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only advisory and educational functions so as not to conflict with the stronger vertical controls exercised at regional and national levels. They were to organize regulating groups in urban and rural areas to facilitate the work of the government in carrying out governmental regulations and maintain liaison function with local Control Association (Tosei-Kumiai) into which even small enterprises at the mura or village level were organized.

The chairman of the Boards had dominate power. They were appointed by the Ministry of Commerce and Industry from lists submitted by the prefectural governors. Directors were appointed by the prefectural governors. Both chairman and directors were on a salary basis. Members represent all types and sizes of business. Big concerns were represented by individuals and small concerns by their respective group organizations. There were three types of members: (1) Individuals representative of comparatively large firms paying above a fixed amount of tax, (2) Commercial and industrial associations, trade association, etc., (3) Groups connected with the economy but not in a profit-making manner or regulatory capacity such as Councils, Federations of Associations, Factory Societies, Research groups, etc.

In the fall of 1943 it appears that the Boards were reorganized on a regional basis with branch offices at of each regional administrative center.

These Boards, after reorganization to afford more democratic representation of small enterprises to make it possible for them to express their will through a council, could be of aid to M.G. by advising on the civilian needs of each prefecture or region and recommend channels through which materials could be sold and to recommend to whom to grant needed credits.

PART IIIRECOMMENDATIONS**I. Military Government's concern in the administration of production programs in Japan.**

Objectives governing the administration of production programs by Military Government.

Subject to the restrictions imposed by policy directives with respect to the Disarmament of Japan and the prevention of the redevelopment of the Japanese war potential Military Government will be concerned with the administration of production programs in order to:

1. Produce goods to supply the needs of the occupying forces.
2. Produce consumer goods to provide for the minimum essential needs of the civilian population and reduce the necessity for imports.
3. Produce goods for export, the first charge against which will be for the payment of approved essential imports.
4. Provide capital goods to repair and maintain:
 - a. The equipment of factories and facilities producing the goods for the above four purposes;
 - b. Essential public utilities;
 - c. Essential communications and transportation.
5. Provide solid and liquid fuels.
6. Provide essential housing and building materials.
7. Administer production programs in such a manner as to create conditions favorable to the emergence and growth of democratic forces in Japan.

The term "Administration of Production Programs" as used in this guide is defined as covering all activities involved in the processing of supplies from raw materials to the finished product, but does not include such portions of specific industries as normally do not utilize industrial processes such as agriculture and fisheries with respect to which activities special guides have been prepared.

II. The general situation which will confront Military Government in Japan.

Whether the occupation of Japan be partial or complete or of short or long duration Military Government will need to concern itself in production programs to attain the objectives outlined above due to universal shortages of vital raw materials and consumer goods which will obtain. Moreover, the destruction or breakdown of transportation facilities and public utilities will effect every area of Japan in varying degree and require a control over production, allocation and movement of equipment and repairs to restore the most essential facilities.

The efforts of the Japanese authorities since 1943 to establish economic self-sufficiency on a regional basis will have attained at most only a temporary effectiveness through stock-piling of supplies traditionally deficient in particular areas. By the time of invasion these stock-piles of consumer goods and repair equipment may well be destroyed or used up creating a situation in which essential supplies will have to be brought in from other areas normally producing surpluses or where destruction will have been less widespread. This situation will necessitate the application of M.G. control to determine where such relative "surpluses" may exist and to order their transfer to areas where they may be most needed. This is a problem that cannot be left to the Japanese alone to solve. Under the impact of invasion M.G. must be prepared to face a chaotic condition in which practically all centralized controls will have broken down, while regional controls will be largely ineffective if only due to the fact the top-ranking officials will probably disappear, particularly if their families live elsewhere. Under calamitous conditions the Japanese officials will tend to think first of their family, second of their local and prefectural region and last of their responsibilities to the state. Consequently only some of the regional and prefectural controls will be operating to any effective extent with lower-ranking local officials on hand. Because of their outlook and interests local officials will not be concerned about supplying other areas and will seek to retain and conceal stocks for local use and to exaggerate local needs. Consequently M.G. will have to take direct charge of top regional and central controls and order Japanese officials to carry out allocation and production programs which they have drawn up with Japanese assistance as discussed below. Japanese officials may have to be ordered back to their posts or assume new positions in areas to which they may have fled.

In the event that the occupation of Japan occurs only after surrender possibly a more orderly government set-up will obtain and M.G. will be able more quickly to establish its over-all controls which can be more supervisory and indirect in character than if the occupation occurs only after invasion and fighting.

III. Methods for exercising economic controls.

Due to the probable shortages of some key raw materials and of available facilities for processing the end-products with which M.G. is concerned priority and allocations controls supplemented by credit controls should be established. As a rule only key materials in short supply will need to have priority and allocating controls. However, due to transportation difficulties, the movement of all materials may have to be under control to assure that all essential materials have priority of movement from sources of supply to plant facilities and then end-products distributed according to need.

As a general rule production of items not on M.G.'s priority listing of requirements or beyond the amounts M.G. allocates to meet its objectives should be allowed providing (1) it does not require utilization of facilities banned by M.G. because of their war-potential character (2) does not utilize materials in short supply and (3) does not impede the movement of priority raw materials and end-products. In other words, M.G. need concern itself directly only with its own priority production programs and limit its concern with all other production to see that it does not interfere with M.G.'s production programs nor break security objectives with respect to disarmament or utilize banned facilities ordered shut down for whatever reason by M.G. authorities.

Local M.G. authorities should permit, under their general supervision, the production of items not included in the above lists, which require only local materials and which are essential to meet civilian needs either locally or elsewhere, or for the export insofar as their production does not interfere with the fulfillment of the above priority program.

There are three major ways in which to control production programs, namely through the granting of priorities, of allocations, and of credits.

A. Priorities.

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Priorities should be established to maintain at the highest feasible level the production of:

1. Products of first priority which are those required by military forces, both in the pre-surrender and post-surrender periods, and the fuels, materials, equipment including maintenance and repair items, required to produce them.

2. Products of second priority which are those required to supply minimum essential civilian requirements such as food products, medical supplies, clothing and textiles, bicycles, household equipment, sanitation supplies, soap, liquid and solid fuels, fertilizers and the fuels, materials and equipment, including repair and maintenance items, required to produce them.

3. Products of third priority (possibly occurring only in the post-surrender period) to supply goods for export, the first charge against which will be for the purchase of essential imports to meet above production priorities.

B. Allocations.

Japanese authorities operating under M.G. should be ordered to allocate fuels, raw materials, semi-finished and finished goods, items for maintenance and repairs on the following priority basis:

1. To meet the requirements of the armed forces.
2. To meet transportation requirements to meet civilian needs for agricultural products, the processing of food products, medical supplies, sanitation supplies, soap and fertilizers.
3. To meet requirements for the production of clothing, textiles and footwear, farm equipment and implements, bicycles, and household equipment.
4. To meet any authorized export requirements.

C. Credits.

M.G. through its control over the financing facilities of the Bank of Japan (see Guide on Control and Use of the

Bank of Japan during the period of Military Government) will have in its hands an instrument for supplementing its priority and allocation controls. The devastation caused by the war and the attendant shortages of raw materials and capital goods accompanied by rising prices will necessitate the extension of credit to enterprises authorized by M.G. to produce essential materials. By coordinating credit authorizations with priority allocations, M.G. can channel the flow of scarce materials into the enterprises producing priority goods. As states in the guide on Control and Use of the Bank of Japan, Section on Financing of Industrial Activities "in cases in which corporate funds are inadequate and bank loans are not readily available, industrial enterprises essential for the administration and maintenance of the minimum civilian economy of the country should be permitted direct access to the financing facilities of the Bank of Japan. For these purposes, the Bank of Japan should undertake directly those types of industrial finance, operations which were formerly performed by the Industrial Bank of Japan and other banks. It should provide short-term credit to industrial enterprises by discounting three to nine months bills secured by contracts with orders of the Civil Affairs and other military authorities, or Japanese governmental organs with the approval of the Civil Affairs authorities."

Reorganized local commercial and industrial associations (Kumiai) made up in large part of cooperative enterprises and small and medium-sized business producing consumer's goods should especially receive the support of M.G. in the way authorized credit extensions as most of the members will have no funds while many of them will have been forced out of production for civilian use by the war economy.

The adoption of a liberal credit policy with respect to small and medium-sized local producers of civilian goods for the domestic market will relieve M.G. of many of its most pressing problems. As these incentive goods start flowing into the markets farmers will be led to expand production of foodstuffs, curtailing inflationary trends and permitting a gradual relaxing of rationing and price controls.

In the case of larger established enterprises with whose products M.G. is concerned the Bank of Japan should make advances on the security of government bonds, corporate debentures, equipment certificates and general mortgages on industrial properties.

IV. Recommendations concerning the utilization of Japanese control agencies and control regulations.

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A. General Recommendations. In general M.G. at the outset of the occupation should maintain in force laws and regulations relating to the control of industry and allocation of fuels, power, raw materials, semi-finished goods, items for maintenance and repair subject to subsequent directives from higher authorities as to amendments, abrogation, etc. Likewise M.G. at the outset should maintain or re-establish local agencies responsible for the administration and enforcement of such laws and regulations as are maintained in force and require officials and employees of such agencies, to continue with or return to their functions.

The principles governing the utilization, abrogation, or modification of existing Japanese controls should have two major objectives. First, the re-direction of the flow of materials from war production into civilian production channels and the production of equipment for the restoration and maintenance of essential transportation and public utilities. Wartime restrictions on the utilization of materials for such purposes and to meet M.G. priority production programs should be relaxed. Secondly, in accordance with long-range U.S. policy objectives, M.G. should exercise its controls and reorganize or abolish Japanese agencies in order to re-direct Japanese war-time economy into a free enterprise, competitive economy in which small and medium-sized enterprises are unstifled by excessive government controls or by the cartels and the combines. By according small and medium-sized enterprises democratic representation in the conduct of the affairs of the associations to which they belong, by giving them a strong position in any advisory councils and by granting them higher priorities than the large enterprises and combines, that have sided and abetted the war policies of Japan, with respect to power, credits and raw materials, M.G. can help these smaller enterprises to get on their feet first. The hope of encouraging the emergence of a democratic Japan resting upon a strong middle class lies in the strength and position of the small and medium-sized producers and distributors in the economy. From the outset of the occupation M.G. can give a bent and direction to Japanese economy which will hasten the achievement of long-range U.S. objectives. There is every reason to believe that such an economic policy would meet with wide-spread approval in Japan, and lead to the cooperation of the people as a whole with M.G.'s programs.

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B. Utilization of Japanese control agencies at the national level.

Whether or not M.G. deals with or replaces the Ministries, the Munitions Ministry should be abolished and such of its war-time functions and controls as are needed to obtain M.G. objectives should be transferred back to the old-line Ministries together with unpurged personnel, and its records preserved.

The designated 400 odd munitions companies, which operated under its supervision and under the more direct control and supervision of the Army and Navy Ministries, should, in principle be closed down and only those most essential and most readily convertible to line of production in which M.G. is interested be re-opened (for details and exceptions see industry guides and the guide on war industries). M.G.'s policy should be to favor, first, small and medium-sized plants which continued to produce commodities during the war in which M.G. is interested, and secondly, such small and medium-sized plants as were more or less converted to war production on a contract or sub-contract basis with the designated munitions companies. Any large munitions plants M.G. might need to operate should be operated directly under M.G. supervision in accordance with general policy directives and the recommendations in the respective industry guides.

M.G. in accordance with procedures set forth in the appropriate Property Guide, should directly concern itself with assets, property and facilities of all National Policy Companies and all Eidan or public corporations. (See Part II, B, 3 and d). Insofar as M.G. finds it useful to continue the operation of any of the facilities of government managed or owned agencies and monopolies or utilize their organization and materials it may do so. It is conceivable, for example, that the Koeki Eidan, which controls foreign trade, might be utilized should M.G. be confronted with the necessity of assembling commodities for export, or the Emergency Housing Eidan might be utilized for building barracks, etc.

C. Utilization of Japanese control agencies at the regional and local levels.

The large extent to which Japan has decentralized its operational controls on a regional basis, as discussed above Part II, C, forms the basis for the recommendations below that M.G. do likewise and base its operational controls at that level and subordinate prefectural agencies of control to

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the regional set-up. Production programs and controls could then be centralized and coordinated on a regional basis and Japanese agencies and mechanisms could be more readily adapted and utilized. The Regional Superintendents General Offices could be charged with the responsibility for developing programs. The Munitions Superintendence Bureaus attached to such offices should be abolished and replaced by a central planning and control unit. It is suggested that there be attached to the offices of M.G.'s regional production agencies advisory councils made up of representatives of industrial and commercial interests of the region. Such councils should adequately represent small and medium sized interests who should hold a majority of the places on the councils and be able to out-vote representatives of large firms having facilities in a specific region. The chairman of the councils should be democratically selected by the members subject only to the approval of M.G. The regional organizations of the Commercial and Industrial Boards, discussed above Part II, D, should be utilized and adapted to fit this advisory function.

With the majority of the 400 odd munitions companies plants either destroyed prior to occupation or shut down by M.G., the facilities left available for approved production programs will be those vertically organized into the Control Societies (Tosei-kai) and their subsidiary Control Associations (Tosei Kumiai), (for a description of these see Part II, B, 3a). The Control Society itself is a quasi-governmental control agency as the Chairman and Board of Directors were government appointed and had transferred to them official administrative powers. Through them the government has been able to extend its control over all industry down to the small locally organized Kumiai or industrial or commercial associations. In order to establish a free-enterprise, competitive economy the Control Societies and Control Associations should be abolished and their assets and property placed under custody and the Kumiai reorganized along voluntary cooperative lines on a local or prefectural basis. Equal voting rights should be assured to prevent renewed domination of the Kumiai by the large concerns representing the combines who in the past have, through financial controls and cartelization techniques, tended either to force them to merge or to go out of business. Since 1937 and to a greater extent after 1941 thousands of small producers supplying the domestic consumers and to some extent foreign markets have been forced out of business pressure from the government and combines. In the post-surrender period many of them will seek to get back into their former production and distribution activities again.

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The great demand for locally produced consumer goods will give them an enticing market. M.G. should encourage them by allowing them to reorganize along cooperative democratic lines, allocate materials and equipment to them and grant them credits. The restraints and controls exercised by the Control Societies under government direction on a nation-wide basis should be abolished. As recommended above the regional and central Control Societies' offices, records and staffs, below that of Presidents and Directorys can be utilized by M.G. to obtain over-all information on the regional set-up of the industry as it obtains at the time of occupation for M.G.'s planning and control purposes.

As M.G.'s first problems with respect to Japan's economy will probably arise at the sub-prefectural and prefectural level the above policy vis-a-vis the small and medium sized local producers of civilian goods should be put into effect at the outset. By encouraging the existing and former local producers and distributors freely to organize themselves, as they will instinctively want to do, into cooperative, and democratically run organizations M.G. will at one and the same time relieve itself of many problems connected with consumer goods production and re-orientate Japanese economy to peacetime production for the domestic market, first, and ultimately to the kind of export production Japan may be permitted to engage in.

