The delivery was witnessed by representatives from this headquarters and from Regional headquarters.

b. An inspection of the former Japanese Army and Navy Arsenals under reparations custody in Aichi Prefecture by Mr. Grafton of GHQ, SCAP, revealed faulty maintenance of records by the local branch of the Finance Ministry responsible for custodial records. Mr. Grafton inspected the arsenals, accompanied by a representative from this office from 21-30 June. Following Mr. Grafton's inspection an immediate investigation was conducted into the exact reasons for and extent of the Finance Bureau's mishandling of records. The investigation is not yet completed but it is anticipated that by the middle of July the entire difficulty will be both clarified and corrected.

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

c. A total of 51 inspections of reparations installations were made during the past month, and no important violations of custody or maintenance were observed. It is expected that during the coming month, in view of drastic revisions being made in maintenance standards that the number of inspections will be reduced to an absolute minimum.

d. Nine (9) new allocations of former Japanese Army and Naval Arsenal equipment to claimant nations were received during the month of June. Mr. Lloyd Puckett, 8th Army Packing Expert, is supervising all preparations for delivery in behalf of Aichi Mil Govt Team. Several discrepancies noted in the allocations by Mr. Puckett were corrected through the good offices of Mr. Grafton who contacted GHQ directly for authority to correct the allocations.

12. Public Works

In preparation for the expected overflow of the Kiso River a flood-forecasting conference was held in the Prefectural Assembly hall on 16 June. Representatives from Aichi, Mie, Gifu and Nagano prefectural governments were present as well as other interested parties such as the Japan Electric Power Distribution Corp. It was agreed that it was necessary for the prefectures concerned to cooperate in a continual exchange of up-to-date meteorological data and forecasts, and it was also decided to establish observation posts at the power plants along the river in order to report the volume and depth of water changes as they occurred. The conference was attended by Mr. Wright, Sanitation Officer of Tokai-Hokuriku Mil Govt Region, and by the Commanding Officer and Assistant Economic Officer of Aichi Mil Govt Team.

13. Construction

A total of 2,152 new building permits were issued during the month of June, of which 1,786 were for the construction of private homes. It is to be noted, however, that 64 new permits were issued for the construction of public buildings, a fact which appears considerably out of line with the policy of reducing government expenditures. New Government offices are springing up everywhere, and it is the opinion of this headquarters that more space is available for government workers now than there was before the war.

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14. Stimulation of Critical Industries

The Economics Officer made numerous inspections of key industries in the prefecture to determine the principal hindrances to increased production for export. Inadequate financial resources and lack of (or ignorance of) foreign markets appeared to be the predominant factors blocking increased production. The Economics Officer attempted to interest factory owners in making contact with American firms with a view towards encouraging Dollar investments in Japanese firms as a solution not only to the financial but also the technical problems of Japanese industries. Names and addresses of appropriate American firms were supplied by the Economics Officer. Where markets appeared to be wanting names and addresses of numerous potential buyers were supplied to the factory owners. Mr. Howard Belser, the new Economics Officer of Aichi appears exceptionally well-qualified to satisfy the urgent need of Japanese industrialists for exact details of foreign contacts. In addition to on the spot inspections of industries additional conferences were held with factory managers and engineers where circum stances appeared. This program is to be continued throughout the prefecture on an even larger scale during the coming months.

15. Economic Investigation Board

a. The Aichi EIB. reports that its work is still being hindered by a scarcity of 2nd class investigators---the total on the payroll now being 47, as compared with the permitted strength of 63. However, the Board reports that very shortly its permitted strength will be drastically reduced in accordance with the recent measures designed to reduce government personnel by 30%.

b. The Economics Officer attended two meetings of the Economics Investigation Council and held several information conferences with representatives from the EIB. in this office in an endeavour to encourage as much as possible the work of the EIB.

c. The EIB. sponsored 33 lectures and conferences designed to inform the general public as well as particular industries concerning the work of and need for the EIB.

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Aichi Mil Govt Team, period ending 30 June 49, cont'd.

d. Special classes were held to instruct new investigators and other personnel concerning the laws and regulation that the EIB. is designed to enforce.

e. A total of 168 cases, involving 191 persons, were investigated during the past month, and of these 18 cases, involving 107 persons, were prosecuted for violations. More than half of these investigations were related to the Materials Demand and Supply Adjustment law, while the remainder were related to illegal rationing and price control. No investigations were made into violations of the Electric Enterprise law.

f. The EIB. recommended that all Government Agencies be more thoroughly educated concerning the Price Control and Rationing Regulations, inasmuch as many of the violations encountered were committed as a result of the ignorance of various government agencies with regard to the regulations. Following a brief educational program in Atsumi Gun more than 2,400 persons reported that they were receiving illegal rations.

g. The EIB. reported that an adjustment between the prices of processed and fresh fish is becoming increasingly urgent inasmuch as the low price of fresh fish has driven producers to process excessive amounts of fish, which are now being stockpiled with few buyers.

Change in Plan
Planning for August.

HEADQUARTERS
AKITA CIVIL AFFAIRS TEAM
APO 7 Unit 4

Author: Philip A. Doherty
Capt, CAV
Economics Officer

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Economics Summary

Annex D
to
Monthly Civil Affairs Activities Report for the Month of June 1949

AGRICULTURE

1. Abnormal lack of rain during the first and second weeks of June 1949, presented a definite obstacle to transplanting of rice seedlings throughout the inland paddy fields of this prefecture. However, prompt emergency measures initiated by the prefectural government, and excellent cooperation from both the central government and private concerns precluded the possibility of a serious economic and political condition within this prefecture. As of 30 June 1949, 98 per cent of Akita prefecture's 102,214 cho of rice paddy fields had been planted with rice seedlings. Completion date of transplanting will compare favorably with that of normal years.

2. Prefectural sources anticipate that the white potato crop for this season will be 20 per cent less than that of the normal year. Field observations have revealed that potato virus disease has increased by 10 per cent over that of the normal year, and that unfavorable weather necessitated a delay in planting averaging seven days. Farmers have been instructed in various counter measures to prevent decline in crop yield. 5 % Reduction

AGRICULTURAL REFORM

3. Local land commissions at Obonai Mura, Tenno Mura, Funakawa Machi, and district land commission in Semboku Gun, this prefecture, were inspected by representatives of this team during June 1949. Commission chairmen stated that land sales and purchase programs within their respective areas will be completed by 2 July 1949. No major problem is forseen at present in either the sales or purchase phase of this program. Present average of tenant operated land, in towns and villages inspected during the month of June 1949, is approximately 12 per cent of the total area of land under cultivation. Tenant operated land in these areas prior to enactment of the land reform program approximated 60 per cent of total cultivated land. Present average of tenant cultivated land within this prefecture is 9 per cent of total arable land.

4. To publicize the forthcoming prefectural and local land commission elections, the prefectural government sponsored meetings with officials of towns and villages. Inspections of local land commissions by surveillance personnel reveal

that the majority of commissions are not familiar with the composition of commissions and the classification of commission members. Closer cooperating between election committees and land commissions, and the formulating of a simple definite plan to obtain such cooperation has been suggested by this headquarters.

5. Execution of rental contracts is not proceeding at a satisfactory rate in a majority of the towns and villages of this prefecture. Delay is attributed to the time and effort expended during the rice transplanting season, and the additional drain on time and energy of farm community populations presented by drought conditions during this month. Prefectural sources report that approximately 60 per cent of rental contracts have been completed as of 30 June 1949. Estimated total of rental contracts to be executed within this prefecture approximates 50,000. Prefectural officials estimate that the majority of rental contracts will be completed by 20 July 1949.

AGRICULTURAL EXTENSION

6. The major complaint voiced by a majority of farmers throughout this prefecture concerns the inadequate number of farm advisors assigned to their respective extension areas. There are 121 advisors assigned to the 58 extension areas of Akita prefecture. Area of jurisdiction for each of the advisors consists of from two to three towns or villages. Prefectural government officials estimate that the number of advisors must be doubled to insure effective promulgation of the extension service program. At present, transportation presents an extremely serious problem. A total of 12 bicycles have been provided to serve as the sole means of transportation for 121 farm advisors. With the present limited budget, manning table and equipment, farm advisors cannot effectively transmit to the farm operator the benefits and assistance which constitute the mission of the extension service program.

7. Among farmer audiences attending presentations of agricultural films throughout this prefecture, lack of enthusiasm and attention has been evident to a noticeable degree. It is the opinion of prefectural officials that points of instruction portrayed by the films are presented too rapidly to be grasped by the average audience member. This is said to be applicable to both American and Japanese productions.

AGRICULTURAL COOPERATIVES

8. Agricultural cooperative activities in four towns and villages in this prefecture were inspected during this reporting period. Complete destruction by fire of old Nogyokai records has retarded completion of the liquidation program in one instance. This situation is to be remedied by evaluation of assets by the district court.

9. Projected activities of agricultural cooperatives are on a very small scale. Inadequate budgets constitute a contributing factor in limitation of cooperative activities in a majority of areas visited. Cooperatives, established in the

vicinity of fishing areas, find it difficult to obtain the interest and perticipation of farmers, who prefer to supplement their meager incomes with part time fishing.

10. Increased field work by representatives of the prefectural agricultural cooperative section has materially aided the Nogyokai organizations which have professed difficulty in preparing for dissolution. As of 30 June 1949, 200 of this prefectures 223 Nogyokai have registered for liquidation. Agricultural cooperatives approved as of 30 June 1949 are as follows:

Cooperatives		Federations	
Ordinary Agricultural	308	Pref. Level Ordinary Agricultural	5
Stock Breeding	20	Pref. Level Stock Breeding	1
Dairy Farming	16	Pref. Level Sericultural	1
Sericultural	7	Local-level Reclamation	1
Fruit Cultural	2	Pref. Level Reclamation Industry	1
Reclamation	174		
Farm Industry	13		
Others	12		
Total	552	Total	9

CROP COLLECTION

11. The Prefectural Foodstuffs Section has completed publicity planning for the summer grain and white pot to collection drive scheduled for the latter part of July 1949. A deadline of 30 September 1949 has been established by prefectural government as the final date for 100 per cent quota delivery.

FOOD DISTRIBUTION

12. Rice shipped to other prefectures as of 30 June 1949 totaled 778,475 koku. This figure represents 96 per cent of the Akita inter-prefectural rice shipment goal, as established by the Ministry of Agriculture and Forestry. Total amount of rice shipped during month of June was reported as 70,127 koku. The Akita Foodstuffs Office estimates that with continuation of favorable weather quota shipments of the 1948 rice crop will be completed by 15 July 1949.

FISHING

13. Sardine drift-net and drag-net, and mackeral drift-net were the principal types of fishing during June, with Sardine, Hokke and Mackeral constituting bulk of the catch. Total catch consisted of 1,711 tons, an increase of 29 tons over that of May 1949.

14. A total catch of 182 tons was reported from the Lake Hachiro fishing area, a decrease of 7 tons from that of May 1949.

15. Fresh fish imported during June totaled 561 tons, 180 tons greater than the May imports. Salted fish imports consisted of 267 tons of Herring and Hokke, 85 tons greater than May imports. Lightly salted fish imports consisted of 179 tons of spring herring, and 296 tons of Hokke. Of the spring herring imported, 61 tons were transshipped to Fukushima prefecture.

16. Favorable weather permitted fishing boats to operate an average of 20 days during the month. There are presently 612 fishing boats operating, 109 idle, and 9 undergoing repair.

17. Consumption of fuels and lubricants during June 1949, has again exceeded the allocation by approximately 90 per cent. Retained supplies of heavy, and machine oil in this prefecture are considered to be in a most critical state. Allocations of netting, thread, and rope were not received during June 1949. The shortage of these items continues to be critical.

Dated by PK
for Referral to SCAP

FISHERY COOPERATIVE PROGRAM

18. On 10 June 1949, the Governor of this prefecture approved formation of five Fishery Cooperatives. To date, there are 18 applications awaiting approval by administrative authorities. Approval is expected during the month of July.

19. Michikawa Fishing Cooperative, one of the three old type associations within this prefecture, dissolved with the approval of the prefectural governor on 5 June 1949.

20. To date, a total of 24 proposed cooperatives have completed preliminary establishment meetings.

Forestry

21. Log production for the month of June 1949 increased 2,186,217 board feet over production for May 1949. Total production for June consisted of 16,682,143 board feet.

22. Manufacture of finished lumber and veneer increased 1 and 37 per cent respectively. Production of plywood decreased 14 per cent from that of May 1949. The sharp increase in veneer manufacture is attributed to increased supply of raw lumber, and to warmer temperature which materially aided the drying process. Decrease in plywood production is attributed to the return of workers to farms for the rice transplanting season. Part time farmers constitute approximately 50 per cent of the personnel employed by this prefecture's one operating plywood plant.

23. Charcoal production for this month decreased 101 tons from the May production figure. Return of workers to farms and a decline in consumer needs are contributing factors. To increase charcoal sales, prefectural government has advised producers to reduce the size of charcoal containers from the present weight of 60 pounds to 30 pounds.

24. A total of 549 koku of infested timber was salvaged during June 1949. No new infestation by pine bark beetles has been reported.

25. Four surveillance trips to sub-stations of the regional forestry office were accomplished during this month. As a measure to combat present pine bark beetle infection, three stations are installing bird boxes and feeding stations in forest areas. Precautions to be taken against forest fires were discussed at all sub-stations visited. Posting of warning notices and maintenance of close cooperation with local fire brigades was advised.

IX Corps informed that the practice (installing bird boxes) has no appreciable effect on exterminating the beetle

MINING

26. Coal production for June 1949 totaled 6,896 tons. This figure is 516 tons less than the planned goal. Stockpiles at stations total 8,452 tons. Anthracite coal comprises 7,668 tons of this figure. Unusually high stockpile figures are attributed to lack of market outlets during the first 20 days of this month. The coal mines mentioned in paragraph 20, Annex I to Monthly Military Government Report for May 1949 have contracted with Kawasaki Heavy Industry Company in Iwate prefecture for purchase of coal produced.

27. June 1949, production of Iron Pyrite at the Hanaoka Mine, this prefecture, totaled 7,125 tons, 81 per cent of planned production. Shortage is attributed to a cave in of the No. 3 shaft which required six days to repair.

28. The Kosaka Mine plant shipped 150 tons of electrolitic copper for export during this reporting period.

PETROLEUM

29. Production for the Month of June 1949, in the Akita Fields, Teikoku Oil Company, totaled 8,444 kiloliters, against a planned figure of 8,862 kiloliters. Production for this month increased 166 kiloliters over that of May 1949.

30. Of the five wells planned for the Soto-Arahikawa field, discovered in December 1948, well R-6 is now pumping 3.5 kiloliters per day. Oil contains 0.12 per cent of water and emulsion. Well R-7 is now pumping 14 kiloliters, containing 0.11 per cent water and emulsion.

31. Present plans for drilling of the 3 remaining wells are as follows:

Code	Initial drilling	Completion	Cost	Estimated Production
U-1	15 July 1949	20 October 1949	¥ 1,973,799	5 kiloliters
E-1	15 November 1949	25 February 1950	¥ ,455,846	5 kiloliters
R-70	16 June 1949	31 August 1949	¥ 2,520,802	5 kiloliters

TRANSPORTATION

32. A total of 162,828 tons of freight were shipped during the month of June 1949. This figure is 90 per cent of planned haulage. The stockpile of freight at railheads as of 30 June was 10,464 tons, of which 5,381 tons consisted of logs and processed lumber.

TRANSPORTATION CONTROL

33. The National Rural Police, Akita Prefecture, maintain 39 check points along the Uetsu and Ou Railroad Lines. Private and spur lines are checked by Municipal Police. Check points function at four posts within this prefecture: Funakawa, Iwadate, Kitaura, and Konura. Movement on prefectural highways is controlled by eight permanent and eight mobile check points.

34. Transportation control is planned and coordinated at monthly meetings attended by representatives of the Economic Investigation Board, the National Rural and Municipal Police, Prefectural Government Sections, and a Civil Affairs Officer.

35. Transportation violations have decreased at posts and on the main highways; however, this may be attributed to the season of the year. The bulk of the principal blackmarket item, the rice crop for 1948, should have been distributed by this date.

MILITARY

36. Seven Reparations Plants were inspected during June 1949. Maintenance was found satisfactory at all plants.

CONSTRUCTION

37. There were twelve cases of illegal construction in this prefecture during this month. A total of 26,400 koku of lumber and 26,000 lbs of nails were allocated by the prefectural government. This figure is 200 per cent greater than the allocation for June 1948. Permission for construction of houses of less than 30 tsubo in area will not be required effective 1 July 1949.

ELECTRIC POWER

38. Production of 27,545 K.H closely approximated a total demand for 30,084,000 K.H, during June 1949. Production for June exceeded allocation by 9 per cent.

STIMULATION OF CRITICAL INDUSTRIES

39. Production of Ammonium Sulphate at the Tohoku Fertilizer Company for June 1949 totaled 3,294 tons, exceeding the production quota by 594 tons. Lower daily average production, as compared to May 1949, is attributed to shortage of water at source of supply and a strike affecting transportation of pyrite.

HEADQUARTERS
CHIBA CIVIL AFFAIRS TEAM
APO 181

Reports Control
Symbol MG-11 (R1)

ANNEX D

ECONOMICS SUMMARY

1. Identification:

a. Prefecture covered: Chiba

b. Report for month of: June 1949

c. Name of individual preparing report:
Major Louis E. Roninger

2. Agriculture:

a. Crop collections reached 10.6% of summer grain quota and 23.2% of white potato quota as of 30 June. One village, Kambe-mura, Awa-gun, governed by the only woman mayor in this Prefecture, Mrs. Mita Hayakawa, completed 108.8% of its grain quota and over 100% of its potato quota on 15 June. Steps were taken in conjunction with the Civil Information Section to publicize this accomplishment, and to commend the mayor and farmers.

b. Agricultural Cooperatives:

(1) 31 buraku-size cooperatives, without capital stock, were approved by the Prefecture during the month. To date, the total number of organizations approved is 839, of which 11 are federations, 345 are stock agricultural cooperatives, 319 are non-stock cooperatives, 109 are stock farm industry cooperatives, and 66 are non-stock farm industry cooperatives.

(2) Activity in the educational program was limited to 11 meetings with a total attendance of about 300 people. Information on bookkeeping, auditing, warehousing, and suitable programs for carrying out cooperative responsibility, was presented.

c. Agricultural Extension: Farmers are becoming better informed of the Extension Service, and the feeling that the agent can and will help the farmer is increasing. The Improvement Section distributed 3,000 technical magazines "Agricultural Chiba", 2,000 farm life

improvement pamphlets, and 20,000 leaflets on preservation and preparation of food during the month.

d. Land Reform:

(1) At the end of June, 95% of the money due the Government for sales of land to former tenants was collected. Of the balance, about half is delinquent and half is caused by various problems. About 60% of yearly installment plan money has been collected. Officials are encouraging installment purchasers to pay in cash, if possible, in order to reduce future bookkeeping.

(2) 81% of the amount due former land owners has been paid. 10% is being advertised at present, the remaining 9% is believed to be not payable due to various causes, i.e., train fare for the payee from rural areas to payment station exceeds the amount to be received for the land.

(3) Spot check of village committees has discovered no new problem.

3. Incentive Goods: The receipt of incentive goods by Prefectural agencies was too late for the goods to be used in the planned encouragement program for early summer crop deliveries. Prefectural officials are being constantly urged to get at least samples of incentive goods into the hands of town officials before the crop collection program begins. The displaying of high quality incentive goods where farmers could see them resulted in an extremely spirited delivery program in several towns during the rice collection program. Incentives are now being distributed without delay as they are received, due to great pressure by this headquarters during the past year.

