

## GHQ/SCAP Records (RG 331, National Archives and Records Service)

## Description of contents

- (1) Box no. 2975
- (2) Folder title/number: (18)  
Nine Point Economic Program
- (3) Date: Feb. 1949 - Apr. 1949

(4) Subject:

Classification	Type of record
9510, 9810	e

- (5) Item description and comment:  
i) Osaka  
ii) Includes Contents List

(6) Reproduction:  Yes  No

(7) Film no.

Sheet no.

(Compiled by National Diet Library)



I N D E X

<u>No.</u>	<u>Subject</u>
1	SCAP's 9 Points to Achieve Fiscal Monetary, Price and wage stability in Japan
2	Report from the Prefectural Education re the Economization in the 1949 Budget to assist the 9 Point Economic Program
3	Nine Point Economic Program
4	Economic Stabilization Program
5	" "
6	" "



HEADQUARTERS  
OSAKA MILITARY GOVERNMENT TEAM  
APO 25

30 April 1949

*Lin El*  
Comm PC  
O Kada *WLD*  
Taki *EIJ*  
Sida ✓  
Yamamoto ✓  
Baba ✓  
Otaka ✓

SUBJECT: Economic Stabilization Program

TO: Commanding Officer  
Kinki Military Government Region  
APO 25

1. Reference is made to letter, your headquarters, subject as above, 8 April 1949.
2. In compliance with reference letter the following is a list of principles considered by this headquarters incident to economic recovery.
  - a. Scrutinization of Budgets
    - (1) Prefectural and local budgets should be set up carefully and systematically, accounting for each expenditure and income, eliminate all items not immediately essential for the efficient operation of the government nor contributing to the economic stabilization of the locality.
    - (2) Each department of government should be required to justify the amount asked as the irreducible minimum.
    - (3) An unbiased budget scrutinization committee of experts should be formed to carefully study all phases of the contemplated budgets before submission to public hearing and legislation.
    - (4) Eliminate all "miscellaneous items" from departmental appropriations.
    - (5) Emergency appropriations such as disaster relief, crop pest counter-measure projects should be removed from the budgets. Special appropriation for each relief project should be legislated in case of emergency.
  - b. Taxation
    - (1) Educate Japanese people in their duty, responsibility and obligation as citizens to pay fair taxes for the maintenance of peace, order and security.

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- (2) Write and explain all tax laws in simple language understandable to laymen.
- (3) Establish certified accountant and auditor examinations on a uniform national standard. All qualified certified accountants and auditors should be subjected to punishment for wilfull and deliberate acts of misrepresentation, false or illegal tax returns and corporation reports.
- (4) Encourage individuals and business houses to adopt an honest, reliable bookkeeping system whereby costs, overheads and profits can positively be established.
- (5) Out-law all tax reduction appeals handled through organized groups, political and sodal organizations, etc.
- (6) Improve tax collection technique based on just and fair assessment.
- (7) Prosecute all tax evaders, corrupt tax officials and brokers
- (8) Establish a constituted authority, whereby grievances may be arbitrated.

c. Development of Industries

- (1) Review local industries for possible utilization of industrial wastes and by-products.
- (2) Encourage development of local industries based on materials indigenous to the area and available skilled labor.
- (3) Consider the transportation facilities available to the area together with available materials for possible development of new industries.
- (4) Survey all industries with an aim to lower production costs by increasing output, eliminating waste of labor, power and materials. Improve efficiency of operation by proper maintenance and installation of minor equipment.



