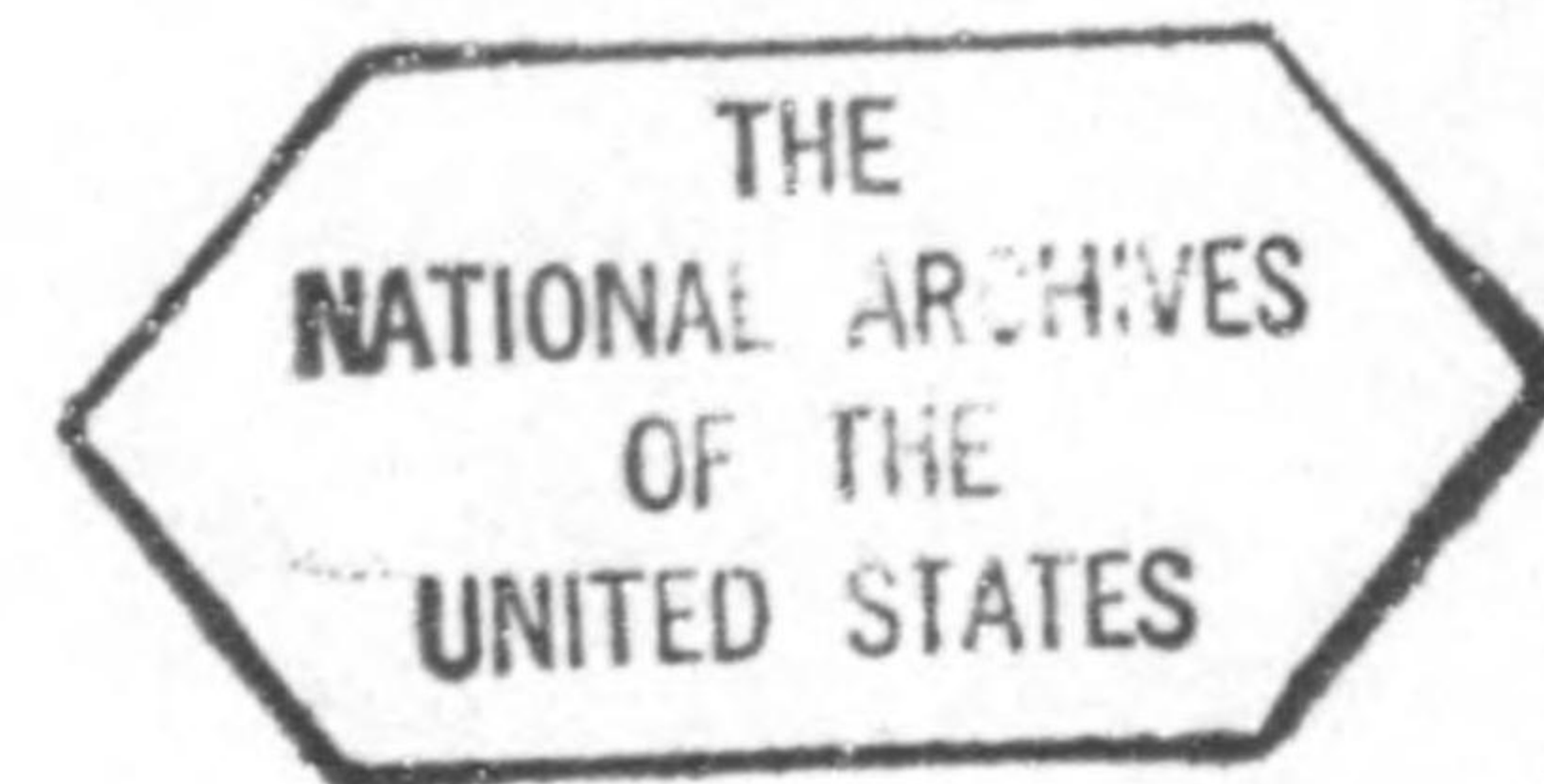


GHQ/SCAP Records(RG 331)
Description of contents



- (1) Box no. 2140
- (2) Folder title/number: (20)
Land Development Bureau
- (3) Date: Aug. 1947 - Dec. 1947
- (4) Subject :

Classification	Type of record
324	e

- (5) Item description and comment :

(6) Reproduction: Yes No

(7) Film no.

Sheet no.

CH/CLK/CD/GJR/mh

Increased Personnel in Land Development Bureau,
Ministry of Agriculture and Forestry

CS

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1. The liquidation of the Land Development Corporation and the assumption of the duties formerly performed by it by the government is a matter of great importance to the Japanese people. It is not a small, incidental revision of a departmental structure, but is of such magnitude that it may eventually require the services of a good many thousands of government employees.