4. Food Distribution:

a. The demand by farmers for return rice has subsided and apparently all other phases of the food distribution program are satisfactory. During June, 33 cases of "ghost population" involving 41 persons were discovered. The total "ghost population" for which rations were drawn was 803 persons over an average period of 100 days. The total amount of rations received illegally was 44.3 rice equivalent koku.

b. The Nutrition Section continued its spirited campaign for the proper use of corn flour until the middle of the month when corn flour

distribution stopped. Observations at several of the meetings indicate an increasing knowledge and acceptance of corn as a food. Three meetings were held, total attendance 500. Although corn flour is not expected to be distributed again until late fall, there has been a great demand on the part of women throughout the Prefecture for the continuance of the lively and instructive demonstrations and lectures of Mr. Takinami, a member of the Prefectural Nutrition Section.

5. Fisheries:

a. Catches amounted to 4548.9 metric tons during June, or about 60% of the average catch for this period. Sardine fishing showed improvement toward the end of the month, with about 80 tons per day being caught off Choshi.

b. Refrigeration problems are being studied with the view of obtaining maximum benefit from available facilities during the summer months.

c. Fisheries Cooperatives:

(1) No fishing cooperatives have been approved by the Prefecture as yet. However, activity in the 112 concerned areas is increasing and a number of applications are expected during July.

(2) During the month, 12 meetings were held under Prefectural supervision for information and education of promoters and officials concerned with dissolution of associations. To date, about 60 of the 112 associations have been visited by a representative, this headquarters, in an effort to assure the proper development of a democratic organization.

6. Forestry:

a. Observations of reforestation and sand hill fixation projects within the Prefecture indicate that the forestry information and education programs have been very successful. Each gun has established a quota system for the reforestation of private lands by the land owner. The quota has been surpassed in all cases probably due to the favorable publicity during "Green Week", and the dispelling of the rumor of a forest land reform program. The Prefectural Forestry Section and local forestry groups continue to be very active.

BASIC: Annex D to Monthly Civil Affairs Activities Report
for the month of June 1949

b. The pine disease reported in May was found to be a slow spreading fungus. Fear of major damage was caused by the discovery of affected trees throughout one cho-bu (in addition to other smaller area) of forest land.

7. Transportation Control: During June, an abrupt drop in the amount of illegal goods being transported was noticed. For instance, during May, 6,328 kilograms of staple foods and 1,096 koku of lumber was discovered, while during June, only 432 kilograms of food and 202 koku of lumber was found. Many theories have been advanced but no concrete reason for the decrease can be found.

8. Reparations: All plants were inspected during the month. Maintenance and custody is satisfactory. The new maintenance policy was discussed with the concern officials. It is believed that the phrase "remain in their present condition" contained in the instructions to the Japanese Reparations Board should be clarified for the benefit of the Japanese as well as the Civil Affairs Teams.

HEADQUARTERS
KOHORI CIVIL AFFAIRS TEAM
APO 7 - Unit 3

Reports Control
Symbol 11 (R2)

ANNEX - "D"

to

Monthly Civil Affairs Activities Report for June 1949

(Prepared by Major Richard D. Gillis, Economics Officer)

ECONOMICS SUMMARY

1. AGRICULTURE:

Transplanting of rice was completed 25 June, including approximately 400 cho of paddy retransplanted due to drought damage. Drought damage at the close of the period was so small as to be of no importance. On 17 June, a hail storm, reported to be the worst in the history of the prefecture, caused considerable damage in Naka and Minami Gun, estimate of loss to date is as follows:

Crop	Area	Estimated Loss
Rice	3507 cho	42,317 koku
White Potatoes	300 cho	243,600 kan
Rice Substitutes	352 cho	1,189 koku
Apples	3309 cho	1,027,000 cases

Wheat and barley crops are further advanced than normal. Early delivery is expected to begin about 15 July. Fertilizer distribution to local offices of the Kodan is complete, 98% has been distributed to dealers and 96% to farmers.

2. FOOD DISTRIBUTION:

During the month of June, one half day of imported food, 25 days of rice, 2 days of wheat and barley, and 2.5 days of millet was distributed. 434 tons of imported wheat and 262 tons of imported barley arrived in this prefecture and was inspected by members of this team. Three kilograms of barley was soaked enroute and sprouted at the time of arrival. Imported food warehouses were inspected and found to be in satisfactory condition.

3. FISHERIES:

Total catch during the reporting period was 1,322,147 kan, and increase of 687,600 kan over the previous month. Principal species were shark, flounder, cod and mackerel.

AMMA DI (Cont'd)

Shipments were as follows:

	Allocation (kan)	Shipment (kan)	Percent
Six Large Cities	208,000	214,340	103
Inland Prefectures	75,000	64,609	86
Other Prefectures	114,000	206,352	181

Shipment of herring and hokke from Hokkaido during the period, 21 March - 20 June, was 5,703,400 kan against the allocation of 5,310,000 kan. Good catches and favorable transportation conditions contributed to this increase. Landings of sardine at Hachinohe began in June. In addition to the two designated landing places, three temporary landing places have been approved for the period, 1 June - 31 July.

4. AGRICULTURAL COOP. ASSOCIATION:

All local coops. and federations have completed election of managing directors or executive directors. Transfer of properties valued at approximately ¥285,194,000 from 141 nogyo kai to 277 coops. has been accomplished to date.

Liquidation of nogyo kai accomplished to date:

Total Local Assoc.	164
Have held Liquidation General Meetings	150
Completed Registration for Liquidation	30

The remaining 14 local associations will complete liquidation general meetings during July.

5. FISHERIES COOP. PROGRAM:

All fisheries associations (71) and marine products processing associations (2) have completed preliminary general meetings for dissolution, and have elected property disposal boards. One fishing association held a re-election of property disposal board due to previous illegal election. Eighty-seven fisheries coop. associations have held preliminary general meetings of which 77 have completed general meetings for establishment. A total of 56 have applied for approval, 46 of which have been approved. Transfer of properties will begin 15 July.

6. MINING:

During the reporting period total production was 8,810 metric tons, an increase of 2,760 metric tons over the previous month.

ANNEX - "D" (Cont'd)

Production 21 May - 20 June

Pyrite	8,108	Metric Tons
Coal	465	" "
Copper	181	" "
Zinc	34	" "
Manganese	20	" "
Lead	3	" "
Silver	.183	" "
Gold	.0022	" "

Favorable road conditions, together with an increase in trucks available to transport ore from mine to railhead, and the increasing demand for chemical fertilizer, brought about this increase in production. Small producers (manganese, zinc and lead) are experiencing financial difficulty due to high overhead costs.

7. INCENTIVE GOODS:

Wheat, Barley, and Potato--Village quota allocation for summer crops was completed 22 June. 50% of the coupons will be issued by village mayors starting on the 15th of July. Goods are due to arrive in this prefecture on that date.
Rice--Domestic goods for excess delivery have been received and distributed to farmers, with the exception of tobacco. The fourth, fifth and sixth allocation components of U. S. Army surplus goods have not been received in the prefecture.

8. FORESTRY:

Reforestration for 1949 has been accomplished as follows:

Private Forests	1876 cho
National Forests	163 cho
Schools	76 cho

Charcoal

Lumber production during the reporting period was 70,000 koku, 99% of the monthly goal. Production of charcoal during the month was 1,836 metric tons, 81% of the monthly goal. Charcoal producers are losing the incentive for production since the charcoal kodan does not have the funds available to purchase all the charcoal produced in the prefecture. In view of this fact the Prefecture Forestry Affairs Section has petitioned the AF&M for permission to place charcoal on open sale in the prefecture. Recommend that this petition be given favorable consideration. Firewood production during the period reached the monthly goal of 36,000 koku.

Decontrol and open sale will be a fact

RESTRICTED

RESTRICTED

9. REPARATIONS:

Reparation areas 03 and 04 were inspected during the reporting period. The condition of the machinery in authorized use at the shipyard has improved, this is the direct result of care being exercised by the workmen who now feel that the shutting off of reparations means that the machinery will remain at the site and their jobs will not be cut off overnight. While this attitude has not been encouraged by the surveillance officer, the manager of the shipyard has pointed out to them the provisions of the agreement covering care and maintenance of the machinery. Most of the floating plant has been slipped, the bottoms have been scraped and painted with anti-fouling compound, the upper works painted after necessary chipping and the machinery overhauled. Annual work on the remaining floating plant will be completed during the first part of the month. This expense is borne by the using agency, and will not be a charge against the Japanese government. The equipment at the 41st Naval Aeronautical Arsenal in dead storage was found to be in excellent condition. All working surfaces have been covered with the proper type of preservative, and the machine covered with heavy oiled paper. This added protection of paper is necessary because of the open construction of the storage hanger, its location close to a salt water swamp, and the severe weather in this prefecture. Mr. Papagan from the Civil Property Custodian Section, SCAP, inspected the reparations area during the month. It was his belief that we have ever maintained this equipment. The reparations officer believes that there is only one standard of maintenance. The way he would demand if he was paying the bill. Mr. Papagan considered the number of guards excessive. Considering that there is an unemployment problem coupled with a large segment of repatriates in this area, it would be an open invitation for stealing to cut the guard force.

10. STIMULATION OF CRITICAL INDUSTRIES:

Five subcommittees were formed 8 June 1949 to promote the following industries; apple processing, woodworking, marine products processing, lacquerware and "akebi" vine handicraft. Each of these subcommittees are scheduled to meet during July to formulate plans for the promotion of their respective industries.

11. PUBLIC WORKS:

Construction and repair at Hachinohe Port (Project #64/4) has been completed. Road repairs and flood control projects are practically at a stand still due to lack of funds. The prefecture authorities are depending too much on central government subsidies and loans. It appears that sources of revenue within the prefecture are not being exploited fully. The economics officer is working with prefecture authorities to reach a solution to this problem.

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RESTRICTED

12. TRANSPORTATION:

Railroads moved 9754 metric tons more than the original plan for the period. Truck transportation fell 73,868 tons short of the monthly goal. Lack of fuel oil and shortages of repair parts contributed to this deficiency.

13. IMPORT & EXPORT:

Exports during the reporting period consisted of:

Textiles	33,000 yds
Cement	3,500 tons
Shark Fin and Abalone	3,700 kan

RESTRICTED

Annex "D", Economics Summary (RCS MG 11 (R2))
to Monthly Civil Affairs Activities Report
Ehime Civil Affairs Team
1 to 30 June 1949

SAM G. LEW
Capt., Inf.
Economics Officer

1. Agriculture

a. Crop Conditions

Harvesting of wheat and barley is completed and transplanting of rice seedling is well under way. Prefectural authorities advise that typhoon Della damaged 4,529 cho sweet potato, 352 cho of white potato, 488 cho of rice seedling and destroyed 1,052 koku of wheat and barley which were still unharvested. It is now estimated the decrease will be 152,975 koku below expected yield. Prefectural governor received instruction from MAF to continue the establishment of fluorescent lamps for combatting the Chilo Simples Butier. This prefecture now has 3,300 lamps installed.

b. Farm Extension

A member of this office interviewed extension agents from three districts of this prefecture. They are visiting from 12-13 farms a week and are conducting meetings at night. The agents stated a lack of transportation is hindering their work. Last month the extension agents held 411 meetings with total attendance of 21,742.

c. Land Reform

(1) The Land Reform Commission of Ozu-cho and Uwajima-shi were interviewed by a member of this office. The Land Reform Commission of Ozu has purchased 199.3 cho of land, and is preparing to purchase 1.5 cho more on 2 July 1949. Of all the farmers who purchased land from this commission, 97% paid in one lump sum and only 3% bought on installment. One member of the commission resigned because of an investigation conducted by the police on his previous activities as a Nogyo-kai official.

(2) The Uwajima Land Reform Commission has purchased 158.96 cho 28 bu of land, 136.01 cho 2 bu has been resold. The balance is being retained for governmental use. The 136.01 cho 2 bu of land was sold to 792 of 1,876 applicants. The other 1,084 were found unqualified by the

local land commission. The commission intends to purchase 13 cho of land on 2 July 1949. Practically all of the purchasers of land in this area paid in one lump sum. Five members of the Commission were former Nogyo-kai officials, but they seem to be functioning efficiently. There have been three appeal cases. Two were settled by the local commission, and one by the prefectural commission.

(3) Interviews with farmers, and members of land reform commission indicated that they knew about the coming election. Written contracts have not been consumated, as contract forms are not yet available. But land reform commissions are gathering necessary data required by the forms. No action has been taken in regards to consolidation of farmland. Land reform commissions are very hesitant to initiate any action because of the difficulties involved.

d. Agricultural Cooperative Association

(1) Two agricultural cooperative associations were interviewed during the reporting month. One of the two had nine former Nogyo-kai officials as directors and auditors, but there have been no complaints against this organization. The Ozu-cho Agricultural Cooperative Association has 642 members, 23 of whom are associate members. This association sold 1,119 shares of stock to its members at ¥200 per share. It also lends money to farmers at 11% to 14.5% per annum, depending on the amount and term of the loan.

(2) The Asami-mura Agricultural Cooperative Association has 591 members, 19 of whom are associate members. It lends money to farmers at 8% per annum. The association has sold 892 shares of stock at ¥100 per share. It has nine directors and four auditors. Both of these associations are functioning smoothly, and are financially solvent. They are engaged in the distribution of food and fertilizer. They also operate a polishing mill and the sale of daily necessities to it's members.

2. Crop Collection

a. The collection of rice and sweet potatoes is now completed, with 104.8% of rice and 195.9% of sweet potatoes collected. The collection of the wheat and barley crop has gotten off to a good start. However, it is anticipated that deliveries will be slower after this month, as farmers will be busy with rice planting. The prefectural food office has sent out 25,000 placards with slogans urging prompt delivery of quota. The present status of the barley and white potato collections is as follows:

	Quota	Collected	Per Cent
Barley	225,800	131,933.4 koku	58.4%
White Potatoes	1,628,000	368,601.0 kan	22.6%

Many farmers complained that due to the poor condition of the crop this year it will be impossible to meet their quota unless the standard for wheat and barley is lowered. The Prefectural Food Section informed this office that a request has been made to the Central Government to lower the standard.

b. Incentive Goods

Delivery of incentive goods is functioning smoothly. There are no big difficulties at present. One case of delay was reported to this office for the reporting month. The clerk in the village office was slow in distributing the coupons. Average length of storage in the warehouses is ten days before it is shipped to the guns. Goods for the regular quota of the 1948 wheat, barley, rice, and potato crops have been distributed. Incentive goods distribution for the surplus delivery of these crops is not completed.

3. Food Distribution

a. A member of this office attended meetings at Matsuyama, Imabari, and Saijo in regards to food storage. The importance of fire preventive measures and proper storage was emphasized.

The local kodan distributed 11,010 questionaire coupons on desirability of corn meal to residents of this prefecture. Only 6,889 coupons were returned. The survey showed that 86.3% of those who answered, accepted corn meal as part of their ration, 13.1% refused to accept corn meal and 0.6% did not answer. Only 56.1% expressed a willingness to continue to accept corn meal, and 41.2% stated they would refuse to accept it in future rations.

Two food kodans and eight distribution points were inspected during the month of June. In spite of continuous pressure by this office, there has been no noticeable improvement. The conditions of the kodans and distribution points varied from fair to very poor. Rice was stacked without dunnage, warehouses were dirty, and fire extinguishers were empty. Recommendations were made on the spot. It was later recommended to the kodan office, food office, and the Prefectural Food Section that they take positive action immediately. The corn meal at all of the installations inspected was spoiled and had mealy bugs.

b. Fish

Interviews with Ken officials and spot checks throughout the prefecture revealed that the fish catch for June exceeds that of May, despite the damage caused by the typhoon which swept the southern end

of the prefecture.

Ninety-two fishermen lost their life in the typhoon, 135 are still missing and 333 were injured. The total damage to fishing boats, nets, ports and harbors is estimated at ¥424,878,000. A more detailed report will follow later.

c. Visits to four (4) villages indicate that the enforcement agencies are imposing a more strict control on shipping and receiving agencies, fish retailers, etc., and that these people are complying more with the law than before. It has been suggested to the Ken Fisheries Section that a series of lectures be held throughout the prefecture in co-operation with the Public Health Section, prefectural and local enforcement agencies in order to educate the fish retailers, managers and members of shipping and receiving agencies in sanitary ways of handling fresh fish, also to inform them of the laws and to explain why they should conform with the distribution plans. Distribution of fish from 1 to 20 June is shown below:

Production Quota	Amount Produced	Momme per Person per day	Amount Imported
741,700 kan	528,428 kan	2.29	35,168 kan

4. Fertilizer

a. The Nisshin Chemical Co., Niihama, was visited. Production for the month was 13,519 tons of ammonium sulphate, 6,565 tons of calcium superphosphate and 402 tons of ammonium nitrate. All quotas were met although, the allocation of pyrite was not supplied due to the miners' strike. Allocations of electric power and other raw materials were received.

b. 9 June representatives of this section and the SMGO participated in a commendation ceremony at the plant held in honor of management and labor for producing a record amount of fertilizer in May. M.G. awarded both labor and management a commendation certificate.

c. Fertilizer distribution to farmers seems to be going on satisfactorily although farmers have not received 100% of the quota as of 30 June 1949. Farmers questioned in the field stated that they were getting their fertilizer on time. Prefectural authorities informed this office that 100% of the MAF quota has been received. However, distribution to farmers will not be completed until the end of July. An additional allocation of 500 tons has been requested from MAF by the Ken, for areas damaged by the typhoon. So far, 84 ton has been promised, but not

received. Allocation figures of fertilizer for the fall crop have been received from MAF and the heads of towns and villages will receive notification beginning 7 July 1949. The present status of fertilizer distribution is as follows:

	Quota	Received by Farmers	% Received by Farmers
Nitrogen	15,072	13,699	91.8
Phosphate	7,930	7,024	89
Potassium	2,376	2,123	89

5. Fisheries

a. The following cities, towns and villages were visited by representatives of this office; Hashihama, Niihama, Uoshima and Hojo. Commendation awards were presented in these places by SMGO to fishermen representing certain methods of fishing who had turned in outstanding amounts of fish during 1948. These commendations were given to those deserving credit, at which time legal distribution of fish was encouraged and the necessity for properly organizing new cooperatives was emphasized. Information on the cooperative program was supplied by the attending Ken officials. The advantages of the fishery cooperatives were explained through the use of slide transparencies, phonograph records, and movies. Attendance at these meetings was good, and it is felt that the information was well received by the fishermen. As a general rule the level of information media supplied by the government is too high to reach the ordinary fishermen. More success in putting the program across has been achieved through meetings of this sort than through any other means.

b. Twelve cooperative associations have applied to the Ken officials for approval, two have been approved by the Ken at this date. Thirty-four cooperative associations have held preliminary inaugural meetings and seventeen have held constituent general meetings. Two meetings of fishing village mayors, and chiefs of the gun Fisheries Section offices have been held in Matsuyama. Proper establishment of cooperative associations, and methods of publicizing the program were discussed.

c. A meeting was held 20 June, at which three members of the Fisheries Committee of the Japanese Diet, and two officials of the Fisheries Right Section, Japanese Fisheries Board, discussed the cooperative program and the question of settlement of fisheries rights with 118 fishermen from all Shikoku. From the discussion it was evident that the fishermen agree with most points of the proposed law but do not favor supporting the cost of a bureau to handle rights. They think that the cost should be borne by the government as in the case of the

Farmland Commission.

d. Information on the Fisheries Cooperative Program continues to be presented by local radios and newspapers. The poster contest among school children is showing good results. Final results of the contest will be recorded in the July report. In order to increase attendance at information meetings, and still keep information expenses down, it was suggested that some entertainment be furnished by local talent. This has been tried in several communities, and proved to be quite successful. Special emphasis has been placed on the cooperative program during the rainy season, but it is felt that the recent disastrous typhoon will somewhat hamper these activities for a while.