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- (5) Survey industries for possible export manufacturers which will be profitable.

d. Planning

- (1) Emphasize the importance of foresight and planning as an effective means of eliminating waste.
- (2) Encourage projects that can be quickly undertaken and will serve to allay anxiety or unrest, and absorb displaced labor.
- (3) Scrutinize war damaged factories and buildings for salvage value, or as possible site for a new industry.
- (4) Early decisions on all issues causing anxiety; such as reparations, etc.
- (5) Utilize surplus Army equipment for clearing all war debris and prepare well planned city projects including roads, sewage system, water supply system, power and gas distributions, etc.
- (6) Encourage large scale housing projects by private enterprises.

e. Conservation

- (1) Postpone all new projects which do not contribute to economic stabilization.
- (2) Simplify existing procedures for obtaining allocation of materials, exports, etc., with an aim to decrease existing abnormal overhead carried by industrial companies, exporters, etc.
- (3) Eliminate food spoilage during transit as well as in storage.
- (4) Conserve labor through use of equipment which will operate at uniform speed thereby requiring labor to keep pace.
- (5) Conserve fuel and electricity in households thereby permit industries to increase output.



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f. Foreign Trade

- (1) Only food and materials making up export goods should be imported.
- (2) Encourage development of industries which are able to compete successfully on the world market.
- (3) Encourage display of manufactured articles to foreign traders.
- (4) Urge the Chamber of Commerce to install export display room, trader's library, information office and other services to buyers.
- (5) Remove Boeki Cho "floor price" system and permit traders to negotiate with suppliers on yen price basis which can be converted into dollar at the existing exchange rate.
- (6) Impress upon Boeki Cho officials that they are public servants and that their conduct will reflect upon the foreign trade of Japan.
- (7) Encourage sound port development based on long ranged planning.
- (8) Develop tourist trade through publicity and improvement of tourist accommodations.

g. Increased Food Production

- (1) Improve the efficiency of the present system of food collection, method of storage and distribution.
- (2) Investigate all farm committees for possible law violations and unfair practices, especially in assigning rice quota.
- (3) Investigate all farm land reform committee activities for possible violations of farm land reform law for personal gains, also eliminate "bosses" among the commissioners.
- (4) Encourage agricultural experiment stations to form field teams to assist, supervise and guide farmers on farming technics, crops, harvest, fertilizer selection, pest control, finance, etc.



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h. Labor

- (1) Organize vocational guidance organization with an aim to aid misplaced labor and skilled technicians.
- (2) Enhance industrial spirit in labor.
- (3) Abolish existing wage and allowance system and base wage on actual working hours and pay based on labor's contribution in the production of the commodity.
- (4) Both labor and management should realize the mutual dependency, that neither can survive without the other and respect the mutual rights. Contracts should be respected.

i. Cooperation

- (1) Assist the planning activities of all economic agencies of the local government.
- (2) Avoid duplication of work and eliminate unnecessary agencies.
- (3) Sponsor community projects which will be beneficial and require little or no funds nor materials.
- (4) Economize on all expenditures, use available materials and personnel.

j. Finance

- (1) Insure that essential industries receive funds necessary for proper development.
- (2) Eliminate subsidies and make industries self-supporting by means of increased output and efficiency, and well planned financing.
- (3) Sponsor savings campaigns to increase bank deposits and purchase of life insurance, thereby making more money available for industrial loans.
- (4) Re-evaluate assets of all industrial companies without further taxation.
- (5) Make loan advances possible to export manufacturers.
- (6) Lower interest rates on loans made by the Bank of Japan to private banks.



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- (7) study minimum financial requirements and thereby determine policy of circulation of Bank of Japan notes.

k. Economics

- (1) study official price structure of critical materials and correct all possible unreasonable and unfair prices.
- (2) Abolish all industrial associations of the "kyogi-kai" category which replaced the outlawed "kodan, kyodo-kai", etc., and have Commerce and Industry Ministry and its bureaus handle the work direct with industry.
- (3) Eliminate all prejudices in all government offices.
- (4) Simplify existing allocation system with an aim to reduce large overhead expenses and clerical work incurred in both industries and government offices.

l. Effective Use of Existing Facilities

- (1) Trace disposition and utilization of all land, buildings and supplies returned to the Japanese by the Occupation Forces and insure that maximum utilization is being made. Return all installations not needed by the Occupation Forces.
- (2) Study possible voluntary transfer or sales of land between private individuals, in order to provide for more efficient utilization.
- (3) Return to the former owners all installations now under government custody which were taken over by the Japanese Army during the war.

