(1) on'd. on a contract basis. Added efficiency in the use of personnel has been and will continue to be obtained by expanding service without corresponding increases in personnel. That this plan is feasible and practicable is indicated by the fact that telephones in service have been increased by about 65% since 1945 with about a 25% increase in personnel. Concurrently an extensive rehabilitation program has and is being carried out and contract work performed by outside agencies, which previously amounted to well over half of the annual construction progress, has been reduced about 60%. In general there is sufficient work to be done to keep the present personnel gainfully employed. Considering the present state of the system and the ability of individual workers, CCS has been moderately successful in obtaining results desired by following the plan outlined above. The reorganization which becomes effective 1 April 1949 will permit this program to be accelerated.

8. Based on the above it is recommended that:

a. GHQ, SCAP through staff advice sponsor the investment by the Japanese Government of approximately 37.5 billion yen in the expansion of the telecommunications system during the 1949-1950 fiscal year. Further, that a sound financial program including proper consideration of rates be developed for continuing proper expansion of telecommunications in Japan.

b. The number of personnel now employed by the telecommunications system be retained.

c. If these recommendations cannot be implemented through advice and informal action, a SCAPIN be issued directing that actions outlined above be carried out.

d. CCS be consulted or called upon for advice before any final action is taken in connection with any of the matters discussed above.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Communications Section

18 February 1949

SUBJECT: Action Recommended to Meet Minimum Japanese Telecommunications Requirements

MEMORANDUM FOR: Record

The Problem

1. The Japanese telecommunications system which is owned and operated by the government is inadequate to support an industrial rehabilitation program necessary to meet the occupation objectives for obtaining a self sustaining Japanese economy. This inadequacy may seriously hamper the achievement of certain of the objectives stated in the Supreme Commander's letter to the Prime Minister, dated 19 December 1948, which requests the united efforts of all Japanese to eliminate certain factors which have retarded the progress of rehabilitation and recovery since the end of the war. Pursuant to past Japanese government policy, there is no indication that this matter will be given proper consideration in future budgets, although the situation has been repeatedly brought to the attention of the cabinet and Ministry of Finance by the Ministry of Communications when presenting budget requirements.

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Facts Bearing on the Problem

2. Basic facts regarding the inadequacy of telecommunications service follow:

a. Measured by any modern industrial standard, at no time in the past has Japan had sufficient communications to sustain a highly industrialised economy. However, previous to and during the war, due to concentration of industrial control and to low production costs based on inadequately paid labor, the lack of such service was not too serious. (It is the opinion of many Japanese that the lack of communications was an important factor in the complete and rapid disintegration of war effort that followed the first of the heavy allied bombings of industrial centers).

b. The deconcentration of industrial control and the demand of labor for a fair share of the national production has resulted in a situation which requires that sufficient means of communication be provided to permit coordination of individual industrial effort, increase the efficiency of productive elements, and assure proper and prompt distribution of raw materials and finished products. This is necessary in order that funds and materials, including those furnished by the United States, may be used to obtain the maximum production of goods necessary for domestic consumption and export.

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c. Because of past conditions, neither the Japanese Government nor the Japanese public has developed an appreciation for the necessity of communications in a modern industrial nation. Hence, there is no incentive to take any action regarding the present unsatisfactory national system.

d. Losses during the last months of the war resulted in the destruction of over 50% of the telephones in service in Japan at that time. This left approximately 793,000 telephones in service which number has been increased to approximately 1,300,000 during the past three years. Telephone engineers of CCS, after a detailed and exhaustive study of the matter, believe that 3,000,000 to 3,500,000 telephones are needed to properly sustain the present industrial effort. This requirement will increase to possibly 5,000,000 within the next two or three years. The present objective is to obtain economic self sufficiency as rapidly and economically as possible. Sufficient communications should be provided to support efforts toward this end. Consequently, the amount of service available before the war should have little or no bearing on the matter.

e. The telephone system of Japan has never been developed as a true public utility. Through a system of excessive installation fees, disposal of service through brokerage channels rather than direct sale, and other similar actions, service has been made available to a relatively small group of large industrial concerns and wealthy private citizens. Based upon the Supreme Commander's letter to the Prime Minister, dated 22 July 1948, a law providing for the reorganization of the telecommunications system has been passed and will become effective 1 April 1949. Actions taken to eliminate the control of service through excessive fees and brokers, to obtain amalgamation of privately owned and maintained systems into the national system, and to establish a business type accounting system and other moves of a similar nature together with this law have paved the way for establishing a Japanese telecommunications system intended to meet present and future requirements. However, this objective cannot be accomplished unless proper consideration is given to the adequate financial support of the system.