6. Forestry

a. Meetings were held with Ken Forestry officials on two occasions this month by representative of this office to discuss what is being done on the reforestation program. It was revealed at these meetings that cases of pine bark beetles had been reported from several places in the prefecture, affecting about 20 cho of forest. Steps being taken to prevent the spread of these insects are, to cut down all affected trees, peeling the logs and burning the bark. Ken section is taking steps to see that efforts are expended on control of these insects.

b. Ken Forestry Section held a meeting with representatives of Forestry Federation attending from all the guns in the prefecture. The things discussed at this meeting were readjustment of gun reforestation quota for 1949, present condition of seedling beds, and methods to increase seedling production for next planting season.

c. Forestry production is shown in following chart:

	Quota for 1949	Amount Collected (as of June)	Percent of Quota
Lumber	1,157,300 koku	206,023 koku	18 %
Charcoal	41,400 tons	10,966 tons	26.5 %

7. Transportation

a. Checks were conducted on traffic between Imabari and Matsuyama, and the pier at Imabari. No violations were found.

b. There were 125 check points operated by police this month with the results as follows:

Annex "D" to Monthly Civil Affairs Activities Report, Ehime C.A. Team for June 49, contd.

No. of Check Points: 131

Trucks	- 8,782
Boats	- 1,223
Freight-Cars	- 491
Total	- 10,496

No. of Violation: 95

c. Maritime Bureau reported that the amount of freight held up at ports as of 10 June compared with the amount as of 31 May is as follows:

	Amount of Freight	Required Fuel
(1) 31 May	28,012	194,059 liters
(2) 10 June	22,085	151,841 "

d. A motorcycle race which was to be held on the 11th and 12th of the month was stopped on the second day because such use of gasoline is illegal. Nineteen persons involved in this matter were turned over to the procurator by the police. It is quite interesting to note that this race was permitted the first day even after it had been reported to the police that it was illegal and not until M.G. suggested that it be prohibited the second day, did the police take the necessary action. It is evident that political or "boss" influence made it possible for the promotor to go on with the race the first day.

8. Electric Power:

58,530,990 KWH power was allocated, and 58,360,757 KWH was supplied to consumers during this reporting period. Due to the increased amount of rainfall, it was potentially possible to generate 7,266,990 KWH above the allocated amount. Violations in the consumption of electric power numbered 6,266 with a total of ¥3,888,678.50 collected in fines for month of May.

9. Construction

The number of construction violations in this prefecture remains the same as in previous months although construction officials are imposing more strict punishment on construction violators. On 23 June the owner of a saloon was prosecuted, fined ¥10,000 and restriction placed on the use of the building, for converting the interior of the saloon illegally. Representatives of this office attended five (5) conferences sponsored by the Ken Construction Section in cooperation with the procurators' office, police, civil construction association, and local

building contractors. Emphasis was placed on the importance of conforming with existing building regulations.

10. Blackmarket - EIB

a. There has been no change in the number of personnel employed. There are still six second-class vacancies.

b. Blackmarkot transactions have shown no marked change during May. However, it is felt by the EIB that damage done by the recent typhoon will tend to increase blackmarket activities. Extra efforts are being made to counter act this action. Interviews with EIB officials indicate that there has been no effort to sabotage or obstruct the work of the EIB by other government agencies. The only resistance met has been the natural reaction of persons found guilty of some violation.

c. Radio broadcasts, newspaper articles, announcements in movie theatres, and lecture broadcasts are being used to acquaint the public with the efforts and policies of the EIB. It is planned to have an airplane sent from Osaka to distribute 400,000 information leaflets to six cities in Ehime on the 1st of July. On 6 June, eight-hundred postcards were sent to housewives of Ehime-Ken. These asked for information on distribution of fish. A report will be made on the results of this program in July.

d. There have been 34 investigations involving 1,431 persons made by the EIB during June. 18 violations were discovered. The estimated value of goods uncovered by these violations is ¥827,002, 71.8 kan of fish valued at ¥5,143, 16 tons of iron plate at ¥220,350, 15 pounds of cotton thread at ¥1,509 and 2,770 pounds of fish net worth ¥600,000 were included. These will all be redistributed through legal channels.

HEADQUARTERS
FUKUI CIVIL AFFAIRS TEAM
APO 301 (Fukui Honshu)

Reports Control Symbol CA-11(R2)

L. W. JORDAN, CAF 11

ANNEX D

To Monthly Civil Affairs Activities
Report for Period Ending 30 June 49

ECONOMICS SUMMARY

1. AGRICULTURE:

a. General: Transplanting of rice and sweet potato seedlings are practically finished. Rape and clover has been harvested. Wheat, barley and white potatoes are presently being gathered but the harvests are delayed because of the rainy season now in progress. The Crop Reporting Service reports extensive damage to summer crops by rust, caused by inclement weather earlier this season. Side-line plantings of mushrooms and tulip bulbs are satisfactory. Immunization of farm live stock has been completed. Local newspapers and the radio are increasing their coverage of farm activities. Farm conditions are fairly good at this time.

b. Land Reform: No additional purchases of land were made but some applications are under consideration to be decided on 2 July. The percentage of resale remains at 99.7%. It has been found that some of the Commissions are interpreting the law in such a manner that farmers believe they eventually will receive much more land at lower prices than provided under the present law. As a result, farmers are applying for large dwelling plots far in excess of their actual requirements. Local Commissions although cutting the request almost in half still approve of larger plots than are required. This has been referred for corrective action to the Prefectural Commission. The farmers are greedy, desiring to set themselves up in miniature, after the pattern of the old land owners, walls and gardens around their houses. Training courses throughout the Ken are currently being held for instructions in business procedure and for the coming new elections of Land Commissions.

c. Farm Cooperatives - Nogyo-Kai: One additional Reclamation Cooperative was formed bringing the total to 4 Federations and 248 Independent Cooperatives. 91.8% of the assets of Nogyo-Kai have been liquidated. Six cooperatives were visited during the month and the meetings were conducted satisfactorily. The number of women attending is increasing but they still have very little to say. Two or three natural leaders in each organization have gradually pushed to the front and control the major activities. The back ground of many of these men have been investigated by this office but so far this appears to be only a natural born leader assuming his normal position

of leadership. Five 4-H Clubs have been formed and from the interest so far displayed many more will be organized in the near future. Agricultural newspapers are constantly publicizing the program and interest is extremely high among the Ken-cho officials and farm cooperative members.

d. Extension Service: Farmers are displaying a much greater interest in extension work than heretofore and are cooperating with the field workers who for the most part are efficient but it is apparent that more workers will be necessary in the future. This program is also receiving good coverage by the radio and local newspapers. Workers are helping to form 4-H organizations.

e. Land Reclamation: Reclamation cooperatives are constantly requesting aid in the form of the loan of machinery and additional subsidies. Slightly over 49 chobu of land was reclaimed during June but is is felt that the entire program is progressing slowly because of low governmental subsidies. Only about half of the land available for reclamation has so far been reclaimed and in view of the very great need of maximum production of staple foods it is believed that some push should be given to put this land into immediate production.

2. CROP COLLECTIONS: 29.46% of the white potatoes and 0.86% of the wheat and barley quotas have been collected. Heavy frosts during March and April delayed plantings of potatoes which were dug before maturity to prepare the ground for rice and a short-weight crop resulted. Rust and other diseases also contributed to the damage resulting in a reduction of 1,746,000 kan of potatoes and 4,000 koku of wheat and barley under Central Government allocations. Although negotiations are under way for quota revisions these negotiations take too long and unless the decisions are reached immediately it will be too late for individual farmer reallocation before the August dead-line delivery dates. The farmers refuse to turn in their crops until their quotas are definitely decided. No 2, 4-D herbicide is being manufactured in this Ken but about 30 kgs were purchased from Toyama and Osaka during February and March but on the advice of the Central Goverrment in May, advised against it's use. So far no information as to damage has been received from any source. 98% of the January - July fertilizer allocation has been distributed to farmer lever with the remainder in transit. The fall allocation figures were received locally on 11 June.

3. FOOD DISTRIBUTION: Increased amounts of fresh foods are appearing on the markets, particularly vegetables. Every food storage warehouse in this prefecture was inspected during the month and conditions found to be excellent. Great improvements were made during the last three months. There are 303,076 kgs of imported foods and 13,899 kgs of imported sugar stored in these warehouses. The new corn meal biscuits are going well being used mostly in noon time lunches. All staple food distributions are satisfactory and improvements have been noted in the cleanliness of ration points. Investigations of ghost rations continues, more detailed information appearing under E.I.B. of this report.

ANNEX D to Monthly Civil Affairs Activities Report for Period Ending 30 June 1949

4. FISHERIES: 674,615 kan of all varieties of fish were caught during June. This is an increase of 92,695 kan over the same period in 1948 but is 420,667 kan less than last month. The reduction is due to the early termination of purse seining for mackeral. Consumption within the prefecture totalled 238,453 kan or an average of 10 momme per day per capita for country people and 18 momme per day per capita for city dwellers. 436,162 kan were shipped outside the prefecture on the Central Government plan. Ice for fresh fish shipments was sufficient with 1,070 tons produced and 960 tons utilized. Several months ago this office reported the theft by Koreans of two fishing trawlers from Takahama Port, one of which was eventually recovered disabled at sea. Authorities have received information to the effect that the other craft has just been captured in Yokohama being used as a smuggling boat by Koreans. Association members suggest that larger trawlers which are capable of operating in the remote fishing grounds be prohibited from fishing in inland waters so as to give the smaller boats a chance. A new fish processing plant, engine and boat repair shop with a new landing pier was completed at Wada and is now in operation. Link goods for the period has all been distributed in accordance with the fish turned in. Ex-U.S. Army clothing was distributed in June. Registration of retail fish stores was completed and elections and authorizations finished on 30 June.

5. FISHING COOPERATIVES: The Governor authorized the formation of 3 cooperatives and the applications of 7 others are being examined. Preparatory meetings are scheduled for an additional 21 proposed cooperatives. To further the program a general meeting of all county egents was held in Fukui City on 14 June from which similar meetings were later held by each agent in his county with the fishermen within his jurisdiction. The purpose was to make sure that all the fishermen understood the new fishing rights legislature and the formation of fish cooperatives. Two traveling visual aid teams under the direction of the Chief and Vice-Chief of the Kon Marine Section have been organized to visit each fishing village during July. Films on cooperatives and information lectures will be given at each place. A member of this office will accompany each team for observation purposes. 2,000 posters on cooperatives have been distributed and a simple explanation of fishing rights laws have been printed and distributed to all fishermen. programs of from 5 to 30 minutes duration have been on the local radio for the last two months and will continue for some time. Newspapers are also devoting considerable space to the program. A round table conference in Kyoto sponsored by the Fishery Committee, House of Representatives, Central Government was attended on 23rd June by representatives from this prefecture.

6. MINING: Stockpiles of lead concentrate 423 tons; zinc concentrate 1,865 tons; coal 2,465 tons and lignite 91 tons were on hand at the mines on 30 June. There are no buyers for the lead and zinc and very few sales for the low quality coal which is being crushed as a substitute for graphite. Labor troubles particularly at the Nakatatsu Mine have hindered production. Lignite mines show increased production. New discoveries of quartzite deposits,

containing approximately 98% silica, used extensively by cutlery and auto manufactures, have been found and orders for 30,000 tons just received. This is about a four month production.

7. INCENTIVE GOODS: 344 cotton undershirts, 1000 blankets, 799 cotton shirts and 1000 jackets for over quota rice deliveries have not as yet been received. None of the incentive goods for this years white potato and wheat and barley have been received with the exception of 1,100 pair of rubber soled tabis. Inspectors found one case of misuse of incentive goods in that an official of the A & F Ministry obtained money for rice deliveries which were not received and to cover up, distributed incentive goods to inelegible persons who in turn sold them to clothing dealers. The culprits received sentences of two years imprisonment each. Spot checks were made by members of this Team on incoming incentive goods and several discrepancies noted including the receipt of cotton denim pants for wool pants although both the boxes and invoices were marked "wool pants". Class "B" clothing was so worn that it was unusuable except for rags. Class "A" pants, the entire lot, were sizes 40 and above, much too large for the average Japanese. The wool underwear received had been washed so much and shrunk so much that the sizes had been reduced to those of children rather than for adults for which they are intended. The farmers and distributing agencies have long complained of the quality and type of incentive goods received and unless improvements are made the program will lose much of its effectiveness.

8. FORESTRY: Collections of charcoal 10.6%, firewood 5% and lumber 19% have been made on the quotas for this fiscal year. 500 chobu of land was reforested to date. Pine bark beetle has made its first appearance in this prefecture when it was found that 320 trees were infected. All have been cut, the bark burned and measures taken to prevent further spread of the posts. There were 6 forest fires in the first quarter of this year. All in private forests, which destroyed 287.5 chobu of trees. Most of the fires were caused by campers. The charcoal producers are complaining bitterly about the new regulations which force them to deliver their charcoal to governmental stations. They say that with the present price they cannot affort deliveries and will therefore cease operations in all districts other than those in the immediate vicinity of the stations. The governor has petitioned the Central Government for a readjustment as this is one of the large charcoal producing areas.

9. TRANSPORTATION CONTROL: Governmental and private railroads report a reduction of 13,696 tons and trucking companies 14,241 tons of freight handled as compared with last month. An average of 22 freight cars per day are idle in this district. 1,756,000 passengers were handled by railroads in June, paying fares amounting to 48,248,000 yen. This is 24% less than anticipated. The Hokuriku Railway Company is attempting to get authority for the electrification of their line which would result in an estimated saving of 47,800 tons of coal annually. Twelve new passenger cars costing 9 million yen each have been put into service by the Keifuku Line on their Ono - Fukui - Mikuni run. An application for the completion of the Etsumi Line will be presented to the Diet by Mr. Fukuda a member of Parliament. This office has several times in the past advocated the completion of this line on which construction was

stopped at the end of the war. The use of trimobiles has increased greatly indicating that the trucking companies are beginning to feel the reduction in business and are looking around for even small shipments.

10. ELECTRIC POWER: Power generation was very good with 43,369,305 KWHs generated. 215,253 KWHs additional allocations were made to small industrial consumers. 30,341,315 KWHs were consumed locally and the remainder transmitted to other prefectures. Kansai Haiden who has 17,037 flat rate users in it's 22,503 customers, has sent a letter to each flat rate consumer notifying them that unless day time electricity consumption is reduced, it will be necessary to increase the rate 50%. Seven of the larger consumers owe the power companies 6,804,102 yen in unpaid bills which date back to October 1948. 704 illegal consumers were detected during June. Asuwa power plant is 90% completed. The Gojoho plant as authorized by SCAPIN 6611-A will have a maximum capacity of 15,000 KWHs per month.

11. CONSTRUCTION - PUBLIC WORKS: Reconstruction of earthquake damage in urban areas reached 93% and in rural areas 85%. A reduction in the budgets will restrict many of the long range activities now in progress, including city planning in the main cities and river and dike work. The Ken-cho alloted 6,358,000 yen for the immediate repair of roads and bridges along the route to be used in the coming troop maneuvers in this area beginning 6 July. Water service to individual houses will be resumed in July after an absence of one year. The new pumping station is now complete. The new post office building covering 800 tsubo was dedicated on 6 June. Many new modern concrete buildings are under construction and it is planned that Fukui will be one of the most modern cities in Japan. The population has increased to over one hundred thousand.

12. CRITICAL MATERIALS - EX-MILITARY SUPPLIES:

a. During June the Industrial Reconstruction Kodan took over the following excess materials and hoarded goods:

Ordinary Steel	100,265 kgs
Iron and Steel Scrap	176,600 kgs
Pig Iron	12,000 kgs
Rayon Yarn	29 lbs

b. In cooperation with the local E.I.B. representatives of this Team observed the inspection of 5 plants in connection with critical materials inventories. The records here show that in November 1948 the release of ex-military supplies was requested from the tactical troops but in spite of repeated requests the authorization has not been received. The storage of these supplies is expensive and they are badly needed in support of present economy. 1,845 lbs of cotton yarn was worked up into 18.7 tan of trawling net and 16 kan of fixed net and released to the Fukui Ken Fishing Association for distribution.

13. IMPORTS - EXPORTS: Weavers produced 12,552,623 square yards of silk fabrics and 643,517 square yards of rayon fabrics against present contracts. New contracts for 2,152,600 square yards of rayon have been received. There has been a notable reduction of orders for other exportable items such as paper, spectacle rims, lacquer ware, artificial gut and bamboo ware. Local textile manufacturers are anxious to get their representatives to foreign countries not only to obtain new contracts but for the study of new designs and quality comparisons. Foreign buyers have all the advantages, local producers must accept contracts from them at practically their own terms or no business is forthcoming. Foreign dyes are badly needed as those produced in Japan are inferior. New deposits of agate have been located in this Ken and increased exports should result from reduced prices. Raw agate was imported from Hokkaido and by the time the finished products were made the prices were exorbitant. A designers exhibition on textiles was held in Fukui City on 6-7 June and prizes given to the 18 best designs as judged by the Association.

14. STIMULATION OF CRITICAL INDUSTRIES: Practically all industries have felt the effect of business slumps and report a shortage of ready cash for operating expenses. Textiles appear to be the hardest hit with many orders cancelled. Workers are being laid off and further reductions are anticipated. Money is getting tighter and banks are not making as many loans. First class collateral is required. Echizen paper is not so much in demand and 12 of the 79 local plants have closed. Hat manufacture and agate were reduction in sales but ceramics and edged tools show a slight increase over last month. Shinetsu Fertilizer Company has repaired all machinery and is ready for full production. Tsuruga Cement Company complains of late payments by the Trade Kodan and Construction Ministry which in some instances are as late as six months. The company must pay interest on late coal payments and need the cash. 7,800 tons of coal of which 33% in Ube (low quality) is stock piled by the Solid Fuel Distribution Kodan at Tsuruga Port. There are few buyers and exposure to the elements is reducing the value. No fire prevention equipment is on hand. Pottery making is being revived and expansion planned to enable the industry to supply all of the local demand. Fukui Yaki (a special pottery) is greatly favored by the local populace but so far, the makers have been able to furnish only 60% of the requirements. All types of small local industries which would require small capital and would employ local technicians are under study by the C & I Section of the Ken Government who hopes to offset unemployment and stabilize local economy by this means.

15. REHABILITATION COMMITTEE: The General Affairs Committee met this month and general discussions on a number of reports submitted by sub-sections were held. Plans were made for the next 30 days and include a broad plan for the encouragement of the development of natural resources, reforestration and reclamation. Petitions will be submitted in the near future to the Central Government on a policy covering government purchase of textiles; importing of dyes for exportable rayon and silk; financing of small enterprises; and certain aspects of present tax laws. The model shops are proving so popular that they are being enlarged and will be continued for at least three more months.

ANNEX D to Monthly Civil Affairs Activities Report for Period Ending 30 June 49

16. CONTROL ASSOCIATIONS:

During the month the following Control Associations were dissolved:

Fukui Pref. Food Products Retail Coop. Assn.
Fukui Pref. Footwear Wholesalers Coop. Assn.
Fukui Pref. Cart Rubber Goods Coop. Assn.
Fukui Pref. Textile Weaving Ind. Coop. Assn.

Other associations scheduled for further dissolution include Town and Village Forest Association; Fukui Ken Fishery Association; and one Special Fishery Association.