m. Publicity

- (1) Conduct contests in which the public is invited to contribute ideas and suggestions on conservation measures and economic recovery that might prove effective.
- (2) Sponsor long ranged educational campaigns for good citizens led by honest and qualified people who can inform the public on subjects such as local economy, tax, education, social welfare, industry, commerce, etc.
- (3) Encourage the masses to reacquire their former industriousness, law abiding spirit and moral ethics.



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n. Economic Control Laws

- (1) Intensify the campaign against all forms of blackmarket activities.
- (2) Prompt investigation, prosecution, and trial of all violators of economic control laws.
- (3) Eliminate "ghost" population in allocation of food.
- (4) Enforce the "Nine Point Directive" in the spirit in which it was written.
- (5) Insist on prompt and effective action against United Nations people where law violations are found.

o. Education

- (1) Study school budgets independently for each institution, both public and private, with aim to eliminate unnecessary expenditures.
- (2) Eliminate commercialization of schools such as renting vocational facilities to private enterprises, school entrance examination collusions and briberies, political affiliations of principals and teachers, etc.
- (3) Eliminate overnight excursions for primary school students, those for secondary students should be limited.
- (4) Maximize use of school facilities for both day and night classes, place day and night schools under one administration.
- (5) Eliminate hiring of special lecturers to participate in regular school programs.
- (6) Establish vocational education classes with two-fold purposes; to teach vocation and to repair school equipment.
- (7) Establish central depositories of science equipment, etc., to loan equipment for fixed period, thus preventing schools from over burdening with equipment that is used for only a short time.
- (8) Cease printing of student newspapers in commercial plants.




Osaka Mil Govt Team, Apr 25  
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- (9) Eliminate all public support for kindergarten.
- (10) Eliminate all government subsidies for private schools.
- (11) Encourage students to enter school in vicinity of their home in order to decrease commuting time and traffic congestion. This will also increase parents' participation in PTA work.
- (12) Educate Japanese to be realistic, eradicate false pride and vanity which were cleverly utilized by the former "Zaibatsu" at the expense of the people.

p. Health, Sanitation and Welfare

- (1) Institute a widespread education on birth control by installation of numerous well equipped consultation centers.
- (2) Streamline public health department through efficient combination of existing sections.

  
FRANK KOWALSKI JR  
Colonel, Infantry  
Commanding



OSAKA MILITARY GOVERNMENT TEAM  
Civil Education Section  
APO 25

25 April 1949

SUBJECT: Economic Stabilization Program

TO: Commanding Officer  
Osaka Mil Govt Team  
APO 25

1. References:

- a. Letter AG 091.3-BA, Hq I Corps, subject: "Economic Stabilization Program", dated 1 April 1949.
- b. Letter 091.31, KMGR, subject: "Economic Stabilization Program", dated 8 April 1949.

2. Following are suggestions for economy in the area of civil education.

- a. Overnight excursions for primary school students should be eliminated and those for secondary students limited.
- b. The system of hiring special lecturers to participate in regular school programs should cease.
- c. Require that all facilities of a building available for day students be available for night school students. In some schools rooms are vacant all day because they are "night school rooms". While at night most of the rooms used during the day are not available for night school. Both day and night schools should be under the same administration.
- d. Use special rooms such as sewing rooms, science laboratories, etc. for regular class work when not needed for the special subjects.
- e. In most schools there are store rooms of junk. This material if usable can be put in regular classrooms and the rooms used for teachers dormitories if they are not needed as classrooms.
- f. Establish central depositories of science equipment, etc. where it can be loaned to a school for a month. This should prevent all schools from having equipment that is used for only a short time.

