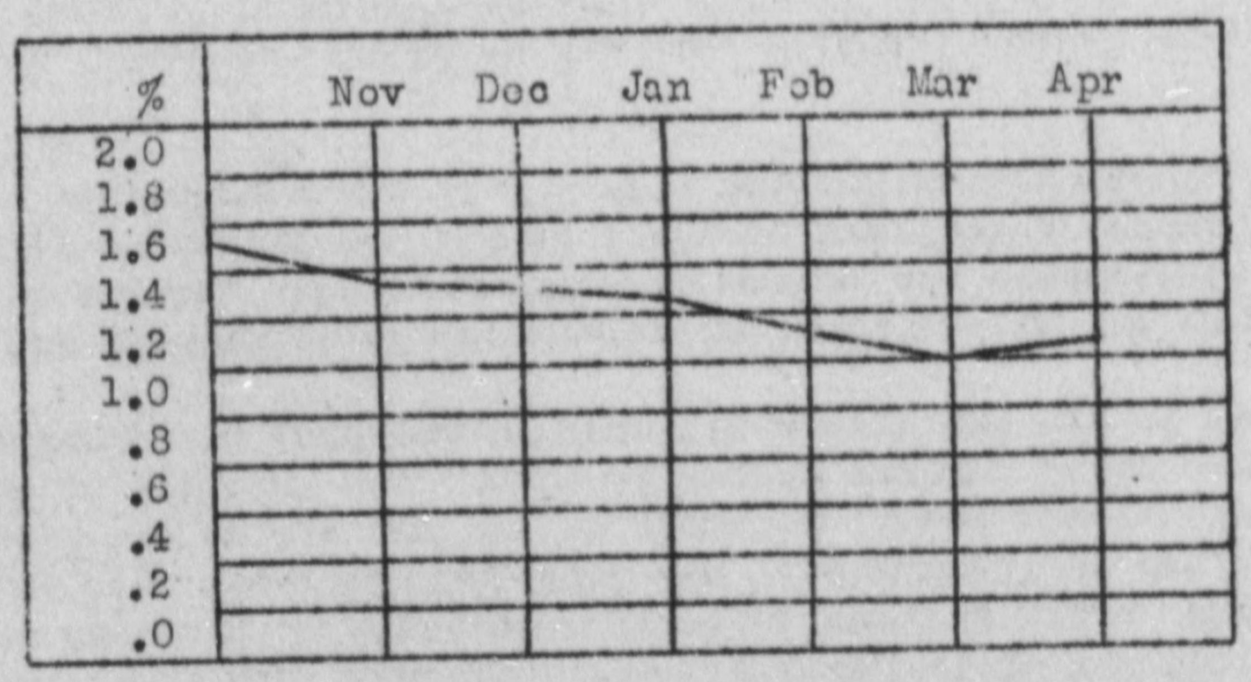
Note: In the above organization chart, each position has a number. When the same number appears in another position, it indicates that the same person has another position. The highest number in the chart indicates the total number of personnel in the organization.

* These employees are mine inspectors.

The main changes are:

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

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



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

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

b. Mine Production and Rehabilitation.

(1) Civil Affairs personnel from this headquarters inspected the Naoshima Smelter. Recommendations by personnel from NRS had been made to this smelter and it was found that the management was studying and experimenting on those recommendations; however, no concrete results have been attained yet.

(2) The use of the detachable tungsten carbide bits is increasing in the copper pyrite mines on Shikoku. According to the reports from the Mining Section, Trade and Industry Bureau, approximately 70% of the old steel bits have been replaced by detachable tungsten carbide bits. The Besshi copper-pyrite mine has been experimenting with the "Sakugansha" or drilling car which is equipped with two drills and can be operated by one miner. This car is very efficient in drilling deep holes at narrow working faces and the efficiency per man is estimated to increase by four times with the use of the car.

(3) The production of copper-pyrite recovered to its normal status after the March strike. The production of copper ore concentrate in April was 7,053 MT showing approximately 900 MT increase over March productions, and that of pyrite concentrate was 12,986 MT or approximately 4,000 MT over March production.

(4) Mr. Yamagata, Chief of Naoshima Smelter, Taihei Mining Company, returned here from his 70 days inspection trip of smelters and refineries in the United States and Canada and a lecture on American techniques was made by him in a meeting sponsored by the Shikoku Regional Trade and Industry Bureau on 17 May. Approximately 50 people representing the Trade and Industry Bureau, Shisakajima Smelters and mines attended.

c. Production of Precious Metals. Production of electrolytic gold in May was 135,566 grams against the plan of 129,000 grams and that of electrolytic silver was 1,681,675 grams against the plan of 1,590,000 grams.

6. Price and Distribution

a. Economic Investigation Agency. Substantial improvement was noted in the enthusiasm and interest being displayed at the prefectural coordination meetings. The pamphlet on public speaking mentioned last month was distributed to all members and received with considerable interest and comment which extended even beyond the members concerned. EIA division chiefs presented their reports concisely and made good use of visual aids and mimeographed material. They covered essentials briefly and brought out details through the discussion-type conference method. Although such methods were unique both to EIA and members alike, the members displayed adequate approval to spur even greater improvement in the future.

b. Restaurant Control. The Reviewing Councils met in all prefectures except Kochi. The number of cases heard this month by the reviewing councils was approximately 45% less than last month. This decrease was partly because the Kochi council did not meet, although 39 violations were reported by the police. There the prefectural food stuff section devoted all possible time to a survey of wheat and barley crop damages in preparation for the governors'

conference at Tokyo to secure downward quota revisions and as a result no time was allotted to reviewing council activities.

Prefecture	Cases Heard	Suspended	Sealed	Warned	Dismissed	Pending
Kagawa	45	8	3	34	0	0
Tokushima	72	17	0	44	4	7
Ehime	62	13	1	40	5	3
Total	179	38	4	118	9	10

c. Incentive Goods and Fertilizer Distribution.

(1) Fertilizer distribution is lagging far behind previous years because farmers are not accepting delivery. Shortage of cash, increased prices, and exceptionally wet weather during the mugi harvest is causing farmers to put off picking up fertilizer as long as possible.

(2) Incentive goods in the form of trousers, towels, and other textiles have virtually all been returned to wholesalers. The measures by which the approval for and transfers were made were carried out quietly and mostly on the basis of confidential verbal instructions. The action taken, however, will alleviate to a degree the financial difficulties of the agricultural co-operatives although most of the goods were in the hands of private dealers.

d. Staple Food Rationing.

(1) The most serious problem of food rationing centers around a stock of some 212 metric tons of broad beans in Tokushima which have become worm infested and are deteriorating rapidly. Prefectural food management negotiations with the MAF have resulted in permission to sell the damaged stocks at 15 percent discount. All out efforts to unload the beans at this price are being made both within and outside of the prefecture. Food management officials express pessimism, however, feeling the discount is inadequate. Civil Affairs, Tokyo, has been informed by telephone and local progress to solve the problem is being followed closely.

(2) A large scale investigation by the local procurator's office is being made into alleged illegal travel expenditures paid by the Kagawa Food Management Office to its local inspectors. Some ¥ 400,000 is involved and over 27 officials have been arrested.

7. Production.

a. Chemical Fertilizer Production. A new record was set in May production of ammonium sulphate which amounted to 19,358 metric tons, exceeding the production goal of 17,600 metric tons by 1,758 metric tons. This represents an increase of 4,532 metric tons as compared with the corresponding month one year ago, and 2,272 metric tons as compared with production for

April 1950. Total production of calcium superphospate was 4,276 metric tons against planned production of 6,300 metric tons, which is primarily attributed to low production of sulphuric acid at the Shisaka-jima Smelting Plant of Besshi Mining Co., and to increased consumption of sulphuric acid for ammonium sulphate production. (See Appendix, Chart "C & D")

(1) Pyrite shipment during the month amounted to 9,850 metric tons against an allocation of 11,940 metric tons. Allocation for June is set at 12,134 metric tons.

(2) Delivery of rock phosphate amounted to 6,379 metric tons, though 8,800 metric tons were allocated. Expected delivery for June is set at 9,500 metric tons.

b. Textiles.

(1) Cotton. April production amounted to 9,068,468 lbs. in yarn and 9,776,156 sq. yds. in cotton cloth, both setting new records in postwar production.

(2) Staple, Staple Fibre Yarn and Staple Fibre Cloth. Staple fibre production attained a new record of 4,168,963 lbs, approximately 109% of the previous month and 247% for the corresponding month in 1949. The total production of staple fibre yarn and staple fibre cloth was 997,148 lbs. and 877,909 sq. yds. respectively, representing an increase of 52% in staple fibre yarn and a decrease of 127% in staple fibre cloth as compared with production one year ago. (See Appendix, Chart "E-1, 2, 3, 4")

(3) Rayon Yarn. Total production during April was 755,800 lbs, 87% of the corresponding period in 1949, though an increase of 5,200 lbs over March production 1950 is noted. (See Appendix, Chart "F")

(4) Visits to textile plants and interviews with management officials reveal that the collection of delinquent bills is a serious problem confronting the industry at present. Raw material supply and electric power supply are adequate, though some complaints are still registered against the high cost of power.

c. Shipbuilding. (1) Construction and repair in the shipbuilding industry on Shikoku Island showing a comparison for April and May is tabulated below.

	April		May	
Wooden Ships	No. of Vessels	Tonnage	No. of Vessels	Tonnage
New ships under construction	87	3,747	123	2,661
New ships construction completed	44	914	62	1,056
Ship repair completed	481	18,009	470	16,523
Ships under repair	130	7,182	86	4,425

Steel Ships	April No. of Vessels	April Tonnage	May No. of Vessels	May Tonnage
Ship repairs in process	5	950	4	1,923
Ship repairs completed	8	3,049	9	1,925
New construction in process	2	392	2	392
New construction completed	0	0	0	0

(2) Due to the tight money situation construction of 63 wooden boats (4,312 tons) is being held back, and construction suspended on 23 boats (1,958 tons) after keels have been laid.

(3) No unauthorized construction or conversion of steel or wood vessels in violation of SCAPIN 1929 was observed.

d. Reparations. (1) A reparations liaison council consisting of government agencies and reparations plant representatives has recently been formed and held the first meeting during the month. Ostensibly the purpose of this council is to meet periodically and discuss reparations problems in order to effect better coordination of activities and disseminate information. Actually the necessity for this organization on Shikoku is questionable, particularly in view of the fact that no packing, crating or shipping problems exist and only routine matters are handled. The expenses involved in holding these meetings with the usual follow-up entertainment are considerable. Further, the plant representatives are required to pay their own travelling expenses from company funds, companies which are showing little, if any, profit and barely able to stay in business.

(2) Removal for authorized use of ten (10) machines from the Kurashiki Aircraft Co., Sakaide (17-01) to the Heiwa Industry Co., Marugame was completed on 31 May 1950. (Approved by CPC, GHQ, 14 April 1950)

(3) In order to increase production of bearings for export to sterling areas, Koyo Steel Co., (17-03) has applied through Japanese Government Channels, for transfer of seven (7) machines from the Kokubu Plant, Osaka, to the Tokushima Plant and for transfer of eight (8) machines from the Tokushima plant to the Kokubu plant.

e. Building Construction. Conferences with prefectural officials reveal that considerable interest is being shown in the new Building Construction Standards Law and study is being made of the law to be ready for administrative enforcement when the law goes into effect. The provisions for more control and responsibility by city governments seem to be meeting with complete acceptance and approval by Prefectural Officials.

f. Public Works. Outlook for public works projects for FY 1950 is good with increases of as much as 100% in budget for some projects. In Ehime Prefecture officials are planning to purchase some heavy equipment including road graders, a sand dredger and an excavator.

g. Small and Medium Enterprises. In an effort to solve some of the problems resulting from the current business depression among small and medium sized enterprises, the Regional Trade and Industry Bureau and Prefectural Government officials have formulated a long-range program for assistance. Several large conferences and coordination meetings have been held throughout the region within the past two months. Main points of the program are: (1) Methods of financing and establishment of the Commerce and Industry Security Association to guarantee loans (2) Rationalization of enterprise, by technical assistance provided by the Government and a long-range program for replacement of old machinery and equipment (3) Opening up of additional markets, both domestic and foreign (4) Action to remedy alleged injustices in tax laws. In Tokushima Prefecture the Commerce and Industry Security Association will be able to guarantee loans up to a total of ¥200,000,000, while in Ehime Prefecture loans up to a total of ¥100,000,000 will be guaranteed. The most ambitious program for rationalization has been started in Ehime Prefecture, where a resolution was adopted at a conference between textile manufacturers and local bankers to replace machinery over a three year period, which will cost between ¥150,000,000 and ¥200,000,000. The psychological effect of approval of loans from the Counterpart fund has been pronounced. Though small in comparison to actual requirements this seems to be the 'shot-in-the-arm' financing circles have needed, and they appear to have regained confidence in the future.

h. Electric Power. Total power generation for the reporting month amounted to 126,926,000 KWH exceeding generation for the previous month by 8,908,000 KWH, and over 13 million KWH for the corresponding period 1949. Thermal generation was less than two (2) per cent of the total. (See Appendix, Chart "G & G-1") A tabulation of power furnished to various industries indicates that chemical and sanitary equipment manufacturers are paying proportionally higher rates for power consumed, 18% and 43% respectively being thermal rate power. Chemical fertilizer production however, was aided by full allocation to cover requirements. The textile industry paid for only 2% of power consumed at the thermal rate. (See Appendix for tabulation, Chart "H")

8. Control Associations. An interprefectural meeting concerning "Final Measures to be Taken with Regard to Organizations Reported in Accordance with SCAPIN 1860" was held in May by prefectural commerce and industry sections in Shikoku. A complete understanding of the conditions relevant to control associations and their dissolutions and reorganization in Shikoku were revealed and are indicated in the following chart.