17. ECONOMICS INVESTIGATION BOARD: The local E.I.B. was particularly active during the month, making 183 major investigations which resulted in 13 prosecutions. The Director transferred two department heads for inefficiency and at present the whole Board is operating in a very satisfactory manner. Investigations were made in ghost rations, fish, iron and steel inventories, agricultural tool manufacture and control of cotton textiles. 46 firms were detected as applying for extra rations for office workers. These unauthorized rations are estimated to run into millions of yen. 270 bales of blackmarket rice was also found on these investigations. Fresh fish control violations amounting to 478,927 yen were detected. A suspected violation involving 15,000 pieces of knitted goods, ex-military property, is currently under investigation from evidence furnished by technicians of this Team. Excellent cooperation between N.R.P., City Police and E.I.B. is maintained with joint conferences held every two weeks. The local office has been inspected by inspectors of the region office in Osaka and according to their report is in excellent condition. They are doing a fine job.

18. REPARATIONS: Machines are being maintained satisfactorily. Movement of machines for economy purposes from Obama to Tsuruga centralized locations was completed.

RESTRICTED

Report Control Symbol MG-11(R2)

HEADQUARTERS
FUKUOKA CIVIL AFFAIRS TEAM
Fukuoka, Kyushu
APO 24-5

MONTHLY OCCUPATIONAL ACTIVITIES REPORT
Month Ending 30 June 1949

ANNEX D

ECONOMICS SUMMARY
Mr. E. D. Armagost
Economics Officer

1. AGRICULTURE:

a. The sprouting of young rice plants progressed satisfactorily at first because of the warm weather and much rain. But during the early part of June, the plants grew soft due to the above.

About 200 cho of rice plants were slightly damaged on 20 and 21 June by the typhoon.

The excessive rain also innundated potato fields before harvest so that in many cases, even short periods of storage will cause much rot; therefore it is believed that farmers will turn in all available potatoes to the government and that the potato quotas will all be exceeded. Estimate 11.7%

b. Agricultural Cooperatives:

The agricultural cooperative section of Ken Government was transferred from the Land Department to the Economics Department on 1 June 1949. The head of the Agricultural Administration Section is now serving concurrently as head of the Agricultural Cooperative Section.

The Guidance Federation asked the Ken Government for a prefectural subsidy in the amount of ¥5,000,000. The request was refused on the grounds that the Guidance Federation was duplicating the work of the Agriculture Extension Service.

The Prefectural Government is urging the completion of liquidation procedures for the remaining twenty-two(22) Nogyo-Kai by the end of July 1949.

There was one(1) new cooperative organized during the month of June. The total now stands at 452.

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BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

c. Extension Service:

A conference between the Ken Agricultural Improvement Section and the various experimental stations was held on 14 June 1949. The object was to effect a closer coordination between the two(2) organizations in an attempt to facilitate the rapid and accurate transmission of information down to the farmer.

Representative farm advisors from each area gathered at Egamimura, Mizuma-gun for a field extension course in rice nursery care.

An informative lecture course on the efficiency and use of BHC and the extermination of the leaf-hopper was given to farm advisors and cooperative technicians at Fukuoka city on 17 June 1949.

d. Fertilizer:

(1) The status of spring fertilizer distribution as of the end of June is as follows: (Unit: Metric ton)

Item	Allocation	Received	Distributed	D/A
Sulphate of Ammonia	24,160	25,266	22,322	92%
Nitrate of Ammonia	2,887	4,179	2,887	100%
Calcium Cyanamide	1,430	1,583	1,430	100%
Superphosphate	14,302	15,982	13,989	98%
Potassium	3,728	4,403	3,601	97%

Remarks:

All items allocated for August-December 1949, have been received, but no August-December 1949, fertilizer has as yet been distributed.

The Fertilizer Distribution Kodan tried to distribute 100% of Ministry allocation by the end of June, but was unable, because of tardy bookkeeping.

(2) Allocation of spring fertilizer to farmers as of the end of June is as follows:

Ammonium Sulphate Equivalents 95%
Superphosphate Equivalents 98%
Potash Equivalents 99%

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

(3) Allocation of August-December 1949 fertilizer to Fukuoka Prefecture was given as follows:

Ammonium Sulphate	9,610 tons
Calcium Cyanamide	1,440 "
Ammonium Nitrate	11,391 "
Phosphate	19,162 "
Potash	2,854 "

e. The farmers are requesting additional fertilizer, because the rain washed away that which was already on the rice fields. An investigation is now being carried on to determine the required amount.

f. There are two (2) agencies in Fukuoka Ken who handle 2,4D; one at Onizuka, Daizenji-machi, Mizuma-gun and one at 243, Momiji-machi, Fukuoka city. Mr. Yunosuke Teraoka of the Hormone Association for plants had the above on his name cards. There is one (1) case at Kitano-machi of a farmer purchasing same.

2. LAND REFORM:

There was no purchase or sale of land by the Prefectural Government during the month of June.

The Prefectural Government is conducting an intensive information campaign on the forthcoming elections. They are utilizing radio, posters and newspaper items in an effort to reach everyone.

The Prefectural Government is conducting an investigation into the reasons for the abandonment of land purchased under the Reform Law. Some of the reasons obtained thus far are:

a. Shortage of labor available for hire, dissatisfaction with present occupation and a desire to change to something less strenuous and pressure of taxes and delivery quotas.

b. At the present time, all land abandoned under the above is being cultivated by someone else.

3. LAND RECLAMATION:

The Prefectural Government bought twentysix (26) cho of land during the month of June and re-sold 58 cho. At the present time, the totals stand 11,075 cho of land purchased and 2,497.5 cho resold.

An inspection of ex-military land located at Motooka-mura, Itoshima-gun was made by this section. The land in question is being held by the Finance Ministry, but at present is not being utilized. The above land was at one time under cultivation and still suitable for farming. This Team recommended that the above land be transferred to the Ministry of Agriculture and Forestry for purposes of reclamation.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

4. CROP COLLECTION:

The crop collection report as of the end of June is:

Item	Quota	Purchased	Percent
Rice (Koku)	1,147,600	1,158,223.8	100.92
Sweet Potatoes (Kan)	11,314,000	18,096,324.5	159.9
Rice* (Koku)	8,000	10,632.8	132.8
Wheat, Barley			
Naked Barley (Koku)	494,300	253,459.1	51.3
Potatoes (Kan)	5,140,000	3,413,096	66.4

*Over quota rice delivery.

Visits to producing areas by this team indicated a need for a Class 5 for wheat. At Asakura Gun, about 1,200 bags are below Class 4 and must be returned to the farmers. It was also found that even when standard straw bags were filled that the weight was still short. This will necessitate making a suitable adjustment for 1949 wheat sacks.

The recommended revision of wheat quota for Fukuoka Ken by this team is about 23%. Actual 15.2 %

5. FOOD DISTRIBUTION:

a. Meat Consumption:

The monthly meat consumption for June is:

Population	Production	Consumption per Capita
3,312,577	142,044 kgs	42.9 grams
2,917,568 *		48.3 "

* Less children under six (6) years old.

b. Bakeries:

Investigation of bakeries indicates a need for the following:

(1) Closer supervision by health authorities.

(2) Compliance with existing regulations concerning eligibility to operate.

A survey is now being made by the Ken Food Section of all bakeries as to eligibility.

c. Food Ration Points:

The following additional action is being taken by the Food Kodan:

(1) Consumers are requested to bring clean containers for rationed food. (Signs are being placed at all ration points requesting same.)

(2) Suggestion boxes are being placed at ration points to get opinions of consumers.

(3) Continued improvements are being carried out to facilitate storage and distribution methods.

6. FISHERMEN'S COOPERATIVE ASSOCIATION:

Two fishing villages were visited during June. One at Konominato-machi, Munakata-gun and the other at Oshima.

Both of the above mentioned villages have progressed through the articles of incorporation forming stage. It is expected that both villages will hold their general meetings and present their pertition to the Governor this month.

Eight new cooperatives were approved during June. This brings the total to eighteen in this prefecture.

7. MINING:

a. Coal production for June was 1,299,115 tons, or 101.5% of the planned production of 1,280,050 tons.

Production by districts for June is indicated below:

Districts	Goal	Actual Production	Percent
Chikuho	997,300	1,015,339	101.8%
Kasuya	109,350	102,676	93.8%
Miike	173,400	181,100	104.2%
Total:	1,280,050	1,299,115	101.5%

Noted by NR

Production during the first ten days of the month was hampered some-what by strikes at the Takamatsu and Yamada coal mines. On the 20th of June, many temporary stoppages were experienced due to the effect of the "Typhoon Della". For the most part these stoppages were caused by lack of electricity and shaft flooding.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

Two major accidents occured during the past month which resulted in the death of fourteen (14) miners. The cause of these accidents is being investigated in an effort to prevent their recurrance.

b. Mine Timber:

The supply of mine timbers during the month of June was decreased considerably because of the heavy rains. The indebtedness of the coal mines to the mine timber dealers increased by about 10% over the previous month. Every effort has been made to effect a reduction of this debt, and it is felt that unless outside help is made available to these coal mines no substantial progress can be made in this direction. We have repeatedly stressed rationalization of management and conservation of mine timbers in the hope that this will serve to alleviate the situation.

8. INCENTIVE GOODS:

a. Farmers:

Status of incentive goods to farms as of 30 June 1949 is:

Item	Unit	Allocation	Received	Distributed
Working Gloves	pr	86,000	66,663	37,351
Japanese	1000	16,405	15,543	15,543
Cigarettes	pcs			
Sake	Koku	3,282.82	3,180	3,180
Released	pack	147,422	145,725	145,725
Cigarettes				
Wood Under-trousers	pr	6,500	6,500	4,583
Cotton Trousers	pr	7,150	7,150	5,041
Wool Trousers	pr	8,801	2,450	1,728
Sweaters	ea	2,000	2,000	1,409
Cotton Shirts	ea	5,050	2,550	1,797
Wool Shirts	ea	4,500	2,500	1,763
Wool Undershirts	ea	2,500	2,500	1,764
Socks	pr	9,853	9,383	6,621
Coats	ea	1,000	-	-
Jackets	ea	2,000	-	-
Candy	pack	10,000	-	-

All other items were received and distributed.

b. See attached.

RESTRICTED

BASIC: ANNEX D, Economics Summary, Fukuoka Civil Affairs Team Activities Report, Month Ending 30 June 1949

b. Coal Miners

Status of incentive goods for coal mines is:

ITEM	UNIT	ALLOCATION	RECEIVED	DISTRIBUTED	IN STOCK	NOT RECEIVED
Japanese Working Clothes	Pcs	151,460	141,502	138,454	3,048	9,958
U.S. Army Clothes						
Jackets	Ea	37,852	37,823	37,823	0	29
Shirts	Ea	20,064	20,023	20,023	0	41
Trousers	Pr	71,254	68,831	68,831	0	2,423
Suits	Ea	40,070	39,734	39,734	0	336
Socks	Pr	40,190	39,834	39,412	422	356
Underwear	Ea	97,840	97,813	97,817	2	25
Blankets a/	Ea	91,603	91,109	87,298	3,811	494
Blankets	Ea	17,800	0	0	0	17,800
Japanese Gloves	Pr	164,810	164,765	56,298	108,467	45
Puttees	Pr	97,860	69,087	65,456	3,631	28,773
Towels	Ea	244,990	244,986	244,983	3	4
Bedding	Ea	7,786	7,786	7,584	202	0
Soap	Bar	2,892,470	2,952,000	2,952,000	(Received 59,530 bars over allocation	
Rubber Boots (long)	Pr	1,980	1,980	1,896	84	0
Rubber Boots (short)	Pr	4,470	4,470	4,338	132	0
Raincoats	Ea	3,962	1,401	850	551	2,561
Puttees b/	Pr	108,730	108,730	107,010	1,720	0
Underwear	Ea	30,556	31,682	28,284	3,398	0
Puttees	Ea	7,148	7,051	7,051	0	97
Jikatabi	Pr	263,170	263,170	202,972	60,298	0
Japanese Gloves	Pr	86,850	68,806	38,830	29,976	18,044

RESTRICTED

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

c. Vegetable Incentives: (4th Quarter 1948)

Item	Unit	Allocated	Received	Distributed
Bicycles	ea	29	10	10
Rear Cars	ea	43	43	0
Rubber Boots	pr	80	0	0
Rear Car *	ea	42	42	42

* Third quarter 1948.

d. Fishermen:

Statistics are as follows:

Item	Unit	Ministry Allocation	Ken Allocation	Received	Distribution
Sake	To	690	672.39	690	672.39
		(864)	(0)	(0)	(0)
Cigarettes	1000	908	909.075	908	909.075
	pcs	(499)	(0)	(0)	(0)
Wood	Koku	14,070	14,070	14,070	14,070
		(0)	(0)	(0)	(0)
Nails	kg	10,880	10,880	10,880	10,880
		(0)	(0)	(0)	(0)
Cotton Textiles	tan	17,270	5,481	5,481	5,481
		(14,509)	(0)	(0)	(0)
Gloves	pr	23,000	36,313	36,313	36,313
		(40,660)	(0)	(0)	(0)
Elastic Half Boots	pr	1,150	1,157	1,150	1,157
		(89)	(0)	(89)	(0)
Jikatabi	pr	690	677	690	677
		(63)	(0)	(62)	(0)
*Elastic High Boots		4,000	2,343	4,000	2,343
		(2,100)	(0)	(2,100)	(0)

Figures in parenthesis ( ) are for April-June 1949 allocation, others are January-March 1949. Difference in some figures resulted from addition of previous stocks and difference between Ken and Ministry allocations.

* Hip boots reported in May Activities report should have been Elastic High Boots with the original allocation 2,300 pairs and an additional allocation of 1,700 pairs.

9. FORESTRY:

a. Reforestration, 350 cho of timber land was cut over during the month of June.

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BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

No reforestration was accomplished during the month due to the heavy rains and the lack of labor personnel. As of the end of June there were 21,808 cho of land in need of reforestration. There are sufficient seedlings available at the present time and given suitable weather and sufficient personnel, it is felt that the Prefectural Government will accomplish its reforestration program.

b. Production of forest products during the month of June were as follows:

Charcoal	1,032,601 kg
Firewood	12,765 koku
Gasumaki	7,800 kg
Lumber logs	50,029 koku

There were four (4) forest fires during the month of June. The resultant damage was 59 cho, 5 tan of timber destroyed. All fires occured as the direct result of human carelessness.

c. Pine Bark Beetle Control:

Effective control measure during the month of June succeeded in wipingout 30 of the 33 cho of infected land. There has been some infection of new areas, but as yet their extent has not been determined. Any movement of unpeeled logs from the areas of infection has been strictly prohibited and controlled.

10. TRANSPORTATION CONTROL: OD 70

Twenty six (26) transportation control check-points were inspected by members of this team in June. A representative from the Oita Civil Affairs Team visited this headquarters in June and inspected many check-points in Fukuoka Prefecture with a view towards adopting original or beneficial procodures and techniques of operation which might be applied to the Oita plan of operation. Because of the excellent co-operative spirit of Sgt. Kitchen, the Oita representative, valuable exchange of constructive criticism and ideas of mutual benefit was experienced. This information is submitted with the idea that other teams may benefit by similar exchanges of ideas.

Meetings were held with all prefecture police chiefs and economics chiefs during which the changes embodied in the Prime Ministers Ordinance #1, 27 May 1948, "Regulations for Transportation Certification relative to Designated Materials", were clarified and points of interest brought out. The new regulations, permitting much larger quantities of materials to be transported without a certificate than heretofore has the deleterious effect of rendering the operation of check-points, so laboriously setup, useless, and of nullifying the determined efforts over a long period of time by members of this team, to control illegal transportation of critical materials and foodstuffs.

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BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

It if felt that unless teeth are put back i to the law by lowering the minimum amounts allowed, transportation control will be come inneffective, and the police will lapse into the lethargy which characterized their attitude before pressure by this team stimulated them to sustained action.

A campaign to intensify control of transportation of freight by rail was started in June. The Moji and Kokura sub-divisions of the Japanese Government Railways submitted a detailed plans for control utilizing existing railway police and guards and requiring cooperation from autemonous police bodies when requested. This plan was approved and put into operation, effective as of 1 July and monthly reports of results will be submitted to this headquarters. In this way, it is hoped that the transportation of large amounts of textiles into the prefecture, from Osaka and other northern trading centers and the export of blackmarket coal from Fukuoka will be reduced.

Yen value of goods confiscated by check-points in June amounted to ¥2,500,000 but this total is expected to be severely reduced in July because of this new regulation.

11. ELECTRIC POWER:

The thermal power repair program is progressing satisfactory. In most cases, the percent repair is in advance over the anticipated time. The planned out-put for June was 233,500 KW, the actual output was 200,690 KW. This difference was due to the abundant supply of Hydro-power available for this period.

Much concern is being shown on the possible division of electric power into seven (7) blocks or sections. Officials explained that this would mean a much higher rate per KW for this area and certainly would be a serious handicap to mining and industry.

Petitions have been filed with the governor by the Kyushu Densan officials for any possible help.

12. CONSTRUCTION:

During the month of May, 920 ordinary dwellings, 132 coal miners dwellings, 16 industrial laborers dwellings and 175 buildings other than dwellings were constructed. One hundred three (103) violations were detected by the construction section, of this number sixty-three (63) were ordered to suspend operations.

13 EXPORT IMPORT:

The part of Moji-Wakamatsu reported inward shipments of 36,250 M/T of iron ore from Malay, 19,748 M/T of iron ore from the United States, 73,601 M/T of coking coal from the USA and 1,361.507 M/T of Molasses from the Phillippine Islands.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

On addition, 18,442.324 M/T of wheat, 9,955.526 M/T of Soya Beans, 2,942.481 M/T of Magnesite Ore, 10,011.141 M/T of corn, and 235.620 M/T of general cargo were imported from the United States.

Outward shipments included 51,882 M/T of coal for Korea, 857.906 M/T of Window Glass for Hongkong, 191.761 M/T of Lumber (125,000 Bd/M) for Korea, and 191.761 M/T (125,00 Bd/M of Lumber for Okinawa. Cement shipments of 9,425.169 M/T included 3,000.015 M/T for Hongkong and 6,375.150 M/T for India. 50.004 M/T of White Cement was shipped to Hongkong. 8,148.721 M/T of Scrap Iron was shipped to the United States.

Thirty six (36) SCAJAP vessels were inspected in June.

The port of Miike reported outward shipments of 13,130 M/T of coal to Korea and 9,164 M/T of Coal to Hongkong. Twentyfive (25) SCAJAP vessels were inspected in June.

14. STIMULATION OF CRITICAL INDUSTRIES:

Again the Nippon Seitetsu Kabushiki Kaisha (The Japan Iron and Steel Company, Yawata Works) exceeded their scheduled production. This is attributed to favorable conditions of the open hearths, blast furnaces and electric furnaces. An unexpected supply of electric power was also available.

Item	Scheduled	Actual	Percent
Pig Iron	54,250 ton	56,635 ton	104.3
Steel Ingots (Open hearth & electric furnace)	66,400 "	72,361 "	108.9
Finished Steel	50,000 "	57,038 "	114.1

The critical situation between mining machinery companies and coal mines still prevail. Outstanding accounts to the mines by the twentyfour (24) designated plants has reached a total of ¥589,207,807. This is exclusive of the many other companies producing the same type of end products. There is no evidence of good healthy competition between companies. They are reluctant to encourage any purchases by coal mines.

In spite of the shipping strike at the pyrite mines in Okayama prefecture, the two (2) largest ammonium sulphate fertilizer manufactures in this prefecture produced in excess of their expected tonnage.