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Ltr, OMGT, Civil Ed. Sec. subject: "Economic Stabilization Program" dtd  
25 Apr 49

g. All schools should establish an equipment repair service as a part of the vocational education program. Broken desks, windows, doors, etc. could be repaired. In the elementary schools, this might be a parents' volunteer project in lieu of so many PTA donations.

h. Student newspapers that are printed in commercial plants should stop.

i. Purchase of frivolous items such as public address system, microscopes for primary schools, science equipment too technical for use of students, and commercially prepared decorations for holidays.

j. Through coeducation and the comprehensive curriculum eliminate much of the special room, special program idea of education and use each teacher and classroom to serve the maximum group.

k. Eliminate all public support for kindergartens.

l. Eliminate all government subsidies for private schools.

PAUL S. ANDERSON  
Civil Education Officer



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x. ECONOMIC STABILIZATION PROGRAM

1. References:

a. Letter, 091.31, KMGR, subj: Economic Stabilization Program, dated 8 April 1949, and attached inclosure, Letter I Corps, AG 091.3-BA, subject, same as above, dated 1 April 49.

b. The above references may be obtained by contacting the Adjutant.

2. The list, as required in KMGR Letter will be submitted to the Adjutant prior to 25 April 49. (Colonel Kowalski formerly each Sec Chief in regard to the above).



C O P Y

HEADQUARTERS  
KINKI MIL GOVT REGION  
APO 25 (Osaka, Honshu)

JCG/sy

091.31

8 April 1949

SUBJECT: Economic Stabilization Program

TO: All Team Commanders

1. Transmitted herewith for your information and necessary action letter, Headquarters I Corps, APO 301, file and subject as above, dated 1 April 1949.
2. Particular attention is invited to paragraph 6 of above letter.
3. Team lists will be submitted so as to arrive this headquarters by 30 April 1949.

BY ORDER OF COLONEL O'MOHUNDRO:

1 Incl:  
a/s

/s/ Sterlin C. Moore  
/t/ STERLIN C. MOORE  
Major Infantry  
Executive Officer

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C O P YHEADQUARTERS I CORPS  
APO 301 (Kyoto, Honshu)

JJB/ay

AG 091.3 - BA

1 April 1949

SUBJECT: Economic Stabilization Program

TO : See Distribution

## 1. References:

a. Letter Headquarters I Corps, file AG 014 - BA, subject: "Japanese Economic Recovery", dated 10 February 1949.

b. Letter, Headquarters I Corps, file AG 091.3 - BA, subject: "Economic Stabilization", dated 23 February 1949.

2. Reports received by this headquarters indicate that the nine point recovery program has received preliminary implementation by military government regions and teams throughout the I Corps area. Recovery commissions have been established and committees appointed to explore local possibilities for implementation of each of the points contained in the SCAP interim directive. A weakness noted in their composition is that large worker segments of the population, such as labor, farmers, and fishermen have not received adequate representation on the commissions.

3. The economic recovery program is of interest to and must be implemented not only by the economic section of military government units, but by all sections. Team commanders will scrutinize the activities and plans of all of their sections to insure conformity with the objectives of the Economic Stabilization Program.

4. In the development of the Economic Stabilization Program due consideration must be given to its political and social aspects. Dissident groups must not be permitted to obstruct the attainment of the nine point objective. Any such obstruction constitutes a violation of a SCAP directive, and consequently is punishable in Japanese courts. A Japanese official who willfully fails to support the Economic Stabilization Program should be reported to his local superior for appropriate action. If an erring official can not be properly disciplined locally, he should be reported through military channels for removal by direction of SCAP. Adequate documentary evidence, including sworn statements of witnesses to support all charges, must be included in the report. Publicizing of one or two successfully prosecuted important cases in a region should attain the necessary cooperation. From the social aspect, employment in projects contributing to the stabilization of Japan for those workers who are discharged as surplus by government and industry must be provided. To this end projects



Ltr, Hq I Cpros, AG 091.3 - BA, subj: "Economic Stabilization Program",  
dtd 1 Apr 49, cont'd.

which can be started on short notice should be sought as well as those of a long range nature. Some short-notice projects are:

- a. Salvaging materials of war damaged installations.
- b. Constructing earth dams for irrigation and power purposes. Developing local housing, warehousing, canning, food preservation, rat extermination, etc., projects.