V. Recommendations concerning the utilization of Japanese personnel.

In consonance with the general policy directives with respect to the principles set up covering the utilization of Japanese personnel, officials and others, or in accordance with prepared lists of people to be purged, M.G. should avoid using all officials who since July 7, 1937 have held positions of Shin-nin and Choku-nin ranks or positions of equivalent importance in the Japanese government ministries, regional and prefectural offices and control agencies; all Presidents, Directors, and members of Boards of Trustees of the Control Societies and Control Associations; high executives of National Policy Companies and Eidan; governmentally designed individuals responsible for production in the Munitions Companies, the top officials in charge of the Munitions Superintendence Bureaus, Chairman or heads of Economic Industrial Boards, etc. Japanese who have held similar high-ranking positions outside of Japan; who have been in active military or naval service since July 7, 1941; who have held directive positions in the Imperial Rule

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Assistance Associations or its successors together with their affiliated organizations; and those who have been members of "patriotic societies" of extreme nationalist tendencies should not be utilized.

VI. Recommendation concerning the protection of records, plants, etc.

M.G. should hold designated Japanese officials and employees of quasi-governmental agencies, officials and employees of industrial and other business associations and of individual companies and organizations strictly responsible for the protection from destruction and the preservation intact of all funds, property, equipment, and records of all government agencies; all plants, mines, property, stocks of materials on hand, equipment and patents; and all books and records of companies and organizations and trade and research associations.

VII. Recommendations concerning reporting.

It is recommended Japanese officials and such governmental and quasi-governmental agencies, private organizations and individuals as may be designated by M.G. be required to submit initial reports and thereafter current reports covering the following points.

A. For each factory or establishment employing or capable of employing 10-15 (possibly 30) or more employees (a) name and location; (b) stocks on hand, supplies and finished goods on hand, capacity and current production; (c) how much electric power or fuel, lubricants, raw material, machinery and machine tools, and manpower is necessary to maintain full production; (d) feasibility of converting a war plant to other production and equipment required to do so; (e) patents and processes employed; (f) current state of equipment and repair items needed, etc.

B. Reporting on establishments employing 10-15 (possibly 30) or less employees, it is suggested might be done on a sub-prefectural territorial basis such as the mura or groups of mura by the associations or cooperatives (kumiai) into which they are organized placing upon the associations responsibility therefor.

C. For each prefecture designated Japanese officials, assisted by an advisory council democratically representative of

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of small, medium and large sized commercial, agricultural, and industrial interests in the area should prepare an overall report on a quarterly basis setting forth:

1. Minimum civilian requirements for food, clothing, household equipment, medical supplies, etc; together with current prices for same.
2. What portion of these requirements can be met by local production using local materials consequently showing what finished products and raw materials must be brought into the prefecture.
3. What surplus production for distribution elsewhere the prefecture is capable of supplying.
4. What essential public utilities and services need repair and restoration to maintain essential economy and what supplies will be needed.
5. A census of the prefecture on an age, occupation, and residential basis. The census should show number of displaced persons in prefecture, including family relatives who did not live in prefecture before war started, and the number of aliens including Koreans.
6. Any other reports required by the regional or central control agencies to inform them on conditions locally or which would enable them to determine what portion of Japanese wartime controls to utilize to attain M.G. objectives in consonance with U.S. long-range policy vis-à-vis Japan.
7. The M.G. regional agencies might utilize the records and personnel of regional branch offices of the Control Associations to report on membership status, facilities, production capacities, condition, and raw material requirements of all individual and group or association members (Tosei-Kaisha and Tosei Kumiai).

They should also be asked to report on what equipment would be necessary to convert to civilian production. Each major concern might be required to report percentage of production which went into munitions and what percentage went into civilian

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needs. This would afford a basis upon which to allocate materials to concerns or associations that had retained during the war a predominately civilian line of production and could continue to produce without the necessity of converting. Facilities utilized directly or indirectly for munitions purposes should obtain lowest priority or be entirely shut down. Those putting out munitions end-products will of course be shut down. The Control Societies as such, however, should be abolished as recommended above under IV, c.

VIII. Recommendation concerning sabotage and the enforcement of M.G. Controls.

Through its controls over the flow of vital materials M.G. has in its hands the power to lessen or increase that flow to areas or regions in accordance with the degree of cooperation obtained. In areas or regions where sabotage is frequent or widespread, where materials are misused or production schedules are not maintained without justifiable reasons, the allocations of power or materials to such regions or areas can be curtailed. In other words, punishment should not be limited to individuals or even to plants unless cases of sabotage, etc. are few and widely scattered, but should be extended to the whole community or area. This would fix responsibility on the area as a whole and engender cooperation with M.G. in suppressing sabotage, and in meeting production schedules. In no case should materials be cut off to the point where minimum essential civilian needs cannot be met. Rather the emphasis should be on rewarding areas that cooperate by increasing the availability of civilian supplies, while designated Japanese officials and individuals or associations could be held initially responsible for enforcing controls and meeting production schedules.

IX. Suggestions concerning Military Government's organization for the administration of production programs.

A. Central Organization.

It is suggested that M.G., because of its concern in production programs as outlined above, set up at central headquarters a production control agency which will include a planning and control unit. This unit, on the basis of reports submitted by the functional units of the central agency as to

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requirements, and the availability of facilities and materials in the occupied region as a whole, could draw up priority production schedules and allocate production quotas, key raw materials, credit, and power accordingly and determine the distribution of the end-products in accordance with the needs of M.G. first, of the civilian population, secondly, and eventually if and when foreign trade is resumed, to determine what proportion of the production in any given line shall be made available for export. Such programming and allocating should be worked out from the outset if possible on a quarterly basis bearing in mind in that connection that the Japanese controlled production year extends from April 1 to March 30 and the first quarter thus covers the months of April, May and June.

Because of the unavailability at present of detailed data as to the Japanese techniques, forms and procedures for over-all programming and allocating for the consumer economy, it is suggested that M.G. in its planning utilize the experience of the War Production Board and study its techniques, forms and procedures.

In order to supply the planning and control unit with the data it requires to carry out its over-all planning and control functions and in order to take supervisory responsibility for the fulfillment of production programs M.G. will probably need to establish functional units covering liquid and solid fuels, mining, industry, public works and utilities, transportation, and if and when foreign trade is resumed, a foreign trade unit, etc. These units could advantageously be broken down further into end-product, sub-units. The industry unit, for example, could have sub-units dealing with textiles and clothing items in general, chemicals, building materials, metal processing and metal goods, manufacture of light and heavy electrical goods, consumer goods, etc.

These units and sub-units on the basis of their own investigations and on reports submitted by the agency's branches in the occupied regions could make reports as to requirements and as to the availability of facilities, materials and power to meet these requirements. Operationally they could determine in accordance with policy directives, which facilities should be operated to produce the materials and goods required and what proportion of one total each territorial unit should produce. They could determine the distribution flow of end-products to meet M.G. requirements first; minimum consumer economy needs secondly, and into

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foreign trade channels in the third place in accordance with policy determinations as to priorities. In all these operations they should conform to the allocation and priority decisions of the central planning and control unit.

B. Regional and prefectural organization.

At the outset of the occupation the central production control agency could exercise direct control in the initial prefectures or region occupied (for a description of the region into which Japan has been divided see Part II, Section III and Appendix I). As the occupation progresses the central agency might continue directly to control production in the metropolitan area or prefecture where its headquarters may be located and supervise the sub-branches in the other prefectures belonging to the region where it is located. In all other partially or wholly occupied regions it could establish regional branches modelled structurally after the central agency subject to the peculiar productive capabilities of the region. It might be the responsibility of the regional branches, on the basis of their own direct investigations in the prefecture in which they are located and on the basis of reports and recommendations submitted by the sub-branches in the other prefectures within their respective regions, to draw up requirements for the region as a whole, submit to the central agency inventories of supplies of raw material, condition and nature of processing facilities and what equipment and repairs would be needed to put them into operation or to convert them from production of munitions to production of items required to meet M.G. production programs. In accordance with allocations of materials and production quotas worked out by the central agency on the basis of the reports thus submitted, the regional branch could reallocate its overall regional quotas among the prefectures within its region. In the case of large manufacturing units it might be more feasible for the regional branch to allocate materials directly to such plants and to exercise a more direct supervision over such plants wherever situated in its region.

Appendix I

Administrative Regions of Japan - 1945

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<u>Army Districts</u>	<u>Regional Administrative Districts and Regional Munitions Superintendencies</u>	<u>Prefectures Included in Region</u>	<u>Location of Offices of Regional Superintendents</u>
Northern	Hokkai	Hokkaido (including Karafuto)	Sapporo
Tohoku	Tohoku	Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Ibaragi, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Niigata, Nagano.	Sendai
Eastern	Kanto-Shinetsu		Tokyo
Tokai	Tokai-Hokuriku	Gifu, Shizuoka, Aichi, Mie, Ishikawa, Toyama	Nagoya
Kinki	Kinki	Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama, Fukui	Osaka
Chugoku	Chugoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi	Hiroshima
Shikoku	Shikoku	Tokushima, Kagawa, Ehime, Kochi	Takamatsu
Western	Kyushu	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa	Fukuoka

(As of June 1945)

Appendix I

Administrative Regions of Japan - 1945

<u>Regional Administrative Districts and Regional Munitions Superintendencies</u>	<u>Prefectures Included in Region</u>	<u>Location of Offices of Regional Superintendents-General</u>
Hokkai	Hokkaido (including Karafuto)	Sapporo
Tohoku	Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima, Ibaragi, Tochigi, Gumma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Niigata, Nagano.	Sendai
Kanto-Shinetsu		Tokyo
Tokai-Hokuriku	Gifu, Shizuoka, Aichi, Mie, Ishikawa, Toyama	Nagoya
Kinki	Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama, Fukui	Osaka
Chugoku	Tottori, Shimane, Okayama, Hiroshima, Yamaguchi	Hiroshima
Shikoku	Tokushima, Kagawa, Ehime, Kochi	Takamatsu
Kyushu	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa	Fukuoka

APPENDIX II

National Mobilization Law of Japan

Law No. 19 of 1941

Promulgated March 1, 1941

Article 1. The term national general mobilization as used in this law denotes the control and operation of human and material resources in order that the nation may be enabled to display its total power most effectively for the realization of national defense purpose in time of war (including an incident corresponding with a war, the same applying correspondingly to the following parts).

Article 2. The term general mobilization goods in this law denotes things listed below:

1. Armaments, war vessels, ammunitions and other military goods.
2. Garments, foodstuffs, beverages and fodders which are necessary for national general mobilization.
3. Medicines, medical instruments, other sanitary materials which are necessary for national general mobilization.
4. Ships, airplanes, rolling stock and vehicles, horses, and other materials for transportation which are necessary for national general mobilization.
5. Goods for communications which are necessary for national general mobilization.
6. Engineering and building materials and goods for lighting system which are necessary for national general mobilization.
7. Fuels and electric power which are necessary for national general mobilization.
8. Raw and other materials, machines and tools, equipment and other goods which are necessary for the production, repair distribution and conservation of each of the foregoing stipulations and

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9. Goods besides each of the foregoing which may be designated by Imperial Ordinances as necessary for national general mobilization.

Article 3. General mobilization businesses under this law denote those which are listed below:

1. Businesses relating to the production, repair, distribution, exportation, importation and storing of general mobilization goods.
2. Businesses relating to transportation and communications which are necessary for national general mobilization.
3. Businesses relating to money and banking which are necessary for national general mobilization.
4. Businesses relating to sanitation, veterinary sanitation and relief.
5. Businesses relating to education and training which are necessary for national general mobilization.
6. Business relating to experiments and researches which are necessary for national general mobilization.
7. Businesses relating to information and campaign of education which are necessary for national general mobilization.
8. Businesses concerning guarding which is necessary for national general mobilization.
9. Businesses besides each of the foregoing which may be designated by Imperial Ordinances as necessary for national general mobilization.

Article 4. In time of war the Government if necessary for national general mobilization may enlist subjects of the Empire and place them in general mobilization businesses in accordance with provision of Imperial Ordinances. This provision does not prevent the application of the Conscription Law, however.

Article 5. The Government if necessary for national general mobilization in time of war may cause subjects of the Empire or juridical persons or other organizations of the Empire to cooperate with the State or local public organizations or other persons designated by the Government.

Article 6. The Government if necessary for national general mobilization in time of war may issue orders which are necessary regarding the use, employment or discharge or assumption of offices or assumption of service or retirement of employees or wages, salaries and other working conditions, in accordance with provisions of Imperial Ordinances.

Article 7. The Government if necessary for national general mobilization in time of war may issue necessary orders regarding the prevention or settlement of labor disputes or the closing of plants, suspension of operations, or restriction or prohibition of acts relating to labor disputes, in accordance to provisions of Imperial Ordinances.

Article 8. The Government if necessary for national general mobilization may issue necessary orders regarding the production, repair, distribution, transfer or other disposal, uses, consumption, holding and movement of goods, in accordance with provisions of Imperial Ordinances.

Article 9. The Government if necessary for national general mobilization in time of war may restrict or prohibit exportation or importation, or may impose export duties or import duties, or may increase or decrease export duties or import duties, in accordance with provisions of Imperial Ordinances.

Article 10. The Government if necessary for national general mobilization in time of war may use or expropriate or cause a person who administers general mobilization business to use or expropriate general mobilization goods, in accordance with provisions of Imperial Ordinances.

Article 11. The Government if necessary for national general mobilization in time of war may restrict or prohibit the establishment or corporations, capital increases, consolidations, changes in the purposes of businesses flotation of debentures or the second subsequent calls for unpaid portions of capital; and may issue orders regarding disposition of corporation profits, writing off of fixed assets or other matters concerning accounting; and also may issue orders against banks, trust companies, insurance companies and others designated by

Imperial Ordinances regarding the operation of their funds, or undertaking or guaranteeing monetary obligations.

Article 12. The Government if necessary for national general mobilization in time of war may make special arrangements in accordance with Imperial Ordinances, and irrespective of the provisions of Article 200 or 210 of the Commercial Code, with respect to flotation of debentures or capital increase of a corporation engaged in a general mobilization business to meet expenses for equipment belonging to said corporation.

Article 13. The Government if necessary for national general mobilization in time of war may manage or use or expropriate the whole or part of factories or workshops or vessels and other facilities belonging to a general mobilization business or other facilities which are convertible into it, in accordance with provisions of Imperial Ordinances.

In case of use or expropriation of things listed in the foregoing clause the Government may cause the owner of them to offer the operatives, or may operate patent inventions or registered utility models which are actually operated in the said facilities, in accordance with provision of Imperial Ordinances.

The Government if necessary for national general mobilization in time of war may manage, use or expropriate land, houses or other establishments which are necessary for general mobilization businesses, or may cause a person who administers a general mobilization business to use or expropriate them, in accordance with provisions of Imperial Ordinances.

Article 14. The Government if necessary for national general mobilization in time of war may use or expropriate the mining rights or rights relating to the use of water, and may cause a person who administers a general mobilization business to operate patent inventions or registered new utility models or to use the mining rights or rights relating to the use of water.