Control Associations In Existence In Shikoku
As of 30 April 1950

		Kagawa	Tokushima	Kochi	Ehime	Total
Orgn which are exempt from application of Trade Assn Law.		493	665	642	906	2,706
Orgn in accordance with the Commercial Law		0	2	0	1	3
Orgns other than Juridical person and misc.	Expected to be Re-orgn	0	2	2	unknown	
	Expected to be dissolved	2	4	0	33 unknown	
	Commodities Price Adjustment Comm.	1	1	1	1	4
	Sub-Total	3	7	3	34	47
GRAND TOTAL		496	674	645	941	2,756

As indicated above 2,706 of the 2,756 control associations in Shikoku are exempt from the application of the Trade Assn Law because they are existing in accord with the Fisheries Assn Law, Arable Land Consolidation Assn Law, Irrigation Facilities Assn Law, Peoples Health Insurance Law, Forest Law, Compensation Against Agricultural Loss Law, Agriculture Dept. Clearance Law, and Health Insurance Law, and therefore, are not required to undergo dissolution now. Fifty other control associations existing in Shikoku will be subject to prefectural government action as follows: three organizations existing in accordance with the Commercial Law are to be investigated to determine whether they are performing any control functions, and if it is found that no control functions exist, the prefectural governments intend to petition the ESB to exempt the organization from dissolution requirements; thirty-three control associations in Ehime Prefecture will be notified to dissolve or reorganize by 14 July; four are to be notified to conduct voluntary lawful reorganization, and six to dissolve by 14 July. In reference to the Commodities Price Adjustment Committees, one in each prefecture, it was believed that their continuance was inevitable in conjunction with the Commodities Price Commissioners Ordinance and the question of their disposition was to be referred to the ESB. During the month the ESB notified prefectural governors that the Commodities Price Adjustment Committees are now exempt from the Trade Assn Law.

9. Labor

a. Labor Relations

(1) Political Activity. The labor movement on Shikoku in May was more active on the political than on the economic front. Preparations for the House of Councillors Election indicated clearly that for the time being labor felt it could achieve more for the worker through trying to oust the Yoshida cabinet than through collective bargaining. May Day activities,

though relatively quiet, (only 31,000 workers in the Region participated) played up political factors (including great emphasis on international affairs, peace treaty, military bases and the like) with almost no concern for the purely economic struggle in the collective bargaining field.

(2) General Council of Japanese Trade Unions (Nippon Rodo Kumiai Sohyogikai). An obstacle to the development of the Sohyogikai was removed through the action of the National Convention of Japan Teacher's Union held at Kotohira 1 to 3 May. By a vote of 302 to 103, affiliation with the Council was approved. On the other hand Densan's regional action indicates that the Sohyogikai cannot get enough support to carry through at present. The Dogo meeting of Densan's regional representatives turned down a motion to disapprove affiliation by the narrow margin of 45 to 42. A motion to withdraw from Sanbetsu was turned down by a vote of 44 to 42, (one not voting). It would appear that Sanbetsu is still strong enough to block withdrawal without being strong enough to kill the possibility of the new consolidation.

(3) Densan Strike Aftermath. The Densan strike aftermath in Shikoku involved merely slowdown of office work. Office workers refused to process papers beyond assistant section chiefs, in an attempt to force payment of wages during the April strike. Tokushima Densan asked the LLRC to mediate. The Tokushima LLRC consulted the CLRC for jurisdictional instructions and was directed to receive the mediation request formally.

(4) Noda Industrial Co. - Rationalization Layoff. The management of Noda Industrial Co. of Kagawa Prefecture wishing to discharge 330 of its 688 employees was unable to receive the union's consent to the proposal. It became necessary to submit the matter to the LLRC for mediation. Five hearings were held and a mediation plan proposed, the most interesting item of which was a provision that the total wage bill be pegged at ¥3,300,000. After this mediation plan was accepted by both sides the technique of calling for "volunteer" resignations was used. 289 workers "volunteered" to resign leaving a working force of 388 which could be maintained at the cost of ¥3,300,000 per month, as agreed. The pattern followed in this layoff clearly ignores the principle of seniority. This office sought to advise both parties of the value of seniority clauses in such a situation but for reasons stated in the previous monthly activities report seniority was not applied and continues to be suspect in Japanese labor relations, at least on the Island of Shikoku. As a further comment on this layoff case it should be pointed out that the right of management to discharge within the limits of earning requirements appears not be to recognized. It is felt to be a matter for negotiation or mediation and not a matter for management to decide. Education on this point encounters no resistance from management but from labor the resistance is very great.

(5) Paper Industry. Paper industry workers in Ehime Prefecture, called into conference, revealed complete ignorance of the proposed federation "Sohyogikai". This is due to the fact that small and medium paper manufacturer workers are either organized in company units or not organized at all. The industry, still seeking to stabilize itself after a long period of wage delays, has a body of workers who are so deeply interested in day to day job security

that they take no time out for consideration of organizational problems. Temporarily the wage structure in unorganized plants seems to be more favorable to workers than the structure in organized plants. This condition also tends to weaken union interest. Furthermore the ironic fact was revealed that unorganized workers are better informed about labor legislation particularly the Labor Standards Law, than are workers and even officials in organized unions. Since there is no union in such plants, workers tend to rely more and more on legal protections than on union activity. The conference of representatives from the paper workers held by this office pointed out the idea of the proposed Sohyogikai and its value in such a situation as prevails among paper workers here. Questions from the floor indicated clearly that they were stimulated to more than casual thinking about their problem.

b. Labor Education.

(1) Grievance Procedure. In educating labor and management in the value of grievance procedure the question of words and the meaning of words showed up as an obstacle to clear thinking on the subject. This became apparent to this office when Labor Policy Officials reported that a certain plant had adopted grievance procedure as outlined in Labor Ministry literature but it had not been necessary to use the grievance procedure even once in eight months. The plant in question has 1,200 employees. There was obviously something wrong in the report as it is inconceivable that 1,200 workers would go on for eight months without one grievance. Further information revealed the fact that the plants unwritten traditional method of handling grievances was being continued without change while the brand new "grievance procedure" so labelled in the agreement was being found unnecessary. In view of such misunderstanding (and this is not an isolated case) this office is seeking to promote grievance procedure which is more than lip service to terminology.

(2) Preparation for Summer Labor School. Kagawa Prefecture acted as host to 79 Labor Policy, Education officials from the nine Shikoku-Chugoku prefectures 17-18-19 May. In evaluating the contributions made by Labor Ministry officials it should be said that Mr. Kaido (Chief Labor Union Section) made an introductory speech which referred to his recent observation of the American Labor Movement in such a way that Mr. Robertson felt he had to correct false impressions about textile union progress in southern United States. Labor Policy officials of the local offices felt that Mr. Ishigoro's speech on Union constitutions and agreements was very clear, forthright and instructive. His comments on managerial rights seemed to the Labor Officer very useful in presenting the case from the legal point of view. Emphasis on concrete educational techniques in the conference itself gave the teachers of the summer labor school good grounding for their summer's work.

(3) Reaching Rank and File. The Labor Officer addressed rank and file mass meetings at a Spinning Mill reaching 350 girl workers, and an evening meeting in Naruto reaching 500 workers. The former meeting emphasized women's participation in union activities. The latter dealt with Labor Agreement clauses on seniority, grievance machinery, wages, no strike-lockout and arbitration. At the Labor School preparation course for Labor Policy Officers the Regional Labor Officer stressed the need for reaching the rank

and file by well publicised evening meetings. Emphasis in all work with Labor Policy Sections is being placed upon the need for reaching the rank and file as all officials have come to feel that the union officer's way of doing things will change only when pressure for more democratic methods comes from below.

c. Labor Standards

(1) Penalties are Not a Deterrent. Increasingly Labor Standards Inspection offices are reporting their concern over the fact that penalties are too low to act as a deterrent. Managements are increasingly coming to feel that it is cheaper to pay the penalties than to obey the law. Penalties set at a time when the yen value was higher than now do not frighten violators into greater compliance. Labor Standards Inspectors are increasing the number of inspections made but they are frank to admit the standards are only slowly being improved. Inspectors report that they are now beginning to place emphasis on trying to get union leaders interested in informing themselves about the law and persuading them to work for better compliance. Except in large industries union leaders feel they are not in too strong a position to insist on compliance because they do not wish to add to the burdens of managements. Union leadership in small and medium establishments are interested in protecting their jobs even by sacrificing standards.

(2) Non-payment of Wages. The continuing adverse trend in non-payment of wages is further reflected in the tendency of workers to refrain from reporting non-payment violations until it is too late to recover due to insolvency. Workers do not report violations because new jobs are so difficult to get that they cooperate with sub-marginal managements in keeping failing businesses going beyond the time of profitable operation.

(3) Overtime for Government Workers. Labor Standards Inspection Offices report that failure of local governments to compensate its officials for overtime is beginning to undermine morale of workers. The Public Employment Security Offices, with extra load of work during this period of increased unemployment are among the most frequent offenders. Workers who work overtime to get their work finished are not able to take compensated time without creating a backlog nor do appropriations cover necessary overtime.

d. Workmen's Compensation Insurance.

(1) Collections Exceed Benefit Payments. With the beginning of a new fiscal year the collection of premiums exceeded benefit payments by approximately five million yen. This is the first time in four months that such a favorable ratio has been reported. This is due to payment by small and medium enterprisers of their self-assessed premiums.

(2) Claim Investigation. The campaign to investigate claims more thoroughly has resulted in the rejection of 80 out of 2,218 new claims filed. The need for much more thorough going investigation of claims was pointed out by this office in visits to LSB officials. Promises were made to raise the number of investigations.

(3) LSB Asks for Trained Medical Staff Members. Labor Standards Bureau officials report they will be in a better position to evaluate claims for compensation if accredited physicians were added to their staffs.

(4) Campaign to Reduce Accident Rate in Ehime. Ehime Prefecture has launched a campaign to reduce by 50% the industrial accident rate. This campaign was begun because of the the rising industrial casualty rate, 30% higher than last year, resulting in one death per 930 workers. The campaign is geared to reached workers through managements and unions.

e. Women's & Minor's Bureau

(1) Change in Personnel. Miss Kimi Taniguchi has been appointed in charge of the Kagawa office to replace Miss Inage who resigned. Miss Hideko Morizawa, formerly in the Kochi Labor Policy section, has been appointed in charge of the Kochi office, replacing Miss Fujii who has been transferred to a responsible position in the Central office.

(2) The textile industry absorbed many young women graduating from lower and upper secondary schools but very few boy graduates found places to work. Women's and Minor's Bureau workers emphasized the program to encourage self-government in dormitories with more response from large than from small factories.

f. Employment.

(1) Statistics support the reiterated claim that the unemployment curve is still adverse with 5.68 applicants for every job opening in the permanent field, an increase of 1.28 over the last reporting period. The ranks of the unemployed are constantly being "reinforced" by continuing rationalization layoff. The most recent industry effected by layoff is agricultural implements with two of the largest firms on the island cutting payrolls by one half, throwing six hundred workers on the already glutted labor market. PESO offices have been so swamped by job seekers, even on day labor basis, that the rotation system has to be consistently administered to reduce agitation. PESO adopted the rotation system as one way to cope with the easily inflamed job seekers. Only when job seekers could see that jobs were spread around as equally as possible was the most troublesome agitation brought under control. What might be called the "lunatic fringe" still continued to respond to communist agitation. In Kagawa this group demanded among other things that should the government fail to provide jobs the unemployed should be given authorization to steal. The flare up in May was encouraged by the fear that the coming rainy season will be a period during which relief projects will operate only spasmodically. In rural areas rice transplanting is expected to absorb a large number of the otherwise unemployed.

(2) Unemployment Insurance. With new jobless persons added to the list of the insurance recipients the red ink ratio between collection of premiums and payment of benefits is continuing. PESOs are inadequately staffed to do a good job of checking on unemployment chisellers. The staff increase allowed at the beginning of the fiscal year is still not adequate to enable PESOs present case load to be handled well.