Due entirely to power shortage at the Denki Kagaku Kogyo K.K., Omuta City production of Carbide and Calcium Cyanamide was below expectations. Production and allocation.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

Name	Allocation	Production	Percent
Carbide	2,400 ton	1,566 ton	65.2
Calcium Cyanamide	2,200 "	1,848 "	84.0

15. REPARATIONS:

a. Inspections of reparations plants during the month of June disclosed only minor infractions of current regulations, corrective action was taken where necessary.

b. Plans for the removal of poison gas equipment in Sone Arsenal, Code No. 07-11, have been initiated. No operation of this plant for any purpose is expected in the near future. Action other than preliminary survey has been halted due to the fact that funds are not available at the present time for decontamination or disposal of this equipment.

16. SHIPBUILDING:

a. Surveillance of shipbuilding as required by Operational Directive 79 shows no unauthorized construction or conversion.

b. The Omuta Dockyard and the Omuta Dockyard Ltd., have received permission to construct two (2) wooden cargo vessels of hundred-fifty (150) tons each (Reference SCAPIN 6594-A, dated 23 May 49) These companies have reported to this headquarters that construction cannot begin till the end of July due to a shortage of materials.

c. The Kukinoumi Shipyard has completed conversion of the eight (8) vessels authorized by higher headquarters, therefore, the following information is submitted:

Name	Gross Tons	Type	Convert to	Completion date
Kiyoo Maru	80	Trawler	Fish Carrier	30 June 49
Manju "	80	"	" "	18 " "
#51 Hokoku Maru	98	Fish Carrier	Trawler	20 " "
#52 " "	98	"	"	" " "
#63 " "	98	"	"	25 " "
#65 " "	98	"	"	29 " "
#71 " "	98	"	"	23 " "
#72 " "	98	"	"	24 " "

Repairing work in Shipyards, this prefecture has been hampered somewhat due to a shortage of steel.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

17. E.I.B. ACTIVITIES:

The monthly Economic Investigation Committee meeting was held with personnel from this headquarters attending. Points stressed by this team were fish and restaurant control, however the entire quarterly plans of E.I.B. were discussed.

Attendance of sections chiefs has improved in the last three (3) months. E.I.B. chief states that he is receiving full cooperation of all enforcing sections and agencies.

Organized raids consisting of E.I.B., city and national police and public procurators were made on fish retailers. Fortyseven (47) stores were inspected with a result of fortyseven (47) violations. Of this number thirteen (13) retail licenses were revolked by the Governor.

Good action by Governor

An investigation was made on the Osaka-machi market in Kokura city on 21 June. This is considered the largest blackmarket spot in the prefecture. One hundred fourteen (114) men participated with emphasis placed on textiles.

Number of cases	81
Ready made goods	3,973 pcs
Cotton cloth	4,536 yds
Cotton " (Bolt)	113 tan
" thread	59 rolls
Leather goods	104 pcs
Official price estimate	¥5,135,270

18. PRICE CONTROL AND BLACKMARKET:

Price Control Teams are continually checking stores and shops throughout Fukuoka city for price violations. In addition, this system of checking has been extended to cover the entire prefecture, under the overall direction of the NIP. In May and June 4,790 shops were inspected and 485 cases were sent to the public procurators office. During June, 514 shops in Fukuoka city were inspected with 116 cases being sent to the procurator for trial. Blackmarket prices in Fukuoka city are showing a steady decline, partially because of strict control and because of natural price adjustments caused by season, weather, unemployment and other factors. An intensification of control of fresh fish throughout the prefecture has been inaugurated. In Fukuoka city, 14 fish retailers' licenses were revoked by the Governor for illegal dealing and 1,836 kgs of fresh fish confiscated. In addition police raids on Railway stations resulted in confiscation of 2,837 kgs of rice and 2,841 kgs of white potatoes among other items. Yen value of all goods confiscated by Economic Police throughout the Prefecture in June amounted to approximately ¥65,000,000.

BASIC: Annex D, Economics Summary Report, Fukuoka Civil Affairs Team, Month Ending 30 June 1949

The local EIB, operating in conjunction with the Kokura Municipal Police, broke the back of the blackmarket of textile goods in Kokura city with a well-executed raid on a notorious blackmarket district, arresting eightyfour (84) persons and confiscating textiles valued at over ¥6,000,000 official price. EIB made preliminary investigations and actively directed the raid, with police assisting by blicking exits, maintaining order, confiscating goods and handling disposition of materials confiscated. The procurator's office also assisted.

This raid was notable in thet it showed how law enforcement agencies, working together and complementing one another, can achieve successful results and made a marked impression on police throughout the prefecture.

Excellent - Use for Bulletin

Item

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 715015

F-E-A-D-Q-U-A-R-T-E-R-S
Fukushima Civil Affairs Team
APO 547

RCS
FG-14

ANNEX D

to

Monthly Military Government Activities Report for the month of June 1949

ECONOMICS ACTIVITIES

Prepared by William J. Maddox Jr., 1st Lt., Cavalry

1. Agriculture

a. Crop Conditions

Despite May drought, June floods and resulting damage, prospects for wheat and barley collection still are favorable, chiefly because of extra-area planting. Unseasonal dryness caused damage which cut wheat crop to 93.5% and typhoon Della effected 645 cho, ruining 2,618 koku and dropping output to 91% of expectations, according to Prefectural Agricultural Affairs Section. Barley matured early before heads were full and 1,125 cho suffered from floods causing a 6,700 koku decrease in production. Continued rains have caused cut grain to sprout on drying racks in several areas and to become infested with brown rust in Ishikawa and Tamura counties. However, prefecture expects wheat harvest to exceed expectations. Crop Reporting Office has stated that farmers planted 120% of assigned area. Farmers counter that no quota should be assessed against any excess area as fertilizer was not allocated for it. Damage survey by Crop Reporting Office was incomplete at month's end.

(1) Agricultural Affairs Section claimed a 20% decrease in white potato expectations because 393 cho were damaged by water cutting output by 273,000 kan. Little disease damage is noted except for slight evidence of ring rot in Iwaki-gun.

(2) Rice planting was completed and sufficient seedlings were available to prevent loss by nursery rot. Estimates by prefecture of typhoon damage put flooded area at 4,243 cho with nine (9) cho buried and 17 cho washed away. Some of this area can be replanted.

(3) Production of silk worm eggs was 958 kilograms or four point six percent (4.6%) over last year and a very conservative estimate of cocoon delivery is set at 647,000 kan, about fifteen percent (15%) higher than 1948. About 100,000 kan of damaged and double cocoons also will be delivered. These will sell for about ten percent (10%) less than a year ago and first grade cocoons may sell as much as fifteen percent (15%) lower. However, farmers should equalize losses by greater volume of production. Mulberry acreage has increased slightly by 87.2 cho.

SUBJECT: Annex D to Mo Mil Govt Act 1 July 1949
Report for mo of June 1949

(4) Farmers near Showa Denko's Kitakata plant have complained again of crop damages caused by fumes and smoke. In 1944 company made monetary settlement with farmers at which time agreement was made to pull out mulberry trees. Now farmers hold that new mulberry trees have been grown and that new areas are effected. County office is mediating.

b. Fertilizer: Receipts by Kodan were completed during June and dealers received 98% of allocations. Delivery to farmers reached 96%. Farmers had sufficient fertilizer to complete rice planting and outstanding amounts will be used for vegetables, fruit and tobacco. Considerable publicity has been used to notify farmers that fertilizer was available to them. Farmers and dealers are ¥60 million in debt to Kodan for first-half fertilizer purchases. These groups have met with Kodan and agreed to dissipate the debt by drawing ¥20 million in Agricultural Bills through the cooperatives, ¥13 million by withdrawal of deposits, ¥17 million by cash payments and remaining ¥10 million by continued credit until other funds are available. Fall fertilizer allocations average 30% higher than last year and are 80% of 1937 level, the year of highest planted area and fertilizer allocations.

c. Agricultural Reform: Thirteen (13) new cooperatives received approval during June. Eight (8) are non-capital reclaimers groups while capital additions are one (1) rural industry and four (4) reclamation organizations. One (1) livestock cooperative transferred to capital-stock. Meanwhile, six (6) Nogyokai were authorized to transfer assets, leaving only 40 unsettled. Of four (4) holding foreign investments two (2) have drawn up final statements which first must be approved individually by ESS, GHQ, before central government can make up any deficits.

(1) Proposed consolidation of major federation activities except credit into one (1) county federation at Adachi-gun is running into additional trouble. Representatives agreed to be satisfied with a gun sales federation, however, it appears that Food Office will not let contract to handle rice. Entire movement should collapse soon.

(2) Negotiations are preceeding between sales and purchase federations to determine which should handle clover purchases. Formerly advisory cooperative federation carried on this activity but on dissolution its personnel were employed by sales federation which is pushing claim to the crop.

(3) Second business and administration course for agricultural cooperative clerks began 6 June in Fukushima. It will last seven (7) weeks and has an enrollment of 40.

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 77307.5

SUBJECT: Annex D to Mo Mil Govt Act Report for mo of June 1949 — 1 July 1949

(4) Tobacco growers association has found that new legislation will allow it to carry on financial activities for members and has scrapped plans to install separate tobacco section in local cooperatives. Early in July growers and cooperatives representatives will confer to determine on what ratio to divide deposits between cooperatives and banks. Growers claim cooperative administration is too cumbersome for withdrawals and loans and that banks will not make loans unless they are favored with deposits. Probable ratio will be 30-30 with 40% left to farmers discretion.

(5) Education meetings were held in June in preparation for local farmland committee elections in August. Early apathy among farmers toward elections was dispelled considerably and a full slate of candidates was gained. Reclaimers are showing interest also. Supervisory committee has received instructions for conducting elections. Local committees have registered only 30,000 pieces of property and two (2) million more remain to be recorded. Owner-tenant contracts are 71% complete, highest percentage in Tohoku area.

(6) Since the start of farmland program 318 families have abandoned 42 cho of paddyland and nine (9) cho of upland because of poor soil, labor lack and taxes, in that order. Of this, 30 cho of paddies and five (5) cho of upland has been resettled. Prefecture claims drainage and other land improvement could halt this trend. No cases of "selling green fields", that is, borrowing against harvest, have been reported to date in this prefecture.

(7) Members of this headquarters visited six (6) farmland commissions, six (6) cooperatives and investigated sixteen (16) petitions concerning land reform cases. Several cases concerned reversals by prefectural committee of local committee decisions. One (1) prefectural decision also was reversed after additional investigation. No deliberate malpractices were noted.

d. Extension Activities: Write-in election of seven (7) members to agricultural improvement committee was completed 15 June with excellent selection results. No old members were reelected and new committee will have varied experience covering livestock, agricultural insurance, fisheries, forestry nurseries, general agricultural and cooperatives. Five (5) are village mayors. Remaining five (5) appointive positions

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 775012

SUBJECT: Annex D to Mo Mil Govt Act
Report for mo of June 1949

1 July 1949

will be filled by governor by 10 July. Area agents concentrated their activities on rice planting. Each agent now has bicycle. Chief operational difficulty is in carrying out more than routine activities because of budget limitations. Finances have been trimmed to a point where nothing remains after personnel are paid.

(1) Forestry representatives from each of Tohoku prefectures attended forestry and reclamation short-course in Kita Aizu-gun given by Mr. F. J. Schulley, NRS, GHQ, during week commencing 16 June. Accent was placed on reforestation, flood control and the importance of forestry in agricultural management.

(2) Farm Improvement Section is sponsoring experiments in flax production in four (4) counties of the prefecture. Already fifteen point one (15.1) cho have been planted in hopes of finding additional income for this one-crop area. However, little hope is held for success with upland plantings except in warm coastal area. Production this year should run about 200 pounds per tan.

e. Reclamation: Conference between Maebashi forestry branch and prefectural office concerning sale of national forest land to farmers resulted in agreement to release land for reclamation only. Stalling continued over release of grass-cutting land for reclaimers and forest reimbursement for forest owners whose land was taken for reclamation. As this problem chiefly concerns the Tohoku region, little attention is given it by central government even though Diet has made provisions for releases of this type.

2. Crop Collection

a. While wheat and barley collection remained negligible at month's end, white potato turn-in reached 307,433 kan, about 40% higher than the same period last year. Increase is attributed to farmers planting more potatoes in paddies this year and having to harvest early in order to make room for rice seedlings.

b. Twenty-five (25) villages already have applied for construction of sweet-potato curing storage barns which have been authorized by central government based on 50% loan subsidy from GARIOA funds. Original allocation of five (5) to this prefecture was raised to eleven (11) but prefecture still is not satisfied. It feels the barns will accommodate only 330,000 kan of sweet potatoes which is less than half the amount that spoiled last year and five percent (5%) of total collection for 1948. Two (2) of those authorized will be constructed by dealers and remaining nine (9) by cooperatives.

DECLASSIFIED E.O. 12065 SECTION 3-402 / NNDG NO. 775075

SUBJECT: Annex D to Mo Mil Govt Act
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c. Officials expect no trouble with rapeseed turn-in but fear trouble if strict surveillance is exercised over pressing plants. Final reports indicate that crop was exceptional and that quotas are comfortably moderate compared with planted area.

3. Food Distribution

a. Twenty-five hundred (2,500) applications have been received for restaurant permits with more anticipated. Prefecture plans to make approvals so that operators can open in early July.

b. General leftist agitation increased in June stressing two (2) points: Return of collected rice to farmers and granting of credit for staple food sales. So far, charcoal makers who depend wholely on charcoal form the only group which has refused staple food rations for lack of money. Rice ration in June was 20 days because of no imported food releases. Imported food carried over from May distribution lasted for six (6) days. July release of 8,190 tons is four (4) times normal monthly ration.

c. Definition of "farmers" by central government concerning food distribution has been well received by prefecture. The new standard covers virtually all producers. Survey now is being made of those who depend solely upon rations. Economic Investigation Board combed sixteen (16) plants for illegal ration practices during June and discovered only two (2) minor cases. Plants are making every effort to straighten out their system before inspections begin. Thefts from two (2) dealers caused loss of 98 kg. of imported sugar, none of which has been recovered although one (1) person has been apprehended.

4. Fisheries

a. Fish landings dropped to 335,000 kan and 60% of quota because of poor bonito and tuna catches. However, in last week of month exceptional catches of bonito were reported with boats averaging 2,000 kan each and some running as high as 5,000. Catches usually improve in July and should far excel last year's low seasonal average of 2,000 kan per trip. Rat-tail (tojin) and poor miscellaneous types made up most of the catch. Only twelve percent (12%) of shipping quota was met and distribution within prefecture by Class A ports was 22%. Processing plants received 70% of their quota.

b. Agreement was reached by northern Pacific coast prefectures over use of Sendai Bay which reaches from Kinkazan to Gerozan near Fukushima's northern border. Fukushima fishermen will be allowed 17 teams of two (2) ships each in the general area but only three (3) teams will be allowed within 20 miles of shore in restricted area during late July and August.

c. Black Goods: Materials Adjustment Office has discovered large drain of fish from prefecture by ships which carry large catches to consuming areas to increase their oil allocations. Fishermen draw oil in advance here at low rate

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to fish caught, then take their largest catches to Tokyo area for higher rate per unit of fish caught. They return to prefecture only when they land small catch. This assures them of maximum oil allocations and they also draw incentives tickets at consuming areas. MAO has requested other offices to forward monthly reports of landings in consuming areas by local boats in an effort to stamp out this traffic. Also large boat owners at Ena have agreed to forfeit oil and benefits if violations occur.

(1) Insufficient oil was allocated for July by ministry probably because of mistake in reading report of overdrawal of 234 kiloliters. One hundred (100) kiloliters were allocated on additional request for 120 kiloliters. Also an extra 70 kiloliters were authorized for use in June.

(2) Fishermen are pleased with first quarter rope and twine allocations. Purchases of 1948 last quarter goods is proceeding slowly as fishermen do not buy until actual need exists. However, no rope is being refused. Seventy-three hundred (7,300) rolls of cotton thread were allocated for seine fishing in addition to 13,000 rolls which were released for use of thirteen (13) groups refused participation in Fisheries Bill system. Typhoon Della caused loss of 3,100 kan of set-nets which were washed away.

d. Fishing Cooperatives: Members of this headquarters attended an explanation meeting at Haragama and the organization meeting of prefecture's first cooperative, a drag-net association at Onahama. To date, 34 meetings preparatory to dissolution have been held and eleven (11) prospective cooperatives have held preliminary organization meetings.

e. Economic Investigation Board fishing surveillance picked up 166.7 kan of fish and sent 23 persons to procurator. Prefectural police also increased their activities and seized 170 kan of fish and arrested 97 violators in as many cases. Most cases were illegal procurement of fish at dockside.

5. Mining

a. Coal: Production rose to 204,335 tons and 106% of goal as piston strikes were completed and steady work was recorded. Stockpiles stand at 31,583 tons. Yago coal mine which started month under production control has notified union it will cease operations 30 July after this headquarters failed to reconcile union and owner. Poor management is more to blame for closure than labor trouble. Five (5) coal-cutting machines have been located in Joban fields of which four (4) are in working condition. One (1) needs an estimated half million yen worth of parts. At Uchigo mine, one (1) machine has been put to work and plans are being made to utilize the others. Translations of U.S. Bureau of Mines Safety

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Rules and Regulations have been made and forewarded to Taira Coal Board and Eastern Coal Association for reference.

b. Other mining generally experienced a slump because of timber and material shortages. Many part-time miners also were busy farming. Silica production fell ten percent (10%) to 1,750 tons while feldspar and pyrite dropped about five percent (5%) from May to 1,000 and 1,260 tons respectively. Limestone registered a four percent (4%) increase with 5,900 tons because of continued expansion of Iwaki Cement Co.

6. Incentive Goods

a. Total of ¥12 million of incentive goods is available for shipment to prefecture pending agreement over term of credit for the receiving association. Present credit length is 30 days which is insufficient for collection from dealers and fishermen. Receiving association has completed recently heavy loans to cover agricultural incentive goods arrivals and does not have capital to make additional outlays. Goods involved are January-March army surplus clothing. No payment guarantee can be made until fall when catches increase. Only one-third (1/3) of fishermen will benefit by bonito and tuna catches in July. Fishing association at Onahama already has ¥800,000 debt for incentives which it incurred by spending incentive goods money for normal operating expenses.

b. Fourth allocation of 1948 summer crop incentive goods has been received but not distributed and fifth allocation has not arrived. Fall crop goods generally has been distributed through second allocation with third through fifth unreceived. After prolonged discussions, agricultural purchasing cooperative federation and federation of clothing dealers have decided to split purchases of 1949 summer crop incentives on a 65-35 basis. Dealers based their stand on better service rendered and more capital.

c. Unreceived 1948 coal incentive goods are 31,830 pairs of domestic gloves, 540 imported gloves and 1,080 futon. Additional 7,456 pairs of imported gloves is undistributed as miners do not want them. Only 1949 goods received are 12,650 pairs of jikatabi which already have been distributed.