Article 15. When things expropriated by the Government under the provisions of the preceding two Articles have become out of use, and in case they are to be sold within a period of 10 years following their expropriation, or when things expropriated by a person who conducts a general mobilization business under the provisions of Article 13, Paragraph 3, have become out of use within a period of 10 years following their expropriation, the former owners or former holders of the rights

or legitimate successors to them may buy them back on a preferential basis, in accordance with provisions of Imperial Ordinances.

Article 16. The Government if necessary for national general mobilization in time of war may restrict or prohibit establishment or extension or improvement of equipment belonging to a general mobilization business, or may order the establishment or extension or improvement of equipment belonging to a general mobilization business, in accordance with provisions of Imperial Ordinances.

(2) The Government if necessary for national general mobilization in time of war may issue necessary orders concerning transfer or other disposal of, investments in, use and removal of, equipment belonging to a general mobilization business, in accordance with provisions of Imperial Ordinances.

(3) The Government if necessary for national general mobilization in time of war may issue necessary orders relating to the assumption, entrusting, joint management, transfer, abolition or suspension of business, or changes in business objectives or consolidation or dissolution of corporations, in accordance with provisions of Imperial Ordinances.

Article 17. The Government if necessary for national general mobilization in time of war may cause the proprietors of the same or different kinds of enterprises to obtain approval of the Government regarding the conclusion or change or abolition of an agreement or agreements on control of the respective enterprises, or may order them to conclude or change or cancel control agreement or agreements among themselves, or may order the participants to act in accordance with the said control agreement or agreements, in conformity with provision of Imperial Ordinances.

Article 18. If necessary for national general mobilization in time of war the Government, in accordance with provisions of Imperial Ordinances, may cause the proprietors of the same or different kinds of enterprises or their organizations to control the said enterprises or order them to establish an organization or corporation with the object of operating for the control.

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An organization which is to be established under the foregoing provisions shall be a juridical person.

When persons who have been ordered to establish an organization in accordance with the provisions of Paragraph 1 have failed to establish it, the Government may take necessary measures regarding the preparation of articles or association or other matters relative to its establishment.

When an organization has been established in accordance with the provisions of Paragraph 1, the Government may cause persons who have qualifications as the constituent members of the said organization to become the constituent members of the said organization.

The Government may cause an organization which has been established in accordance with the provisions of Paragraph 1 to obtain approval of the Government regarding the adoption or change or abolition of its control regulations pertaining to enterprises of its constituent members (including the constituent members of the latter, this applying correspondingly to the following parts), or order it to adopt or change the control regulations, or may order its constituent members or persons who are qualified to be its constituent members to act in conformity with the control regulations.

Matters pertaining to an organization or a corporation under the provisions of Paragraph 1 shall be prescribed by Imperial Ordinances.

(2) In case the Government has ordered the transfer of facilities or rights, or investments under the provisions of Article 16, Paragraph 2, or has ordered the transfer of an enterprise under the provisions of Article 16, Paragraph 3, necessary matters relating to the succession to obligations of the transfer or investor or disposition of their security shall be prescribed by Imperial Ordinances.

(3) Regarding the transfer of facilities or rights, or investment under the provisions of Article 16, Paragraph 2; or transfer of an enterprise or consolidation of corporations under the terms of Article 16, Paragraph 3; or an organization of a corporation established in accordance with the provisions of Article 18, Paragraph 1 or 3; the government, in accordance with provisions of Imperial Ordinances, may set up exceptions pertaining to calculations of the standard of tax levy, or may make arrangements for reduction or exemption of taxes.

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Article 19. If necessary for national general mobilization in time of war the Government, in accordance with provisions of Imperial Ordinances, may issue necessary orders, regarding price, transportation charge, storage, insurance premium, rentals, processing charge, repairing charge or rates of other payments on property.

Article 20. If necessary for national general mobilization in time of war the Government may restrict or prohibit the insertion of articles in newspapers or other publications, in accordance with prohibition of Imperial Ordinances.

The Government may prohibit sales and distribution of newspapers or other publications containing items which hinder the national general mobilization in violation of restriction or prohibition under the foregoing provisions, and may attach them. In this case the Government also may attach their original plates.

Article 21. The Government, whenever it deems it necessary for national general mobilization, may cause subjects of the Empire or the employers of Japanese subjects to report regarding the occupational ability of the Japanese subjects, or may conduct examination concerning the occupational ability of the Japanese subjects.

Article 22. The Government if necessary for national general mobilization may issue necessary orders against the administrators or managers of schools, training institutes, factories, workshops and other institutions suitable for training technicians or the employers of persons who are to be trained, regarding training of technicians necessary for national general mobilization.

Article 23. If necessary for national general mobilization the Government, in accordance with provisions of Imperial Ordinances, may cause a person who is engaged in the production, sales or importation of general mobilization goods to hold a certain fixed quality of the said goods or raw or other materials thereof.

Article 24. If necessary for general mobilization the Government, in accordance with provisions of Imperial Ordinances, may cause the proprietor of a general mobilization enterprise or a person who shall have to operate a general mobilization enterprise in time of war to formulate a plan regarding general mobilization business which is to be operated in time of war or may cause him to conduct exercises and training on the basis of the said plan.

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Article 25. The Government if necessary for national general mobilization may order a person who is engaged in the production or repair of general mobilization goods or the administrator of an experimental and research institute to conduct experiments and researches.

Article 26. If necessary for national general mobilization the Government, in accordance with provisions of Imperial Ordinances, may guarantee a certain fixed amount of profit or grant subsidy within the limit of its budget for a person who is engaged in the production or repair of general mobilization goods. In this case, the Government may cause the said person to produce or repair general mobilization goods or to install equipment necessary for general mobilization.

Article 27. The Government in accordance with provisions of Imperial Ordinance, shall compensate losses that may arise from measures taken under the stipulations of Articles 8, 10, 13, 14 or Article 16, Paragraph 2; orders of exportation and importation issued according to the provisions of Article 9, orders regarding capital accommodation, subscription to securities, underwriting or purchase of securities, acceptance of obligations or guarantee of obligations under the provisions of Article 11; orders regarding the establishment or extension or improvement of equipment under the provisions of Article 16; or orders regarding commission, transfer, abolition or suspension of an enterprise or orders requiring changes in the business purposes or dissolution of a corporation under the provisions of Article 16, Paragraph 3, except the cases under Paragraph 2 of this Article.

A person who administers general mobilization business shall compensate losses that may arise in case of this use, expropriation or operation under the provisions of Article 10, Article 13, Paragraph 3 or Article 14, in accordance with provisions of Imperial Ordinances.

Article 28. In case the Government issues orders under the provisions of Articles 22, 23, or 25, it shall compensate losses arising therefrom or grant monetary subsidy, in accordance with provisions of Imperial Ordinances.

Article 29. The amount of compensation as under the provisions of the preceding two articles and purchase value as under the provisions of Article 15 shall be determined by

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the Government after consultation with the General Mobilization Compensation Commission.

Rules governing the General Mobilization Compensation Commission shall be prescribed by Imperial Ordinance.

Article 30. The Government shall supervise all enterprise that receives the guarantee of profit or subsidy money under the provisions of Articles 26 or 28, and may issue orders or take measures which are necessary in this connection.

Article 31. If necessary for national general mobilization the Government by order may demand reports or may have the competent officials inspect necessary places and examine business conditions or books or documents or other things.

(2) A person falling under either of the following shall be subject to penal servitude not exceeding 10 years or a fine not exceeding ¥ 50,000:

1. A person who has violated an order or orders issued under the provisions of Article 8.
2. A person who has violated an order or orders issued under the provisions of Article 19.

Article 32. A person who, in violation of an order issued under the provisions of Article 9, has exported or imported goods or has attempted to do so, shall be subject to penal servitude not exceeding three years or a fine not exceeding ¥ 10,000.

In the case of the foregoing paragraph, the goods which the offender has exported or imported or attempted to export or import, if in possession of the offender, be confiscated. If it has been impossible to confiscate the whole or a part of the said goods, their value may be added to the fine.

Article 33. A person falling under either of the following shall be subject to penal servitude not exceeding three years or a fine not exceeding ¥ 5,000:

1. A person who has violated order or restriction or prohibition under the provisions of Article 7.
2. A person who, in violation of the order under the provisions of Article 9, fails to export or import.

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3. A person who has refused or hindered or evaded the use or expropriation of general mobilization goods as under the provision of Article 10.
4. A person who has refused or hindered or evaded the management or use or expropriation of facilities, land or constructions, or offering of the operatives as under the provisions of Article 13.

Article 34. A person falling under either of the following shall be subject to penal servitude not exceeding two years or a fine not exceeding ₪ 3,000:

1. A person who has violated restriction or prohibition as under the provisions of Article 11.
2. A person who has violated restriction or prohibition or order as under the provisions of Article 16.
3. A person who has violated orders and under the provisions of Article 16, Paragraph 2.
4. A person who has violated orders as under the provisions of Article 16, Paragraph 3.
5. A person who in violation of the provisions of Article 17 or Article 18, Paragraph 5, has set up or changed or abolished a control agreement without approval of the Government, or has violated an order issued under the provisions of Article 17 or Article 18, Paragraph 5.
6. A person who, in violation of the provisions of Article 23, does not hold goods.
7. A person who, in violation of the provision of Article 26 does not produce or repair or install equipment.

Article 35. A person who has committed a criminal act under the preceding four Articles may be subjected to concurrent imposition of penal servitude and fine.

Article 36. A person falling under either of the following shall be subject to penal servitude not exceeding one year or a fine not exceeding ₪ 1,000:

1. A person who does not acced to expropriation or does not execute the business as under the provisions of Article 4.
2. A person who has violated an order issued under the provisions of Article 6.

Article 37. A person falling under either of the following shall be subject to a fine not exceeding ₺ 3,000:

1. A person who has violated an order issued under the provisions of Article 22.
2. A person who does not formulate a plan or does not execute trainings, in violation of an order issued under the provisions of Article 24.
3. A person who does not conduct experiments and researches, in violation of orders issued under the provisions of Article 25.

Article 38. A person falling under either of the following shall be subject to a fine not exceeding ₺ 1,000:

1. A person who, in violation of orders issued under the provisions of Article 18, Paragraph 1, fails to organize an organization or corporation.
2. A person who has violated an order issued under the provisions of Article 18, Paragraph 6.
3. A person who has violated an order disposition as under the provisions of Article 30.
4. A person who has neglected reporting or made false report in violation or in order issued under the provisions of Article 31.

Article 39. In case of a newspaper having violated restriction or prohibition as under the provisions of Article 20, Paragraph 1, its publisher and editor, and in case of other publications their publishers or authors, shall be subject to penal servitude or imprisonment not exceeding two years or a fine not exceeding ₺ 2,000:

In case of a newspaper, a person who actually was in charge of editing one and who signed the article or articles involved, besides the editor, shall be subject to the

foregoing provisions.

Article 40. A person who hindered the execution of attachment asunder the provisions of Article 20, Paragraph 2, shall be subject to penal servitude or imprisonment not exceeding six months or a fine not exceeding ₺ 500.

Article 41. The stipulations of the Criminal Code regarding concurrent crimes shall not be applicable to a crime under the foregoing two articles.

Article 42. A person who has refused or hindered or evaded the inspection by the competent officials as under the provisions of Article 31 shall be subject to penal servitude not exceeding six months or a fine not exceeding ₺ 500.

Article 43. A person who, in violation of the provisions of Article 21 has neglected reporting or refused or hindered or evaded the inspection by the competent officials shall be subject to a fine not exceeding ₺ 50 or detention or a minor fine.

Article 44. When a person, who is or has been engaged in a general mobilization business, has disclosed or secretly used official secrets regarding general mobilization business designated by the competent Government offices which he had come to knowledge of in relation with the execution of his business, he shall be subject to penal servitude not exceeding two years or a fine not exceeding ₺ 2,000.

Article 45. When an official or a person who has been engaged in official service has disclosed or secretly used business secrets of a juridical or natural person which he had come to knowledge of in relation to the execution of his duties under the provisions of this law, he shall be subject to penal servitude not exceeding two years or fine not exceeding ₺ 2,000.

The provisions of the preceding clause shall apply in case an officer or employee, or a person who has been an officer or employee, of an organization or corporation established for the purpose of controlling enterprises under the provisions of Article 18, Paragraphs 1 or 3 or other juridical person or other organization which administers control by order on the basis of this law, has disclosed or secretly used business secrets of a juridical or natural person which he had come to knowledge of in relation to the execution of his duties.

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Article 46. When an officer or employee of an organization or corporation established for the purpose of controlling enterprises under the provisions of Article 18, Paragraph 1 or 3, or other juridical person or other organization which administers control by order on the basis of this law, has received or demanded or promised acceptance of, a bribe in conjunction with his duties, he shall be subject to penal servitude not exceeding two years. When the said person accordingly has committed an improper act or has not committed a proper act, he shall be subject to penal servitude not exceeding five years.

The bribe received in the case of the foregoing clause shall be confiscated. If the whole or a part of it could not be confiscated, its value shall be levied on the said person.

Article 47. A person who has given or offered or promised a bribe to the person mentioned in the preceding clause, shall be subject to penal servitude not exceeding two years or a fine not exceeding ¥500.

When a person who has committed a crime under the preceding clause, has surrendered himself to justice, the penalty may be mitigated or he may be remitted.

Article 48. When a representative of a juridical person or proxy of a juridical or natural person or other employee or other operative thereof has committed an offense under the provisions of Article 31, Paragraph 2 to Article 34, Article 36, Paragraph 2, Articles 37, 38 or the fore part of Article 43, the said juridical or natural person shall be subject to a fine or minor fine provided in each of the above Articles, in addition to the punishment of the said offense.

Article 49. The provisions of the preceding Article shall be applied to an act committed in land outside the territories where this law is in force by a representative or proxy or employee or other operative of a juridical person, who has his headquarters or main business office within the territories where this law is in force. The same shall also apply to an act committed in land outside the territories where this law is in force by a representative or employee or other operative of a natural person, who has his domicile within the territories where this law is in force.

The penalty provision of this law shall be applied to a subject of the Empire who has committed a crime in land outside the territories where this law is in force.

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Article 50. The National General Mobilization Commission shall be established to respond to inquiries from the Government regarding important matters relative to the enforcement of this law (exclusive of those pertaining to the military rules).

Rules governing the National General Mobilization Commission shall be prescribed by Imperial Ordinance.

Source:- Domei Tsushin Sha (The Overseas Department),
Wartime Legislation in Japan, Nippon Shogyo
Tsushin Sha, Tokyo, 1941, p. 30-62

APPENDIX III

Major Provision of the Munitions Company Act of October 28, 1943.