APPENDIX

Chart "A"

Status of Allocation and Requirement
of Fertilizer for Nurseries

Prefecture	Fertilizer by species	1948 F.Y.		1949 F.Y.	
		Allocated	Required	Allocated	Required
Kagawa	Nitrogenous	303	303	609	609
	Phosphatic	220	220	353	353
	Potassium	-	-	108	108
	TOTAL	523	523	1,070	1,070
Tokushima	Nitrogenous	5,000	6,900	7,200	7,200
	Phosphatic	3,000	3,500	3,600	3,600
	Potassium	1,800	2,300	2,400	2,400
	TOTAL	9,800	12,700	13,200	13,200
Kochi	Nitrogenous	1,846	2,640	5,940	8,340
	Phosphatic	960	1,320	3,465	4,170
	Potassium	-	440	950	1,390
	TOTAL	2,806	4,400	10,355	13,900
Ehime	Nitrogenous	1,176	6,551	7,500	7,912
	Phosphatic	1,176	3,930	4,368	4,747
	Potassium	-	1,310	888	1,582
	TOTAL	2,352	11,791	12,756	14,241
National Forest	Nitrogenous	3,515	4,918	3,397	5,883
	Phosphatic	2,109	492	2,038	588
	Potassium	351	2,950	340	3,529
	TOTAL	5,975	8,360	5,775	10,000
TOTAL	Nitrogenous	11,840	21,312	24,646	29,944
	Phosphatic	7,465	9,462	13,824	13,458
	Potassium	2,151	7,000	4,686	9,009
	TOTAL	21,456	37,774	43,156	52,411

CHART "B"

Status of Tree Seed Availability in Shikoku

Prefecture	Species	Required	1948 F. Y. Received Total	collected	purchased from another pref.	stocked	Required	1949 F. Y. Received Total	collected	purchased from another pref.	stocked
KAGAWA	Pine	118	118	118	-	-	180	180	180	-	-
	Cypress	83	83	83	-	-	80	80	80	-	-
	Cedar	50	50	-	50	-	50	50	50	-	-
	Others	218	218	218	-	-	450	450	150	300	-
	Total	469	469	419	50	-	760	760	460	300	-
TOKUSHIMA	Pine	511	511	505	6	-	690	690	690	-	-
	Cypress	767	767	767	-	-	825	825	825	-	-
	Cedar	1,333	1,333	1,333	-	-	1,100	1,100	1,100	-	-
	Others	1,558	1,558	1,513	45	-	3,910	3,910	3,910	-	-
	Total	4,169	4,169	4,118	51	-	6,525	6,525	6,525	-	-
KOCHI	Pine	30	30	30	-	-	52	52	-	52	-
	Cypress	1,693	1,693	1,693	-	-	1,027	1,027	-	127	900
	Cedar	750	750	750	-	-	458	458	11	407	40
	Others	27	27	-	27	-	-	-	-	-	-
	Total	2,500	2,500	2,473	27	-	1,537	1,537	11	586	940
EHIME	Pine	90	90	90	-	-	81	81	75	6	-
	Cypress	2,059	2,059	2,059	-	-	2,391	2,391	2,391	-	-
	Cedar	2,578	2,578	2,578	-	-	2,520	2,520	2,520	-	-
	Others	271	271	211	60	-	184	184	44	140	-
	Total	4,998	4,998	4,938	60	-	5,176	5,176	5,030	146	-
NATIONAL FOREST	Pine	95	95	90	5	-	44	44	39	5	-
	Cypress	2,854	2,854	2,854	-	-	1,665	1,665	155	734	776
	Cedar	1,527	1,527	1,111	-	416	1,351	1,351	360	-	991
	Others	147	147	146	-	1	215	215	215	-	-
	Total	4,623	4,623	4,201	5	417	3,275	3,275	769	739	1,767
TOTAL	Pine	844	844	833	11	-	1,047	1,047	984	63	-
	Cypress	7,456	7,456	7,456	-	-	5,988	5,988	3,451	861	1,676
	Cedar	6,238	6,238	5,772	50	416	5,479	5,479	4,041	407	1,031
	Others	2,221	2,221	2,088	132	1	4,759	4,759	4,319	440	-
	Total	16,759	16,759	16,149	193	417	17,273	17,273	12,795	1,771	2,707

RESTRICTED

Annex D

APPENDIX

Chart "C"

Ammonium Sulphate Production

(Unit: 1,000 MT)

Chart "D"

Calcium Superphosphate Production

(Unit: 1,000 MT)

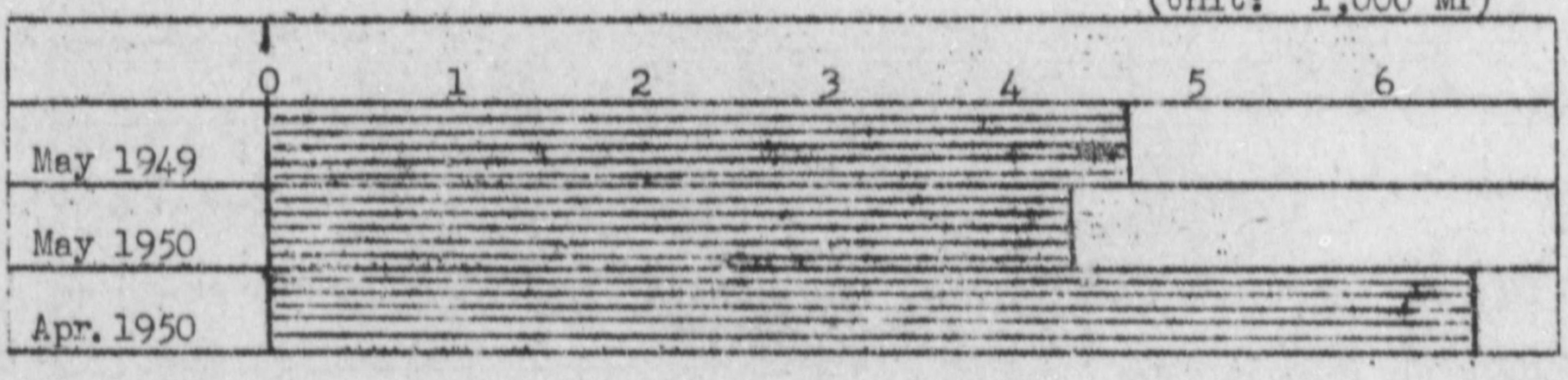


Chart "E"

Textile Production

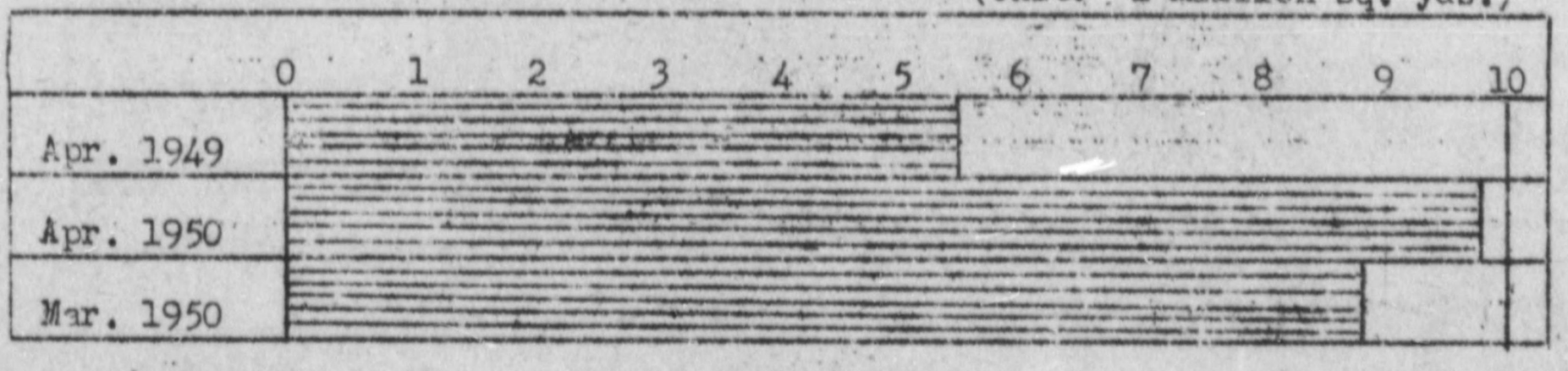
Cotton Yarn

(Unit: 1 Million lbs.)

Chart "E-1"

Cotton Cloth

(Unit: 1 Million sq. yds.)



APPENDIX

CHART "E-2"

Staple Fibre

(Unit: 1 Million lbs.)

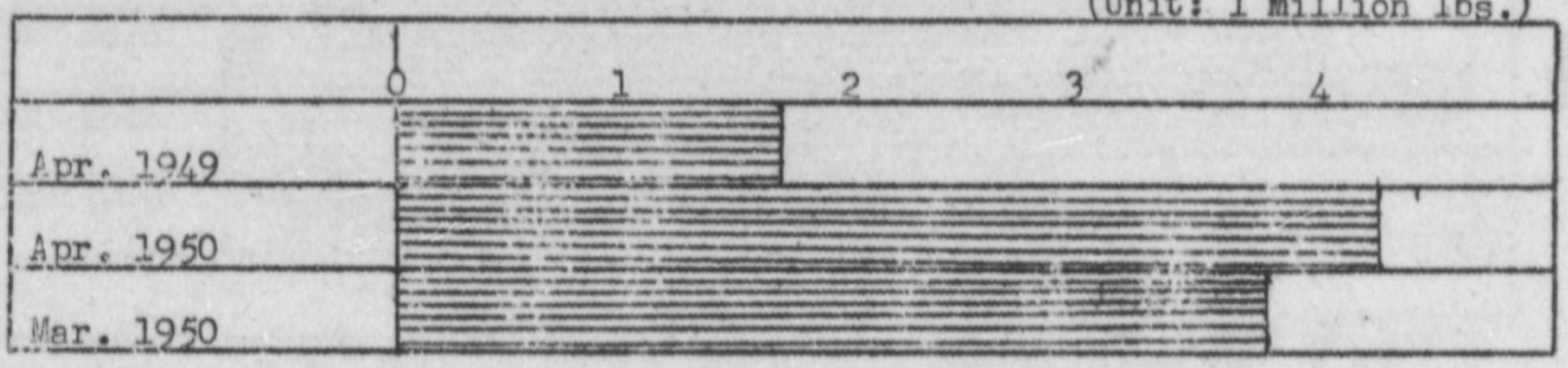
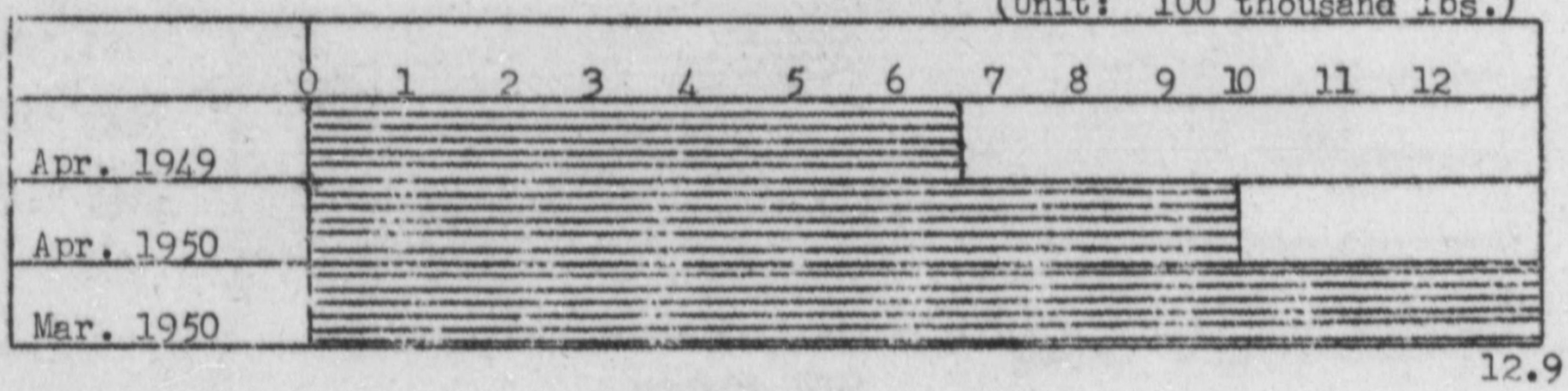


CHART "E-3"

Staple Fibre Yarn

(Unit: 100 thousand lbs.)



12.9

CHART "E-4"

Staple Fibre Cloth

(Unit: 100 thousand sq. yds.)

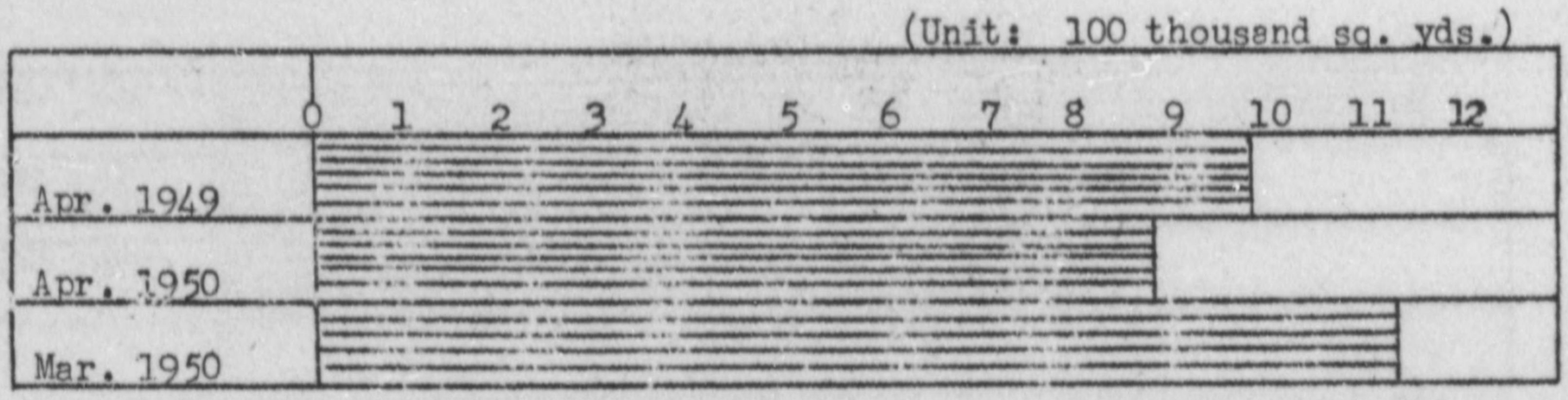
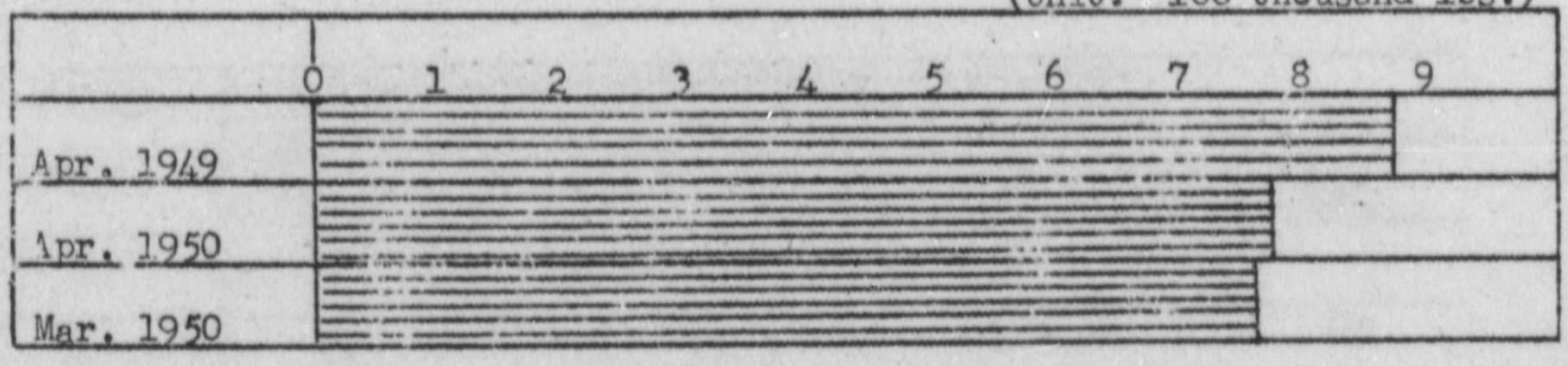


CHART "F"

Rayon Yarn

(Unit: 100 thousand lbs.)