2. It is recommended that the government should prepare a draft bill to provide the solution to the problem which now faces it in this matter, and that the bill be submitted to the Diet, which body should be encouraged to hold public hearings on it and to give it most careful consideration. Unless definite occupation objectives are involved, it is further recommended that no opinions be expressed on behalf of SCAP but that members of GHQ should be ready to give technical help insofar as the government might desire it.

1 Incl
No change

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NR 334 (21 Nov 1947)A

Subject: Increased Personnel in Land Development
Bureau, Ministry of Agriculture & Forestry

From: NR/A

To: GS

Date: 21 Nov 1947

ATTN: Mr. J. K. McLean

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1. Reference is made to the inclosed letter with ten inclosures from the Land Development Bureau, Ministry of Agriculture and Forestry, subject, "Request for Approval of Matter Concerning the Reorganization of Land Development Bureau," 11 November 1947.

2. The Land Development Bureau now has responsibility for performing functions formerly assigned to the Land Development Corporation which was declared a closed institution on 2 September 1947 by the Liquidation Branch of ESS/PI. The inclosure is a proposal for providing additional personnel to enable the Land Development Bureau to continue the work formerly performed by the Land Development Corporation.

3. The Ministry of Agriculture and Forestry and the Ministry of Finance have agreed on the schedule of personnel shown in inclosure 1. It is understood that either the Cabinet or the Diet after review or screening will approve necessary personnel increases.

4. NR has reviewed the personnel plan to the extent that facilities permit. The organizational plan conforms with NR suggestions. NR has no objection to requirements for additional personnel being met by transfer of appropriate personnel from other government agencies if such transfers can be arranged.

5. It is recommended that no objection be offered to the proposed personnel plan provided it is reviewed and approved by either the Diet or the Cabinet.

6. Request that GS advise the appropriate agency of the Japanese Government of action that will be considered acceptable in regard to additional personnel for the Land Development Bureau.

1 Incl

Ltr with 10 incls as indic in par 1

----- H. G. S. -----

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

1 December 1947

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Increase in the Personnel of the Land Development Bureau of the Ministry of Agriculture and Forestry

A series of conferences was held in Government Section on 6, 13, and 15 November to discuss the proposed increases in personnel attached to the Land Development Bureau of the Ministry of Agriculture and Forestry. The increases are said to be necessary to enable the Bureau to assume the land development functions formerly assigned the Land Development Corporation, which has been dissolved by SCAP order. Present at the 6 November conference were Messrs. TSUCHIYA, MATSUNO, and TANOH representing the Ministry of Agriculture and Forestry, Mr. Ritchie for Natural Resources Section, and Messrs. Kent and the undersigned for Government Section; at the 13 November conference, Messrs. MAEDA and KASUYA of the Administrative Research Bureau, and the undersigned for Government Section; at the 15 November conference, Messrs. TSUCHIYA, TSUNODA, and HANEDA of the Ministry of Agriculture and Forestry, and the undersigned for Government Section.

In response to a question of the undersigned regarding the organization of the Land Development Corporation, it was explained that it was a quasi-governmental corporation, with a total capitalization of 30,000,000 yen, 50 per cent of the stock of which was owned by the government and the remaining 50 per cent by the Central Agricultural Bank and the Hypothec Bank. Total loans negotiated by the Corporation amount to 450,000,000 yen. In order to liquidate the Corporation, it is proposed that the government purchase all movable assets at fixed prices totaling 150,000,000 yen, from the Closed Institutions Liquidation Commission, a figure agreed upon by the Land Development Corporation, the Ministry of Finance, and the Closed Institutions Liquidation Commission. The proposal is now before the Diet. There were approximately 3300 employees and officials in the Corporation, 300 of which remain for the purpose of liquidating its affairs.

It is proposed that 3000 employees and officials be transferred to the Land Development Bureau, 928 of the officials to be integrated into the permanent civil service system, while the rest would be employed on a temporary basis. There are at present 1368 officials in the Land Development Bureau, including 675 which were formerly engaged in land development work in Hokkaido, having been transferred from the Home Ministry's Hokkaido Development Board (abolished by order of SCAP).

Over 2,000,000,000 yen was appropriated for land development work for the fiscal year 1946-47, of which 1,400,000,000 was allotted to the Land Development Bureau and 600,000,000 to the Land Development Corporation. The Land Development Bureau is a planning and policy-making agency

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and is not engaged directly in carrying out land development work. Actual land development is carried out by local companies and local Agricultural Associations which are awarded contracts by the Land Development Bureau. On the other hand, the Land Development Corporation engages directly in the work of land development.