1. Under this law, munitions companies shall be those companies that engages in enterprises necessary (to supply) arms, aircraft, warships, and other war materials, and shall mean those designated by the Government, and the scope of the enterprises in the preceding clause will be prescribed by order.
2. Munitions companies, heeding the demands of the State for increased fighting strength, shall conform to the plans of the Government and shall assume responsibility in the operation of enterprises pertaining to sufficiency in munitions.
3. With regard to munitions companies, as fixed by the orders (of the Government), bans and restrictions imposed by laws shall be cancelled, obligations shall be removed, and also special regulations may be enacted in connection with procedures for permits, and so forth.
4. The Government, under the stipulations of these main points, in cases when it is deemed necessary to issue orders or to take measures, may, under the provisions of the orders, guarantee assistance as well as profits to munitions companies.
5. Munitions companies must select a person responsible for production from among the officials of the company. When selection of a responsible person for production cannot be made, the Government may appoint a person, in which case the person appointed shall become an official of the company. The person responsible for production will represent the munitions company, and is appointed to the office for the fulfillment of the obligations of increasing fighting power.
6. The munitions company, without the approval of the Government, may not dismiss the person responsible for production who was selected by the Government. The Government will designate to the munitions companies time, plans, quantities, and other necessary matters, and may issue orders embracing the manufacture and repair of goods necessary for sufficient war materials.
7. The Government, according to the provisions of the orders, may issue orders to munitions companies or take measures for the establishment of new precautionary installations, the acquisition, storage, and movement of basic materials,

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the improvement of technique, the supervision of (trade) and labor, and other matters necessary to carry on the enterprise.

8. The Government may issue orders necessary for cooperation between the munitions company and those (persons) connected with carrying on the operation of cooperating factories, and subsidiary factories, and other enterprises which the munitions company conducts.
9. The Government, according to the provisions of the orders, may issue to munitions companies orders necessary in connection with the taking over or taking custody of enterprises, the clarification (of articles of trust), or changes in the articles of incorporation, the delegation, transfer, or discontinuing or suspension of operations, (and) the transfer of equipment or (patent rights) belonging to an enterprise.
10. The Government may restrict or ban the munitions company from engaging in operations other than those designated by the Government.
11. The Government, according to the provisions of the orders, may issue orders necessary in connection with the amalgamation or dissolution of munitions companies.
12. The Government, in accordance with the stipulations of the orders, may issue orders to munitions companies necessary to effect the adjustment and management of funds.
13. Persons responsible for production, or persons in charge of production, in accordance with the provisions of the orders, have the right to recruit workers as provided by the National Mobilization Law.
14. The staff and employees of munitions companies will be under the orders of the person responsible for production, or the person in charge of production.
15. The Government may issue orders to munitions companies, or take necessary measures regarding supervision.
16. With regard to the business matters of munitions companies, the Government may gather reports, as well as inspect or examine them.

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17. When the person responsible for production, or the person in charge of production, does not fulfill his responsibility, or when the staff and other employees of the munitions company do not obey the orders of the persons responsible for production, or the persons in charge of production, the Government, in accordance with the provision of the order, will find the means of imposing the necessary punishment.
18. Necessary penal regulations shall be enacted.
19. These main points may be applied to companies other than those engaged in the enterprises set forth in the first clause.

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APPENDIX IV

ACTIVITIES OF THE MUNITIONS SUPERINTENDENCE BUREAUS OF
THE MINISTRY OF MUNITIONS (ABSTRACT)

1. The vigorous activities of the Munitions Superintendence Bureaus.

The Munitions Superintendence Bureaus were formed with the establishment of the Munitions Ministry to undertake the responsibility of increasing production. The law provides that the Minister of Munitions shall establish local or branch offices of the Ministry, whenever necessary to divide the affairs of supervisions, control and management of munitions factories and enterprises. And the munitions officials or munitions superintendence officials shall become the chiefs of local and branch offices of the Ministry. The primary purpose of establishing such local offices is to control the munitions industry without a single gap throughout the country and to push forward the industry with an over-all efficiency.

Under the above provision of law, local offices are located in Sapporo, Sendai, Tokyo, Nagoya, Niigata, Osaka, Hiroshima, Matsuyama, and Fukuoka to divide the affairs of munitions production in nine, (later eight areas) through the country. The Munitions Superintendence officials in these nine areas consist of former industrial staff members of Commerce and Industry Ministry, Mining Superintendent Bureau Officials, Labor Bureau Officials of Public Welfare Ministry and Army and Navy Officials. The Munitions Superintendence Chief shall direct all the officials in their supervision of munitions production by distributing them to essential factories and plants.

II. Special characteristics of the administration.

The special characteristics of Munitions Superintendence Bureaus administration are as follows:

1) The unification of administration. The Munitions Superintendence Bureaus and its officials are in charge of the unified administration of production throughout the country. They control capital, management, labor, price, raw material distribution and motive power. Formerly these were divided into ministries and departments.

2) The principle of production-first. Previously, the industrial administration was divided according to the legal rights of control and the actual work of production.

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But the activities of the officials are not bound to such divisions but the actual control and direction of production. All activities are centered in the principle of production-first.

3) The motivating characteristic. Compared with the previous administration, the Munitions Superintendence Bureaus has a more unified and wider scope of administration and management of munitions production which is typical in wartime. It is richer in motivating power and creative leadership.

III. The structure of the Munition Superintendence Bureaus.

- 1) The General Affairs Section plans a unified arrangement and control of labor and defense affairs.
- 2) The First Superintendent Section controls aircraft production and its related weapons and machines.
- 3) The Second Superintendent Section undertakes the affairs of machines, steel, light metals, chemicals and fuel that were handled formerly by the old Commerce and Industry Ministry.
- 4) The Finance Section controls capital arrangement, management, prices and price accounting.
- 5) The Electric Power Section undertakes the affairs of electric power and hydro-electric power.

The scope of each of these sections is wider. For instance, the Electric Power Section controls not only the electric utilities of munitions factories and plants but it controls the use of electricity in all places including the use of electricity in theaters. The First and Second Superintendent Sections control a narrower scope than that of the Electric Power Section but in essence they control the most significant domains of aircraft and raw material.

IV. Problems that need to be adjusted.

The problems that confront the administration of the department are as follows:

- 1) Those that confront the munitions companies with their responsibilities for production and the Munitions Superintendence Bureaus.

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- 2) Those relative to general local administration.
- 3) Those relative to controlled factories under the Army and Navy Ministries.

First, the munitions companies are responsible for production and the Superintendence Bureau officials are responsible for the arrangement of production. It is natural that some problems result from this relationship of production and arrangement by the different bodies. But the munitions companies must understand that they are designated and assigned by the Government for production responsibility while the Munitions Superintendence Bureaus officials are appointed to give a hand in directing and guiding and to encourage work in the plants. However, the orders of the Munitions Ministry create a double responsibility. Thus, for the second time, the 424 companies that have been under the control of Ministries of Munitions, Army, Navy and Transportation have been brought under the direct control of Munitions Superintendence Bureaus to avoid a double responsibility and to make a complete unification. All of the 424 munitions companies which were designated by the law of munitions companies are to be supervised by the Superintendence Bureaus under the direction of the Government.

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V. Characteristic differences.

Under the law of munitions companies, the designated companies became munitions companies that must be operated under the orders of the Government and the production responsibility is assigned to the presidents of the different companies. Superintendent officials are sent to the actual places of operation, factories and plants, to give all possible means of encouragement, direction and guidance in production. Naturally the factory or plant owners have their own production responsibilities but when the superintendent officials express strong opinions as to how production should be or what management should be, dissensions may occur. However, it is fortunate that dissensions do not exist at all in the factories and plants because the fundamental principle of production-first lies deeper in the minds of producers and superintendent officials. The one goal is the same because the supreme order comes from the Ministry of Munitions.

Second, problems relative to the Superintendence Bureaus and local administrations cannot be denied. A local factory that belongs to a local administration must also belong to the administration of Superintendence Bureaus which would create a double responsibility for a local factory. But the presence of Superintendence officials in the local factories, cements the relationship and results in inseparable connections between local and central administration. The Superintendence Bureaus Chief represents all local administrations at conferences so that the direction and supervision of superintendent officials in localities will bring a closer connection between the central and local administrations. Here again, the most significant point of munitions production comes under the principle of "The nation itself is the munitions production." The logical differences are not the real problems.

Third, the problems relative to the Army and Navy controlled factories and the supervision of the superintendent officials are brought up. Logically there will be difficulty in the double supervision by both over the one aim of production. But in reality, the arrangement of Superintendence Bureaus for production is done by the same officials of the Army and Navy Ministries. These officials are the same officials of both the Superintendence Bureau and of the Army and Navy.

SOURCE: - Diamond June 11, 1944.

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APPENDIX V

MAJOR INDUSTRIES ORGANIZATION ORDINANCE 1/
Juyo Sangyo Dentai Rei)
(August 29, 1941)

CHAPTER I: General Rules

Article 1 --

This ordinance provides for the control of organizations established for the purpose of controlling major industries. The kinds of major industries (subject to this ordinance) are cited in Article 18 of the National General Mobilization Law, (including those industries referred to in Imperial Ordinance No. 317 of 1938). Exceptions will be made for the enterprises for which separate provisions are to be established.

Article 2 --

A Cabinet decree shall determine which major industries are subject to this ordinance.

Article 3 --

The organizations established under the provisions of this ordinance are called Control Societies (Tosei-Kai) and Control Associations (Tosei-Kumiai).

Any Control Society or Control Association, in designating its title, shall use the characters for Control Society () or Control Association (). An exception (as to the use of the character) may be made when the permission of the competent Minister is obtained.

CHAPTER II: Control Society (Tosei-Kai)

Article 4 --

For the purpose of developing the national economic power to the highest point the Control Society shall aim at promoting the control and management of industry concerned; and the society shall cooperate in carrying out national policy and the operation of the industry concerned on national lines, according to the national policy.

1/ The name of this Ordinance is alternatively translated as Key Industries Organisation Control Ordinance.

Article 5 --

The control societies are to be established by kind of industry.

Article 6 --

In order to accomplish the purpose (for which they are established) the control societies shall perform the following functions:

- (a) Plan with the government the national program for production and distribution in the industry concerned; the means of supplying the labor, raw materials, capital and any other demands of the industry concerned.
- (b) Control and guide production and distribution in the industry concerned. Do the same for any enterprises belonging to the industry concerned, which are undertaken by the members and organizers of member organizations of the society.
- (c) Provide for the complete equipping of the industry concerned.
- (d) Develop techniques, increase the efficiency, unify the techniques of production, reform the management of the industry concerned and of the institutions undertaken by the members and the organizers of the member organizations for the development of the enterprises belonging to the industry concerned.
- (e) Make investigation of and do research work for the industry concerned.
- (f) Make investigations of the enterprises undertaken by the members and organizers of the member organizations of the industry concerned.
- (g) Carry on the enterprises required for the accomplishment of the purpose of the Control Society besides those mentioned above.

Article 7 --

Those who are qualified to be members of a Control Society and are subject to appointment by the competent Minister are as follows:

- (a) Those who are engaged in the industry concerned.
- (b) Organizations established by those who are engaged in the industry concerned.

- (c) Organizations composed of those members mentioned in Section (a), and organizations composed of the organizations mentioned in Section (b).

Article 8 --

When the competent Minister intends to establish a control society he shall order those who have the qualifications for membership, as provided in the preceding article, to organize a control society in accordance with the provisions of a Cabinet decree.

When there is the order from the competent Minister to establish a control society in accordance with the provisions of the preceding paragraph, a general organizational meeting shall be called in accordance with the provisions of the Cabinet decree. After consideration of the Cabinet decree the meeting shall decide the articles of the society and the necessary matters to establish the control society. Approval of the society must then be obtained from the competent Minister.

Article 9 --

The following matters shall be written in the Articles of the control society.

- (a) Purpose.
- (b) Title.
- (c) Location of the office.
- (d) Regulations concerning members.
- (e) Regulations concerning officials.
- (f) Regulations concerning meetings.
- (g) Regulations concerning accounts.

Article 10 --

The existence of a control society becomes effective when the approval mentioned in Paragraph 2, Article 8 is obtained, or when the Articles of the Society are drawn up in accordance with the provisions of Paragraph 3, Article 18 of the National General Mobilization Law.

The competent Minister shall announce the purpose of establishing the control society and its articles when the approval mentioned in the preceding paragraph is obtained.

Article 11 --

When a control society is established all those who have the qualifications for membership are made members of the control society.

Article 12 --

The following officials shall be appointed in a control society.

- (a) President - one
- (b) Directors - several
- (c) Inspectors - several
- (d) Members of the board of trustees - several

Two vice-presidents or less in addition to the officials mentioned in the preceding paragraph and one chief-director may be appointed in a control society depending on the Articles of the society.

Article 13 --

The president represents the control society. He controls and guides the industry concerned and manages all the affairs of the society.

The vice-presidents assist the president. The (first) vice-president, according to the sequence of the vice-presidents previously decided by the president, substitutes for the president when he cannot fulfill his duties. When the president's seat is vacant, the (first) vice-president performs the official duties of the president.

The Chief Director assists the president and the vice-presidents in managing the affairs of the society. The chief director substitutes for the president and the vice-presidents if they are not able to fulfill their duties. He performs the official duties of the president if the seats of the president and the vice-presidents are vacant.

The directors assist the president, the vice-presidents and the Chief Director, and they manage the affairs of the society accordingly. The (first) director, in accordance with the sequence of the directors previously arranged by the president, substitutes for the president in case the president, the vice-presidents and the Chief Director are not able to fulfill their duties. He performs the official duties of the president if the seats of president, of the vice-president and the Chief Director are vacant.

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The inspectors investigate the financial conditions of the control society.

The members of the Board of Trustees give their opinions to enquiries made by the president.

Article 14 --

The competent minister appoints the president of a society from among those suggested by the nominating committee.

The competent Minister appoints members of the nominating committee from among those who have had experience with or have made special studies on the industry concerned.

The president appoints the vice-presidents, the chief-director, the directors and the members of the Board of Trustees from those who have had experience with or have made special studies on the industry concerned.

Members of the board of trustees elect the inspectors in accordance with the provisions of the Cabinet decree. The appointments of the vice-presidents, the chief-director and the directors have no effects unless the approval of the competent Minister is obtained. When the competent Minister has given the approval as provided in the preceding paragraph and has made the appointments as provided in Paragraph 1, he shall announce the facts.

Article 15 --

The terms of the officials of the control society are as follows:

President	Three years
Vice-President	"
Chief-Director	"
Directors	"
Inspectors	Two years
Members of the Board of Trustees	"

The president may discharge the vice-presidents, the chief-director and the directors, even during their terms of office if he considers this act to be necessary.

The dismissal mentioned in the preceding paragraph has no effect unless the approval of the competent Minister is obtained.

The competent Minister shall announce the fact when he has given his approval.

Article 16 --

The president, the vice-presidents, the chief-director and the directors shall not be engaged in other official duties or in commercial business. An exception may be made when the permission of the competent Minister is obtained.

Article 17 --

The Control Society may give suggestions about matters related to the industry to the ministers concerned with the industry.

The Control Society must give answers to the enquiries made by the ministers concerned with the industry.

Article 18 --

The Control Society may request from the members and organizers of the member organizations the submission of the necessary material for the investigation of certain facts regarding the industry concerned.

Those who are requested to submit certain material, in accordance with the provisions of the preceding paragraph, must do so immediately.

Article 19 --

The Control Society may levy upon the members assessments as provided in the Articles of the Society.