APPENDIX

CHART "G" Generation of Electric Power
(Unit: 10 Million KWH)

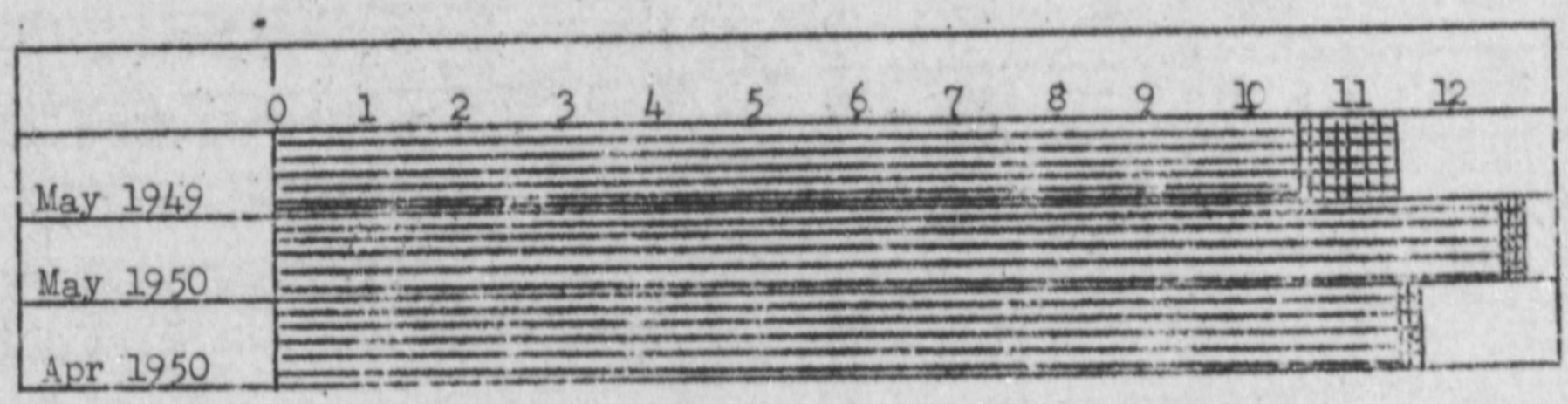
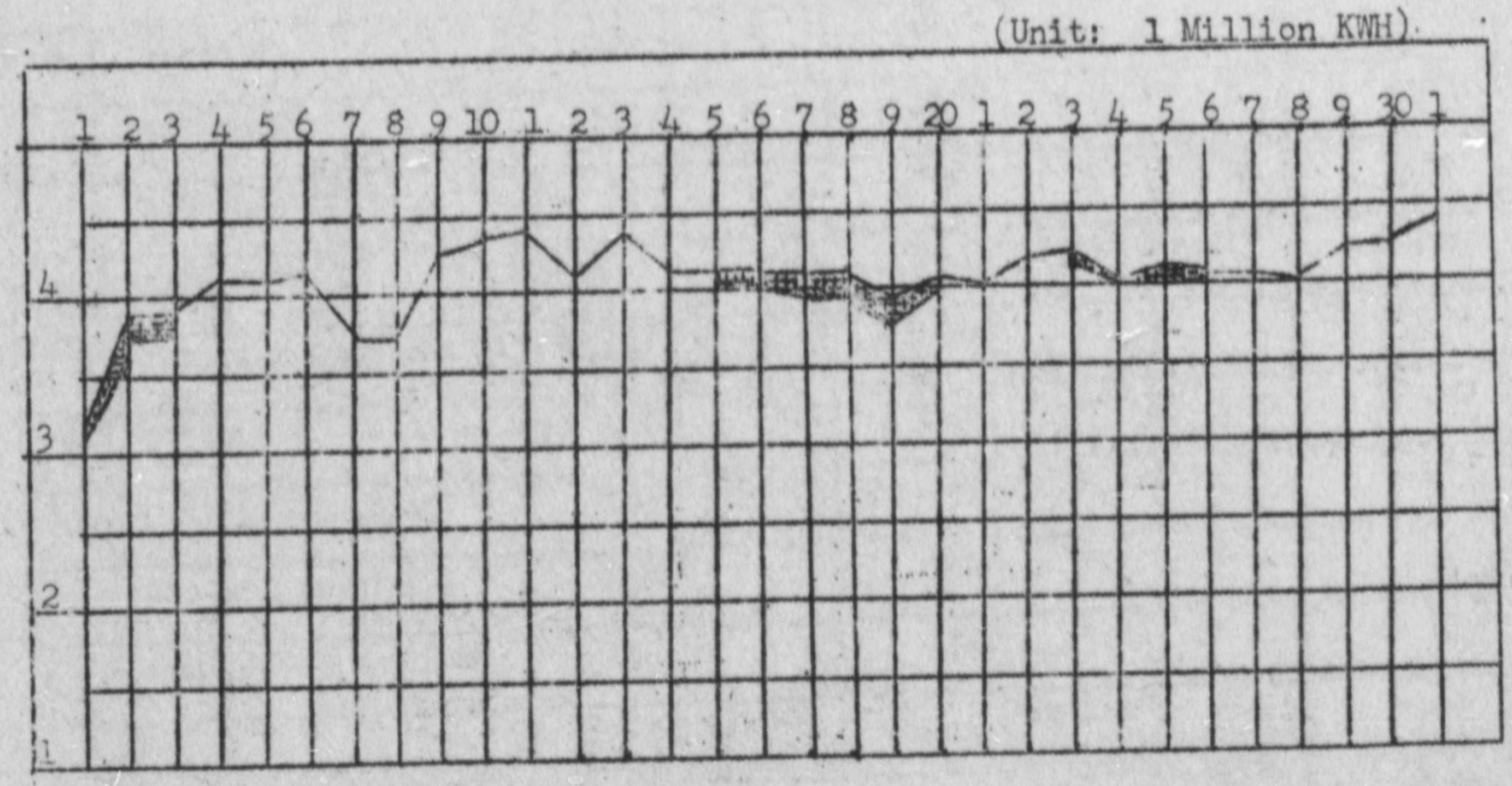


CHART "G-1" Daily Generation of Hydro & Steam Power

(Unit: 1 Million KWH)



APPENDIX

Chart "H"

Comsumption of Electric Power on Shikoku by Type of Industry

Unit: 1,000 KWH

No.	Type of Industry	Hydro Power			Excess power (thermal rate)		Total comsumption
		Basic alloc.	Special alloc.	Total	amount	%	
1	Government Railway	118	-	118	-	-	108
2	Private Railway	796	-	796	19	2.3	815
3	Port Facilities	420	32	452	-	-	444
4	Foundries	1,372	514	1,886	-	-	1,886
5	Mining & Smelters	5,736	-	5,736	-	-	5,656
6	Aluminium	6,480	529	7,009	109	1.5	7,118
7	Shipbuilding	66	-	66	2	2.9	68
8	Machinery	751	-	751	-	-	722
9	Ceramics	817	-	817	-	-	259
10	Chemical Fertilizer	10,417	2,534	12,951	-	-	12,433
11	Chemical Industry	2,648	194	2,842	652	18.6	3,494
12	Textile Industry	10,323	945	11,268	240	2	11,508
13	Paper & Pulp	1,018	59	1,077	39	3.4	1,116
14	Salt Industry	743	1,113	1,856	-	-	1,851
15	Fishing	6	-	6	-	-	4
16	Foodstuff Industry	187	95	282	-	-	278
17	Tobacco Industry	74	-	74	-	-	69
18	Daily Necessities	30	-	30	-	-	30
19	Sanitary Equipment	50	-	50	37	42.5	87
20	Electric Power Enterp.	82	-	82	-	-	46
21	Reparations Use	22	-	22	-	-	22
	TOTAL	42,156	6,015	48,171	1,098	-	48,014

RESTRICTED

KYUSHU CIVIL AFFAIRS REGION
GHQ SCAP
Fukuoka, Kyushu, Japan
APO 24-5

ANNEX D
May 1950

ECONOMICS ACTIVITIES

Prepared by Ellsworth R. Mosman, DAC

1. AGRICULTURE:

a. Fertilizer

(1) Decline in blackmarket prices, credit restriction, increased fertilizer and electricity costs, as well as depression of rural industries upon which many farm families depended for part or full time salaries, have aggravated the economic problems of the farm villages. Farmers are experiencing difficulty in buying all fertilizer allocated for the January to July period, and to date 15,846 tons remain unpurchased of these allocations in Kyushu. Though some farmers state that they will buy their allocation in full after wheat and barley harvest, farmers in Miyazaki Prefecture state that they will be unable even then to purchase entire allocation. As the following table indicates, unpurchased allocations are far higher in Miyazaki than in other prefectures and amount to 25% of entire prefectural allocation. In addition, some cooperatives report that lack of credit makes it impossible for them to make purchases of fertilizer.

Unpurchased Allocations of Fertilizer in Kyushu
By Prefecture and Type
(As of 20 May 1950)

(Unit: Ton)

Prefecture	Ammonium Sulphate	Ammonium Nitrogen	Calcium Nitrate	Super-phosphate	Potash	Total
Fukuoka	-	500	-	-	-	500
Saga	-	300	-	-	-	300
Nagasaki	-	-	-	-	120	120
Kumamoto	-	-	-	-	1,500	1,500
Oita	-	500	-	1,000	1,000	2,500
Miyazaki	1,933	2,188	648	3,100	2,057	9,926
Kagoshima	-	-	-	-	1,000	1,000
Total	1,933	3,488	648	4,100	5,677	15,846

RESTRICTED

(2) The officer in charge of agricultural cooperatives investigated the future outlook of fertilizer distribution in Kyushu. Discussions with prefectural government and other officials indicate that the present ratio of distributing agencies will shift from the present 88-12 percent ratio to approximately 70-30 percent respectively for agricultural cooperatives and private dealers after the Fertilizer Distributing Corporation goes into dissolution on 1 August 1950. Officials of Purchasing Federations of Agricultural Cooperative Associations state that the federations expect to take over when the prefectural and gun offices of the Fertilizer Kodan are abolished at the same ratio based on the existing registration percentages. However, information is desired as to procedures and policies regarding the future set up as preparation must be made in advance.

b. Land Reform - During May thirteen days were spent in the field to observe the progress of the land reform program in Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki and Kagoshima prefectures. Discussions and conferences were held with officials of the Kumamoto Land Office, prefectural government officials, Legal Affairs Officers of the Attorney Generals office, Finance Officers of the Finance Ministry, Bank of Japan employees, prefectural and local land commissioners and farmers to obtain their views, problems and suggestions in connection with the land reform program. During the visits, special emphasis was placed upon early completion of land registration, progress in the land consolidation program, illegal transfers of agricultural land, abandonment of land by impoverished and discouraged farmers, and completion of written rental contract agreements together with collection and payments on cultivated and uncultivated lands.

(1) Land Registration: All prefectures in Kyushu have completed the registration of agricultural lands purchased and sold up to 2 March 1950. The 2 March purchase totalled only 2,569 cho, slightly over one percent of the total agricultural land purchased. It is felt that prefectural governments will complete their phase of the agricultural land registration throughout Kyushu early in June. Although prefectural governments claimed early completion of agricultural and pasture land registrations, the chief of the Fukuoka Legal Affairs Bureau of the Attorney Generals Office who has as his area of jurisdiction the whole of Kyushu reported that as of 15 May legalized registration for Kyushu was 91 and 72 percent respectively for Agricultural land purchased and sold. The primary reasons given for the delay are (a) errors made by local land commissions and prefectural governments in the attempt to complete submission of documents (b) time required to correct documents once errors have been detected and (c) period required to transmit [illegible]-

transmit documents from the prefectural governors office to the local registration office. This section has been assured that the prefectural governments will cooperate with the registration offices and vice versa in order to complete registration legally as early as possible.

(2) Agricultural Land Consolidation: Most prefectures have selected the villages in which they will carry out consolidation during the 1950 fiscal year. The method of selecting villages for the program vary but the principle factors are common, namely: location, past history, and willingness of farmers to cooperate. Prefectural governments sponsored meetings during the month to encourage, discuss and lay plans for executing the program, this was especially noted in Fukuoka Prefecture. This section has encouraged the participation of agricultural cooperatives in disseminating information and has encouraged prefectural officials to utilize all information media in order to familiarize farmers with the basic intent of the program.

(3) Illegal Land Transfers: The Kumamoto Land Office dispatched an instruction to prefectural Governors on 12 May informing them to be watchful for illegal transfers of agricultural land. Numerous newspaper articles have been released in Kyushu stating that farmers have been giving up farming. Although the situation is not serious it may become more acute depending upon the financial status of farmers. No definite figures are available on illegal dealings, nor information whether the lands under question involve lands purchased and sold in the land reform program. Prefectural governments have not been able to obtain figures but an investigation carried out by the Kyushu National Rural Police shows that from January 1949 through March 1950 there were 266 cases apprehended in Kyushu involving 391 people. Further studies are being carried out to determine the seriousness of the problem and to take corrective action.