5. In view of the importance of Japanese economic recovery, it is imperative that encouragement be given to all program and projects that will assist in the achievement of this goal. Economic recovery commissions should be assisted in their deliberations and efforts by military government. Occupation personnel should constantly be alert to means of implementing this program. Pending the issuance of implementing directives by SCAP and higher headquarters, it is desired that all military government units in the I Corps Zone of Responsibility use their imagination and facilities to attain as early as possible, an economically independent and self-sustaining Japan.

The following are a few of the principles which are elemental to economic recovery. They can be put into effect now at regional and prefectural levels by the Japanese.

a. Scrutinization of Budgets

- (1) Prefectural and local budgets should be carefully screened to eliminate items which are not immediately essential or do not contribute to economic stabilization.
- (2) The services of qualified, trained specialists should be secured to make an impartial study of the items contained in the budget.
- (3) A budget committee should be formed to study all requests for appropriations with a view to their reduction or elimination.
- (4) Each department of government should be required to justify the amount asked as the irreducible minimum. The inclusion of an item in the budget does not make it mandatory that the money be spent, if need for expenditure does not arise. The budget should require all departments to live within authorized appropriations and to turn back unexpended funds at the end of the fiscal year.
- (5) Once established, budgets should be strictly adhered to and additional allocations made only in exceptional circumstances.



Ltr, Hq I Corps, AG 091.3 - BA, subj: "Economic Stabilization Program",  
dtd 1 Apr 49, cont'd.

- (6) Appropriations for "entertainment" and "miscellaneous items" should be eliminated.
- (7) The proposed budget should be published well in advance so as to allow public discussion prior to adoption.
- (8) Budgets which have been already legislated and which had not been carefully scrutinized should be subjected to a careful revision downwards.

b. Taxation.

- (1) Encourage and educate Japanese citizens to pay their taxes.
- (2) Encourage Japanese individuals and business workers to adoption honest, reliable bookkeeping system so that costs and profits will be established as a matter of fact, rather than conjecture.
- (3) Insist that organizations such as the Livelihood Protective League, which encourage false income tax reporting, be prosecuted.
- (4) Publicize the importance to each individual of keeping an accurate account of income received and of his deductible expenditures for presentation to tax officials if called for.
- (5) Point out that a reduction of local expenditures will result in a lighter tax load and that each individual is a watchdog of the public treasury.
- (6) Emphasize through in adult educational program the need for collection, use, and proper expenditure of taxes.

c. Development of New Industries

- (1) Review local industries which were in successful operation in the pre-war period. Determine which can be revived.
- (2) Encourage development of local industries based on materials indigenous to the area.
- (3) Analyze the skill of local labor and see if it can be combined with the available local material for establishment of a new industry.



Ltr, Hq I Corps, AG 091.3 - BA, subj: "Economic Stabilization Program",  
dtd 1 Apr 49, cont'd.

- (4) Considering transportation, material, and production costs determine what new industries using imported materials can be expanded or created to manufacture profitable exports.
- (5) Develop industries which will directly contribute to the needs of the area. Deposits of limestone or pyrite might well serve as the basis for a commercial fertilizer industry. Lumber secured from local forests might be used for exportable furniture.
- (6) Develop new mines.

d. Planning.

- (1) Emphasize the importance of foresight and planning as an effective means of eliminating waste.
- (2) Prepare a list of public work projects which can be financed locally. Wherever possible, the projects should be productive of food, shelter, or exportable items, and be self liquidating.
- (3) Encourage projects that can be quickly undertaken and will serve to allay anxiety or unrest, and absorb displaced labor.
- (4) Scrutinize war damaged factories and buildings for salvage value, or as a possible site for a new industry, and as a project which can be immediately undertaken to absorb displaced labor.

e. Conservation.