Article 20 --

When any other assessment is necessary for the operation of the enterprise, depending on the provisions of the Cabinet decree, the Control Society may levy the assessment, other than those already levied in accordance with the provisions of the preceding article. The Control Society may levy the assessment upon the entire body or a group of the members after the approval of the competent Minister is obtained.

Article 21 --

The Control Society may levy fines, as provided in the Articles of the Society, upon those members who have violated the Articles or the control regulations.

Article 22 --

If there are people who fail to pay the assessments mentioned in the articles 19 and 20, the Municipality (Shi), Town (Cho), and Village (Son) may deal with the situation according to the regulations

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concerning the non-payment of tax in that locality, provided that the Control Society has made a request to the authorities of the locality. In such case the Control Society shall pay 4 per cent of the collected amount to the city, town or village.

When there is no organized town or village, the corresponding body in the locality shall take the place of the town and village mentioned in the preceding paragraph.

The order of priority of claims for the assessments mentioned in the provision of paragraph 1 is next to that of the municipality, town, or village tax or to the corresponding tax system. The time limitation for payment of this levy depends on the tax regulations governing the municipality, town and city.

Article 23 --

The Control Society shall establish the control regulations governing members and organizers of organizations having relations with enterprises belonging to the industry concerned.

Article 24 --

Revisions of the Articles and establishment and revisions of the control regulations shall not take effect until approved by the competent Minister.

The competent Minister must announce the fact that he has given the approval mentioned in the preceding paragraph.

Article 25 --

The members and organizers of the member organizations of the Control Society must act in accordance with the control regulations.

Article 26 --

The Control society may have the officials and other employees of the Society investigate the business affairs, financial conditions, account books, establishments, and other property of the members or of the organizers of the member organizations of the society if the society considers it necessary.

The members and organizers of the member organizations of the Control Society cannot reject, interfere, or evade the investigations mentioned in the preceding paragraph.

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When the Control Society has the officials and other employees of the society make the investigation according to the regulations of Paragraph 1, the control society must provide the investigators with identification cards which shall certify their official positions.

Article 27--

When the conduct of directors or managers and other officers who are in position to operate the business of the member corporations and of corporations which organize the member associations, comes under one of the following sections, and when they are considered to be interfering with the control and management of the industry concerned, the president of the control society of the industry concerned may, with the approval of the competent Minister, order the corporation to discharge the officials. The chief director of a control association, which is a member of a control society, is not subject to this regulation:

- a. When the ordinance, or the decisions based on the ordinance by an administrative government office, is violated.
- b. When the public welfare is jeopardized.
- c. When the control regulations are violated.

Article 28 --

The president shall call the regular general meeting of a Control Society once every year.

The president may call special general meetings at any time if needed.

Article 29--

The president shall decide the following matters after consultation at the general meeting:

- a. Amendment of the articles of the society.
- b. Budget
- c. The method of levying the assessment provided in Articles 19 and 20.

Article 30--

The president shall prepare a business report and he shall have the inspectors prepare a financial report of the control society.

Article 31--

The government's administrative office may summon the Control Society, the members or the organizers of the member associations

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to make their business reports whenever the office considers necessary; this office may have the officials of the government administrative office inspect the factories and other property concerned. They may have the officials investigate the business condition, accounting books, documents and other items according to the regulations of Articles 31 of the National General Mobilization Law.

When the officials concerned are asked to make investigations and inspections, they must possess the identification cards certifying their official position.

Article 32 --

The Ministers connected with a Control Society may demand that the society investigate the business affairs of the industry concerned.

Article 33 --

The competent Minister may require the Control Society to operate a needed enterprise or to alter the articles of the society, and perform other functions when he considers such acts necessary to control the operation of the industry concerned.

Article 34 --

The competent Minister may issue necessary orders to a Control Society concerning the business and accounts of the society, and in case of necessity, he may take over the management thereof.

The competent Minister may have the inspectors make a report on the results of their investigation.

Article 35 --

The competent Minister may discharge the president when the conduct of the latter violates the ordinances and the decisions based on the ordinances, or damages the public interest and when he considers the president unfit to control the industry concerned.

The competent Minister may discharge the vice-presidents, chief director, directors, inspectors and the members of the Board of Trustees when the conduct of these men violates the ordinances or the decisions based on the ordinances, or when they damage the public interest.

The competent Minister shall announce the fact when he has discharged the president, vice-president, chief-directors or directors according to the regulations of the preceding paragraph.

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Article 36 --

The Control society may be dissolved by the orders of the competent Minister.

The competent Minister must make the announcement of the fact when he has given the order mentioned in the preceding paragraph.

Chapter III

Control Association (Tosei - kumiai)

Article 37 --

The Control Association strives to control the management of the industry concerned so as to develop most effectively the entire economic power of the nation and to cooperate in carrying out the national plan for the industry concerned.

Article 38 --

The Control association shall be organized by the kind of industry in a given district.

The district mentioned in the preceding paragraph, except in special cases, shall be determined in accordance with the division of local administration, do, fu, ken, or two or more divisions of the same.

Article 39 --

The control association shall undertake the following functions in order to accomplish its aim:

a. Control and guide production and distribution of the industry concerned in a given district; control and guide enterprises undertaken by the members of the Association which belongs to the industry concerned.

b. Provide for the equipping of the industry concerned in a given district.

c. Develop techniques, increase efficiency, reform the management and carry on other activities in the plants established by the members for the development of the enterprises belonging to the industry concerned.

d. Investigate and conduct research concerning the industry in a district.

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e. Inspect the enterprises carried on by the members of the Association.

f. Carry on the enterprises necessary to accomplish the purpose of the Control Association in addition to the functions mentioned in each preceding section.

Article 40 --

Those who are qualified for membership in the Control Association are as follows and may be appointed by the competent Minister:

a. Those who are engaged in the industry concerned in a given district.

b. Those organizations composed of people who are engaged in the industry concerned in a given district.

c. The organizations composed of the organizations mentioned in the sections (a) and (b); the organizations composed of the organizations mentioned in the preceding section.

Article 41 --

When the competent Minister intends to have a Control Association established, he shall order people who are qualified for membership in the Control Association in accordance with the provisions of the preceding article, to establish the association in a given locality in accordance with the provisions of the Cabinet decree.

Article 42 --

The following matters shall be stated in the Articles of the Control Association:

- a. Purpose.
- b. Title.
- c. District.
- d. Location of the office.
- e. Regulations concerning the members of the Associations.
- f. Regulations concerning the enterprise and its operation.
- g. Regulations concerning officials.
- h. Regulations concerning meetings.
- i. Regulations concerning the treasury.

Article 43 --

The following officials shall be established in a Control Association:

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Chief Director --	one
Directors --	several
Inspectors --	several
Members of the Board of Trustees --	several

Not more than two vice-chief directors may be established in a Control Association depending on the provisions of the articles of the association, in addition to the officials mentioned in the preceding paragraph.

Article 44 --

The chief-director represents the Control Associations. He controls and guides the industry concerned and operates the business of the Association.

The president of a Control Society appoints the chief-director of a Control Association, which is under the jurisdiction of the former, from among those who have experience in or knowledge of the industry concerned. When there is no connected Control Society, the competent Minister appoints the chief director of a Control Association from those persons who have experience in or knowledge of the industry concerned.

The chief-director chosen in accordance with the provisions of the first part of the preceding paragraph shall not take office until the approval of the competent Minister has been obtained.

Article 45 --

The provisions of Paragraphs 2, and 4 to 6, Article 13 and from Paragraph 3 to 5 of Article 14 are to be applied to the vice-chief directors, directors, inspectors and trustee members of the Control Association.

Article 46 --

The terms of the officials of the Control Association are as follows:

Chief director --	3 years
Vice chief-directors --	"
Directors --	"
Inspectors --	2 years
Trustee members	"

The chief-director may dismiss the vice-directors or directors of the Association during their terms of office if he considers this act necessary.

The dismissal mentioned in the preceding paragraph has no effect unless the approval of the competent Minister has been obtained.

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Article 47 --

The president of a Control society may dismiss the chief director of a Control Association when the latter's conduct violates the ordinance or the decisions made by the administrative government in accordance with the ordinance, or when the chief-director is considered unfit for the control and management of the industry concerned.

The dismissal mentioned in the preceding paragraph has no effect unless the approval of the competent Minister has been obtained.

Article 48 --

The Control Association may convene a general meeting of representatives in accordance with the Articles of the Association; this meeting to take the place of the general meeting.

Articles 28 and 29 are to be applied to the general meeting of the representatives mentioned in the preceding paragraph.

Article 49 --

The Control Association is required to register according to the provisions of the Cabinet decree.

The items which should be registered according to the provisions of the preceding paragraph, may not be applied to a third party unless he has been registered.

Article 50 --

The regulations of Paragraph 2 of Article 8, of Articles 10, 11, 17 to 26 and 28 to 34, of Paragraph 1 and 2 of Articles 35 and also Paragraph 1 of Article 36 are to be applied to the Control Association. The government's administrative office shall take the place of the competent Minister and the ministers connected with the industry concerned. Exceptions are made in the provisions of Paragraph 2 of Article 10 and Paragraph 1 of Article 36.

Chapter IV

Miscellaneous Regulations

Article 51 --

When the enquiries, reports, inspections, investigations and orders concerned are of military importance, the Minister of Army or Navy will take the place of the Ministers connected with the industry concerned or the government's administrative office and the competent Minister, mentioned in Paragraph 2 of Article 17,

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Paragraph 1 of article 31, Article 32 (including the preceding articles to which the mentioned provisions are applied) and Article 33 (including the preceding articles to which Article 33 is applied, the same applying correspondingly to this article and Article 52).

When the Minister of Army or Navy intends to give an order according to the regulations of Article 33 he must discuss the matter with the authorized Minister of the Control Society or of the Control Association.

Article 52 --

If the authorized Minister of a Control Society or of a Control association intends to give an order under the provisions of Article 33 he shall confer with the Minister of Army or Navy if the order concerned should affect military matters.

Article 53 --

In Chosen, Taiwan, Karafuto and in the South Sea Islands (hereinafter referred to as the "Outer-Territories") the Chosen governor-general, the Taiwan governor-general, the heads of the Karafuto government office and of the South Sea Islands Government office shall take the place of the competent Minister, the Ministers directly connected with the business concerned and the authorized Ministers of the Control Society or of the Control Associations mentioned in this ordinance.

In the case of a Control society composed of members who fall under one of the sections of Article 7 and who live in the Outer-Territories and of persons who live in Japan proper, the Chosen Governor-general, the Taiwan government, the Heads of the Karafuto government office and of the South Sea Islands shall take the place of the competent Minister, the Ministers connected with the control organizations concerned, and the authorized ministers of the Control Society and Control Associations only if the cases are concerned with the Outer-Territories regardless of the provisions of preceding articles.

Articles 54-46: (omitted) Technical details of operation of control mechanism in Outer-Territories.

Supplementary Rule:

This ordinance shall be enforced from the first of September, 1941.

Source: Horei Zensho (Complete Collection of Laws and Ordinances), 1941, pp. 612-620.

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APPENDIX VI

"Imperial Ordinance covering amendments to the Essential Industries Organizations Law (Juyo Sangyo Dantai Roichu Kaisei Chokurei) dated July 4, 1945.

- "(1) In Article 1, under 'Control', add the words, 'and the necessary administration for it.'
- "(2) In Article 4, after the words, 'to contrive for the carrying out of generalized control', 'and to carry out the necessary administration for it.'
- "(3) In order to achieve their objectives, the control associations will conduct the following tasks:-
 - "(a) Participation in the Government planning regarding production and distribution in the industries concerned, and the demand and supply of material, capital, and labor to be used in these industries, and in other Government planning regarding the industries concerned.
 - "(b) Guidance of control regarding production and distribution in the industries concerned; also guidance of control of enterprises affiliated with such industries which are run by (control associations) members or organizations of such members.
 - "(c) Firm establishment and adjustment of the industries concerned.
 - "(d) Cooperative purchasing of materials needed by members of organizations of members in enterprises affiliated with the industries concerned.
 - "(e) Cooperative marketing of materials produced by such members of organizations in enterprises affiliated with the industries concerned.
 - "(f) Cooperative calculation of the profit and loss of affiliated enterprises.
 - "(g) The making of provisions for the protection of the enterprises affiliated with the industries concerned, and for the welfare of the workers, and other necessary provisions pertaining to the operation of the industries concerned.

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- "(h) Inspection of the enterprises affiliated with the industries concerned and the auditing of their accounts.
 - "(i) Providing for the development of affiliated enterprises, by such means as improvement of techniques, increase in efficiency, unification of system, and reform in administration.
 - "(j) Investigation and research regarding the industries concerned.
 - "(k) Making plans other than contained in the above clauses which are deemed necessary in carrying out the objectives of the control associations in their control of the industries concerned.
- "(4) Clause 6 in Article 14, and Clause 4 in Article 15 will be eliminated.
 - "(5) Clause 2, Article 22: By specification in the articles of association, the president of a control association may select a deputy (dairinin) who will have authority to carry out, in place of the president, all judicial or nonjudicial matters in relation to the duties of the business office of the control association.
 - "(6) A bona fide third party may not be opposed by application of the limitations placed on the authority of the deputy in the preceding clause.
 - "(7) Clause 2, Article 27: If the president sees that any action is detrimental to the common interest being carried out by a corporate member of the control association of one of the industries involved, or by the secretary or auditor of a corporation made of a group of members, or by a member who audits the conditions of the (word missing) assets, and if such action is found to be especially hindering in the enforcement of control, then, upon the authorization of the Minister concerned, the president can order the release of that person through the corporation concerned.
 - "(8) Clause 3, Article 35, and Clause 2 of Article 36 will be eliminated.
 - "(9) Clause 2, Article 36: It is necessary that the control associations carry out a registration as specified by these provisions.

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- *(10) By the stipulation of the previous clause, if the matters which should be registered are not those which (word missing) after registration, this cannot be used against a bona fide third party.
- *(11) In Article 38 under 'Article 27' add 'Part two of Article 27'.
- *(12) In the principle part of clause 3, in Article 41, change the words 'or Article 27' to read (Article 27 or part 2 of Article 27). Make the same change in the conditional clause of the same Article.

"By-Laws:- This ordinance will be enforced from the date of promulgation. As for the registration which the control associations must carry out within the definitions of the enforcement of this ordinance, this will be specified by a Cabinet ordinance." (Tokyo, DOMEI, in Kana to G.E.A., July 3, 1945, 6:17 a.m. EWT).

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APPENDIX VII

Transfer of Administrative Authority Law 1/
(February 18, 1942, Law No. 15)

(Established in accordance with Article 18 of the National Total Mobilization Law)

Article 1. Transfer of the government authorities.

The Government transfers to the Iron and Steel Control Society, to the Coal Control Society and to other Control Societies (established on basis of the Major Industries Organization Ordinance) National Policy Companies to Corporations (Eidan) and to other organizations, governmental authority to grant authorizations and permissions arising from the provisions of the National Total Mobilization Law, the Exports and Imports Temporary Management Law, and various other laws and regulations, except the authority which belongs to the administrative policy of the Government. Matters concerning allocations of production and distribution, supply of materials, which are decided by imperial ordinances, are to be conducted by the Control Organizations.