The functions formerly performed by and the 3000 personnel assigned to the Land Development Corporation will, under the new set-up, be transferred to the Land Development Bureau of the Ministry of Agriculture and Forestry, with direct supervision at the local level by the Agricultural Land Offices set up to handle the land reform program last year. There are six regional Agricultural Land Offices, with jurisdiction over all areas in the home islands except Hokkaido. Since Hokkaido is a separate entity, bounded on all sides by water, there is no reason to set up a regional office there. The Minister of Agriculture and Forestry has the power in this case to order the Hokkaido governor to supervise land development, a task entrusted to the Agricultural Land Offices throughout the rest of Japan.

The discussion then turned to the question of additional funds for personnel expenditures should the proposed transfer be approved. Inasmuch as the work of the dissolved Corporation is to be continued for at least the balance of this fiscal year, contingent upon SCAP approval, it is absolutely necessary that the Land Development Bureau be increased in order to provide for the new function. Twenty million yen of the Public Works Fund, formerly earmarked to the Land Development Corporation for personnel expenditures for the period October to December, can be transferred to the Land Development Bureau without the necessity of Diet action, inasmuch as the appropriation was not allocated to any specific agency (this fact was later confirmed in a telephonic conversation between the undersigned and Mr. Mosler of ESS/Finance). However, since this 20,000,000 yen must be used only for employees' salaries, another 18,900,000 yen must be appropriated by means of a supplementary budget in order to pay salaries of the officials. An additional supplementary appropriation of 49,000,000 yen is also required immediately to purchase the assets of the Corporation before work can be continued. Purchase of the remaining assets can be deferred until a later date.

Mr. MAEDA of the Administrative Research Bureau explained that 1600 new permanent civil service officials was the minimum figure arrived at by the Ministry of Finance after a two-months study of the problem. Since the Land Development Corporations were dissolved the first part of September, it was felt that the Cabinet decision limiting the hiring of new government personnel did not necessarily apply in this case. Regarding the supplementary budget of 18,900,000 yen required to pay salaries of former Land Development Corporation officials, he stated that it is approximately the same as that which has already been allocated for payment as commissions. Formerly, these officials received no salaries but received commissions instead. In case the proposed transfer of Land

Development Corporation officials to the jurisdiction of the Ministry of Agriculture and Forestry is approved, it is the opinion of the undersigned that Diet approval should also be requested for the redesignation of this appropriation as salaries for the recently transferred officials.

The undersigned asked Mr. MAEDA what arrangement has been in effect since the first part of September, when the Land Development Corporations were designated as a closed institution, to pay the salaries of these officials. Mr. MAEDA replied that they were being paid out of Public Works Funds, but that this arrangement was rather irregular inasmuch as the officials, being on a temporary basis, are not supposed to occupy positions involving the control and expenditure of government funds.

Mr. MAEDA explained that Public Works Funds is an item amounting to 9,500,000,000 yen appropriated for that purpose but administered by the Economic Stabilization Board. These funds are available to any government agency for any land development projects, contingent upon Economic Stabilization Board approval. The budget allotted the Land Development Corporation is for the purpose of carrying out a five-year plan for land development. Commissions to officials in the Land Development Corporation in the past have been paid out of Public Works Funds.

The representatives of both the Administrative Research Bureau and the Ministry of Agriculture and Forestry explained that it was their belief that no technically qualified personnel were available inside the government for transfer to the Land Development Bureau for the purpose of carrying out the functions formerly exercised by the Land Development Corporation, nor did they believe it would be possible to entrust to private companies the actual work of land development unless it were possible to place former employees of the Land Development Corporation in jobs with private companies.

A suggestion was advanced by the undersigned that in case there were no alternatives except to hire 3000 new personnel, it might be considered preferable to place them all on a temporary basis. Two objections were raised by the Japanese at all three conferences: First, technically qualified personnel willing to accept employment of a temporary nature could not be found and, secondly, temporary officials (Shokutaku) are not allowed to hold the positions of bureau or section chiefs or make decisions involving fiscal matters. This regulation is embodied in the Organic Law Establishing the Ministry of Agriculture and Forestry. In answer to a second query concerning the advisability of entrusting actual land development work to private agencies and local government bodies, it was stated that Natural Resources Section had insisted that this work be continued by the national government itself as in the past.