7. Forestry

a. Forestry Department is elated over predictions in Tokyo that charcoal controls except quotas and prices will drop in near future. If private dealers again are allowed to handle charcoal substantial relief should be felt by producers who cannot sell their product at this time. Receiving prefectures have indicated they want no more charcoal shipments because of heavy over-shipments during June when 4,000 ton quota was exceeded with 9,332 tons. At present no plans have been made for July shipments although stockpiles stand at 8,548 tons with 1,072 of this at stations. One (1) quarter of the stockpile has been purchased. Only ¥25 million was received to pay for charcoal and firewood and ¥70 million still is outstanding. Kodan has

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indicated it has sufficient 30 kg. bag stocks on hand and will buy only fifteen (15) kilogram bags in future. This is severe blow to producers who have 30 kg. bags ready for shipment. Present national policy appears to be to discourage further production on basis that unemployed will be able to take up charcoal making in fall. Actually present producers augmented by men who were forced out of firewood cutting last year are sufficient to complete planned cutting program. Production for June was 6,940 tons, 115% of quota.

b. Firewood cutting was 24,976 koku or 85% of quota while 116% of shipping quota was reached with 69,755 tons. Gesumaki production was 116% and 1,517 tons while shipment was 113% and 1,996 tons. Pulp output was 9,600 koku as shipment reached 20,720 tons because of immediate payment by purchasers. Some good timber is finding its way to pulp mills because of this. General timber production was 80% of schedule with 125,000 koku. Shipment was only 72,520 koku with 392,000 koku stockpiled because of poor market. Ten thousand (10,000) koku of mine timber or 33% of plan were produced and supply was 70% with 20,000 koku. Continued greater shipment over production is caused by shipment figures coming from railroad and mines while output is tabulated by inspectors. Wood that once is classified as general timber often is sold to mines. Mines on an average have paid timber bills through March.

c. Reforestation: Additional 59 cho of seedlings planted but unreported in May brought yearly reforestation plan to 61% of completion. It is expected that nursery seeding has been sufficient for prefecture to furnish all of transplanting needs in fall thereby cutting reforestation costs by five percent (5%). Prefectural office has suggested plan of low-interest long-term loans to reforesters from counterpart fund which will be paid back when timber is cut.

8. Transportation

a. Daily record for staple food seizures on passenger trains was broken 21 July when Fukushima City police took 82 bales of rice from three (3) trains. Eighteen (18) travelers were bound over to procurator. Otherwise, spotchecks were held less often than usual because of police financial difficulties but they accounted for 31.2 metric tons of illegally transported staple foods. Procurators received 205 persons out of 868 violations while 2,720 cases of abandoned goods was recorded. On the basis of these results, police are being pressed to continue surveillance during this between-crops season. Inspection of baggage cars netted 16.6 metric tons of staples plus varying amounts of other commodities. Roadblock accounted for apprehension of 143 violators and two (2) tons of staplefood. Procurator received 119 persons. Court action was completed against three (3) persons who forged official travel documents in February for purpose of transporting food illegally. Member of Nakamatsu city office who used mayor's seal illegally received 18 months. Two (2) others were sentenced to a year each, one of whom will be on three-year probation upon release. Sentences in each instance were six (6) months less than procurator demanded.

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b. Railcar supply was adequate as stockpiles remained less than one day's capacity. JNR transported over 116,000 tons during June which was 94% of planned tonnage. Shortage of truck travel to stations because of weather also contributed to lessened rail transportation.

9. Electric Power

Plans are being drawn for construction of three (3) power projects on Tadami river following approval by central government. No definite date for starting has been set as additional surveys first must be run by Nippatsu.

10. Public Works

Prefectural office has drawn up tentative plans for public works which are designed to take up unemployment slack during fiscal 1949. Plans call for spending ¥548.9 million and utilizing 1,788,666 man-workdays. No project has begun yet but improvement of roads in mining area is scheduled to begin soon.

11. Stimulation of Critical Industries

a. Savings deposits by all financial institutions in prefecture as reported by Bank of Japan showed rise of ¥66.8 million during May bringing total for fiscal year to ¥133.8 million. Largest rise was recorded at banks, which doubled April deposits with ¥64.7 million. However withdrawals from agricultural cooperatives continued ahead of deposits and left farmers with ¥157 million less than start of fiscal year. Prefecture estimates that 60% of all loan requests are approved by lending agencies but that banks are considering applicants very carefully regardless of loan priority list set up by central government. Small businesses are figured as poor risks. Local Credit Assurance Council made up of medium and small businessmen has built up assets of ¥3.3 million for use as security for loans. Banks were hesitant to make large loans on such small capital so governor sponsored a plan for prefectural government to guarantee ¥10 million above regular assets in case failures exceeded them. With this assurance, banks were expected to approve loans to members for ten (10) times guaranteed assets of ¥13.3 million. This plan fell through as it was believed to be in conflict with Local Autonomy Legislation provisions concerning loans and subsidies in the public welfare.

b. Cotton textile weaving registered an 11% rise in production over previous month with 530,000 square yards. Gain is attributed plentiful supplies of electricity and raw materials at Kitto plants. Rayon made slight rise with 150,000 sq. yds. However silk weaving dropped six percent (6%) in production with 910,000 sq. yds. because of cancellation of orders and money stringency. Kawamata town alone needs ¥100 million loan in order to buy thread. Formerly buyers furnished capital against delivery for raw materials purchases. Plans are being studied for construction of dyeing mills in prefecture in hopes of increasing sales. Meanwhile, retail

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stores are finding difficulty in disposing of inferior stocks of material. Most other types of textile weaving and spinning registered declines with the most serious fall in staple fiber weaving which plunged 40% to 103,000 sq. yds.

c. Lacquerware production remained stable as producers' representative returned from trip to New York with word that wooden lacquermakers must cut costs sharply or expect no orders from America. Maruni metalbase lacquer now has export orders of ¥100,000 which will keep local plant busy until September. Prospects are bright for additional orders. Plant also has ¥30,000 order from Post Exchange. Poor demand for wooden furniture and fixtures has caused 25% fall in production while spinning spool output fell six percent (6%). Glassware manufacture rose five percent (5%) with 1,480,000 pieces. China production remained steady.

d. Steel and aluminum production each gained slightly with 1,100 and 530 tons respectively with rise expected to continue. Three hundred fifty (350) electric motors were produced for a fifteen percent (15%) increase over May. Production of ammonium sulphate fertilizer was off from previous month but still met quota 106% with 4,800 tons. Phosphate reached 128% of quota with 2,700 tons but calcium cyanimide output was down to 650 tons or 75% of quota because of labor troubles at Tohoku Kenyo.

e. Economic Investigation Board has posted three (3) green suggestion boxes in main cities in hopes of getting citizens' opinions and also "leads" for additional investigations.

12. Reparations

a. Eleven (11) major reparations plants and dispersal areas were visited by members of this headquarters during June. Also Navy Technical Research Institute (OI-15) and First Navy Technical Laboratory (OI-16) were checked by representative of Reparations Section, CPC, but no discrepancies were noted. Conference was held by prefectural office to acquaint custodians of plants with necessary measures to be taken for continued custody and control under new standards of maintenance effective 1 July.

b. Several plants that had partially dismantled equipment for periodic cleaning and lubrication have reassembled, coated with preservative and covered machines with waterproof paper. Survey of persons to be effected by reduction in strength at non-operating installations shows that 119 employees will be released of which thirteen (13) are advisors and technicians, 20 are clerks and 86 are laborers.

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HEADQUARTERS
GIFU CIVIL AFFAIRS TEAM
APO 25, Unit 2 (Gifu, Honshu)

ECONOMICS SUMMARY

ANNEX D, ECONOMICS, to Civil Affairs Activities Report, period ending 30 June 1949

Authors: Major Temple S. Ryland, Economics Officer
Capt. Granville E. Johnson, Natural Resources Officer
Mr. Reginald Rosevear III, CAF-7, Manufacturing and Industry Officer
2nd Lt. George W. Morgan, Commerce and Trade Officer

1. AGRICULTURE

a. General

This prefecture experienced one of the heaviest rainfalls of the season 21 thru 22 June. Most of the damage occured in Motosu, Ampachi, Ibi and Gujo guns. Prefectural officials estimated cost of damage at 158,000,000 yen. The crop damage is as follows: wheat 3800 cho, potatoes 800 cho, rape seed 700 cho, vegetable 700 cho and chinese vetch 1300 cho. The prefecture has requested the national government to conduct a survey of damage in hope of receiving aid from state funds.

b. The Farm Land Section of Hida Local Office has begun construction of a dam on the Arashino-gawa in Yoshiki-gun. The dam will make possible the irrigation of 100 cho of land at Hosoe-mura and 200 cho in Furukawa-cho. The dam will have a water way approx. 3,700 meters long and 2.5 meters wide. By irrigation these areas are expected to increase rice crop 400 koku.

c. Agricultural Cooperatives

(1) Officers of Federation of guns and cities held a meeting on 11 June to deliberate on the much debated question of combining the five existing federations into two entities. Branch officials toured Toyama, Ishikawa, Shizuoka and Nagano prefectures to study movement and operation of agricultural cooperatives for the purpose of obtaining ideas whereby operating expenses and salaries could be reduced.

(2) Total number of cooperative associations in this prefecture as of 30 June 1949:

Type	Approved this month	Accumulative Total
Agricultural Coop Ass'n	0	350
Sericultural Coop Ass'n	1	1082
Reclamation Coop Ass'n	1	56
Industry Coop Ass'n	0	1

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Products Processing Agr Coop Ass'n	0	2
Stock Raising Agr Coop Ass'n	0	9
Fruit Agr Coop Ass'n	0	2
Dairy Agr. Coop Ass'n	0	5
Vegetable Shipment Agr Coop Ass'n	0	1
Charcoal and Wood Agr Coop Ass'n	0	1
Shitake Agr Coop Ass'n	0	1
Agr Affairs Coop Ass'n	0	34
Bee Honey Coop Ass'n	2	2
Total	4	1546

d. Stock Raising

(1) In conjunction with a survey made of the western areas of Gifu prefecture, the feasibility of the stimulation of stock raising in that area was investigated. Comparatively large areas consisting mainly of hillsides where sheep could be supported, are not being utilized whatsoever. It is the opinion of this headquarters that approximately 10,000 head of sheep could be maintained on these slopes if winter feed could be shipped into the area during the winter months. Such shipment, however, is almost impossible since no rail facilities penetrate the area and the roads are impassible during part of the winter. In Neo-mura, Motosu-gun, several valleys extending 8 to 15 miles in distance, and being from 1/4 to 3/4 of a mile wide exist. Because of the isolation and the lack of transportation, this land is not being utilized. Such areas represent ideal locations for cattle because of their levelness, and due to the fact that sufficient grass could be cut during the summer months and used for winter feeding. An estimated 12,000 head of cattle could be supported.

(2) On 25 June forty head of sheep were shipped to Gifu City from Fukushima prefecture. This is the first shipment of 995 head of sheep purchased by Gifu Prefecture Sheep Institute, to be introduced and distributed throughout the prefecture. The purchase of the sheep is being financed by Kimura Spinning Company Ltd. and cost of sheep will be approximately 4000 yen per head. Farmers buying sheep will provide about one-half the cost.

(3) Prevention program for horse B encephalitis which was started in April and was finished at the end of June. The number of horses inoculated amounted to 7,000, and 1,800 stables were treated with D.D.T.

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(4) There were 255 cattle given tuberculosis test during June. One of these showed positive reaction and 9 intermediate reaction. Since 1 January a total 1284 cattle have been tested leaving 1026 to be examined.

2. CROP COLLECTION

a. Present wheat and potato collection programs show the following amounts collected. Percentages are based on preplanting quotas:

Wheat 3,336.4 koku or 3.5%
Potato 385,997.23 kan or 8.1%

These figures do not indicate the true standing since they are from 10 to 20 days behind the actual turn in. To remedy this a plan has been put into effect whereby it is hoped that this lag in days will be reduced to 3 or 4 days. The plan works as follows:

From 0% to 50%, based on preplanting quota turn in, a report is rendered to this headquarters on 1, 11 and 21 of each month.

From 50% to 75%, based on preplanting quota turn in, a report is rendered weekly to this headquarters.

From 75% to 90%, based on preplanting quota turn in, a report is rendered by-weekly to this headquarters.

From 90% up, based on preplanting quota turn in, a report is rendered daily to this headquarters.

All reports are rendered via telephone from Agri. Coop's to villages, from villages to guns and from guns to kencho using police lines if necessary. Written reports are required from the kencho to this headquarters.

b. Due to the recent floods, disease and poor crops it is estimated by prefectural, gun and village officials that the crop production of wheat and potatoes has been reduced by at least 30% and a request has been made to the central government to reduce the quotas of this prefecture accordingly. It is anticipated that although a reduction will be granted it will not be as high as 30%.

3. FOOD DISTRIBUTION

a. Receipts of fresh fish for June totaled 244,917.4 kan. Representing 61.2% of the allocated 400,000 kan. Processed fish in the amount of 137,903.2 kan consisting of herring, Cod, Dried Cuttle fish, boiled and dried sardine and Fish caster (CHIKUWA), was received. Consumers desire

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remains the same, prefering Mackerel, Horse Mackerel, and Boiled and dried sardines.

b. The vegetable situation is looking still better. Prices aren't above the consumers reach, and the supply is adequate to keep fresh vegetables in the retail stores.

c. Average consumption of meat in the prefecture during June was 0.31 momme per person per day.

4. MINING

a. At a conference attended by most prefectural lignite producers, representatives of the prefectural Commerce and Industry Section, and a member of this headquarters, it was strongly urged that producers concentrate on the mining of higher calorie lignite. As a result of a survey conducted by this headquarters, it was ascertained that many enterprises which could utilize lignite in place of coal were not doing so because of the poor grade lignite which they had been receiving. After informing producers of this situation, and pointing out that the difference in price between 4000 calorie lignite and the same calorie coal was large enough to make it economically feasible for fuel consumers to switch to the higher calorie lignite, plus stating the fact that by virtue of an increased use of lignite in place of coal, substantial savings in the amount of coal consumed could be effected, thereby rendering greater the amount of coal available for use in industries wherein the use of coal is essential, the producers agreed to adopt a plan whereby no low calorie lignite would be mined unless absolutely necessary in order to gain access to the higher calorie seams. Under such plan, the total output of lignite will probably be reduced, but this will have no adverse effect on either the mining industry or the consuming industries since the demand for lignite is almost entirely for 4000 calorie or 4500 calorie lignite. While the mines were digging out whatever calorie lignite encountered rather than mining selectively, large stockpiles of low calorie, unsellable, lignite were being accumulated which represented practically a total loss for the mines. By virtue of mining lignite of 4000 calories or higher, the producers will be able to sell immediately their total output, the transportation burden will be lightened, consumers will receive a satisfactory fuel for less money than they pay for coal, and critical coal will be conserved for use in the most essential industries. The low calorie lignite which must be mined in order to reach the higher calorie seams can be utilized by textile industries which must generate steam for their production processes. All textile factories in this prefecture have been encouraged to utilize this low calorie lignite to the maximum. It is believed that through the adoption of this plan most of the causes deterring the advancement of the prefectural lignite industry will be eliminated.

b. Inspection of the Hirai Tankosho, a combined lignite mine and processing plant, revealed that the experimentation stage has been completed, and the installation is preparing to commence operation on a commercial scale.

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Lignite of a caloric value of between 4000 and 4100 will be mined, and processed by continued heating at 600°C for 24 hours. After this period of time the caloric value will increase to between 5900 and 6000 calories. Monthly output is expected to approximate 180 tons of 6000 calorie lignite (coalite) and 300 tons of 5000 to 5500 calorie coalite. Although the price is expected to be slightly higher than that of 6000 calorie coal, the demand for coalite is expected to be sufficiently great to consume all that is produced because of the fact that the coalite will burn with practically no smoke, therefore being ideal for use as a motivating agent in trucks and other vehicles. Coalite could also be used profitably in industry for, unlike coal, it can be stored for long periods in outdoor location without losing calories.

c. Investigation by this headquarters of the western area of Gifu prefecture for the purpose of ascertaining the economic value to be derived from the construction of a railroad in that area revealed the presence of the following resources:

(1) An estimated 50,000,000 tons of chalcopyrite ore containing an average of 18.19 percent Cu is found in a very isolated, mountainous area in Kusemura, Ibi-gun. Lack of transportation is responsible for non-exploitation.

(2) Although local authorities report that many deposits of lead and zinc exist in the northern areas of Motosu-gun, this headquarters was able to inspect only three locations. Samples of ore selected by this headquarters revealed, upon analysis, the following:

(a)	Pb	6.99	Fe	14.57
	Zn	9.76	Cu	0.84
	S	20.26	SiO_2	39.82
(b)	Pb	12.95	Fe	28.10
	Zn	6.16	Cu	1.65
	S	24.11	SiO_2	29.95

Reserves of these ore have never been ascertained, but appear to be extensive. None of these deposits are being mined because of the inaccessibility of the area.

(3) Manganese resources are believed to be unlimited; some of the reserves are currently being tapped, but on a very minute scale. Six locations, all in isolated, mountainous areas were inspected, and samples withdrawn. The manganese content in the two types of ores, namely rhodochrosite, rhodonite, and psilamelane ranged from

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a low of 25.83 percent Mn to a high of 56.47 percent Mn. Development of these resources has not been profitable because of the absence of a cheap means of transportation.

(4) Low grade coal occurs in several areas located high in the mountains; one area yielding coal of 6,348 calories was located in an inaccessible area in Neo-mura, Motosu-gun.

This area, undoubtedly, is rich in lead, zinc, copper and manganese; because of the inaccessibility of the area, this headquarters was unable to conduct a thorough survey of the resources. It is evident, however, that if these reserves could be exploited they would represent a sizeable gain to the economy of Japan. Details of these deposits were included in a special report submitted on 4 June 1949 by this headquarters on the proposed railroad line in the western area of Gifu prefecture.

5. FORESTRY

a. Heavy damage was inflicted to prefectural forest by Della Typhoon during 21 and 22 of June. Estimate of damage as follows:

Landslides	148 cho	22,800,000 yen
Roads washout	62	66,000,000 yen
Kilns damaged	600	1,200,000 yen
Charcoal washed away	500 Bales	50,000 yen
Lumber washed away	180 koku	100,400 yen

Prefecture officials have asked for financial aid from Japanese Government. Government officials are expected to arrive in Gifu on 9 July to survey damage.

b. During the month of June 367 cho of land was reforested with 1,103,300 seedlings.

c. Lumber, charcoal and firewood production during reporting period was as follows:

	Actual Production	Percentage
Charcoal	236,350 bales	112 %
Firewood	756,834 bundles	79 %
Log	125,000 koku	99 %
Lumber	70,500 koku	

d. Pine bark beetle infestation has decreased during the month of June. Damaged trees at the beginning of June was 535 trees and new trees infested during June amounted to 1,220. Trees exterminated of insects during reporting period was 705, leaving a total of 1,050 at the end of the month.

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6. TRANSPORTATION

a. A comprehensive study of the natural resources and economic potentialities of the western areas of Gifu prefecture (Ibi and Motosu guns) was conducted by this headquarters for the purpose of ascertaining whether or not it would be economically feasible to complete the construction of a railroad which had been partially completed prior to the China Incident, but the construction of which had been suspended since 1936. The following situations were found to exist:

(1) The area is supporting a population of 95,096. Development of the area made possible by a rail line would permit the absorption of at least an additional 51,533 persons, and a possible 200,000 persons.

(2) Land available for reclamation totals approximately 1600 cho (3,921.6 acres).

(3) Although the average annual cut of lumber is 114,088 koku, if rail transportation were available, approximately 650,000 koku could be cut annually without danger of deforestation.

(4) The yearly production of charcoal could be increased from the present 2,105,000 kan to an estimated 3,185,000 kan if transportation facilities existed.

(5) Whereas 4,562 head of cattle and 414 head of sheep are currently being maintained, if rail transportation were available to ship out live stock, and to ship in winter feed, approximately 12,000 head of cattle, and 10,000 head of sheep could be supported.