(4) Agricultural Lands Damaged by Coal Mine Activities: Although figures are not available as to the exact amount of agricultural land damaged through coal mine activities the matter is considered serious in Kyushu. A survey is presently being carried out to determine the seriousness of the problem. Many litigations regarding the problem have been reported and much interest is shown in the proposed amendments to the Mining Law.

(5) Flood Control and Reclamation: On 29 May the chief of the Kumamoto Land Office reported that according to a telegram

telegram received from Tokyo there is reason to believe that the Ariake Tidal Land Reclamation and the Hokuzan Dam projects in Saga prefecture may not receive Counterpart Fund assistance. Both of these projects which come under the jurisdiction of the Kumamoto Land Office are felt vital to the rehabilitation of Kyushu. The tidal land reclamation project is expected to be put into operation by farmers next spring, and financial assistance is necessary to complete the project which was started in 1933.

c. Agricultural Cooperatives - In May fifteen days were spent in the field to observe the progress of the Agricultural Cooperative Association Program in all seven prefectures in Kyushu. During the visits special emphasis was placed on finances, amalgamation of federations, reduction of operating expenses, disposition of goods on hand and the liquidation of Nogyokai. Discussions and conferences were held throughout the month with concerned prefectural government officials, officials of federations and local cooperatives, farmer members and others concerned with the program to obtain their views regarding improvements for the future.

(1) Financial Status: The financial situation did not improve during the month but action was taken to alleviate the existing situation. Based on the Ministerial instruction dispatched by the Ministry of Agriculture and Forestry, Agricultural Cooperative Management Counter Measures Councils were organized throughout Kyushu. Participants included those suggested by the Ministry, namely: Central Bank for Agriculture and Forestry branches, Federations of Agricultural Cooperatives, Bank of Japan branch officials, Finance Ministry branch officials and prefectural government officials. Conferences were held throughout Kyushu on the gun level to inform local coop officials of future plans and to obtain views and suggestions. The Counter Measures Councils are carrying out investigations to determine which local coops need financial assistance, and loans are being made to them through the Central Bank branches.

(2) Incentive Goods: Purchasing federation officials have reported that the incentive goods situation is much brighter as many local coops have returned goods to wholesalers. On the other hand many local coops have lowered the price of goods so that farmers will purchase them even though the coops must suffer a slight loss.

(3) Liquidation of Nogyokai: Great stress is being placed on completing liquidation of Nogyokai as quickly as possible. Following is the progress in the liquidation of Nogyokai as

Monthly CA Activities Report, Kyushu CA Region, APO 24-5 May 1950

Nogyokai as of 15 May:

Prefecture	Approved Number	Approved Percent	Registered Number	Registered Percent	Total
Fukuoka	313	99.4	307	97.3	314(1)
Saga	121(1)	98.3	110	90.1	122(1)
Nagasaki	159(1)	99.3	127(1)	79.3	160(1)
Kumamoto	306(1)	100	298(1)	97.3	306(1)
Oita	217(1)	100	207	94.8	217(1)
Kagoshima	116(1)	99.1	115	98.2	117(1)
Miyazaki	88(1)	100	40	45.4	88(1)

(Figures in parentheses represent Prefectural Nogyokai)

d. Farm Extension - All seven prefectures of this region were visited during the month to determine the progress of the farm extension program.

(1) Administration: Oita and Miyazaki prefectures have now chosen a separate chief for their Agricultural Improvement Sections. Formerly the head of these sections had responsibility for another section as well. This brings to five the number of prefectures in Kyushu which have considered farm extension important enough to merit a separate chief. Nagasaki and Saga have not yet followed suit. A fire on 7 May which devastated prefectural buildings in Nagasaki has delayed the fulfillment of plans in that prefecture to appoint a separate chief. Saga, while admitting the importance and desirability of setting up a separate chief has not yet done so.

(2) Budgets: Prefectures in this region that are to consider supplemental or general budgets in June 1950, are going to attempt to induce assemblies to provide for a home advisor specialist, and for more emphasis upon domestic science in education and laboratory work.

(3) Indoctrination: Civil Affairs personnel were invited to address conferences of extension agents in Kagoshima, Miyazaki and Nagasaki and spoke to both extension agents and agricultural improvement committeemen on the importance of their work. At the Kagoshima conference, Dr. Isobe, Director of the Agricultural Improvement Bureau, MAF, spoke on all aspects of their work. The extension and 4-H movie, "Green Promise" has been shown in some of the capital cities of Kyushu at a one day showing, but is not reaching the farm villages. The showing of this picture and "State Fair" in farm villages would be most helpful in advancing farm

RESTRICTED

advancing farm extension and 4-H work. At Nagasaki, at rice transplanting time, the Agricultural Improvement Section is sending a sound truck around the prefecture to offer the services of a farm and home advisor to the farmers.

(4) Breeding Farms: The Kagoshima Livestock Breeding Farm of the MAF, at Makizono-cho, Aira gun, Kagoshima, has not been turned over to the prefecture for operation as previously planned, as the prefectural assembly disapproved of the transfer on the basis that the prefecture has another livestock breeding farm in the same gun. Present plans are for the town of Makizono to take over two thirds of the land and operate it as a goat, sheep and milch cow breeding farm with prefectural help. The remaining land will be turned back to agriculture.

e. Crop Collection

(1) All prefectures in Kyushu were visited in connection with crop collection during the month of May. It was noted that those prefectures (Kagoshima and Miyazaki) which are most advanced in the harvest of wheat and barley are revising their estimates of production downward.

(2) Kagoshima is the most advanced in harvesting and threshing and has more than 75% of its crop harvested. Prefectural officials are revising their previous estimates of production from 77% down to 60%. This revision is due, prefectural officials state, to the fact that heads of grain did not fill out properly during the past thirty days. Inspection of crops in many parts of the prefecture, show many dwarfed heads and spindly plants, though it is difficult to state that such inferior growth would entirely justify the low estimates being made by prefectural officials. Farmers and experiment stations when questioned generally confirm the low estimates of prefectural officials. But the Crop Reporting Office as of 15 May estimated Kagoshima production at 80.71% of pre-planting quota. Inferior growth occurred frecuently in plots of land adjacent to plots of superior growth, and date of planting and blossoming and weather conditions attending same, may account for great variations found in contiguous plots. Downward revision of crop estimates are anticipated in other prefectures, but to a lesser extent than in Kagoshima. In Miyazaki, another southern prefecture, the crop is estimated to be off 27% from pre-planting quota by prefectural officials and experiment stations. The Crop Reporting Office as of 15 May estimated Miyazaki production at 76.10% of pre-planting

pre-planting quota. Of this decrease, roughly 7% is attributed to decrease in planting; 5% to delayed planting resulting from extremely rainy weather at normal planting time; 2.7% damage due to excessive rains in May; and 10% due to disease. Crops generally appear in better condition as one goes north in the Region. The Fukuoka Crop Reporting Office estimates production at 83% of pre-planting quota and blames exceptionally warm winter for poor growth.

Crop Reporting Office Estimates of Wheat & Barley Crop as of 15 May

Fukuoka	83.10%	of	pre-planting	quota
Saga	86.20%	"	"	"
Nagasaki	87.28	"	"	"
Kumamoto	90.89	"	"	"
Oita	88.80	"	"	"
Miyazaki	76.10	"	"	"
Kagoshima	80.71	"	"	"

2. FISHERIES:

Fifteen days were spent in the field observing the progress of fisheries cooperatives and of general fishing conditions in four prefectures; fifteen cooperatives were visited. Special emphasis was placed on alleged material shortages and exploitation of fishery resources, reported fish production, fish processing and utilization, and cooperatives.

a. Material Shortages and Exploitation of Fishery Resources

(1) Shortages: During May, surprisingly few complaints were received from fishermen concerning shortages of materials and fuel. In most instances, fishermen admitted to fairly adequate supplies of materials and fuel. While some fishermen, upon interview made the standard allegation of shortages, further questioning disclosed that somehow they always managed to secure sufficient materials and fuel to go out fishing. A few instances were cited (perhaps 3 or 4) where fishermen had to remain in port because of shortages, however, these claims could not be investigated and might be erroneous.

(2) Variations in Catch: Variations in the amount of fish catch do not appear to be closely related with variations in the allocation of supplies; rather it seems that fluctuations in fish population constitute the main reason for variations in fish catch.

(3) Exploitatation: Although interviews with fishermen bring out facts which tend to prove that particular fishery resources are being overfished, few, if any fishermen will admit to overfishing. On the contrary, such fishermen hold a childlike belief that their area can supply increased catches on a long-term basis, but they are unable to support their contention with logical, concrete reasons, plans, or proposals. Coastal fishermen did agree that their fishery resources were being overfished if consideration is to be given to poaching vessels which appear in inshore waters. Specifically, fishermen in Miyazaki and Kagoshima Prefectures have complained continuously of poaching vessels whose port of registry is in Ehime and other prefectures. Japanese prefectural officials are well aware of this poaching problem.

b. Reported Fish Production - A limited investigation of the amount of fish which is reported has been conducted in 31 fishing villages and other fishing installations. Great difficulty is experienced in securing accurate information from fishermen concerning this matter; consequently what information is received should not be considered as conclusive. Further investigation will be made in an effort to obtain better information.

(1) Percentage Eaten by Fishermen: Slightly less than 4% of the fish catch is reported as the amount of fish eaten by a fisherman's family.

(2) Percentage Distributed Directly: The percent of fish which is given away, bartered, or sold directly by the fishermen varies with individual villages. Approximately ten to fifteen percent of the fish catch falls within this category, the fishermen report: actually it is believed that this figure is too low. The Chief of the Fisheries Section of Miyazaki Prefecture stated that an increasing number of fishermen are selling their catch directly to brokers instead of through cooperative fish markets. The reason advanced for this trend is that fishermen, after finding normal sources of credit virtually closed to them, borrow money from the wholesale fish brokers. However, in borrowing from these brokers, the fishermen normally must commit their catch directly to such brokers. Further investigation will be made to determine if this condition prevails throughout Kyushu.

(3) Reported Catch: Considering the foregoing, it is believed that only 75 to 85 percent of the fish catch is reported in Kyushu.

c. Fish Processing and Utilization

(1) Small Landing Ports: Throughout Kyushu the processing and utilization of fish at small landing ports is deemed to be satisfactory. Fish are brought to market in individual fishing boats; while in the boat the fish are preserved either in sea water tanks or by ice. Remaining in the local fish market only a few hours, the fish are sold to wholesale brokers who make distribution throughout the vicinity (usually within a few miles). Because of the short time involved, spoilage is rare; damaged or mashed fish are very rarely in evidence as the relatively small amount of fish involved allows for more careful handling.

(2) Kagoshima Central Market: For the month of May one large landing port was inspected. Methods of processing and utilizing fish catch at the Kagoshima Central Market in Kagoshima City are better than those found in other large fish markets inspected to date. The percentage of fish, unloaded from boats, that is decomposed, damaged, or broken is negligible; concurrently, the amount of fish condemned by health inspectors is negligible. Of late, no claims have been forwarded from receiving agents on fish shipments. While fish often must be kept in fishing boats for several days, they are either well iced or kept in sea water tanks, and consequently arrive at the market well preserved. Occasionally, the ice melts before a boat reaches port, but the spoilage is not great. Fish are not iced while at the market for they are sold within a few hours. While being transported by trucks or motorcycles abundant ice is used, and the entire load is covered with tarpaulin; time in transit is never more than four hours. Physical characteristics of the market are good: duckboards are not used, but the cement floor is smooth and provides adequate drainage. Fish are washed in special racks with cold running water, after which they are packed in new boxes; used boxes are used only for intra-city shipments. In all instances fish are packed in boxes so that the edge of the box is higher than the top layer of fish. Manufactured ice is provided the industry by a plant immediately adjacent to the market.

(3) Conclusion - It is believed that the vast majority of offenses, which result in spoiled, damaged, or mashed fish, occur in the larger landing ports, and particularly those ports served by trawlers. In the future investigations will be concerned with this type of landing port. Tuna and bonito tend to lend themselves better to proper handling than do fish caught by trawlers.

RESTRICTED

d. Cooperatives

(1) Membership Trends - The number of members in fishing cooperatives in Kyushu tends to remain fairly static. Slight increases in membership are in evidence in some cooperatives, but such increases approximate less than 5% of the total membership as of the date of organization.

(2) Low education level among fishermen and lack of enthusiasm among coop leaders for frequent indoctrination meetings of members result in members being generally unaware of the advantages of cooperatives and even of the nature and extent of their own financial investment in them. Cooperative leaders often seem content to let private interests exploit the sale of fish, shell fish, and all by-products while they themselves sit back and clamour for subsidies from the government to keep the cooperatives going. Perhaps the great difficulty and near impossibility of getting credit to launch such enterprises accounts for this negative attitude. In both fishing and agricultural cooperatives which come under the Economics Section of Ken Governments, it is apparent that the top officials in charge are generally more eager to prevent cooperatives from encroaching upon current or former profit areas of private fishing companies than in encouraging cooperatives to compete with such private interests so that fishermen will enjoy a greater share in the profits from the fish they catch. Banks and other credit sources are also inclined to favor long established private interests whose business acumen and political prowess and connections are well established. Dividends to coop members are not being given, as yet, by any cooperative, nor do any seem likely in the near future. Even in marketing of fish, cooperative activity is often weak compared with the activities of private interests, and the auction rates charged are often the same as those charged by private companies.

(3) Cooperatives in the Ariake Bay area have been particularly hard hit by the improvement in the food situation, as the demand for dried shell fish has decreased drastically now that more varied and more desirable foods are generally available. In addition, demand by canners has been reduced due to curtailment of export market. In one instance, a large wholesaler had returned unsold goods to the cooperative which had been purchased when the price was comparatively high. When the good was returned the price had gone down considerably. A large amount of goods retained or sold by the wholesaler remained unpaid for. The head of the cooperative apparently had little idea of how to protect his

RESTRICTED

protect his cooperative against troubles of this kind. Ken officials are assisting the cooperative in collecting money owed.