- (1) Postpone all new projects which do not contribute to economic stabilization.
- (2) Utilize existing personnel, buildings, and equipment to the fullest extent before expanding. For example, in education this might be accomplished by consolidation of schools, transfer of teachers and equipment, and elimination of "dead-wood" from overhead.
- (3) Make maximum use of indigenous resources and available materials. Wherever possible, use wood and stone and other indigenous materials, for building purposes in place of iron, steel or other materials which must be imported.



Ltr, Hq I Corps, AG 091.31 - BA, subj: "Economics Stabilization Program",  
dtd 1 Apr 49, cont'd.

- (4) Develop and utilize hydro-electric power as a substitute for coal.
- (5) Eliminate food spoilage by proper preservation and storage. Encourage development of food canning, desiccating, and preserving plants, ice plants, and dry and cold storage warehouses. Speed up transportation of perishable food and provide icing enroute.
- (6) Conduct local campaigns aimed at conservation of heat, light, power, and salvageable materials.

f. Foreign Trade.

- (1) Imports should be limited to those items which are necessary to food the Japanese people and to provide materials and equipment needed for production of export items. They should be used only for such purposes.
- (2) Encourage development of industries which are able to compete successfully on the world market. Some items suited for competitive export are those which require dexterity, painstaking care, and lots of labor in their manufacture. Most products of this nature require little material and find a ready market abroad. Examples are: bamboo fishing poles, fine woven cloth, fine furniture, toys, and scientific and musical instruments.
- (3) Manufacture souvenir items which are not only unique and attractive but practical.
- (4) Encourage display of manufactured articles at major display centers visited by foreign traders.
- (5) Urge the Chamber of Commerce to prepare pamphlets and publicity media for items manufactured locally which are available for export.
- (6) Develop tourist trade.

g. Increased Food Production.

- (1) Analyze existing food collection, storage, and distribution facilities with thought of improving the efficiency of present procedures and facilities.



Ltr, Hq I Corps, APO 301, AG 091.31 - BA, subj: "Economic Stabilization Program",  
dtd 1 Apr 49, cont'd.

- (2) Utilize excess labor for construction of small reservoirs. The impounded water can be used both for irrigation and as a possible source of power.
- (3) Use excess labor to clean, repair, and provide adequate safeguards for all food warehouses.

h. Labor

- (1) Carefully screen the number of workers employed both by private industry and by the government, with a view to their reduction and placement in work contributing to economic stabilization.
- (2) If labor is in short supply then encourage the transfer of workers from service categories to occupations which contribute directly or indirectly to economic stabilization.
- (3) Establish vocational schools which will train unemployed labor in skills and trades which are in demand.
- (4) Secure the cooperation of labor during the critical period of growth of a new industry. Explain the interest of labor in the manner in which labor is effected by industrial recovery. Educate labor in the full import of the program.
- (5) Insure that Japanese employees of the Occupation Forces who are discharged for cause do not receive termination allowance.
- (6) Encourage the gradual withdrawal by Labor Ministry agencies from the field of labor education, and the separate conduct by trade unions and managements of their own program and schools for labor and management education.

i. Cooperation.

- (1) Assist the planning activities of all economic agencies of the local government. This involves close cooperation with the Economic Investigation Board, Shokuryo Kodan, Economic Stabilization Board, Maritime Ministry, and Japanese agencies for land, forestry and fishing.
- (2) Sponsor community forests, in which public lands are planted to trees by local excess or displaced labor.



Ltr, Hq I Corps, AG 091.31 - BA, subj: "Economic Stabilization Program",  
dtd 1 Apr 49, con'td.

- (3) Emphasize efficiency and contraction in all projects instead of expansion in both material aspects and in number of personnel employed. New buildings should not be constructed nor new equipment purchased when the old will temporarily suffice, but plant expansion should take place if it will increase the amount of exportable items produced.

j. Financing.