(6) Mineral resources abound in quantities so great, that their extent has not been ascertained. Manganese ores with an average of 45 percent Mn and as high as 56.49 percent Mn exist in unlimited reserves; an estimated 50,000,000 tons of a chalcopyrite ore containing 18.19 percent Cu lies untouched; galena-zinc blend ores containing from 6.99 percent Pb to 12.95 percent Pb, and from 6.16 percent Zn to 9.70 percent Zn exist in unknown quantities; bitumminous coal yielding an average of 6,348 calories, and as high as 8,400 calories are found; and enormous deposits of high grade limestone, granite and marble are available. None of these deposits can be exploited profitably because of the lack of a transportation system. During the period 1931 - 1936, the foundation of 21 bridges were constructed; the superstructures of 13 of these were 80 percent completed, and the remaining 8 were 50 percent completed. Of the two tunnels

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necessary to complete the first half of the line, one was completely finished while the other was 50 percent completed. All station sites were planned, and 22.4 kilometers of roadbed (63.2 percent of the total distance of the line) was constructed. Although the steel superstructures of the bridges were removed by government order during the war, the tunnels, bridge foundations and roadbed remain intact today. Completion of the line would necessitate the construction of the superstructures of these twenty-one bridges plus the construction of 20 additional bridges; the completion of the one tunnel which is half finished plus 4 additional tunnels; the construction of 13 kilometers of roadbed, and the laying of 35.4 kilometers (21.994 miles) of track. The estimated cost of completing the railroad is 745,691,400 yen. In the event the central government were to undertake completion of the line, exploitation of the wealth of the area could occur with the result that the development which would be possible might permit this isolated, backward area to become outstanding in agriculture, stock raising, mining and industry, and as an area capable of relieving to some extent the population pressure. No development can be expected unless the area has access to some means of transportation by which its resources can be transported to markets. A special report on this topic was submitted on 4 June 1949.

b. Nine instances of illegal shipment of various types of beans were uncovered at the Tajimi City freight station. A total of 908 kg. of beans, shipped as freight from Hokkaido were seized and turned over to the Food Distribution Kodan.

7. ELECTRIC POWER

a. There was a 3.91% decrease in generation for June, 290,448,163 KWH being generated in comparison with 302,278,169 KWH generated in May. The decrease was caused by (5) generating plants temporarily closed for repairs, and many small plants closed due to flood waters. A slight decrease was noted in consumption, it is believed that this decrease was caused by the strict surveillance of the pilferage control team. A slight increase in illegal consumption is noted - however it is difficult to determine whether it is a power leakage or actual theft.

b. Repair of the Chayana generating plant has been completed, but production was reduced considerably because of water diverted for irrigation. There was no damage found as yet to dams or generating stations as a result of recent floods and typhoon.

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c. Under the conservation program, the pilferage control team consisting of 8,365 persons made 201,388 inspections during the reporting period and found 37,445 violations which were the same type as reported in previous months. There was no change in policy or allocation.

d. Installation of 2,094 light and power meters brought the total number of meters installed to 20,697 representing 30% coverage in light meters and a 75% coverage with power meters. The number of limiters installed this month was 875 bringing the total number of meters installed up to 40,732 with a coverage of 21.3%. Power holidays remain the same-one day per week.

e. Several small scale construction programs have been outlined for the control and harnessing of water that is presently causing considerable erosion and loss of fertilizer to farmers. If these programs are carried out, at least one non-electricified village will have some power and electric lights.

f. Investigation by this headquarters of the cause for the ever present shortage of electric power encountered by the lignit mining industry revealed that during the years preceding the war power received was generally 200 volts, but power currently being received is only 140 volts. For this reason it is necessary to utilize 5 horse power motors in place of the previously used 3 horse power motors for the purpose of pumping water from the mines. It was found that one booster at the Ota cho booster station had been damaged and never repaired by the Chubu Haiden Electric Company. The electric company brought pressure on lignite producers to finance the purchase of a new booster, but the producers feel that it is not just that they should contribute towards the fixed asset of the electric company. In order to implement a program under way for the rationalization of the lignite producing industries, it is desired that either a new booster be installed and a small additional allocation of electricity be granted to the lignite producers, or in the event no booster is installed, sufficient allocations of electricity be provided lignite producers to enable them to maintain production levels commensurate with the amounts of lignite consumed by vital industries. A special report on the subject was forwarded on 15 June 1949.

8. CONSTRUCTION

a. Total number of applications for new construction, enlargement, rebuilding and removal 1,004, total number of authorizations was 2,025. These include ordinary living houses, dormitories, jointly used houses, public buildings, commercial buildings, and buildings for industrial use.

b. Total number of houses actualy built or enlarged was 528 reported, but actual number is some what larger as determined by investigation by this office.

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c. There were (25) violations discovered during reporting period. They were administratively disposed, being of a nature not to require Judicial action.

d. The Construction situation in this prefecture is some what better, due to the fact that raw materials are becoming more plentiful, and the price is on the downward trend.

e. There have geen no abnormal developments and this office has no suggestions to offer for the improvement of the building situation.

9. PUBLIC WORKS

a. Although the public works budget for the fiscal year 1949 totals 1,000,000,000 yen, only 300,000,000 yen will be utilized since the remaining 700,000,000 yen is earmarked as a reserve to be used only in the event of a disaster. Half of the 300,000,000 yen will be obtained from the central government while the other half will be provided from prefectural government sources. Plans for utilization of this very limited sum is as follows:

Construction and repair of roads	150,000,000 yen
River improvement	100,000,000 yen
Rehabilitation of war damaged sites	50,000,000 yen

All three projects are currently in progress but will have to be very limited in scope.

10. STIMULATION OF CRITICAL INDUSTRIES

a. Activities of the prefectural Commerce and Industry Section in furtherance of the survey of all prefectural industries entailed the review of the ceramics, firebrick and textile industries:

(1) Ceramics Industry - After the 15 day suspension of operations which occurred during May which was caused by the failure of foreign buyers to purchase ceramics ware, and because of the situation of overproduction in domestic ceramics items, most factories resumed work on a limited scale. In some instances they are producing for expected Christmas orders. Producers feel that if they discharged their employees now, when the export market revives and orders are received, they may not be able to rehire the skilled technicians required for the production of exportable chinaware. The opinion of ceramics producers pertaining to the cause of the failure of foreign buyers to purchase ceramics ware, is that American buyers are planning a reduction in the dollar price offerred to manufacturers. Whereas producers were receiving approximately eighteen dollars for a 93 piece dinner set while they were exporting at the 400 yen per dollar exchange rate,

after the new rate of exchange was established, buyers attemped to reduce the price to as low as sixteen dollars. The unfavorable exchange rate plus the buyers' tendencies to slash prices have created a situation whereby ceramics manufacturers are confronted with a two way reduction in the amount of money received for their output. In many instances, producers claim that it will be impossible for them to continue producing for export; others state that they will accept orders at the lower prices, operate at a loss for a limited time, and hope for either a raise in the dollar price, a reduction in the costs of the materials of production, or a government subsidy. Hope is had for renewed trade with the South Sea markets which has been practically nil because of the dollar shortage in these countries. Ceramics circles are also contemplating exportation of their products to sterling areas in the near future. The principle reason responsible for the state of overproduction, as held forth by manufacturers, is the fact that many of the factories presently producing for domestic use formerly exported their output to China. They feel that since the Chinese market is impossible for present development, they will be forced to continue producing on a small scale for domestic consumption. The Ceramics Associations set forth the following suggestions which, if effected, would be of great aid to producers:

(a) The American consul should appear in Nagoya for the purpose of reviewing export orders more than once per week.

(b) The Japanese government should be permitted to validate export orders.

(c) Exportors should be permitted to ship their items for export on a CIF basis rather than on FOB basis.

(d) Receipts of allocated materials should be expedited (it now takes 45 days from the time the coupon is received until the goods are received).

(e) Permit the use of Japanese merchant vessels for the shipping of exports.

(f) Reduce the cost of coal. (Ceramics associations state the cost of coal at the mines is 2500 yen per ton, but the cost to them is 5500 yen per ton at the factory)

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(g) Improve the roads between the ceramics area and Nagoya. Trucking companies now charge 4500 yen for the shipment of 3 tons from the ceramics area to Nagoya. Such high cost is becuase of the damage caused to trucks by the poor roads.

(2) Firebrick Industry - Each factory in the prefecture is producing at less than full capacity solely because of the lack of orders for firebrick. Producers claim that a state of overproduction of firebricks exists because of the severe cut in the capacity of the iron and steel industry which is the main consumer of firebricks. Although the number of prefectural firebrick factories currently in operation is less than the number which were functioning during the pre-war period, it is popular opinion that unless the Japanese iron and steel industry is permitted to expand, several additional firebrick factories will be forced to close. Another situation unfavorable to producers is the inability to collect from customers. Generally it requires 3 months from the time delivery is made to collect; manufacturers feel that this situation is caused by the slowness of the government in paying the iron and steel industries. In order to effect savings, and at the same time conserve coal, firebrick producers have agreed to utilize lignite to the fullest extent in accordance with this headquarters suggestion. The following is the method by which the saving will be effected:

to 600°C	-	lignite
to 750°C	-	lignite and wood
to 900°C	-	lignite and coal
over 900°C	-	Coal

Such a plan is expected to reduce greatly the consumption of coal by the firebrick industries.

(3) Textile Industry - In the course of a four day inspection of all types of spinning, twisting, weaving and dying facilities the rehabilitation and technical progress which has been made during the past nine months was especially noteworthy. New machinery, among which are several of the newer type Milanese weaving machines, plus great strides in technical improvement have rendered the prefectural textile industry first among those striving to regain their prewar capacity. Nearly 100 percent of the spinning and weaving mill management has stated that they are ready to operate at full capacity as soon as raw material allocations increase to a point where this will be possible.

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At the time the survey was made, most plants were operating at between 30 and 45 percent of capacity. In addition to the raw material deficiency, the only other situation which would be detrimental to full capacity operation is the shortage of women labor in many of the mills. Wages being low, those plants which do not provide dormitories and restaurant facilities for employees are having difficulty procuring the desired amount of female labor. At the general conference held with textile producers, export market potentialities, the blackmarket in woolen fabrics, and the labor problem were treated, and a plan set forth by this headquarters whereby the mills were encouraged to convert from the use of coal to the use of lignite. Since the coal is used merely to generate steam, and since high temperatures are not necessary, lignite, which is locally available, and considerably cheaper than coal could be used in place of coal. By so doing, the factories could economize on fuel costs, the local lignite industry can be stimulated, less transportation will be necessary to carry fuels to mills and coal can be conserved.

b. Promulgation of the "Middle and Small Enterprise cooperative Association Law (Chusho Kigyo To Kyodo Kumiai Ho) which will go into effect on 1 July was favorably accepted by several of the major categories of industries. Approximately 350 small edged-tool manufacturers have decided to establish an industrial association for the purpose of industrial rationalization and technical betterment. The association plans to purchase materials and supervise the accounts on behalf of its members as well as to loan funds to members and examine the output of producers. The prefectural Commerce and Industry Section was requested by this headquarters to exercise surveillance over the functions of this association to insure that no violations of the control association law were being committed. Such a combination will be effective in enhancing the functioning of small shops in this prefecture.

c. Since the decontrolling of silk, prefectural producers of silk fabric have either ceased operations or severely curtailed their production. Although the price of silk fabric has been cut 33 percent already, wholesalers are still unwilling to purchase, since they expect a further price reduction. Therefore, present demand is practically nil. Wholesalers, apparently, are waiting until the market levels off before purchasing. Producers state that in spite of the reduction in the cost of silk thread, production costs will continue to be high, since, by virtue of decontrol, they will be forced to produce a better quality fabric which will necessitate more labor, and be more expensive to produce. Stockpiles of finished fabrics, mostly of inferior qualities, exist in goodly amounts at most silk mills throughout the prefecture.

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d. The large rainfall during June was responsible for the sale of 100 percent of the stockpiled umbrellas and permitted the production of 1,058,630 new umbrellas.

11. CRITICAL MATERIALS

a. Two (2) new excess inventories were moved into the Sangyo Fukko warehouses this month. The new inventories were comprised as outlined below.

Scrap Steel	5.368 kg	125,968.40 yen
Scrap Pig Iron	600 kg	10,998.00 yen

b. The prices were fixed on 12 items in the warehouses this month. One (1) item remained with the price not fixed.

d. (12) new excess inventories were discovered this month. They were comprised of 1,515.7 kg of silicom steel, and various types of oil. They have not been evaluated as yet.

e. Redistribution this month:

(1)	Wrapping paper	500 lbs	11,240.00 yen
(2)	Printing paper	154 lbs	3,178.56 yen
(3)	Geletine	7.5 kg	3,472.50 yen

12. IMPORT - EXPORT

a. Ceramics producers for the export trade, in addition to being confronted with an unfavorable exchange rate, are faced with an impending reduction in the dollar prices receivable from American buyers. Although producers have streamlined their operations effecting a reduction in the costs of production to the extent that they could remain in business at the 360-1 exchange rage, the manufacturers feel that a reduction in the dollar price will be fatal to many producers catering to the export market.

b. It had been anticipated that agar-agar dealers would be able to market the 1948 output of agar-agar at a large profit. Since producers profited while agar-agar was being exported at a rate of exchange of 180 yen per dollar, at the new rate of exchange the returns would double those formerly received. Dealers, however, have received no orders from American buyers. By 15 June, approximately 60,000 kan of agar-agar was stored in warehouses awaiting shipment. Dealers, unable to secure export orders, and suffering from a fund shortage, have begun dumping the agar-agar on the domestic market cutting the price about 30 percent.

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c. With the supply of lacquer being allocated only to shops producing lacquer-ware for export, about 100 workshops in the northern section of this prefecture will be forced to curtail their output since their product is not suitable for the export trade. The producers, guided by the local Chamber of Commerce, are experimenting with metallic lacquering which they hope to be able to perfect to the point where their lacquer-ware will be of good enough quality to be exported.

d. Currently being transported to the port of Miike, Kyushu, from the Kamioka Mine, are 4300 tons of a 60 percent zinc concentrate destined for Antwerp, Belgium. The value of such ore is estimated to be approximately 100,000,000 yen. This sale renders true the mine's previous contention that under the 360-1 exchange rate, lead and zinc could be mined, processed and exported at a profit.

e. Production of bicycles for export was nil during the reporting period because of the condition of the foreign market. Singapore, formerly the principle buyer has discontinued ordering bicycles, and impending political trouble in Hongkong has apparently provoked a suspension of orders from there.

f. The knife industry producing for export suffered a new low during June with only a value of 8,087,940 yen of products being produced for export. Only very few new orders from Hongkong and the Philippines, the two principle buyers were received. A new order from Saipan for copra knives, however, is expected to stimulate future production.

13. E.I.B.

a. The program of the E.I.B. is progressing very well. The main program conducted and to be continued through July is the investigation of raw cotton and wool stock, and to attempt to expose latent materials. The number of violations found was four (4), but they were of a minor nature. None warrented a prosecution, administrative action was taken however.

b. Investigation with the view of stamping out the illegal distribution of staple foods is being carried on concurrently. There have been numerous violations found but the steps to be taken are reserved for the present, pending further investigation.

c. Personnel Status

(1) Number of 2nd grade officials 21
(2) Number of 3rd grade officials 16
(3) There were no additions of personnel during reporting period, and no promotion. The 30% cut in personnel is still being carried out.

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d. Summary of cases

(1)	Number of cases investigated since 1 January 1949	664
(2)	Number of violators to be prosecuted since 1 January 1949	21
(3)	Number of violators prosecuted since 1 January 1949	7
(4)	Number of violators to be prosecuted as a result of this month's investigation	6
(5)	Number of cases prosecuted during this month	1

e. Analysis of value of blackmarket goods.

(1)	Value of goods involved in violation of Economic Law since 1 January 1949	55,453,844 yen
(2)	Total amount in June	12,863,968 yen

14. CONTROL ASSOCIATIONS

a. Dissolution of the Gifu Prefecture Hard Wood Products and Wooden Sundry Goods Cooperative Union was completed on 13 June. This association has been the only one to dissolve on a voluntary basis in this prefecture.

b. During the reporting period, 94 local branches of the National Health Insurance Association were dissolved. Out of 314 branches of this association, 130 have been dissolved to date. Some of the remaining 184 branches will reorganize and be administered by local authorities while others will be liquidated in the near future.

15. REPARATIONS

a. Kayaba Sangyo (09-11) received the last payment of a total of 2,550,000 yen paid by the insurance company as a result of the fire which destroyed one building, and burned many items of machinery and equipment in February 1949. All machinery except ten items have been rehabilitated at a cost of 2,058,000 yen; the cost of repairing these ten items would exceed the cost of purchasing ten new items of the same type. The movement of one building and the construction of another at the site of the razed building has been accomplished.

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HEADQUARTERS
GUMMA CIVIL AFFAIRS TEAM
APO 201 UNIT 3

Rep
Symbol CA-11 (PR)

ANNEX D

TO

MONTHLY CIVIL AFFAIRS ACTIVITIES REPORT FOR JUNE 1949

ECONOMICS

PREPARED BY: CAPT FRED V. CARPENTER

1. Agriculture

a. Land Reform. Field trips were made to fourteen villages and towns - to observe the progress of the land reform program. One official from the Prefectural Farm Land Section and one from the district office were present. Conferences were held with the mayor, the chairman secretaries of the local land commission, and farmers from the local community. These inspections indicate that the program is continuing to be carried out in a very satisfactory manner.

A village meeting was held on 16 June 1949 in Nawa-mura, Sawa-gun. Letters of commendation from the Agriculture and Finance Ministry were presented to members of the Land Reform Promotion Council. A representative of this headquarters made a short address.

There was no change in the status of pasture land during June. A plan to purchase 431 cho and sell 339 cho will be presented to the Prefectural Land Commission for approval on 2 July 1949.

The prefecture has set the 10th of July as the date for rental contracts to be completed. This being a very busy time the year for the farmers, it is believed that some difficulty will be encountered in completing these contracts by the given date. They should, however, be completed by the end of July. No base rental rate has been received by the prefecture from the central government to date.

The payment to land-lords for land sold is 83% completed. The payment for land purchased by tenant farmers is 96% completed.

b. Dissolution of Nogyo-kai and Formation of Independent Cooperatives

Out of a total of 197 Nogyo-kai, 194 have transferred all property and sixty have been liquidated. There were 3,388 agricultural practice associations and 2,113 have been liquidated. 1,243 of 2,221 sericulture practice associations have liquidated. A conference was held with the Maebashi Branch of the Agriculture and Finance Central Bank on 16 June 1949 to discuss the difficulty which is being encountered in liquidating the Ken Nogyo-kai, due to the declining value of their assets. Several plans have been made but before they could be put into effect the value changed. It is expected a final plan can be completed and executed in August. An example is the purchasing federation which took over about

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16 million yen of commodities which are worth approximately 8 million yen at present.

The total of new ACA's increased by four to 285. The non-stock or block associations increased by twenty to 1608. One new gun federation was organized making a total of twenty. The ken federations remained stationary at ten.

Fourteen ACA's were visited during June and a detailed check was made on each one. A representative from the prefectural ACA section was present. No ACA showed any considerable balance of net profit at the end of the year. Despite using members' deposits as operating funds all expressed a need for more funds for operating purposes. It was noted that generally 2.1% was paid as interest on members' deposits but where any members borrowed from the ACA, 10.95% was charged as interest.

A conference was held with Mr. Sekiguchi, chief of the prefectural ACA section. In the field, there has been some discussion concerning combining some of the federations. It was stressed that the members of ACA's should be encouraged to check and determine whether all the present federations were necessary and whether or not some of them could be eliminated.

One day conferences were held in all district offices of ACA officials in each district. Prefectural and district ACA representatives attended these meetings. A representative of this headquarters attended the meetings at Tomioka-machi, Kitakanra-gun; Fujika-machi, Tano-gun and Numata-machi, Tone-gun. A short talk was given and a question and answer period conducted by him.

The ACA in Orui-mura, Gumma-gun was fined 150,000 yen for failure to pay its sales tax.