(4) Every effort is being made to increase the educational effort of prefectural officials, to try to induce cooperatives to hold more indoctrination meetings, and to try to overcome the general tendency of high prefectural officials (including powerful members of Ken assemblies) and credit sources to favor private businesses over cooperatives. However, the private interests are also well organized and have political backing, and urged on by the incentive motive will try to move in on the cooperatives wherever there is real money to be made.

3. FORESTRY:

a. Forestry Association Reorganization

(1) There was general agreement in five prefectures visited that reorganization of the present forestry association into a new control and guidance association with compulsory membership and into a cooperative with purely business functions is impractical.

(2) Everyone interviewed declared that forest owners would balk at paying dues for support of a control and guidance association which promised no opportunity for profit. They agreed that either associations should be retained on a profit-making basis or that they should be abolished completely and cooperatives substituted. Officials, however, generally admit that present associations have been extremely inactive and unenthusiastic concerning enforcement of forestry management plans.

(3) Ultra-conservative opinion advocated enforcement of sound management by making membership in a single association compulsory, by giving almost police powers to the association, by allowing them to engage in business, and by liberal government subsidies for an increased number of association technicians and by institution of a loan system to aid forest owners in financial distress. Strongly organized cooperatives with similar support, it was conceded, would be equally effective, though compulsory participation in management control programs on the part of all foresters would have to be somehow provided for.

(4) These extreme views were voiced for the most part by ...

by old-line association officials. Younger and more progressive elements favored cooperatives with primarily business functions and voluntary memberships, and complete abolition of associations. If these cooperatives are to be given control functions it was agreed that they should be subsidized for employment of additional technicians.

(5) One of the most realistic appraisals of the situation was made by the Chief of the Kyushu Regional Forestry Bureau as follows:

(a) Japan's millions of farmers are subject to many controls. These controls are enforced, however, directly by the local governments or by government agencies such as the land reform commission and not through compulsory membership in a control association.

(b) It was suggested that a management or cutting control commission be established in each watershed. This commission, among other control functions, would assign cutting limits to each village in the watershed. In the village a local commission would break down the quotas to individuals.

(c) The commissions would be supported by the national government with possibly some assistance from the prefectures. Forest owners representation on the commissions would slightly out-weigh "public interest" representation.

(d) Enforcement would be the responsibility of the new management guidance agents. In heavily forested areas they would be assisted by cooperative technicians, at least a portion of whose salaries would be subsidized.

(e) Cooperatives moght be formed at village level or encompassing any area within a watershed. Cooperatives whose members owned less than a total of 1,000 chobu would be discouraged as being economically unsound.

(6) All persons interviewed agreed that landowners could not be expected to refrain from cutting immature stands during periods of financial distress unless long term low interest loans are made available to them.

b. Nursery subsidies

(1) Elimination of private nursery subsidies was deplored by forestry officials throughout the region but only Kagoshima continued its 5% contribution after the national government withdrew its support.

(2) Saga pleaded for the many small local private nurseries as against the few large national nurseries by making the following:

(a) Seedlings from local nurseries are adapted to that particular type of soil and thrive far better than seedlings brought in from nurseries where the soil type is different.

(b) Seedlings from local nurseries are dug when needed and arrive in the mountains far fresher than "imported" seedlings.

(c) Seedlings from local nurseries average 95% survival while those which have been three days in transit can be expected to do no better than 80% and the rate of growth is slower.

(d) To illustrate the drawbacks of central nurseries as compared with local ones, the foresters listed steps in the handling of seedlings as follows:

In Central Nursery	In Local Nurseries
1. Dig	1. Dig as needed
2. Heel in	
3. Pack	
4. Transport to station	
5. Load	
6. Transport by train	
7. Unload	
8. Distribute by truck or wagon	
9. Heel in until needed	
10. Carry to mountain	2. Carry to mountain
11. Plant	3. Plant

(3) Nagasaki cited this argument:

(a) The Goto Islands, which have many private nurseries, report seedling survival between 90 and 100%.

(b) Tsushima, which until recently had no nursery, . .

RESTRICTED

nursery, reported survivals at 60% on seedlings from the nearest point on the mainland and all the way down to 30% on seedlings from more distant points.

(4) Concern was frequently expressed that there will be a seedling shortage after the present fiscal year unless the subsidies are restored.

(5) The national forests at region and district level have not yet made plans to fill private demands or even to assess their probable needs.

c. Erosion Control

(1) Emphasis is still being placed on construction of river walls and dams rather than on soil stabilization in the headwater areas.

(2) The most vexing problem is the financing of work on private lands.

d. Bark Beetle Control - Fresh outbreaks of bark beetle and Matsukemushi led to investigations in thirty-two forest areas in Saga, Kagoshima, and Kumamoto prefectures. Infestations continued mainly due to poor information programs on proper control methods and the discontinuance of control work during April and May in order to compile an extensive survey for determining damaged areas.

(1) In Saga Prefecture beetle infestations continued due to numerous serious violations by sawmill and logging company owners which were accepting unpeeled infested timber which was believed by owners to be healthy but which was proven to be seriously infested by on-the-spot inspections by Civil Affairs personnel. Inspections by timber inspectors and technicians are irregular and infrequent. About 85 percent of new infestations are found within old defested areas. Forestry officials are now screening their forestry technicials and specialists to determine those qualified to remain in responsible positions.

(2) Kumamoto is suffering primarily from pine bark beetle, though scattered stands are infested with Matsukemushi (Dendrolimius spectabilis Butler) (leaf cutter). Under the direct supervision of Dr. Hidaka, entomologist of Kumamoto National Forestry Bureau, infestation by the Matsukemushi is being kept at a minimum through use of counter-bacteria solution made from dead Matsukemushi. Kumamoto's sawmill and lumber yards are the largest offenders in spreading infestations of bark

RESTRICTED

RESTRICTED

of bark beetles. Unpeeled logs are being accepted from other seriously infested prefectures. Steps have been taken to curb this practice.

(3) Within Kagoshima, infestations caused by the Matsukemushi hit a new high near Kanoya city, Kimotsuki-gun. Immediate steps were taken in control by use of counter bacteria (Okyokin), which has proven very efficient. Every effort is being made to increase education programs on beetle control within forest areas. Past information programs were inadequate and many times materials for beetle programs were disregarded and stocked in various forestry offices. A complete new system for educating forestry owners is now underway.

e. Management - Cutting areas, which for many years exceeded replanting areas, are now less than replanting areas throughout Kyushu. Kagoshima, whose preformance is now among the best, lists sawtimber cuttings and replantings in recent years as follows:

Year	Cutting	Replanting
1944	4,468 chobu	2,300 chobu
1945	6,990 "	1,368 "
1946	5,923 "	2,272 "
1947	5,812 "	3,136 "
1948	3,870 "	5,767 "
1949	3,600 "	9,800 " *

* Not yet verified.

f. Watershed Management

(1) Inspection was made of the source and upper waters of the Sendai river which floods Sendai City (Kagoshima) and adjacent areas an average of three times a year and sometimes oftener taking extremely heavy financial toll. The building of levees in upper stream areas to protect farm lands has curtailed valley storage and has only increased the amount of water rushing downstream to flood Sendai City. Water has risen as high as five feet in the center of the city. Normal flow of stream is 60-70 cubic meters per second but this is increased in flood periods to 3,200 cubic meters per second. The city itself is now spending large amounts on heightening flood levees (5 meters high, 4 kilometers long) which it is hoped will be roughly completed before the rainy season. The lower river is surrounded by masses of low natural growth typical of overcut charcoal and firewood areas held by farmers. The source of the

RESTRICTED

of the river is in Miyazaki prefecture just north of Kobayashi City. Here again the foothills surrounding the source of the river are largely covered with low growing, overcut, natural growth fuel and charcoal stands owned by farmers while the high mountain areas are national forests which have been very seriously overcut. This cutting has not been done on any sort of group selection basis, but is from summit to base and over broad areas of entire mountains. The Oyodogawa river which flows southeast to Miyazaki City, and which is the most serious source of floods in Miyazaki Prefecture, has its source in nearly the same locality as the Sendai river. The regional forestry office will be invited to accompany Civil Affairs personnel on a future inspection of the source of these two rivers. The Sendai river flows largely through volcanic ash areas, and the erosion problem is a most serious one. Miyazaki Prefecture is working hard on erosion projects in the headwaters of the Sendai river, which are also volcanic ash areas, but such areas are numerous and the eventual cost will be very great. The projects so far completed have been very well done. A dam 340 meters wide and 100 meters high at Tsuruta village on the Sendai river is being strongly urged by all parties concerned as an essential flood control, irrigation and hydro-power project.

(2) Erosion due to volcanic ash is a serious problem throughout Kagoshima. Much of Kagoshima's agriculture is on tablelands of volcanic ash, and during typhoons deep ravines are created on all sides of these tablelands, and the paddy lands below suffer seriously from the deposits of eroded ash. In one small farm village near Kagoshima City, over a hundred such erosion areas, each requiring large scale construction of many soil-retaining dams, was found. With cost of individual dams running to 40,000 to 60,000 yen, the financial, engineering and labor burden upon the prefecture can readily be seen to be tremendous. The farm population of this prefecture is extremely poor due to very small land holding (average 5 tan per family) and to the fact that lack of industry makes all people largely dependent upon agriculture.

(3) Kumamoto Land Office has asked the assistance of Civil Affairs in obtaining ¥350,000,000 from counterpart funds for building a dam, 52 meters high, on the Kasegawa river in Saga. This is the river that inundated a huge area around Saga City last year, flooding 6,000 cho of rice paddy, and completely destroying crops on 1,000 cho. The cost of the flood was tremendous to the prefecture, the cities and farm

and farm villages involved. This dam is considered the most urgent flood control construction project in Kyushu.

4. MINING:

a. Inspections - Surveillance during May covered ten days in the field visiting ten coal mines and showing the film, "Trackless Mining" in Saga and Fukuoka Prefectures. Five conferences were held with the Coal Safety Bureau and the Metal Safety Bureau.

b. Coal

(1) The estimated coal production for May was 1.85 million tons.

(2) Efficiency: Since 15 September 1949 to May 1950, efficiency per man per month in Kyushu has increased from 7.08 tons to 7.82 tons. The total number of workers in Kyushu total 231,660 in 413 mines. For March the percentage of direct workers was 74% to 26% for indirect workers as compared with 74.5% to 25.5% for April.

(3) Coal Prices: Coal prices furnished by 2 coal bureaus and 5 larger coal mining companies indicate the following:

Bituminous lump and nut coal of 6,000 calory sells at 4,544 yen per ton wholesale and retails at 5,300 yen per ton. Average price for all grades of coal at the mines is 2,900 yen per ton. Standard grade 5 (5,800 calory) sells at 2,873 yen per ton to large industries.

(4) Sub-contract Mining: The discontinuation of sub-contract mining has increased the number of mines in Kyushu from 291 to 413 mines, which increases the number of mine pits to 649. Unfortunately, the task of the Kyushu Coal Safety Bureau has, and will continue to become more difficult. With inadequate transportation to reach mines remote and often inaccessible, many of which have been mined beyond good safety limits and which have heavy inundations, the Mine Safety Bureau has 45 safety inspectors and 14 engineers of whom only 29 could be held fully responsible for signing a report at a mine upon completing a thorough mine inspection.

(5) Inspection Reports: In visits to ten mines, available information indicates that the time the written report of inspection was received by the mine from the Safety Bureau was from 3 to 30 days after inspection, the average being 15 days. In some mines a written report is never received, if the situation is not serious and does not require it. Where [illegible]

Where discrepancies are found, Japanese written reports would take one of the three following forms: a notification, reprimand, or warning (all three are three separate types of report). The majority of mines have been posting written reports received from the Bureau (on bulletin boards from one to two weeks). Some mines have never posted written safety reports but referred them only to the responsible persons concerned. There is no provision in the present Mine Safety Code which allows safety inspectors to enforce mines to post a written report on a bulletin board. The Kyushu Safety Bureau believes the Mine Law should be altered to allow them to enforce mines to publish findings.

(6) Safety Committees: Nine coal mine safety committees visited indicated enthusiasum for their programs and will emphasize safety in transportation at their mines during the month of June. Most members of the Ogi Safety Committee stated that they wish their committee members would be a little more active. Most safety committee meetings have been discussing the Mine Safety Law, mine regulations and exemptions. But now that this is completed, they intend to spend all their time on more objective safety programs. Consequently, it will be easier to more accurately judge safety committee activities during the coming months.

(7) Befu and Ogi Mines: These two mines, owned by Mr. Yamaguchi of Saga ken, illustrate a high and low in coal efficiency index. Production at Ogi Coal Mine is 5 tons per man per month compared with 18 tons per man at Befu. Workable coal in this area is estimated at 70% of coal reserves of 600 million tons. For many years prior to the war, authorities stated coal could not be mined in that area due to excessive water conditions. The Ogi Mine which has a present production of 13,000 MT intends to increase its tonnage to 20,000 MT by the end of 1950. Until 1951, Befu intends to keep production at 12,000 MT, for economic reasons. Mr. Yamaguchi has stated and has written in the Kyushu Coal Mine Association Magazine that as a result of years of research, he has discovered a new process of avoiding water in coal mining which he believes will revolutionize coal mining in Japan.

(8) "Trackless Mining": From May 15 to May 25, the film entitled, "Trackless Mining" has been shown to a cross section of representatives of 17 designated mines in 9 separate areas in both Fukuoka and Saga Prefectures. Japanese mining people were greatly impressed by American methods in mine operations, especially in mechanization and in safety

in safety techniques. The Mining Section in Civil Affairs will complete the showing of the film in Nagasaki during the second week in June.