- (1) Insure that essential industries receive funds necessary for proper development.
- (2) Study potentialities of small streams as means of irrigation or as a possible source of power for local usage. Funds for development might be raised by public subscription or subscribed by farmer cooperative.
- (3) Encourage projects such as cooperative housing, that are locally financed, rather than continue dependance on the Central Government for subsidies to pay for local enterprises.
- (4) Direct attention of cooperative organizations to advantages of initiating projects for their own benefit.

k. Effective use of Existing Facilities.

- (1) Have local Japanese officials trace disposition and utilization of all buildings and supplies returned to the Japanese by the Occupation Forces.
- (2) Study possible voluntary transfer or sales of land between private individuals, in order to provide for more efficient utilization.
- (3) Eliminate all "frills" from programs and provide for essentials only.

l. Publicity

- (1) Conduct contests in which the public is invited to contribute ideas and suggestions on conservation measures and economic recovery that might prove effective.
- (2) Suggest formation of a speakers' bureau composed of local economic, tax, educational, and industrial officials to educate the masses with importance of economic recovery.



Ltr, Hq I Corps, AG 091.31 - BA, subj: "Economic Stabilization Program",  
 dtd 1 Apr 49, cont'd.

- (3) Develop a locally significant eye-catching design or insignia which will indicate participation in the economic recovery program.
- (4) Suggest a series of movie lecture meetings (sponsored by agricultural cooperatives) on the role of the farmer in the nine-point economic recovery program.
- (5) Develop public scrap collecting programs.

m. Economic Control Laws.

- (1) Intensify the campaign against the blackmarket in all its forms.
- (2) Prompt the investigation, prosecution, and trial of all violators of economic control laws.
- (3) Eliminate ghost population in allocation of food. Encourage spot check by police of food issuing points. Check ration cards against actual recipients of food.
- (4) Have investigation and adjudicating authorities insure that violations of laws implementing the nine-point directive have priority in disposal.
- (5) Insist on prompt and effective action against United Nations people where law violations are at variance with the nine-point program.
- (6) Advise careful review of relief roles, to determine whether recipients are qualified for assistance. Court action, with accompanying publicity to punish malofactors should be initiated.

6. The above principles and suggestions are not all inclusive. They should be augmented as practical. In order that the best thought and ideas of the whole corps may be available to all teams, a consolidated regional list of new ideas developed in the regions will be submitted to this headquarters by 10 May 1948. A corps consolidated list will be then issued.

BY COMMAND OF MAJOR GENERAL COULTER:

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/s/ C. C. Carter  
 /t/ C. C. CARTER  
 Colonel, AGD  
 Adjutant General



OSAKA MILITARY GOVERNMENT TEAM  
Civil Education Section  
APO 25

28 February 1949

SUBJECT: Nine Point Economic Program

TO: Commanding Officer  
Osaka Mil Govt Team  
APO 25

1. Following is the initial report of the Osaka Prefectural School Board of action taken to economize in accordance with the spirit of the nine point economic program.

a. Building and repair of war damaged schools will be reduced to a minimum and authorized only when a survey indicates that the only solution is additional classrooms.

b. The Ministry of Education has established this teacher student ration; primary schools, 1.5 per fifty students; junior high schools, 1.8 per fifty students. In Osaka the ratio next year will be 1.35 teachers per fifty students in the primary schools and 1.65 per fifty students in the junior high schools. This means a cut of 1,886 teachers and a savings of about ¥ 265,000,000.

c. In 1948 the expenses for the educational officials were included in the prefectural budget. In 1949 this expense is carried as an additional ¥ 49,152,200 expense item. The basic wage level for teachers has been increased from ¥ 3,791 in 1948 to ¥ 6,307 in 1949, thus adding another ¥ 828,865,500. If one subtracts these two items from the 1949 budget of ¥ 2,828,077,200 it is ¥ 66,665,100 less than the 1948 budget of ¥ 2,016,724,600. This savings has been made possible by a cut of ¥ 68,665,100 in the amount authorized for miscellaneous items. Ninety five percent of the 1949 budget is for personnel expenses.