An investigation was made into the reason for the high rate of member assessments in the Hokkitsu-mura, Gumma-gun ACA. It was found that expenses concerning the allocation and delivery of staple foods in that village was being paid by the ACA instead of the village office. This was also true of the expenses concerning the Mutual Relief Association.

The thirty day school for new clerks and secretaries was successfully completed on 16 June 1949.

As a result of an investigation of the Production Federation the plan to purchase a hot springs hotel has been dropped and the member assessments decreased from 10 million yen to seven million yen.

c. c. Extension Service: A conference was held on 17 June 1949 at the experimental farm in Kise-mura, Sota-gun. This was attended by a representative from each of the thirty-four district offices, and other interested persons. The purpose of the conference was to discuss the ways and means to control wheat diseases.

At present 157 agents and specialists have been authorized. 136 have been appointed and are engaged in this work, with twelve awaiting appointment, only three women agents are employed to date. It

is planned to eventually employ fifty more agents and six office workers so that there will be an agent living and working in each mura in this prefecture. The prefectural officials appear to favor the Production Federation and its employment of so called farm engineers to help the farmer. This is indicated also in comparing the 10,761,000 yen appropriation by the Central Government for work of the Improvement Section whereas the prefecture only appropriated 380,000 yen. The additional fifty-six workers would require another appropriation of 3,400,000 yen. At present there is little prospect this will be obtained or granted.

Several factors indicate that the prefectural extension service is not being properly used. The extension service has its prefectural office at the experimental farm, on the outskirts of Maebashi, while the Production Federation has its office in the main prefectural office building. Furthermore, two bills have been presented to the prefectural assembly for the granting of a 1,000,000 yen subsidy to the Production Federation and a 5,000,000 yen subsidy to the Sericultural Federation. These funds are to be used for the employment of "farm engineers" and educational work for the farmers which was formally done by the Ken-Nogyokai. Both Federations have political backgrounds and connections which are trying to get these bills passed by the assembly. Therefore, with the Production Federation and the local ACA's employing personnel to work with the farmers, the present tendency is to restrict the activities and growth of the extension service as much as possible.

c. Reclamation: No land was sold during June. The next scheduled sales date is 2 August 1949.

A field trip was made on 2 June 1949, with Mr. Shoji, director of the Prefectural Farm Land Department to the Kita-Karuisawa, Reclamation Land Area. A conference was held in the reclamation office there and a check was made of the work being done. The work has been progressing slowly in this area because priority was given those areas in the prefecture which had the most reclaiments already on them. 3,000 cho of land has been transferred to the prefecture in this area, but only 2,000 cho can be reclaimed since the balance contains much lava.

Mr. E. G. Johnson, P-5, Land Reclamation Specialist, Agriculture Division, SCAP, visited this headquarters, 9 to 14 June 1949. Conferences were held with prefectural officials and the problems involved in the reclamation program in this prefecture were discussed in detail. Field trips were made to the reclamation projects at Tsutsumigaoka and Meiji-mura. The officials in charge of the projects explained and pointed out the work being done. Individual settlers were contacted and questions were asked to try to find out what they liked or did not like about the present reclamation program. In general they thought that the program was satisfactory.

2. Crop Collection

a. Collection of staple food as of 30 June is as follows:
Rice - 321,036.2 koku or 106.6% of assigned quota (this includes 19,736.2 koku of over-quota collection or 109.6% of assigned quota)

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Sweet Potatoes - 30,829,185 kan or 134% of assigned quota
Wheat and Barley - 15,013.3 koku or 3.5% of assigned quota
White Potatoes - 105,484 kan or 1.7% of assigned quota

b. Collection of rice and sweet potatoes is completed. The first collections of the wheat and barley, and white potato crops were made this month. Collections were slow in getting started due to excessive rainfall during the first part of the month. The prefectural government has estimated that the wheat and barley crops were damaged about 20% due to this abnormally wet weather. As a result there is considerable pressure being exerted by the farmers for a reduction in their quotas. While it is true that there has been considerable damage to these crops and some adjustment should be made it is still too early to determine the exact extent of the damage. Reports from the individual farmers, the prefectural crop reporting system, the central government crop reporting stations and food office all disagree on the actual extent of the damage anywhere from five to forty percent. Meetings are scheduled with the governor during the first part of July to try to reach an agreement on adjustments. It is expected that approximately eighty percent of the quota will be collected by the end of this month.

c. It appears that the white potato crop will be considerably smaller than originally expected due to a decrease in the actual size of the potatoes being produced. However, no difficulty is expected in meeting the quota.

3. Food Distribution

a. Inspections were conducted of twenty-two retail staple food distribution stores during the month to determine the progress of the "clean-up" program initiated during May. It was found that considerable progress had been made, but there is still room for improvement. A check of the records of these stores and questioning of purchasers revealed that adequate records were being maintained and that the prices, quantity, and quality of the food being distributed were correct.

b. The current program to eliminate the "ghost population" within the staple food rationing program continues to show progress. Seven new cases were dispovered during the month involving 240 illegal ration cards, and 8,880 kg of illegally received rice. These cases have all been forwarded to the procurator's office for trial.

4. Incentive Goods

a. The incentive goods program for delivery of staple foods appears to be progressing satisfactorily. Approximately ninety-nine percent of the goods allocated have been received and about ninety-nine percent of this amount has been distributed. Completion of the delivery of these goods is being delayed for lack of funds on the part of both farmers and distributing agencies.

5. Forestry: The School Forest Program is showing some signs of progress. School children from eighty-three schools have planted seedlings on 167 cho of lands. The Onishi Primary School and [illegible] Kawabe-mura Primary

School have school forests which are being used as models throughout the prefecture. They were established about twenty years ago, therefore growth has been sufficient to show what can be done with the proper care and management.

The planned reforestation program for this year is only 73% completed. It is doubtful if the planned reforestation of 2,500 cho will be achieved. This is due to weather conditions and shortage of funds.

The forestry administration office at Numata-machi, Tone-gun was visited on 24 June 1949. This is one of the two guns having the most forest lands. This gun has had no trouble with the Pine Bark Beetle, while the other gun, Agatsuma, has 555 cho effected. The prefecture is taking adequate measures to prevent the spread of this disease by seeing that no logs are moved unless the bark has been removed, and that all such bark is burned. A forest insect prevention week was observed 20-26 June 1949.

6. Redistribution of Critical Materials

a. Only one plant was inventoried during the month, leaving a total of 402 plants to be inventoried. The entire program continues to be impeded by the slow progress the Japanese government is making in completing these inventories. Small amounts of goods are beginning to be reallocated but in comparison to the large amounts of materials known to be on hand in some plants, in excess of their current needs, these reallocations are of no importance. Every effort on the part of this headquarters to expedite this program have resulted in little or no progress being made. It is apparent that the large companies who control these materials are exercising considerable influence over the Ministry of Commerce and Industry and, therefore, are retaining their excess stocks or are having their inventories delayed.

7. Stimulation of Critical Industries

a. Managers conferences were held in two cities during the month and current problems concerned with the stimulation of industrial production were discussed. The main subjects discussed were how to increase production, cut down on costs and improve labor-management relationship. It appears that most plants are carrying an excess number of employees on their payrolls and don't know how to get rid of them. Many reasons are advanced for not discharging these excess employees; lack of sufficient funds to pay discharge allowances, custom, labor contracts which prevent it, and various other reasons. The lack of a market for products and the shortages of materials causes this excess to run as high as thirty percent in many cases. Most plant managers appear to be very interested in learning new and improved production methods which will increase production and cut down on costs but do not have access to any such study. In addition to this the shortage of capital makes it impossible to install new machinery for this purpose. These conferences appear to be stimulating some interest in the free exchange of ideas among different plants as a means of learning new and better methods of production. Attendance has increased at each meeting and the managers appear to be eager for any information or guidance.

8. Reparations

a. All reparations plants were inspected during the month for maintenance and custody of machinery and found to be satisfactory in all instances.

9. Economic Investigation Board

a. The economic Investigation Board in this prefecture appears to be doing a very satisfactory job. They have been extremely cooperative with this headquarters and have been used to investigate many activities which formally required military personnel. Discussions with the LIB officials as to the degree of cooperation received from other government agencies indicate that they are receiving very good cooperation.

HEADQUARTERS
HIROSHIMA CIVIL AFFAIRS TEAM
APO 248

Restricted

SUBJECT: Monthly Civil Affairs Activities Report (Annex D - Economics Summary) (Reports Control Symbol MG-11 (R-2))

PERIOD COVERED : 1 June through 30 June 1949

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1. Agriculture

a. Crop Collection

Crops Collected and purchased as of 30 June 1949 are:

(1) Rice	:	599,341 koku	- 101.7%
(2) Sweet potatoes	:	23,509,744 koku	- 204.3%
(3) Rice overquota	:	8,814 koku	- 124.3%
(4) Mugi	:	8,537.5 koku	- 4.7%
(5) White potatoes:	:	389,229 kan	- 8.3%

b. Rice Crops

The planting of the rice crop has been completed excepting for a relatively small area at present growing tobacco. It is anticipated that this land will be planted with rice by 15 July 1949.

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c. Tobacco Crops

A very good harvest is expected from this crop. Contrary to expectations and past experience, the crops growing on upland fields appear to be better than those growing on paddy fields.

d. Agricultural Cooperative Associations

Good progress has been made with this program, all Nogyo Kai having been reported as dissolved.

A check is currently being made to ensure that all Nogyo Kai have actually been dissolved. During May 1949 a case was discovered of a Nogyo Kai having falsely been reported as dissolved. Present indications are that all Nogyo Kai now reported as being dissolved, are in fact dissolved.

Most farmers are in favor of the agricultural cooperative association.

The Communist Party has made determined efforts to control some agricultural cooperative associations through variously named committees. However, in no case, have the JCP been successful in this program.

e. Land Reform:

(1) Two inspections covering a 15 day period were made in Hiba Gun. These inspections concerned reviewing of activities of the Local Commissions in Taishaku-mura and Tojo-machi. Representatives from this headquarters accompanied a special committee from the prefecture.

(2) Other inspections were made at Toyota Gun and one at Takata Gun.

(3) Status of payment for purchases of land at the end of June 1949:

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Annex D, Economics Summary, continued:

Term of Purchase	Total No. of Cases to be Paid	Total Sum to be Paid			Amount and Number of Cases Paid in the Present Month			
		Cash (Yen)	Bond (Yen)	Total (Yen)	No. of Cases	Cash (Yen)	Bond (Yen)	Total (Yen)
First	599	216,045.21	1,708,000.00	1,924,045.21	1	750.98	3,000.00	3,750.98
Second	478	164,797.95	492,000.00	656,797.95	12	3,510.31	1,000.00	4,510.31
Third	410	158,017.17	398,000.00	556,017.17	149	61,889.37		61,889.37
Fourth	840	250,954.24	609,000.00	859,954.24	24	12,488.72		12,488.72
Sixth	948	282,887.31	679,000.00	961,887.31	591	174,117.29	80,000.00	254,117.29
Eighth	929	302,129.11	848,000.00	1,150,129.11	688	228,351.01	26,000.00	254,351.01
TOTAL	4204	1,374,830.99	4,734,000.00	6,108,830.99	1465	481,107.68	110,000.00	591,107.68

Term of Purchase	Total Amount and Number of Cases Paid up to Present Month				Percentage of Amount and Number of Cases Paid Against the Payable	
	No. of Cases	Cash (Yen)	Bond (Yen)	Total (Yen)	Number of Case %	Amount %
First	583	212,293.10	1,173,000.00	1,385,293.10	97.3	71.9
Second	377	132,219.40	420,000.00	552,219.40	78.7	84.6
Third	294	111,917.25	119,999.00	230,917.25	71.7	41.5
Fourth	788	230,063.04	1,000.00	231,063.04	93.8	26.8
Sixth	789	239,716.47	80,000.00	319,716.47	83.0	33.2
Eighth	688	228,351.01	26,000.00	254,351.01	74.0	22.1
TOTAL	3519	1,154,560.27	1,819,000.00	2,973,560.27		

Restricted

2. Fertilizer

Fertilizer received in the prefecture was 100% of allocation.

Fertilizer distributed by 25 June was 96%. Estimated date of delivery completion to farmers is 15 July 1949.

Transplanting of rice plants from seed beds to paddy field is given as the main reason for farmers not picking up their full 100%.

3. Forestry

Pine Bark Beetle control has progressed very little during the month of June in this prefecture.

No new infests were reported.

Conferencesheld in infested areas with private owners and sawmill operators were not favorably received.

New progress will be started in July because of the final passage of a forestry law with penalities provided. The law was passed in spite of considerable opposition.

4. Production, Collection and Distribution of Food

Two warehouses and two ration points in each gun of this prefecture were inspected during this period. In general the conditions existing in warehouses throughout the prefecture were good. Most ration points are in a very poor condition. A conference held with the Prefecture Headquarters of the Food Office and the Kensho authoritios is expected to eliminate these conditions immediately. Further inspection to check corrections recommended will be reported in the next period.

5. Fisheries

Nine cooperatives were inspected during this period and progress is slow but favorable. No indications of absolute bossism were noted. More favorable comments, of the change to cooperatives, are heard at this time since the fishermen have received more information on the subject.

Four spot checks were made at Onomichi City in accordance with O.D. #21.

A special survey on registered Small Craft in this prefecture was completed as requested by I Corps.

Restricted

Annex D, Economics Summary, continued:

Restricted

6. Redistribution of Critical Materials

Results of investigation of critical materials during the month of June are listed below.

(1) Number of investigations - 35

(2) Number of violations uncovered - 8

No violations were severe enough to be turned over to the Procurators Office.

It has been discovered, that the local bureau of the Ministry of Commerce and Industry is informing prospective purchasers, of critical materials, to resort to certain control associations rather than government operated Kodans when they wish to obtain materials for their enterprise.

check ESS/PD

7. Elimination of Control Associations

During the month of June, 688 control associations completed dissolution. At present 1471 associations are in the process of dissolution.

No reorganization of dissolved associations has taken place this month.

No plans for reorganization have been forwarded to SCAP.

8. Reparations

Twenty-three (23) reparation plants were inspected for custody and maintenance and were found satisfactory.

9. Restricted Industrial Operations

a. Five (5) shipbuilding companies were inspected. No unauthorized shipbuilding was in progress.

b. Reference letter, file AG 413.8 (11 May 49) ESS/IND, subject: "Application for Permission to Improve Crane Equipment of Mukojima Factory, Hitachi Shipyard Company, Limited". Installation of Crane Equipment will be completed by 31 July 1949.

RESTRICTED

HOKKAIDO CIVIL AFFAIRS DISTRICT

ANNEX D

ECONOMICS (MG-11 (R2))

1. Identification:

a. Prefecture: Hokkaido

b. Report for June, 1949

c. Prepared by: Wilbur F. Stephenson
Lt Col CAV

2. Agriculture: (Including report required by Operational Directive Number 12, Headquarters Eighth Army, 10 March 1949, subject: "Agriculture Reform" see par. 2b).

a. Land Reform: A check of farmers intentions regarding payment for land purchased under the land reform program is noteworthy insofar as it indicates the trend in financial condition of farmers. In 1947 a check showed that approximately 80% of the purchasers intended to pay cash. During the succeeding two years one-fourth of them have changed their minds so that to-day only 60% contemplate cash payment. The 2 July purchase of land is expected to proceed smoothly, although disputed areas will prevent 100% accomplishment of the plan. The Legal Section of this headquarters is encouraging the procurators to expedite land dispute cases. Over 2,000 cho of reclaimable land has been purchased. Numerous areas are in dispute as to tenant right to purchase, and some petitions have reached this headquarters, but investigation has disclosed no procrastination or favoritism on the part of officials.

b. Agricultural Cooperatives: A representative of this headquarters cooperated with government officials in conducting an information program by use of lectures and moving pictures. Conversations with farmers and cooperative officials and check of cooperative programs indicate that the local organizations are beginning to make themselves a real influence in the economic life of their community. They have been encouraged also to use their organization as a means for raising the educational standards of the adult population and stimulating social improvement. Most local cooperatives visited, operated well stocked general stores, and many assist farm improvement by loaning to members items of machinery too expensive for individual purchase. Farmers believe that their cooperative is an important organization in their daily well being. All data shows that cooperatives are solidly founded on democratic principals.

c. Agricultural Extension Program: The law establishing the agricultural extension program in the Prefecture passed the Assembly on 8 June. It conforms closely with the model. The number of persons on the Prefectural committee was increased from nine in the model to 15 in the local law, keeping the proportionate strength of groups represented approximately the same. Certain specialists and clerks are authorized by the local law, a deviation which may become significant in budget discussions. Prefectural officials

have begun an instruction and information program intended to show local technicians how to promote their objectives and to inform local citizens regarding the benefits available to them through the extension agent. The program is accomplished through a traveling lecture team and appropriate moving pictures. It will continue until October and is planned to cover the whole island. Review of the activities program for the current year discloses inadequate emphasis on women's affairs. This condition stems from the fact that personnel allotments contemplate only six women in a total of 502 agents, and the lack of interest indicated by only nine applications for appointment. Five women qualified for appointment. It is estimated that 30 women are needed, two for each sub-Prefecture, and two as coordinators and supervisors. Local officials are studying thei matter with a view to making recommendation to the Ministry of Agriculture and Forestry. A movement is getting underway to use the experimental farms as demonstration farms. Groups of farmers sponsored by their cooperative and extension agent are invited to visit the farms to learn latest techniques applicable to their own situation. Farmers thus learn what they may expect from their local experimental farm, and are encouraged to bring their problems to the farm officials for study.

d. Land Reclamation:

(1) Extensive field trips reveals that local officials are doing a fair job but lack sufficient policy guidance from the Prefectural Office. Following are some policy matters being discussed with Prefectural officials with a view to improving the program:

(a) Furnish equipment and instruction on removal of stumps (Equipment is now in warehouses.).

(b) Get Yen into the hands of settlers, primarily by furnishing employment on development projects, making loans only in emergency or for capital investment in the farm.

(c) Improve survey work. Lay out roads prior to lay-out of farm boundries. Let brooks flow through farm rather than form boundries, and let boundries be on hill crests.

(d) Have for each settlement a master plan of areas not to be cultivated, to preserve windbreaks and maintain erosion control, decision to be made by a technician and farmers required to comply.

(e) Furnish settlers a contract which will give tenure security, define rights and obligations of each party, and allow settlers to sell the improvement

he has made on the land if he is forced to leave for cogent reasons.

(f) Keep settlers posted on government development plans so each individual can plan development of his own farm.

(g) Have for each project a complete engineering development plan so progress can be judged and a basis for annual budgets will exist.

(h) Finish as soon as possible development works already started, not allowing them to lie idle for several years.

(i) Correct quickly the mistake made prior to 1946 in assigning farms too small to be adequate economic units.

(j) Allow settlers who receive assistance from relatively near the person furnishing the assistance.

(k) Improve the channel of information to settlers, who for the most part have no radios and newspapers. Published material distributed by the local technician appears necessary.

(l) Inform all settlers accurately as to the repayment provisions of their government loans in order that they may plan personal finances and capital investment.

(m) Impress on local officials continuously and strongly the point of view that they must serve the convenience of the people rather than expect people to exist in order to furnish them a job.

(n) Establish for each project a standard of minimum progress by which delinquent settlers can be judged.

(2) The present practice of terminating the fiscal year on 31 March has made, in the past, planning budgets for reclamation very difficult and sometimes wasteful because of the season. Effort should be made to complete the new budget earlier, or institute a carry over system by which land reclamation could in practice, operate on a fiscal year ending in the late fall or winter.

(3) Visits to numerous settlements, of which there are over 700 in Hokkaido, disclose that many settlers are laboring under pitiful conditions where reclamation is painfully