(9) Safety Inspectors: (Coal Safety Bureau) During May, 37 inspectors inspected 107 mines, spending 180 days in the field. There was a special group of 15 inspectors who spent 68 days in the field to prevent transportation accidents.

5. PRICE AND DISTRIBUTION:

a. (1) During May, two (2) Regional EIA Council Meetings, one (1) Regional and seven (7) prefectural EIA Committee conferences were attended by members of this headquarters.

(2) Twenty four (24) man days were spent in the field and special meetings were held in twenty four (24) cities throughout Kyushu Region, with emphasis on staple food and restaurant controls.

(3) The Regional EIA has completed eight (8) administrative inspections and three (3) investigations; while two (2) administrative inspections and four (4) investigations are being continued into next month.

(a) The eight (8) administrative inspections completed are: (1-4) Four investigations on staple foods and sugar, (5) fertilizer distribution, (6) an inventory of Mineral Industry Trade Kodan, (7) the shipping status of iron and steel products, (8) an inventory of an industrial Rehabilitation Kodan.

(b) The three (3) investigations completed were on; (1) fats and oils, (2) petroleum, and (3) a special investigation on fertilizer distribution.

(c) The two (2) administrative inspections continued into next month are on; (1) electric power, (2) inventory of incentive goods; the four (4) investigations continued into next month are on; (1) the illegal distribution of staple foods, (2) restaurant and hotel businesses, (3) investigation of subsidy to manufacturers of caustic soda, and (4) investigation of subsidy to manufacturers of fishing materials.

(d) The results of the above inspections and investigations are presently being compiled and prepared for forwarding.

(4) Prefectural EIA Teams have been in the field continuing their inspections of food kodans, warehouses, flour mills and rice mills, also fats and oils and petroleum stocks. Advance partial reports indicate that this work has been most beneficial in many ways. A detailed report is being made by each prefecture EIA to the Region EIA with copies to Civil Affairs.

b. General:

(1) A general lack of enthusiasm for Economic Controls has existed for past sixty (60) days. However, the government has decided upon a definite policy to continue EIA as a bureau with the same authority and same functions, and the Restaurant Control Law, with certain modifications has been extended. All agencies concerned are renewing their efforts of enforcement of controls on staple foods and restaurant control, with particular attention to meal coupons.

(2) The tendency of the general public had been to accept illegal rice and wheat wilfully, under the pretense that it was now lawful to do so.

(3) The general cost of living is lower and the standard of living is improving among salaried people who have not lost their jobs or suffered pay reductions. This is due to lower prices and increased rations. Personal expenses are on the decrease. In industrial areas the growing population, coupled with the streamlining of industry and decreasing the number of government employees, has resulted in growing number of jobless.

(4) The public appears to be satisfied with their food ration quantities, and many refuse to take their allocation of food stuffs, other than rice. No complaints have been received.

(5) There appears to be a shortage of cash especially among rural people.

(6) Recent investigations by Economic Investigation Agency reveal that the Food Kodans are in an embarrassing position financially. They have millions of yen on outstanding accounts, of which a large part is uncollectable. This is a direct violation of Japanese law and is being referred to the Central Government by Regional Economic Investigation Agency.

(7) More and more comments are being made by the general public on the amount of money being retained by the Kodans due to difference between the buying and selling prices. They claim this is an exorbitant amount which is not necessary to carry out Kodan functions and only increases the prices to the consumer.

c. Restaurant Control:

(1) Open violations are apparent everywhere.

(2) Meal coupons are available from several sources at five (5) yen per coupon. Some counterfeit coupons have been discovered. Hotel owners of neighboring cities are exchanging coupons.

(3) Four (4) persons were arrested in Sendai for selling counterfeit meal coupons and served thirty (30) days in jail.

(4) Extension of the Restaurant Control Law, with certain staple foods being allocated, is beginning to have a desirable effect on both the enforcing agencies and the operators.

(5) Municipal and National Rural Police appear more enthusiastic toward enforcing restaurant control and it is felt that this situation will improve.

(6) There were four (4) public hearings held covering fifty (50) cases.

d. Incentive Goods:

(1) Large stocks exist everywhere.

(2) Ken and EIA officials indicated that 80% of this merchandise would be purchased if price was reduced 20% generally, and up to 50% on some items. The other 20% is unsalable in rural areas.

(3) As an example: In Kumamoto Prefecture, there are four hundred and twenty (420) cooperatives with 50,000,000 yen of merchandise, including eight hundred (800) bicycles. However, majority of their merchandise is textiles.

(4) EIA reports that plans are presently under way by prefectural governments and Central Government to correct this situation.

e. Control Associations - Competent personnel has been recently assigned to this section by the prefectural government and indications are that this matter will progress satisfactory. All prefectures have received the latest instructions, they are understood and will be complied with.

f. Fish Distribution:

(1) Supply plentiful.

(2) Distribution satisfactory.

(3) Price somewhat lower.

(4) Producers complaining about decreasing price with increasing cost of materials of supply.

g. Construction Control:

(1) No violations reported.

(2) Housing shortage is from 10 to 30% in various cities.

(3) Various cities are building from 10 to 50 houses each year and the Ken, 10 houses for repatriates.

(4) Lumber is very cheap but labor very high.

(5) Considerable building is apparent in most cities.

h. EIA Reorganization:

(1) To be reduced 30% from present T/O. Agencies will lose about seven (7) from their present strength.

(2) The chiefs feel they can do the job with less personnel since the scope of their activities has been decreased.

i. The greatest obstacle in the entire economic control policy is the time lag at the public procurators' offices.

j. It is felt that repeated personnel contact with the EIA, prefecture officials, municipal and national rural police, mayors, etc. is important, in that it continuously encourages them and stimulates enthusiasm.

6. INDUSTRY:

a. Field Trips - Manufacturing and Industry Section personnel visited Saga, Nagasaki, Kumamoto, Oita and Fukuoka Prefectures, interviewed and conferred with appropriate officials and inspected plants and projects during the month of May, for a total of twenty two (22) man days.

b. Production:

(1) Information obtained from conferences, interviews and field trips indicate improved domestic and export sales are reducing stockpiles in steel, coal, textiles and chemicals except cement. Cement stockpiles are expected to diminish from July, when counterpart fund public work projects are launched throughout Japan. Situation of small and medium industries is at most critical point but it is hoped improved situation of large industries and public works spending will soon react to benefit of small enterprizers. A general improvement in business conditions is anticipated, therefore, after July.

(2) Investigations by this headquarters of alleged patent infringement by West Japan Heavy Industries, Nagasaki Precision Machine Works of "Ductile Cast Iron" (patent held by International Nickel Co., USA) disclosed initial experiments were made as early as 9 September 1949. Test and chemical analysis on "Ductile Cast Iron" (known as "Nodular Cast Iron" in Japan) were conducted during the period 26 January through 8 May 1950, with highly satisfactory results. Actual production is approximately two (2) tons consisting primarily of replacement parts for LST ships and US Army equipment released to Japanese Government. Management states present patent policy is that foreign patents are not recognized by the Japanese Government, until patent is filed, therefore, it does not consider manufacture of products under the "Ductile Cast Iron" as a patent infringement.

c. Restricted Industry:

(1) Explosives: Production is progressing as scheduled. A total of 2,559 kilometer of fuses, 5,687,793 pieces of detonators and percussion caps and 330,569 kilograms of dynamite was produced. No unauthorized operations were noted. All plants have been inspected during this quarter.

(2) Fertilizer: A new post-war high in ammonium sulphate production was recorded at both Toyo High Pressure, Omuta, and Mitsubishi Chemical Co., Kurosaki, with 13,809 tons and 7,257 respectively, for the month of April, a 4,934 ton increase over previous month. All plants visited expressed concerned over proposed disolution of the Fertilizer Kodan and decontrol of fertilizer since it would increase stockpiles, and increase losses and operating expenses. Mitsubishi Chemical Co., Kurosaki, claims that due to the reduction of government prices of ammonium sulphate to ¥19,500 per ton on top of already increased coal and power costs (48% of production cost per ton) an approximate loss of ¥500-700

¥500-700 per ton is anticipated. The primary limiting factor in production is the shortage of pyrite ore and until such time as sufficient amounts are available, there can be no appreciable increase in over-all production. All plants have been inspected during this quarter.

(3) Shipbuilding: Twenty four (24) wooden and five (5) steel shipyards were inspected during the month. Of the twenty four (24) wooden shipyards inspected only eleven (11) were operating. All constructions were authorized and were under one hundred (100) gross tons. No unauthorized constructions of steel vessels were recorded except at the Sasebo Shipbuilding Company.

(4) Reparations: Twenty six (26) reparations installations were inspected. Some discrepancies were recorded.

(a) 15,200 yen worth of electrical equipment was stolen from a floating crane 27-3-11000 at Sasebo Naval Arsenal. The police have recovered part of the equipment.

(b) All accessories were stolen from the Omura Naval Air Base Oil Storage Facility (27-20). The only equipment remaining at this oil storage facility are eleven (11) stripped tanks. The police have apprehended two (2) of the thieves, but no equipment was recovered.

(c) Three hundred and fifty (350) chobu of land still remains unreleased at Twenty Second Naval Air Depot, Kanoya. Only two (2) buildings are required for custody of reparations equipment. The remaining land and buildings are being held by the Fifth Air Force for possible future use. No one has occupied this field in over two (2) years. Of the three hundred and fifty (350) chobu of land unreleased, one hundred (100) chobu is rice paddy land. All attempts by the Japanese and Civil Affairs Teams to effect release have been rejected.

(d) Seventeen (17) machines belonging to the Sasebo Naval Arsenal were newly discovered in a warehouse owned by the Sasebo Food Stuffs Industry Company. These items were not evaluated and were not previously reported to the authorities as belonging to the Sasebo Naval Arsenal. These items have been consolidated to the Sasebo Naval Arsenal and assigned Code Numbers.

(e) An explosion occurred at the Vinyl Chloride Process of the Synthetic Rubber Plant (07-49) on the 12 May

RESTRICTED

12 May 1950. Damage amounting to ¥300,000 resulted; no reparations equipment was damaged.

(f) Report of deficiencies corrected on Mr. K. W. Omura's and Mr. G. T. Yamada's inspection reports; (1) all land, buildings and equipment at Plant 27-01 has been released. The twenty five (25) guards have been eliminated from reparations payroll, but are now being paid by the Ministry of Finance under a general budget. (b) Forty-three (43) items were consolidated from Hiu, Sakibe and Hyakkenbana to Haiki. The fifteen (15) guards will be eliminated by 15 June 1950. The guards from the Oil Storage Facility (27-18) can easily patrol the twenty.(20) over-head travelling cranes, jib cranes and R. R. trackage. These items were not consolidated to Haiki because movement involves technical dismantling resulting in costs which would be higher than the value of the equipment. All land and buildings have been released. Applications are being submitted requesting authorized use for fifteen (15) of the twenty (20) serviceable items remaining in the dispersal areas. Although on paper the guards will be eliminated by 15 June 1950, the actual situation is that ten (10) additional guards will be paid by the Ministry of Finance under a general budget.

Equipment Consolidated to Haiki: 27-02		Scrap Items Remaining at Dispersal Areas		Serviceable Equipment Impracticable to Move Remaining at the Dispersal Areas
HIU AREA:				
27-02-836	27-02-853	27-02-843	27-02-1911	27-02-855
" 841	" 854	" 844	" 1912	" 1004
" 1913	" 856	" 846	" 1914	
" 1922	" 1897	" 835	" 1916	
" 1923	" 1935	" 1898	" 1918	
" 1932	" 1936	" 1896	" 1919	
" 852	" 1937	" 1900	" 1920	
" 1931	" 1938	" 1901	" 1921	
		" 1902	" 1924	
		" 1903	" 1925	
		" 1904	" 1926	
		" 1905	" 1927	
		" 1906	" 1928	
		" 1907	" 1929	
		" 1908	" 1930	
		" 1909	" 1933	
		" 1910	" 1934	
		" 847		

RESTRICTED

Equipment Consolidated to Haiki: 27-02	Scrap Items Remaining at Dispersal Areas	Serviceable Equipment Impracticable to Move Remaining at the Dispersal Areas

SAKIBE AREA:

27-02-874	27-02-1972	27-02-1951	27-02-1976	27-02-873	27-02-1961
" 875	" 1980	" 1952	" 1977	" 878	" 1970
" 876	" 1981	" 1973	" 1978	" 882	" 1971
" 877	" 1982	" 1974	" 1979	" 883	
" 879	" 1983	" 1975	" 1985	" 884	
" 880	" 1990			" 885	
" 998	" 1991			" 1917	
" 1001	" 1992			" 1950	
" 1002	" 1993				
" 1003	" 1956				
" 1954	" 881				

HYAKKENBANA AREA:

27-02-1942	27-02-858	27-02-1940
" 1943	" 860	" 1941
" 1995	" 857	" 1994
" 1996	" 1939	" 1997
" 859		

HIROHATA AREA:

27-02-866	27-02-1989
" 1944	
" 1945	
" 1946	
" 1947	
" 1953	

(c) six (6) items 27-02-837, 838, 839, 840, 1007, 1008, dispersed to the Shimachi Warehouse, Sasebo-city, were consolidated into the Sasebo Naval Arsenal. (d) All allocated funds for 27-09 will be eliminated by the 30 May 1950. (e) Plant 39-07 has been consolidated to 07-08. (f) The number of guards at 07-08 will be reduced to fourteen (14) by 1 June 1950. (g) On paper all guards will be eliminated at plants 27-03, 27-20, 27-21, by the first of June 1950. But here again, ten (10) guards will be hired for the Sasebo Naval Arsenal by the Ministry of Finance under the general budget. (h) The following private plants were not consolidated. Reference is made to CAS, GHQ, SCAP letter 387.6, subject: "Maintenance, Centralization of Machines and Repair of Buildings in

RESTRICTED

in Reparations Plants", dated 6 March 1950.
In compliance with above reference, plant to plant consolidation will be effected only between government owned arsenals and laboratories, provided that consolidation will result in overall reduction in custody costs.