JOHN K. McIRAN
National Government Division

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

1 December 1947

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Personnel Increases in the Land Development Bureau
of the Ministry of Agriculture and Forestry

On 25 November a meeting was held in Government Section between Mr. Ritchie of Natural Resources Section and Mr. Swope and the undersigned for Government Section, in regard to the proposed personnel increase in the Land Development Bureau of the Ministry of Agriculture and Forestry.

Mr. Ritchie referred to a check sheet dated 21 November 1947, subject: "Increased Personnel in Land Development Bureau, Ministry of Agriculture and Forestry," which was forwarded to Government Section by Natural Resources Section. This check sheet states:

"NR has reviewed the personnel plan to the extent that facilities permit. The organizational plan conforms with NR suggestions. NR has no objection to requirements for additional personnel being met by transfer of appropriate personnel from other government agencies if such transfers can be arranged.

"It is recommended that no objection be offered to the proposed personnel plan provided it is reviewed and approved by either the Diet or the Cabinet.

"Request that GS advise the appropriate agency of the Japanese Government of action that will be considered acceptable in regard to additional personnel for the Land Development Bureau."

Mr. Ritchie indicated that Natural Resources Section might be inclined to favor Government Section's policy, that governmental functions should be exercised as far as possible in accordance with the principle of local autonomy, and that personnel increases in the national government should be held to a minimum in accordance with both recently established Government Section policy and the Cabinet decision of 14 October. Specifically, Natural Resources Section might be willing to consider a plan under which at least some, if not most, of the functions exercised by the Land Development Corporation would be taken over by the prefectural governments, with supervision by the national government through Rural (Arable) Land Offices of the Ministry of Agriculture and Forestry.

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Mr. Ritchie concluded by requesting Government Section either to approve their position as stated in the check sheet or reply with counter proposals.

JOHN K. McLEAN
National Government Division

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

25 August 1947

MEMORANDUM FOR MR. SVOPE

SUBJECT: Proposed Reorganization of the Land Development Bureau of
the Ministry of Agriculture and Forestry

Mr. L. A. Brown of Natural Resources Section, Agriculture Division, requested the opinion of Government Section on plans for the reorganization of the Land Development Bureau, Ministry of Agriculture and Forestry. The attached chart outlines the projected reorganization of this Bureau in response to repeated demands by NRS that the Japanese government increase the effectiveness of its land development program.

NRS insists on a more thorough job of planning before initiating any new projects. Up to the present time there is only a small budget allotted for planning purposes, with the result that unsound programs have sometimes been adopted. For this reason many settlers are said to remain completely destitute even after a number of years, and the national government has been obliged to continue direction and supervision as well as to allot additional funds to avert complete collapse of the projects.

NRS has urged that the Japanese accomplish this reorganization within the limit of the present budget. Although it appears that a small increase may be requested to meet the need for more thorough planning, it is hoped that in the future settlers will be brought in and responsibility for land development turned over to them as soon as possible.

Most of these projects involve settlement and development of upland areas and require little construction work other than roads or houses. Hence responsibility for development of these areas is to be entrusted to a newly created Settlement and Guidance Department. Projects requiring large-scale construction work such as irrigation and drainage facilities will be under the control of the Construction Department.

Incidental to the reorganization of the Land Development Bureau will be the dissolution of the Land Development Corporations which Mr. Brown feels have contributed more to the impoverishment of the settlers than in actually benefitting them. They are government corporations which hold land development contracts on a cost-plus basis (usually 4 per cent profit). In order to meet the cost of these projects farmers have been obliged to borrow from banks at high rates of interest, often as much as 7 or 8 per cent. In the future, their functions are to be entrusted to the Construction Department, which in turn will make every effort to complete their work and turn over maintenance and future development to the settlers themselves.

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A new "Progress Control Office" will also be created for the purpose of inspecting and reporting on the progress of all land development programs. Owing to the fact that very little supervision has been exercised in the past some additional funds may be requested, although NRS is attempting to provide them by cutting expenditures elsewhere.

The undersigned explained the position of Government Section that the opening of any new offices of the national government in the prefectures would be carefully scrutinized, especially when additional funds were requested. Pending clarification of the projected reorganization of the national government planned by National Government Division, however, Government Section was not in a position either to approve or disapprove reorganization of the Land Development Bureau so long as two conditions were made, viz:

1. That the power of the central government was not increased at the expense of the prefectural governments. Land development should be coordinated with the plans and programs of the prefectural governments and insofar as possible executed by them. However, no objection would be raised to inspection and supervision by the national government in cases where the prefectural governments administer the expenditure of national funds for land development.
2. Government Section is interested in the exact amount of additional funds required in the reorganization of the Land Development Bureau and requests that their need be justified in writing.

JOHN K. McLEAN
National Government Division