Article 2. Guarantee for execution of authority and the fixing of official responsibility.

For the purpose of safe guarding the authority of the control organizations, they are considered as government agencies. Any violation of their orders is considered as a violation of the particular law or regulation upon which their order is based. The officials of the control organizations are considered as government officials, and any negligence in fulfilling their duties is to be considered the same as negligence on the part of government officials.

Article 3. Necessary matters related to the performance of the governmental authorities by the Control Organizations will be decided by Imperial ordinance.

Article 4. Date of enforcement will be decided by imperial ordinance.

Source: Keizai Tosei-ho Nempo (Control Law Annual Report)
Series I Vol (January-March, 1942 pp. 38-40)

1/ This is an abstract based on an exposition of the law.

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APPENDIX VIII

METAL INDUSTRY CONTROL SOCIETY (ABSTRACT)

The Metal Industry Control Society was established 15 January 1942 to deal with metal goods and raw materials, such as electric wire, copper, aluminum, magnesium and its compound, metal plates, pipe, metal bars, wire and other metal articles. Twenty-seven companies, two control unions and six industrial unions were designated by the Ministry of Commerce and Industry as members of the society. The purpose of the society is to plan a centralized control administration for the metal industry and to cooperate in accomplishing the national industrial policy. Therefore, the control society has the right to participate in Government plans in order to direct and adjust the business of all members of the society.

The characteristics of the society are as follows: 1) The members of the society are all industrial companies dealing with electric wire, pressed wire and stretched wire. The electric wire division and the pressed and stretched wire divisions deal with copper and aluminum. There are two or three other member industries which deal with different materials and goods in the society 2) The business of the society is its control of manufactured metal goods, such as metal plates, pipes, bars and other metal articles.

The society is planning to investigate working conditions of the factories at the end of November as a means of carrying out a concrete control of all activities in the future.

Finance, technical labor, materials, production and South Seas policy committees have been established to coordinate activities of the members of the society and to conduct business effectively for the members of the society.

The society is planning to work more closely with related Government agencies and organizations for the purpose of establishing an emergency control production plan in accordance with national economic policies. For this reason, the Metal Pressing and Stretching Supply Co., Inc. (Assen Kinzoku Haikyu Kabushiki Kaisha) and the Electric Wire Supply Co., Inc. (Densen Haikyu Kabushiki Kaisha) have established a rationalized distribution policy to society members. The Metal Pressing and Stretching Supply Co. has been directing all business activities and the Tosai Copper Sale Company will start its business on 1 May 1942. The Electric Wire Supply Co. will start its business on 1 August 1942.

The Society established the materials committee as a centralized supply consulting organization to direct the distribution of materials to the members. The society plans to hold consultations on supply and on procuring materials for the society members. Its concrete policies are as follows:

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- 1) Investigation of the amount of essential materials in stock. The society investigated the total amount of all essential materials such as copper, aluminum, zinc, pig-iron, lead, turpentine, carbon block, artificial silk thread, cotton thread and zinc wire, in warehouses and factories for the past year and the average quantity used monthly in order to make good use of all materials.
- 2) Complete control of all materials for local distribution. The society is trying to control all materials such as nails, steel wire, cement, machine oil, needles and pocket ledgers for local distribution.
- 3) Simplification of regulations. The society is planning to simplify the regulations on the control of all materials.
- 4) Application of left-over materials. The society is planning to exchange materials among members to supplement and make use of all materials in the warehouses. An investigation card is now being worked out to check on all materials on hand and to plan for their proper use by society members in order to simplify all business transactions for the society.

The technical committee of the Electric Wire and the Pressed and Stretched Wire Divisions are cooperating in the following policies: 1) the investigation and research of factory establishments and their techniques; 2) investigation of patents; 3) investigation of manufacturing efficiency; 4) standardization of goods, materials and control regulations; 5) investigation of the needed quantities of materials; 6) plans for standard plants; 7) research on improved working techniques in factories, training in labor techniques, development of working efficiency, establishing of prices, improvement of technical administration and inspection of goods. The society has completed technical inspection of 64 types of electric wires and 126 patents on pressed and stretched wire.

The society has been studying labor distribution, administration, wages, hours, welfare establishments and necessities for the daily living of the workers in order to solve all important and urgent problems connected with labor. The Pressed and Stretched Wire Division is now studying the practical problems of labor distribution to increase labor efficiency.

The society is now investigating the business condition of society members to strengthen and rationalize production, by utilization of all metal industries' working efficiency and improving their techniques.

The South Seas Policy Committee is working on a policy for distributing necessary metals to places that need them in the South Seas. The society is also preparing to investigate necessary labor,

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fuel, and the required quantity of materials for the South Seas.

The control regulations of the Metal Industry Control Society have not been approved because the business law which includes approved of regulations for controls societies has not been established. Regulations of the society will be approved around the middle of September. Practical activities of the society are expected to start immediately after approval of the regulations has been granted.

SOURCE: - Toseikai Nenkan, 1943 p. 149.

APPENDIX IX

Control Regulations concerning Control Association of Hokkai Warehouse Enterprises. The regulation is effective from 20 June 1944.

1. Control of warehouse enterprises, Article #14 of the Association Regulation, will follow this Control Regulation.
2. Within two months of application, members must submit statement containing the following items:
 - a. Resume of employer's personal history and financial background.
 - b. Business regulation.
 - c. Sample of warehouse bonds.
 - d. Rates for storage, loading, and unloading.
 - e. Name and address of business office.
 - f. Chart of warehouse inspection.
 - g. Inspection chart indicating the state of management.
 - h. Statement of other business besides the warehouse, owned by the member.
3. Members must submit statement without delay to include:
 - a. Monthly report of articles received, released and remaining in storage.
 - b. Unpaid monthly warehouse bonds.
 - c. Financial list of loans, business-reports, profits and loss statements, also statements concerning the disposal of profit.
 - d. Monthly report on utilization of warehouse.
 - e. Yearly report of business conditions.
4. Members must report to the Association under the following circumstances:
 - a. When duties assigned to the Association are completed,
 - b. When business location or office is changed or when name and address is abolished or changed.
 - c. When any regulation and executive personnel is changed.

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- d. When stock payment is collected and new stocks are issued.
- e. When Warehouse Regulation Article #1 is granted or annulled.
5. Members must submit certified documents concerning:
 - a. Handling, obtaining and conserving of necessity articles.
 - b. Hiring of labor and working conditions.
 - c. Methods of raising capital.
6. When necessary, the Association shall reform management, promote efficiency and carry on research for technical operations.
7. When necessary, the Association shall subsidize and contribute money to improve conditions for its members.
8. In time of emergency or disaster, members must cooperate and take measures to aid such victims.
9. Members must obey the rules and regulations established by the Associations.
10. All statements in documents submitted by members must be true and accurate.
11. After obtaining permission from Government, the Association may establish, suspend, abolish, transfer, consign, entrust, or combine the managements of various warehouse enterprises of its members.
12. Members must report in advance concerning opening, abolishing, transferring, uniting, or dispersing of their warehouse enterprises to the Association.
13. When considered necessary to control the Association, Government may order and instruct the setting up of machineries, expanding of warehouses, changing, suspending, transferring and renting of members' enterprises.
14. Members must report to the Association in advance on the purchasing loading and unloading of machineries, establishing of warehouses, enlarging of company, changing, suspending, abolishing and transferring of business.
15. When considered necessary, the Association may make suggestions on the weight and number of commodities handled and methods of obtaining and conserving necessary articles.

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REGULATION CONCERNING LABOR AND STORAGE:

16. Except in special cases, the Association may give permission to receive goods for storage.
17. The Association may, when necessary, receive goods for storage, under a joint contract but it may also give portions of goods to other members for storage.
18. When the Association receives goods for storage under a joint contract, it may distribute them to designated members. When designated members receive the goods, they must perform their duty according to regulations.
19. Designated members must agree to receive their quota of assignment according to the rules of the Association, but when members cannot accept the amount assigned them, they must give reasons for not doing so and must report to the director and obtain his approval.
20. When considered necessary, the Association may request any member to accept for storage any assignment that it may give to the member.
21. When necessary, the Association may transfer goods placed with one member to another member as decided by the Chief Director.
22. When necessary, a conference may be held with the chief director of the Association to discuss matters concerning the development of warehouse enterprises:
 - a. To establish or purchase warehouses.
 - b. To decide on priority for receiving goods for storage.
 - c. To refuse or limit goods for storage.
 - d. To cancel contract for storage or to return goods.
 - e. To insure goods for storage.
 - f. To decide on methods of loading and unloading.
23. When necessary, the Association may direct the management of labor and adjust the wages of labor.
24. The Association may decide on the forms of bonds or certificates for warehouses.

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CONTROL OF RATES OR FEES FOR STORAGE:

25. The Association shall decide on the rates for storage and the methods of loading and unloading. In special cases where rates are increased or decreased, approval must be obtained by the members from the Association.
26. To improve warehouse enterprises, the Association may order a part of the members or all of its members to accept special rates for storage or rent for warehouses.
27. Members who accept the new rates may combine together in handling the special rates and rent of warehouses.
28. Members desiring more detail on this regulation may obtain further information from the director.

SOURCE: - Kampo, June 29, 1944.

Appendix X

Electrical Engineering Control Society in Japan (abstract)

The Electrical Engineering Control Society has been established in conformity with the principle of national defense which deems it necessary to promote electrical engineering to its highest point of productivity.

This Society came into existence through the Important Enterprise Act of the Japanese Government. The general headquarters of this society are in Tokyo, and branch offices may be established in various cities if the head of this Society considers it necessary. Any announcement of the Society will be considered as an official announcement.

The duties of the Control Society may be listed as follows:

- 1) To produce and allocate electric machinery in accordance with the general economic plan of the Government.
- 2) To guide and supervise the production of and allocation of articles made by member organizations.
- 3) To plan for the supply of raw materials, capital, manpower, fuel, and other establishments.
- 4) To reorganize the whole system of electrical engineering and the manufacture of electrical machinery.
- 5) To determine the prices of articles produced.
- 6) To devise means for the advancement of technique and efficiency in electrical engineering.
- 7) To concern itself with matters of investigation and research.

The organization of the Control Society consists of one chief, one deputy chief, one chairman of the board of directors, several directors, several supervisors, and several advisors. The chief of the whole society is appointed by the Minister of Commerce and Industry; the deputy chief, the chairman of directors, the directors, and the advisors, are appointed by the chief on the basis of their experience and academic background. The terms of tenure are: Three years for the chief, deputy chief, chairman of the board of directors, and directors, and two years for the supervisors and advisors.

The office of the advisors is mainly for giving advice to the chief who is concurrently head of the advisory board. The board convenes at any time at the suggestion of the chairman. The general affairs of the Control Society are handled by the office of Administrative Affairs, the head of which is the chairman of the board of directors, who administers under the guidance and supervision

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of the chief of the Control Society. The Office of Administrative Affairs maintains the following 5 departments:

- 1) The department of general affairs.
- 2) The department of electricity.
- 3) The department of communications.
- 4) The department of natural resources.
- 5) The department of investigation.

Toseikai Nenkan, Tokyo, February 1943, pp. 177-185.

Appendix XI

Electric Machine Control Society (Abstract).CHAPTER I

- Article 1. To cooperate in the realization of the imperial policy in regard to the maintenance of the electric machine business, the society shall aim at establishment of an electric business which will secure the sale and manufacturing of electric machines, such as: steam engine boiler, steam engine turbines, water turbines, and telegraph instruments.
- Article 2. The Society shall be established according to the Important Industry Corporation Law and shall be called the Electric Machine Control Society.
- Article 3. The head office shall be in Tokyo. If the president deems it necessary, branch offices shall be established in important cities.
- Article 4. The announcement of different matters of the Society shall be made through the official gazette.

CHAPTER II

- Article 5. The Society shall be composed of members who are in the business of electric machines and in corporations organized by electric machine business enterprisers. The Minister of Commerce and Industry shall have the right of designating members to this society.

CHAPTER IIIBusiness and its practices

The following items shall be practiced to accomplish the aim of the society.

- A. The society shall participate in the government plan for the supply and distribution of motor power, fuel, labor, power, and capital equipment for the electric machine business.
- B. The society shall control and supervise matters concerning the production and distribution of electric machines.

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- C. The society shall control and supervise the supply and distribution of necessary data for the various electric machine business and enterprises.
- D. The Society shall manage the problems of security and arrange the systems for the electric machine business.
- E. The society shall manage matters concerning the price of electric machines.
- F. The Society shall standardize electric goods, improve administration, promote efficiency, and elevate technical skill in connection with the electric machine business.
- G. The Society shall conduct research and investigation pertaining to electric machine business.
- H. The Society shall investigate the business of the members and members' corporations
- I. The Society shall handle other necessary matters that are related to the accomplishment of the aims of the society.

Article 7. The control over the business of the members or members' corporation shall be done according to fixed control regulations.

Article 8. Special business matters of the Society shall be conducted separately.

CHAPTER IV.

Officials

The Society shall have the following officials: one president, one chairman of the board of directors, a few directors, a few inspectors, a few councillors. If necessary, the society shall have one vice-president.

Article 10. The president shall control and supervise the business of electric machines on behalf of the Society. The vice-president shall assist the president and in the president's absence he

shall act for the president.

- Article 11.** The president shall be appointed directly by the Minister of Commerce and Industry. The president shall choose men of experience for the other offices with the approval of the Ministry of Commerce and Industry. Only the inspectors shall be elected on the agreement of more than half the councillors.
- Article 12.** The terms of office shall be as follows: president 3 years; vice-president, 3 years; chairman of the board of directors, 3 years; members of the board of directors, 3 years; inspectors, 2 years; and councillors, 2 years.
- Article 13.** The president, vice-president, chairman and members of the board of directors shall not participate or undertake any other business without the approval of the Minister of Commerce and Industry.

CHAPTER V.

- Article 14.** Meetings shall be of two kinds, general and committee meetings.
- Article 15.** The general meetings shall be of two kinds, regular general meetings and temporary general meetings.
- Article 16.** The president shall make decisions on the following matters with the approval of a general meeting:
- A. Changes in the articles of the Society;
 - B. Budget and income expenditure;
 - C. Method of collecting taxes.
- Article 17.** The president shall report on the business of the society and he shall have the inspectors report on financial matters of the society.
- Article 18.** Committee Meetings shall be held whenever the president deems it necessary. The president

shall preside as chairman of the committee meetings.

CHAPTER VI

Bureau of Business:

- Article 19. A business bureau shall be established in the society to manage the business affairs.
- Article 20. The chairman of the board of directors shall control and manage the business bureau under the direction of the president.
- Article 21. The regulations concerning the officials and employees shall be made up separately.
- Article 22. The society shall impose a tax upon the members.
- Article 23. The society shall get the approval of the Minister of Commerce and Industry, whenever the Society has new business to deal with. Whenever necessary the Society shall impose a special levy upon its members.
- Article 24. The levy shall be collected according to the special regulations set for taxes.
- Article 25. The fiscal year shall begin on 1 April and end on 31 March of the following year.

CHAPTER VIII

Dissolution and liquidation.