2. The efforts of the school board have been especially conscientious and sincere; however, this will mean less money for in-service training, visual education, publications, school publicity and building maintenance. With careful planning these programs can continue with some modifications but any new programs or building will certainly require supplementary funds.

PAUL S. ANDERSON  
Civil Education Officer



Report from the Prefectural Education on the  
Economization in the 1949 Budget to assist  
the 9 Point Economic Program.

February 8, 1949.

We report on the above which was requested  
verbally. This budget excludes the budget for  
the prefectural universities and colleges.

Note:

I. The comparison between the 1948 and 1949 budget.

Division	1948 Budget	1949 Budget	Comparison Δ = Decrease
School Board Expense.	1,587,100	50,739,800	49,152,200
School Personnel Expense and Auxiliary Expenses with this	1,871,574,300	2,700,439,800	828,865,500
Miscellaneous	143,563,200	74,898,100	Δ 68,665,100
Total	2,016,724,600	2,828,077,200	809,352,600

(1) The school board expenses including the  
employees in the secretariate and other expenses  
were included in the prefectural budget during  
the 1948 fiscal year, but with the organizing of  
the school board this expense has been entered  
(over)



into the School Board Budget. Because of this, the expenditures have been increased 49,152,200 yen as compared to 1948.

(2) For the school personnel expenses, the basic wage level for 1948 was 3791 yen whereas the basic wage level has been increased to 6307 yen for 1949. Because of the increase in the basic wage level, there has been an increase of 828,865,500 yen.

(3) For other expenses, the educational enterprises expenditures take up most of the money, but as we cut down the budget to its minimum, we were able to subtract 68,665,100 yen for 1949.

IV. The items which were included in the economizing in Education while planning the 1949 budget.

The School Board budget must use 95% of the total amount for the school personnel expenditures and the cooperative unions and assistance union requests. Because all the rest of the enterprises are added up to only 5%



of the budget, we can not help but try to economize on the personnel expenditures.

(1) For personnel expenses, the Mombusho Plan is as follows:

Primary Schools: 1.5 teachers for each classroom

Junior High Schools: 1.8 " " " "

but we are planning the following:

Primary Schools: 1.35 teachers for each classroom

Junior High Schools: 1.65 " " " "

In doing so, we will be able to cut out 1,886 teachers and when we consider the amount in the budget, we are able to economize 265,000 yen.

(2) As for the other expenses, the prefecture has encouraged all single items to economize as much as possible on superfluous expenses. As for building expenses, they will be cut down to the minimum and such items as rebuilding war-damaged school buildings or repairing leaking roofs can not be helped but when planning a new school building,



only the minimum in classrooms will be  
built.

(end)



*Tokio* 9-Point  
Economic  
Program

SCAP'S 9 POINTS TO ACHIEVE FISCAL, MONETARY, PRICE AND WAGE STABILITY IN JAPAN

1. Achieving a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures & maximum measures as may be necessary and appropriate.
2. Accelerating and strengthening the program of tax collection and insuring prompt, widespread and vigorous criminal prosecution of tax evaders.
3. Assuring that credit extension is vigorously limited to those projects contributing to economic recovery of Japan.
4. Establishing an effective program to achieve wage stability.
5. Strengthening and, if necessary, expanding the coverage of existing price control programs.
6. Improving the operation of foreign trade controls and tightening existing foreign exchange controls, to the extent that such measure can appropriately be delegated to Japanese agencies.
7. Improving the effectiveness of the present allocation and rationing system, particularly to the end of maximizing exports.
8. Increasing production of all essential indigenous raw materials and manufactured production.
9. Improving efficiency of the food collection program.

\*\*\*\* The above plans will be developed to pave the way for the early establishment of a single general exchange rate. \*\*\*\*