Dispersal Area		Main Plant
Karatsu Area (07-08)	to	Chikushi Kogyo (07-08)
Itoshima Plant (07-27)	to	Zasshonokuma Plant (07-25)
Sumiyoshi Plant (07-25)	to	" " "
Noma Plant (07-25)	to	" " "
Nogata Plant (07-25)	to	" " "
Hie Plant (07-09)	to	Mitsubishi Jukogyo (07-29)

(i) All buildings were repaired at 07-10. At present no funds are available to consolidate all machines into eight (8) buildings. Consolidations would be expensive in that all equipment is imbedded in concrete. (j) Kasuga Plant of 07-12 was consolidated in the following manner and the guards have been released.

Equipment Consolidated to Kokura Military Arsenal 07-13	Scrap Items Remaining at Kasuga	Serviceable Equipment Placed in Auth. Use to Itazuke A. F. B.
39 items	128	7 items

In many cases where surplus guards were eliminated from reparations budget, the Finance Ministry had only transferred the expenses to another government agency and in most cases approximately the same amount of guards still remain in the area. With the above attitude and practices, there is actually little or no decrease in government expenditures when expenditures are transfered from one agency of the government to another.

d. Construction:

(1) Roads: (a) Intermittent requests are received from Headquarters Eighth Fighter Bomber Wing, Itazuke Air Force Base, for this headquarters to exert pressure on Japanese authorities to effect repairs to roads leading to Aircraft Control and Warning Installations in Nagasaki, Kagoshima and Fukuoka prefectures. Investigation disclosed special allocations by the Central Government approved on 5 May 1950, of ¥3,240,000 for maintenance of Seburi Yama Road, Fukuoka area and ¥1,500,000 for maintenance on Nomazaki Road, Nagasaki.

RESTRICTED

Road, Nagasaki. Pending receipt of funds, available about 15 July, subject roads will be maintained from available prefectural funds. (b) Lack of essential equipment in Kumamoto and Oita prefectures is contributing factor to existing poor gravel road grading conditions. A total of 14 million yen worth of equipment is planned for 1950, by Kumamoto Ken including proposed purchased of 3-motor graders, 5-portable crushers and 1-diesel shovel which will increase present grading capacity by 15%. Oita Ken anticipates purchase of 6 million yen worth of equipment. (c) Posting of road signs in Kyushu is progressing very slowly.

(2) Public Works:

Pending receipt of budget for JFY 1950, majority of projects have been suspended, however, essential individual projects continue to progress on strength of project approval by Central Government. The cited multiple purpose Ono River Project, Oita Prefecture, to control floods, generate power and supply irrigation water is 60% completed. Upon realization approximately 2,000 cho of land will be irrigated to add an estimated increase of 35,000 koku in rice production annually and a generating plant of 10,000 KW capacity. 1,760 workers are employed utilizing approximately 3,200 HP of equipment.

e. Electric Power:

(1) Continued dry weather placed an unexpected load on Kyushu's thermal generating plants during the latter part of the month. This situation will continue to exist until the beginning of the rainy season about 15 June. With a demand of about 550,000 KW and a generation of 524,900 KW including 16,000 KW from the Chugoku district on Honshu, the International Trade and Industry Bureau has taken the following measures to meet the emergency.

(a) Attempt to obtain total of 35,000 KW from Chugoku district.

(b) Increase generation in private plants.

(c) Obtain maximum generation from public power plants.

(d) Home conservation of electric power.

(e) Conservation of power in industrial facilities especially during peak hours from 0900-1200 and 2000-2200.

7. LABOR:

Field trips by Labor Division staff were made to all prefectures on Kyushu for a total of 18 days. During these trips conferences were held with Labor Policy, Labor Standards, Labor Relations, PESO officers, management and labor unions.

a. Labor Relations

(1) Labor Contracts: In most of the major industries, the union contract has expired and both management and labor seem reluctant to carry on further negotiations. The conclusion of new contracts is deadlocked over the following two issues. The unions are demanding: (1) the right of consultation in the transferring and dismissal of union workers; and (2) to have a voice in the operation of the industry in which they are employed. This section has been advising the unions to conclude union contracts as soon as possible. The unions realize that they are at a disadvantage without a contract but wish to further study the various problems involved. Labor Policy Section reports that many of the small workshops which have less than 50 employees are utilizing the "Rule of Employment" as outlined in the Labor Standard's Law as a expedient for a labor union contract.

(2) Labor Trends: In many instances, throughout Kyushu, employers are hiring workers on a temporary daily basis. Some of these temporary workers have been employed on the same job for over two to three years. The obvious reasons for increasing temporary laborers over permanent employees are that:

(a) The employers do not have to pay the huge retirement allowance when workers are discharged.

(b) The employers do not have to comply as strictly as the Labor Standards Law stipulates.

(c) The permanent employee's union refuses to allow temporary workers to join their union.

(d) Some employers are using the temporary laborers as a "club" over the permanent employees; in case there are any disputes, they can utilize the temporary laborers.

(3) Chemical Unions: It appears that the recent conferences held by this section with the chemical unions, to urge them to unify, have had some results. The second preparatory

second preparatory meeting was held this month and a third will be held early in June. The Mikiyama Chemical, Futajima Plate Glass and Yoshitomi Pharmaceutical Co. Workers' Union participated in the second preparatory meeting. The Nippon Nitrogen Fertilizer Co. Labor Union, located at Minamata, Kumamoto Prefecture, did not participate due to insufficient time to prepare for the meeting. All Kyushu Chemical Industry Workers' Union (K.C.I.W.U.) is interested in the unification plan. Those in the unification movement are desirous of forming a council similar to, but separate from, the K.C.I.W.U., but they have not yet indicated a desire to join the General Council of Trade Union (Sohyogikai). The Nippon Rubber Company Workers' Union, Miike Dyestuff, Toyo High Pressure, Miike Synthetic Chemical, and Electric Chemical Co. Workers' Union are reported to be taking a leading part in the unification movement. With major chemical unions participating in an overall unification program, significant results can be expected at the third meeting scheduled for early June.

(4) TANRO: Seika Coal Mine Unions went out for an indefinite strike starting 0600, 24 May, after the decision made at the conference of the Big Five Mines Joint Struggle Committee. Workers involved are about 5,200 from four mines in Kyushu where 1,800 tons of coal is produced daily. On 23 May, Mr. Eguchi, chairman of the Fukuoka TANRO chapter, came to this headquarters to report that TANRO was not consulted before the strike decision was made and that the decision was called to his attention only a few days previous. At the time of his visit, Mr. Eguchi was confident that the strike would be postponed.
The 150,000 union workers from the 5 largest mines in Japan have contributed ¥200 per worker to the strike fund. An attempt has been made to collect an additional ¥300 per worker, but so far it has been unsuccessful.

(5) Matsuura Coal Mine: No. 1 union (868 members) of Matsuura Coal Mine staged a 48 hours strike from 0600, 23 May and later changed it to an indefinite period. No. 2 union (780 members) and the staff union, however, worked and produced more coal than the average daily production. As a result, the strike was ineffective and was called off on 29 May.

(6) NIKKO: The negotiation for wages after 1 April started on 15 May between Kyushu Mining Federation and NIKKO in Kyushu. A message was delivered by the KCAR Labor Officer who encouraged both sides to conduct a peaceful and sincere negotiation. When the negotiations later became deadlocked, the

RESTRICTED

the Labor Officer suggested forming a smaller committee to settle the deadlock instead of the 15-and-15 representatives usually appointed.
NIKKO officials predicted that the Seika Coal Mine's strike would have no effect on their negotiations.

b. Labor Education

(1) During the past months, the assistant Labor Officer, who is devoting most of his time in developing a Labor Education program, visited all prefectures on Kyushu. In almost every prefecture visited, it was observed that there is little effort being made in developing and encouraging educational programs within the unions. Most of the so called "educational directors" are men with little initiative and lack the necessary training with which to carry out an effective program. To remedy the situation, the assistant Labor Officer proposes to conduct an Educational Director's Training Course in each prefecture for a period of two weeks. Qualified teachers and specialists from both the Labor and Education sections in each prefecture will supervise and teach the courses that will be offered. Emphasis will be placed upon the need of reaching the intelligence of the average rank and file members; to encourage the rank and file members to state their demands for the type of educational programs they wish to have in their unions. In the past too much emphasis has been placed upon the "cut and dried" pompous type of lecture meetings with the lecturer talking in a manner that only a university graduate could understand. The lack of any real planning and organization characterize the over-all picture of Labor Education in all prefectures visited.

(2) In each prefecture visited the assistant Labor Officer conferred with the Governor, Labor and Economic personnel, and members from the Education Secretariate. It was unanimously agreed that steps should be taken to introduce into the curriculum of the lower and upper secondary schools (junior and senior high schools) as well as the vocational schools, courses that concern the problem of labor and management. At the present time most of the graduates from the secondary schools have little or no technical background dealing with labor unions, labor problems and management. Under the guidance of the Labor Section and the Education Section of KCAR, the Nagasaki Educational Research Institute is making a detailed study and survey to prepare material and experimental texts to be used in some of the "try-out" schools in Nagasaki and Kagoshima prefectures. It is hoped that the

RESTRICTED

that the material will be ready by September in time for the fall term. A detailed report will be submitted in subsequent monthly reports on this particular project.

c. Labor Standards - In several of the prefectures visited the Labor Standards Bureau has discussed with representatives from the section the problem of workers obtaining unpaid wages from employers, who have liquidated their holdings and property and have left the area. The cases have been turned over to the procurator months ago, but the police have been unsuccessful in arresting the delinquent employers. The LSB officials say that the police are reluctant in continuing their search for the violators since it involves a certain amount of funds. This section is still investigating the problem.

d. Public Employment Security Office

(1) In Fukuoka Prefecture demonstrations and disturbances by unemployed have been quieted, and work morale has noticeably improved as a result of screening of all job applicants and removal from unemployment rolls of those not qualified for relief jobs under present regulations. The results of such screening are indicated in chart below; it is noteworthy that most of the agitators were young communists without families who could not qualify for jobs. The removal of the unqualified has increased the working days of the qualified workers and improved the work discipline of all those being given jobs. It is hoped that other prefectures will follow suit in screening job applicants for qualifications as it is believed that at the present time, a good 30 or 40% cannot qualify for such job relief.

City	No. Previously Hired	No. Found not Qualified	No. Remaining on Job List
Fukuoka	4,700	1,500	3,200
Omuta	1,844	835*	1,009
Moji	1,012	168	844
Yawata	1,605	951*	654

* include a total of 934 who did not appear for jobs after qualification check was announced.

(2) Some workers ruled to be disqualified have, under communist instigation requested reinvestigation. New instructions from the Central Government concerning discharge of workers who exceed a certain number of absences on days during which they are assigned to jobs, are now being enforced in Fukuoka Prefecture.

RESTRICTED

e. Summary of Communistic Activities

(1) Oita

(a) Since Densan, National Railway Union and Japan Express Labor Union withdrew from the C.I.O. dominated Oita Prefectural All Labor Union Council (Oita-ken Zen Rodo-Kumiai Kaigi) in May 1949 and formed the Oita Prefectural Labor Union Liaison Council (Oita-ken Rodo Kumiai Renraku Kyogikai) in December of 1949, the Sohyogika, Shin-Sanbetsu and Mindo group have become the predominant influence in the labor movement in Oita Prefecture with the result of greatly reducing Communist influence.

(b) As a result of the withdrawal of large scale labor unions from the Oita Prefectural All Labor Union Council, the Communists' leaders remaining in this council have been directing their efforts toward the Anti-taxation Campaign and agitating the daily workers.

(c) The Communists' influence is still felt in the Saganoseki Smelter Plant, and the Nisshin Chemical labor unions. The Mindo (Democratic League) has a predominant influence in Densan, National Railways and Japan Express Unions.

(d) The budget for the unemployment counter-measure project only permits employment once in every four days. Oita Ken officials request an increase in this budget.

(2) Miyazaki

(a) The Asahi Chemical Labor Union which was once under a strong communistic influence is now under the predominant influence of "Mindo". Japan Pulp Labor Union (900) has two Communists on the executive committee; Densan (1931) has one Communist on the executive committee. Japan Express has two on its executive committee. The Communists are now directing their efforts toward farmers, forestry workers and daily workers.

(b) The Miyazaki Ken Labor Union Council held their election on 5 March and as a result completely shut out the Communists on the executive committee and won a complete victory for "Mindo". Two Communists occupying positions in the secretariate of the Council were dismissed.

RESTRICTED

(c) The Miyazaki City Area Labor Union Council is still under the influence of the Communists. The Ken Labor Union Council is studying this situation.

(d) An average of two out of three days' work is being provided workers under the Unemployment Counter-Measure Law.

(3) Kagoshima: The withdrawal of Densan National Railways and Japan Express Labor Unions from the Kagoshima Ken Labor Union Council has left the Communists with diminishing influence in Kagoshima Prefecture. Many neutral unions are preparing to join the Mindo group. Densan has no Communists as union officials.

(4) Kumamoto: Thirty-three labor unions including Densan, National Railways, Japan Express, and Street Railways are now preparing to establish the Kumamoto Ken Chapter of the Japan Labor Union General Council (Sohyogikai), a moderate union Federation. The "Mindo" groups are the dominating influence in Kumamoto Prefecture.
The Kyushu Labor Officer suggested to all ken officials dealing with labor that they take a strong attitude in dealing with Communists guilty of intimidating PESO and other government officials, and that ken officials should insist upon orderly conduct by a person or group dealing with government and management officials.