- Article 26. Dissolution of the Society shall be made by the order of the Minister of Commerce and Industry.
- Article 27. The liquidator shall be chosen by the court of justice which shall be served the notice by the Minister of Commerce and Industry.
- Article 28. The liquidator shall have the right of managing the liquidation on behalf of the Society.
- Article 29. The liquidator shall decide on the method of liquidation and property disposition.

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Article 30. Even after a dissolution, if it is found necessary, the Society shall collect any necessary levy from the members with the approval of the court, to settle the debts of the Society.

CHAPTER XV

Fine for violating the regulations.

Article 31. Any member who violates these regulations shall be charged with a fine of 5,000 yen.

SOURCE: - Toseikai Nenkan, 1943, Part II, 177-180

Appendix XII

Abstract of Regulations Governing the Establishment of a Warehouse Control Society (Effective 1 May 1944).

In order to increase transportation efficiency and to harmonize the distribution of essential resources, the proposal to establish the Warehouse Control Society was presented by the Minister of Transportation, that this establishment should be rushed by appointing a committee to prepare and to finish within the month of April so as to operate it from 1 May.

I. The Establishment of Control Society.

- 1) Control Society should be established in order to control general warehouses of six great harbors.
- 2) The affairs of control society should be of enterprising warehouse business. New equipment may be arranged to protect warehouses and their establishment with the headquarters in Tokyo and branch offices in important areas.
- 3) Private Warehouses or business warehouses should be rented or commissioned as ordered by the control society.
- 4) The readjustment order should be issued by the control society when warehouse is to be rented.
- 5) Official or public warehouses will be lent to the control society.
- 6) The Control Society should arrange with the Japan Harbor Transportation Association, small scale land transportation business, and exchange corporations to maintain closer mutual connections.

II. The establishment of Control Union and Control Society.

- 1) In the district zones under local administrative society, Control Union should be organized in parallel with the Control Society. The function of this union should be to undertake the control activities of warehouse business under the established regulations of commercial union.
- 2) Under the readjustment of control society and control union, the whole nation's warehouse business may be controlled when the essential industry demands it.

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3) The president of Control Society automatically becomes the head of all control associations and he selects other personnel of the society.

4) The Control Society should encourage cooperation among all warehouse businesses in order to increase the efficiency of transportation power to insure the complete unification of harbor transportation and all small scale land transportation business.

III. The Purposes of Warehouse Control Society.

1) To bring the maximum efficiency of transportation to the six great harbor warehouses and to decrease the procrastination of harbor freight work.

2) To enlarge the utility of sea routes for unified and carefully planned transportation.

3) To see that the warehouse business men do not keep or distribute too freely the essential resources, but manage them under the orders of the control society. In addition, to protect the essential resources from the danger of enemy air raids.

4) To unify the regulations of small scale land transportation as of 1938, and of sea transportation as of 1940, so that the function personnel and enterprise of transportation may be closely connected and thorough.

The control society becomes the legal owner of all six great harbor warehouses and the control society acts under the orders of the Government in distribution and custody of the essential goods.

The Warehouse Control Society shall be operated from 1 May, with the capital of 20,000,000 yen. If it is necessary for a central organization to control a nation-wide association, the Government will act upon it.

APPENDIX XIII

Control of Electrical Engineering Industries

The nine electric power distribution companies of the country are under the complete control of the state but there has been no particular control over the 5,000 electrical engineering industries for the nine electric power distribution companies and their consumers. Their work is to connect electric lines to the homes and make small extension lines.

The Electric Bureau of the Ministry of Munitions is now going to systematize the 5,000 electrical engineering industries by aiming at the following items:

- 1) Efficient utilization of labor and materials.
- 2) Closer cooperation between the engineering industries and the nine companies.
- 3) Absolute security for controlling the electric lights during an air raid.
- 4) Mobilization of employees for defense during an air raid.

The essential points for adjusting the electrical engineering industries are as follows:

- 1) To establish nine electrical engineering industry stock companies or one to each area in which the nine electric power distribution centers are located.
- 2) To organize local control associations, which will be made up of electrical engineering stock companies in each district, such companies must have more than 20 engineers and their engineering contracts must add up to more than 100,000 yen a year.
- 3) To organize a central control society whose members will be the local control associations and electrical engineering industries whose contracts add up to more than 1,000,000 yen a year and whose employees consist of more than 1000 people.
- 4) To reorganize the present electrical industry associations according to the area in which they are located.
- 5) To require the local control associations to become

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members of the local civil Engineering construction control association, and to require the Central Electric Control Society to become a member of the Japan Civil Engineering Construction Control Society.

SOURCE: Mainichi Shimbun (Tokyo) 4 April, '44.

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Appendix XIV

Abstract of Regulations on Lumber and Charcoal Production.

- 1) The local governor shall designate the acreage of standing trees to be cut, the time for cutting the trees, the time for the sale of the lumber and other necessary items for the process of cutting down trees on the mountains.
- 2) Also the local governor shall record the place and acreage of the standing trees, the time of the cutting, the price and time of the sale of such lumber and other necessary items in the document of his order for cutting down the trees.
- 3) The ceiling price of the standing trees shall be the same as the ceiling price stated in the seventh article of the Price Control Order, which is the price of lumber with all the expenses of cutting, shipping and other labor excluded.
- 4) Local governor shall designate the time, the methods of production and other necessary items in his order for charcoal production, and he shall also designate the time, price quantity, time of shipping, place of shipping and other necessary items in his order for the sale of charcoal.
- 5) The Charcoal Supply Adjustment Regulation will be abolished and this order shall become effective 29 June 1944.

SOURCE: Kampo, 29 June 1944.

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Appendix XV

Pit Wood Control Association

The Pit Wood Control Association (Komoku Tosei Kumiai) was established in Northern Kyushu and started its control business transactions 1 July 1944 in order to 1) control the supply of wood used for supports in order to fill the demands of coal miners in 20 prefectures around Northern Kyushu, 2) lower the expenses of the wood producers, 3) establish a sum of 7,500,000 yen as an encouragement fund to help wood producers transport their wood from the place of production to the consumer and distribute all necessary working materials to the wood producers. Three-fifths of the coal produced in Japan comes from this area.

The establishment of a Pit Wood Control Society has been expected in Hokkaido, Eastern Japan and Osaka since the establishment of this association in Kyushu.

SOURCE: Asahi Shimbun, 16 July 1944.

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Appendix XVI

Regulations of the Woolen Goods Control Society

I. General Regulations

- 1) The Purpose of this society shall be to support the national policy of controlling all woolen goods business in order to strengthen the national economic system.
- 2) This society shall be called the Woolen Goods Control Society and shall be based on the Decree of Essential Industry.
- 3) The headquarters of this society shall be located in Tokyo and branch offices shall be established in other cities.
- 4) The announcement of this society shall be revealed in the gazette.

II. Members

- 5) This society shall be composed of all woolen business firms which have been approved by the Minister of Commerce.

III. Work and its execution

- 6) In order to fulfill the aim of regulation No. 1 the following work shall be done by members:
 - a) To aid the government in acquiring material, capital and labor for the increase of wool production.
 - b) To direct and control the production and distribution of the woolen industry.
 - c) To control the supply of capital, material and labor for the woolen industry.
 - d) To fix the price for woolen goods.
 - e) To promote planning the woolen industry.
 - f) To improve the skill and to increase the efficiency of the woolen industry.

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- g) To make surveys and do research concerning the woolen industry.
 - h) Besides the above items, other necessary works for the benefit of this society will be required.
- 7) Control regulations of this society shall be recognized by the Minister of Commerce.

The president shall consult with the councillors in order to formulate control regulations.

- 8) Essential affairs of this society shall be executed by the president.

IV. Officers

- 9) This society shall have one president, one chief director and a certain number of directors, superintendents and councillors.
- 10) The president shall be recommended through a member of the Civil Service Committee and shall be appointed by the Ministry of Commerce.

The chief director and directors shall have good knowledge of and experience in the woolen industry and their appointments shall be approved by the Minister of Commerce.

Councillors and superintendent should have experience in the woolen industry and their appointments shall be approved by the president.

- 11) The appointments of the president, the chief director and the directors shall be for three years each and of the superintendents and councillors, two years each. If the president wishes to resign during his incumbency his resignation shall be approved by the Minister of Commerce.
- 12) The president, the chief director and directors cannot engage in other business except with the approval of the Minister of Commerce.
- 13) The president shall direct and control all essential

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affairs of the woolen industry and other activities related to this society.

The chief director and directors shall assist the president in all works and act for him in his absence.

Superintendents shall examine and audit the financial status of this society.

Councillors shall answer and give opinions to, the president upon request.

V. Conferences

14) There are two kinds of conferences, namely:

- a) general conference
- b) councillors conferences.

The general conference shall be composed of all members of this society while the councillors conference shall be composed of only the councillors of this society.

15) There are also two kinds of general conferences namely:

- a) ordinary conference
- b) emergency conferences

The ordinary conference shall be held in May of each year, while an emergency conference may be called whenever it is needed. Conferences shall be called by the president.

16) The president shall consult all members at the conference concerning any change in the regulations or the financial budget of the society.

17) At the annual ordinary conference the president shall report on all affairs and conditions and the superintendents shall report on the financial statements of the society.

18) A councillors conference may be called at the will of the president. The president shall be the chairman of the councillor's conference.

VI. Bureau of General Affairs

- 19) A Bureau of General Affairs shall be set up to handle all general affairs of this society.
- 20) The chief director shall be the head of the Bureau of General Affairs and shall be under the direction and supervision of the president.
- 21) Several departments shall be created in the Bureau of Affairs and they shall be headed up by the directors.

VII. Accounting

- 22) The fiscal calender of this society shall be from April 1 of one year to March 31 of the following year.
- 23) All members shall pay a membership fee.

The membership fee and the method of collecting it shall be determined by the president. He shall consult members opinions.

VIII. Dissolution and Liquidation

- 24) This society may be dissolved by the order of the Minister of Commerce.
- 25) The liquidator shall be selected by the court.
- 26) The liquidator shall have full authority to represent this society.
- 27) The liquidator shall determine the method of liquidating and handling property which shall be approved by the court.

IX. Penalty

- 28) A member who violates the general regulations of this society shall be fined not more than 5,000 yen.

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- 29) A member who violates the control regulations of this society shall be fined not more than 10,000 yen.

SOURCE: Toseikai Nenkan (Control Society Year Book)
Tokyo, p. 271, February 10, 1943.

Appendix XVII

The Control Regulations of the Japan Bicycle Control Society (Abstract)

Chapter I General Rules.

Article 1. The control of the bicycle business by the members of the Society is regulated according to the following regulations supplementing the order, established by the Society.

Article 2. To control the production and distribution of the Society periodically, a year is divided into 4 periods. The first period: April to June. The second period: July to September. The third period: October to December. The fourth period: January to March.

Article 3. In this regulation of the Society, "Manufacturer" means a manufacturer as a member of the Society; wholesale merchant means a wholesaler of the Society; the Affiliated Association means an affiliated association acting as the distribution adjustment control society of the city, province, urban prefecture, and prefecture.

Chapter II Production Control.

Article 4. The manufacturer shall not manufacture bicycles or their accessories, nor shall he do remaking, without having permission from the Society.

The manufacturer shall not manufacture the articles that are not registered in the Society Members' Directory.

Article 5. By the approval of authorities concerned, the Society shall decide on the number of bicycles to be manufactured and the articles for repair use. The Society shall direct the manufacturer accordingly.

Article 6. Those who desire to be engaged in bicycle-remaking business shall apply for the approval of the Society.

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The application shall cover the following points:

- a) Indication of the amount of material, and indication of the dealer from whom the material should be purchased.
- b) Indication of the amount of used materials, the process planned, and amount of material to be abandoned.
- c) Amounts and kinds of the materials which are to be apportioned to different workers for remaking.
- d) The authentication by the purchasing parties concerned is to be presented.

Article 7. The members of the Society shall register the following equipment:

- a) Machine and electric motors.
- b) Storehouses
- c) Stores

Article 8. The Society shall have the right of restricting the equipment listed under the previous items.

Article 9. The Society shall designate the dealer from whom the manufacturer is to purchase the materials.

Article 10. The Society shall prepare the steel and other materials for distribution before directing each member to manufacture bicycles.

Article 11. The Society shall take a special consideration concerning the following items in regard to the records of individual members. But the Society shall act accordingly when there is a special direction by the authorities concerned.

- a) Actual results of production capacity of an individual factory.
- b) Convenience of packing and transportation.
- c) Grade and quality of the manufactured goods.
- d) The result of the consignment of goods.

Article 12. Manufacturer shall not refuse the order for manufacturing after the order was given, without having a special reason.

Article 13. Manufacturer shall present the manufactured bicycles within the designated period.

Article 14. Manufacturer shall not make use of materials for any other purpose than the designated one.

Article 15. Manufacturer shall not ship the bicycles without having them examined by the Japan Bicycle Investigation Association.

Article 16. Manufacturer shall follow the regulations and notices of the Japan Bicycle Inspection Association.

Chapter III. Distribution and Control

Article 17. According to the direction of authorities concerned, every three months the Society shall notify the Affiliated Association and members of the Association the number of bicycles and accessories to distribute to the dealers of different cities, provinces, and prefectures.

Article 18. The Society shall have joint business with the Affiliated Associations, the members of the Association, and the dealers whom the authorities concerned have designated.

Article 19. The Affiliated Associations shall decide on the number of bicycles and articles

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for repair use and accessories to distribute to the retail dealers, after having been notified by the Society.

Article 20. The estimation and the distribution of the previous items shall be made according to the order of the authorities concerned.

Article 21. The Affiliated Associations shall not make use of goods for purposes other than those designated by the Society.

Article 22. The Society shall direct the Affiliated Associations, whenever there is any direction by the authorities concerned, to take special measures on the adjustments of bicycles.

Chapter IV. Punishment for violators.

Article 23. When the members of the Society violate the regulations of Article 4, 14, 15, 21, they shall be fined not more than 500 yen.

Article 24. When the members of the Society violate the regulations of Article 5, 6, 7, 16, 20, they shall be fined not more than one-thousand yen.

SOURCE: Kampo, July 13, 1944.

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Appendix XVIII

Essential Materials Supervision Corporation Law^{1/}
 (Juyo Busshi Kanri Eidan-po)
 February 24, 1942, Law No. 69

Name of Corporation: Juyo Busshi Kanri Eidan

Capitalization: Yen 20,000,000, supplied entirely by the Government

Purpose: "To guarantee and increase stocks of essential materials in wartime; to provide for efficient and adequate utilization of the stored essential materials."

The content of this Law in general is similar to the Industrial Equipment Corporation Law (Sangyo Setsubi Eidan-po). The concrete projects of the Corporation are listed below.

1. Storage of the essential materials to provide for their continuous supply to meet the demand in emergency cases, such as air raids. If the reserved materials are enormous and the Corporation's facilities are insufficient, it is provided that the Corporation can order others to store them. (Article 18).
2. Purchase, importation and sale of the essential materials. This involves procurement of the materials for stock piling, and disposal of the stocked materials. The Corporation can demand that those who store the essential materials report on their books and documents (Article 17)/
3. The Corporation may engage in activities necessary to achieve its purpose, (for instance, establishment of new warehouses). However, since the activities of the Corporation are concerned with the movement of materials, those activities should be in accordance with the plans of the Government (Article 16).

The following are characteristic points of the law concerning the corporation's financial structure:

1. It lacks provisions for issue of debentures.
2. It lacks provisions for compensation of the Corporation's losses.
3. It includes penalties in case of negligence on the part of Corporation's Officials, which is different from some other Corporation's such as the Industrial Equipment Management Corporation.

^{1/} The name of this Law is alternatively translated as Vital Materials Management Corporation Law.

Date of enforcement of this law is decided as March 5, 1942 by the Imperial Ordinance No. 122, March 4, 1942.

Source: Keizai Tosei-ho Nempo (Economic Control Law Annual Report) Series I, Vol. I, (January-March 1942) p. 83 - 84

Appendix XIXRegulations of Small Scale Business Control Society (abstract)**I. General Regulations**

- 1) The purpose of this society shall be to support the national policy of placing all small scale business within the territory of Tokyo and Osaka under the direction and control of the National Financial Control Society.
- 2) This society shall be set up in accordance with the decree of the National Financial Control Society.
- 3) The headquarters of this society shall be located in Tokyo.
- 4) The jurisdiction of this society shall be within the territory of Tokyo and Osaka.

II Members

- 5) This society shall be composed of all small business firms within the designated territory that come under the direction of the competent minister.
- 6) Members shall not evade, hinder or refuse inspection by the society's officers concerning their property and business conditions.
- 7) When a member of this society requests material which concerns the National Financial Control Society and its affairs, the society shall supply the material without any delay.
- 8) Members shall obey all control regulations formulated by the society.

III. Work and its execution

- 9) In order to fulfill the aim of Regulation No. 1, the following work shall be done by all members:
 - a) Direct and control capital, loans and the exchange of bank notes.
 - b) Promote the preparation of small scale business.
 - c) Strengthen the structure of small scale business.
 - d) Promote a closer relationship between small scale business and industry.

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- e) Make surveys and do research concerning small scale business.
 - f) Besides the above items, other necessary works for the benefit of this society shall be required.
- 10) Control regulations of this society shall be recognized by the Minister of Finance.
- The chief director shall consult counselors in order to formulate or modify control regulations.
- 11) Essential affairs of this society shall be executed by the chief director.

IV. Officers

- 12) This society shall have a chief director, a vice-director and a certain number of superintendents and counselors.
- 13) The chief director shall direct and control all small scale business affected by this society.

The vice-director shall assist the chief director in all works and act for him in his absence.

Superintendents examine and audit the financial status of the society.

Counselors shall answer and give opinions to the chief directors and vice-director's inquiries.

- 14) The chief director shall be appointed by the Minister of Finance and he should have a good knowledge of and experience in small scale business.

The vice-director and counselors should also understand and have experience in small-scale business and their appointments must be approved by the chief director and the Minister of Finance.

Superintendents shall be selected by the majority of members of this society.

- 15) The appointments of the chief director and vice-director shall be for three years and those of superintendents and counselors for two years each. If the chief director or vice-director wishes to resign during his incumbency his resignation should be approved by the Minister of Finance.

V. Conference

16) There shall be two kinds of conferences namely:

- a) ordinary conferences
- b) emergency conferences.

The ordinary conference shall be held once a year while an emergency conference shall be called whenever it is needed. Conferences shall be called by the chief director and notifications of the conference shall be mailed to members one week before the meeting is held. Purpose, date and place of the conference shall be mentioned in the notification. The chief director shall be the chairman of the conference.

17) The chief director shall consult all members in the conference concerning any change in the regulations or the financial budget of the society.

18) At the annual ordinary conference the chief director shall report on all affairs and conditions and the superintendents shall report on the financial statements of the society.

VI. Financial Management

19) The fiscal calendar of this society shall be from April 1 of one year to March 31 of the next year.

20) All members shall pay a membership fee.

The membership fee and the method of collecting it shall be determined by the chief director. He shall consult the members at the ordinary conference and adopt the members' opinion.

VII. Dissolution and Liquidation

21) This society may be dissolved by the order of the Minister of Finance.

22) The liquidator shall be selected by the court.

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VIII. Penalty

- 23) A member who violates the general regulations of this society shall be fined a sum of not over 2,000 yen.
- 24) A member who violates the control regulations of this society shall be fined a sum not over 5,000 yen.

(Toseikai Nenkan Control Society Year Book, Tokyo p. 341).

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Appendix XXMiddle and Small Scale Industries. (Abstract).

I. Economic reorganization.

National economy has been reorganized for the purpose of expanding munitions production, promoting industrial exportation and reducing peacetime industries. Medium and small-scale industries have been converted into munitions industries. This procedure was begun in 1940, and medium and small scale industries have been reorganized since 1941 for a unification of industries.

II. The policies of industrial mobilization.

1) Form of unification. Small industrial and limited companies were legalized, for the Government has encouraged medium and small scale industries to combine into associations since 1939 and the members were allowed to maintain independent businesses. The number of small industrial associations for different industries in March 1942 is as follows:-

Industry	Number of small industrial associations
Fabric	1,035
Metal	119
Machine	203
Pottery	15
Chemical	17
Lumber and Woodcraft	171
Printing	15
Others	183
Total	1,758

The new form of limited companies became effective on 1 January 1940; they were completely unified in management and in production. The number of limited companies and their capital in March 1942 for the different industries is as follows:-

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Industry	Number of limited companies	Capital (Yen)	Percentage
Fabric	584	47,427,600	35.7
Metal	87	6,585,500	5.0
Machine	414	29,600,800	22.3
Chemical	181	10,632,600	8.1
Pottery	44	2,927,000	2.2
Printing and Book-binding	18	960,400	0.7
Lumber and Woodcraft	175	8,866,200	6.7
Food	187	22,088,700	15.1
Gas & Electric	3	30,000	0.0
Others	137	5,635,500	4.2
Total	1,830	132,804,300	100.0

The Government issued an outline of the new system of economic structure in the reorganization of economic organizations on 7 December 1940:

1) The constitution of economic organizations.

All enterprises and associations of essential industries may be unified and all owners and enterprisers of essential industries may be compelled to join the unified economic organizations according to the classification of industries as special corporation under the management of directors who are approved by the Government. Enterprises outside of Japan may also be compelled to join the unified economic organizations according to the classification of their industries.

2) The functions of economic organizations.

These economic organizations according to the classification of industries are the cooperative structures of the Government. All plans, proposals and projects may be approved by the Government and the Government, when necessary, supervises production, distribution and management of these organizations. The fundamental spirit of these organizations is sacrifice for the development of national economy.

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3) Relationship with Government.

The Government has the right to direct and supervise and develop these economic organizations.

III. Relationship with the Control Societies.

The existing industrial associations have weaknesses in their control systems. The industrial associations had as their aim the making of a joint profit and individual member has the right to voice his opinion in the management of the industries. But the Control Societies under the reorganization of national economy has the aim of pursuing a unified control of national policies. The Control Societies have been organized under force and members have been compelled to join by force, while the industrial associations were organized independently and members joined of their own free will, so that there was no principle or controlled guidance. Furthermore, the Control Societies were organized with the aim of promoting the entire strength of national economy by controlling production, distribution and the direction of industries. They serve the nation by adjusting industrial problems, improving industrial skills, advancing industrial efficiency, improving management and developing the business of members.

Now is the time for the Government to show its authority in controlling the essential industries of the nation, and for this purpose, the Government issued regulations for adjusting industrial enterprises on 11 December to restrict the transfer, investment, disposal and use of private industry.

1) The law for control of enterprises shall be enforced to establish a firm foundation for national economy. All business enterprises must be operated with the permission of Government and the Control Society, and the Government and Control Society alone can transfer any industrial enterprise. In addition, new arrangements concerning an industry or additional arrangements concerning an industry or the improvement of industrial arrangements shall be made only with the permission of Government and the Control Society.

2) Government-designated industries are prohibited to transfer or discontinue their work without the permission of the Government. The Government alone has the right to readjust any arrangement in regard to commissioning, taking charge of and transferring industrial enterprises. Also the Government

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shall issue orders for the organization or reorganization or discontinuation of limited or stock companies.

SOURCE: Rodo Nenkan 1943 Part I, p. 160-166.

Appendix XXI

Export Associations

Exporters' Associations (Yushutsu Kumiai) have come into existence not only for the protection of the yen and procurement of foreign exchange much needed for the prosecution of the war efforts, but also to provide the means and measures for the acquisition of the war materials wherever it was possible on one hand, and for the reduction of consumption of exportable goods in Japan on the other.

The Exporters' Associations were not of recent origin. They existed as far back as 1925, but with gradual development of the military activity in the Far East the number of Exporters' Associations has been remarkably increased. Thus, in 1935 there were 85 Exporters' Associations as against 14 in 1930.

Of the total number of the Exporters' Associations covering various industries, there were by 1937, 40 associations related to goods, 28 to markets, and 17 to goods and markets. Associations which exercised control over the whole country numbered 34, while 51 were of local character.

Of the associations relating to the markets, the regional classification was as follows: Manchoukuo (15), Soviet Union (2), United States and Canada (5), Central America (8), Argentina (2), Europe (3), and British India (3), Africa, Balkans and near East (4), Philippines (2), and South Asia (2).

The activities of the Exporters' Associations became in the course of time, over-lapping with those of the Industrial Associations. (Kogyo Kumiai). This was particularly noticeable in the production and distribution of consumer goods, notably textiles. The seepage of various goods, especially all cotton piece goods into the home market became increasingly dangerous to the government's object, by 1937, of promoting export trade to build up the necessary exchange to purchase vital raw materials, machine tools, etc. for the expanding war industries. To correct it the Commodity Link System was introduced in 1937.

Appendix XXII

Regulations Governing Special Responsibilities in Keeping Safe the Miscellaneous Articles for Export, as of 5 March, 1942^{1/}

The following companies are designated to purchase and keep safe miscellaneous articles for export.

Japan Trade Prosperity Co., Ltd.
Celluloid Export Prosperity Co., Ltd.
Rubber Articles Export Prosperity Co., Ltd.
Glass Articles Prosperity Co., Ltd.
Japan Machine Export Prosperity Co., Ltd.

The special responsibility to keep safe the miscellaneous articles for export for the time of the reopening of world trade for prosperity is an important matter. Therefore the above mentioned companies are authorized to purchase now and keep safe miscellaneous articles in accordance with the following regulations:

I. The scope of enforcement.

The above mentioned five companies are authorized as the organizations that have special responsibilities to keep safe miscellaneous articles for export:

- 1) Luxury articles that have been prohibited under control regulations.
- 2) Miscellaneous articles that have not been manufactured on account of the difficulty of getting raw materials.
- 3) Miscellaneous articles that are of little use to the Japanese but are made for foreign markets.

II. The method of enforcement.

- 1) The special ability to keep safe miscellaneous articles for exportation for the time of the reopening of world trade, means the ability to maintain management to purchase, and keep safe the miscellaneous articles with the minimum effort and expense.
- 2) Superior factories that have manufacturing skills and experience shall be designated to keep safe the miscellaneous articles for later exportation at the time of the reopening of trade for prosperity.
- 3) Such factories are designated as the factories that have direct relationship with the above mentioned designated companies.

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- 4) The designated companies will order miscellaneous articles from the designated factories to export to Thailand, French Indo-China, and the Southern Areas.
- 5) The designated factories shall deal with the designated companies to export their entire manufactured articles to third nations.
- 6) Japan Trade Prosperity Co. shall distribute appropriate raw materials for manufacturing miscellaneous articles to the designated factories with the permission of the Ministry of Commerce and Industry.

III. Methods of enforcement.

- 1) Under the leadership of the Ministry of Commerce and Industry the committee for safe-keeping miscellaneous articles for export shall be established in each designated company. The committee shall consist of officials of each designated company.
- 2) Each committee shall propose the plans of each factory as to the method for keeping safe the miscellaneous articles, and shall obtain the permission of the Ministry of Commerce and Industry.
- 3) The Ministry of Commerce and Industry shall instruct all other necessary matters pertaining to the enforcement of the above regulations.

1/ These regulations indicate (a) Post-war trading objectives of Japan and (b) the constant urge to build up foreign exchange balances by starving the home markets which could readily absorb a larger proportion of the export products were it not for controls such as this and the commodity link system.

SOURCE: Keisai Toseiho Nempo, Tokyo, 1942 P. 430-31

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Appendix XXIII

THE COMMODITY LINK SYSTEM IN JAPAN

The substance of the Commodity Link System involves an exchange of a set of commodities by means of export and import regulations imposed by the government. This system was introduced in Japan in 1937, with a view to insure the importation of war supplies, while the imports of commodities for general consumption had been placed under rigorous control by means of the Import Permit System or the Import Exchange Permit System.

The Link System; i.e., the linking between exports and imports of individual traders or organizations, may be divided into Import Privilege System and an Obligatory Export System. The former is a system for permitting imports in link with export trade already completed, which thus gives the exporter the privilege to import. The latter, on the contrary, is a system of obligatory export, since the import trade already permitted is to be linked with the export trade to be completed as a necessary condition. There are two types of the link system, an individual commodity linking system and a group linking system. Most of the link systems in operation in 1939 were the individual types operated predominately by the large-scale individual concerns. The group linking system was adopted only in the brush and rayon piece-goods trade. In the latter industries the entrepreneurs as well as the manufacturers are for the most part petty individuals. In these industries imports and exports dominate the situation exercised jointly through their organizations.

The commodity link system was enforced with reference to seven commodities:

1. Soap link
2. Brush link
3. Wool link
4. Hat link
5. Japanese paper link
6. Cotton link
7. Rayon link

All commodity link systems in force by the end of 1939 except the hat link system were operated as quantity link systems.

The hat link system was the only value link system in force. Under this system import of raw materials was permitted up to 35 percent of the value of the hats, f.o.b. or 50 percent of the value of hat bodies. Against these imports, it was required that the corresponding products were exported within eight months, either as hats at three times the value of

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imports or as hat bodies at twice the value of the imports. ^{2/}

The group link system and the value link system would appear to have preference in the future as against individual and quantitative link systems.

The most notable example of the efficiency of the link system can be seen in cotton trade where it works exclusively through the spinning companies which exercise control over all sections of the industry. Cotton spinners acquire the right to import raw cotton when they export yarn or tissues, or when they deliver yarn to officially designated associations of the manufacturer or the amount needed for the manufacture of the exported yarn or tissues, or when they deliver yarn to officially designated associations of manufacturers or exporters. The value of raw cotton which may be imported is determined by the amount needed for the manufacture of the exported yarn or piece goods. Gray goods have to be exported within two months and finished goods within two months and finished goods within three months after the import of the raw material contained in them and with a few exceptions the production of cotton manufacturers for domestic consumption has been prohibited as stocks of cotton goods placed under governmental control.

^{1/} For fuller details see Kyoto University Economic Review, April and July 1939 - "The Link System in Japan" by Prof. Kichihiko Taniguchi.

^{2/} Ibid., pp. 16 - 17.