f. In terms of capital investment the Japanese telecommunications system has many advantages to offer, even during this period when efforts are being made to curb government expenditures as a measure against inflation. Funds required for an adequate expansion program would amount only to about 5% to 7% of the total budget. Gross return would amount to approximately 25% of the capital investment per year. Relatively small amounts of critical raw materials are required. Installations can be placed throughout the whole country and begin to produce revenue as soon as installed without awaiting the completion of an overall construction program. These and other considerations would seem to warrant the necessary expenditures.

g. Present plans of the Japanese Government are to reduce personnel in an effort to reduce expenses. Any large decrease in Ministry of Communications personnel would affect adversely the already inadequate

service and result in less revenue. On the other hand the desired expansion of the system can be accomplished without a corresponding increase in personnel, and this will result in additionalnet revenues, thus accomplishing the same end with respect to economy in government expenditures.

h. The rehabilitation of the Japanese Telecommunications system has reached the point where it should be considered on a business enterprise basis. As a matter of sound business,/the telecommunications system should be given adequate financial support, due to its importance in the economic welfare of the nation and the income possibilities.

Discussion

3. The discussion of this problem will be divided into four categories as follows:

a. Requirements

b. Financial Factors

c. Rates

d. Personnel

4. Requirements

a. Due to the fact that the Ministry of Communications has never developed systematic service forecasting methods, CCS has approached the problem of determining Japanese Communications requirements cautiously. The estimate of 3,000,000 as the present requirement and the estimated increase to 5,000,000 is considered conservative. For instance, little information is available regarding communications requirements for home and small shop industries which play an important role in the Japanese economic picture. This factor, therefore was deliberately underestimated pending the establishment of a commercial engineering group within the new Ministry of Telecommunications which will thoroughly explore this particular field. Another source of demand that has been almost completely ignored, is the expansion of residential service which in Japan amounts to only about 8% of the total service available as compared to the approximately 60% development of residential telephone service in the United States. It is recognized that the development of residential service is desirable from the social and democratization standpoint. However, these factors at present are too intangible to permit evaluation of sufficient accuracy to be included in this initial declaration of necessity.

b. Practically all telephones added since the end of the war have been for restoral of service which was destroyed during the war and there are still approximately 300,000 outstanding claims for service restoral. The annual rate of installation has been 170,000 telephones per year since

January 1946 and during this period the provision of communications services has constantly lagged industrial rehabilitation. The extent to which this is true is indicated by the fact that a "telephone right" (which is the right for service recognized by the Japanese as transferable between individuals) has sold for as high as ¥100,000 in Tokyo, and a selling price of ¥50,000 to ¥60,000 per telephone is common. (Action has recently been taken by SCAP to eliminate this undesirable practice). Insofar as the many divergent factors involved can be evaluated in comparing services available in different countries, the total of 3,000,000 telephones estimated to be required at present would make available to each unit of Japanese industry less than 30% of the communication facilities available to comparable industrial units in the United States. From a business standpoint, and knowing the need for adequate communications to obtain reasonable industrial efficiency, it appears to be evident that a determined effort must be made at once to obtain more rapid increases in communications services being made available. The continued lack of adequate communications services will be an important factor in any prolonging of the period for industrial rehabilitation, and the resulting inefficiencies in the use of materials and the losses in distribution. All of this must be added to the cost of restoring the Japanese economy, a good part of which is being borne by the United States.

c. In view of the above it is proposed that an expedited communications expansion program be initiated. Such a program is not only justified from the standpoint of industrial need, but, as covered in paragraph 5, it is sound financially. The Ministry of Telecommunications is now being reorganized with a view to providing a businesslike enterprise. Actions have been taken to eliminate certain factors not conducive to the provision of a reasonable public service. These actions include elimination of the "telephone right" and rationalization of the private branch exchange situation, (both handled as separate actions), etc. It is believed that if suitable funds are made available, the system is now in position to carry out such an expansion program. The rate of expansion will be determined by the following three factors:

(1) Capability of the system to carry out the program economically.
(2) Availability of necessary materials and equipment.
(3) Availability of funds.

d. The telecommunications system following the implementation of the new organization on 1 April 1949, will be able economically to handle during the 1949-1950 fiscal year, a station installation program of 400,000 telephones together with associated exchange and toll plant. This installation rate should be expanded further during the 1950-1951 and 1951-1952 fiscal years to reach an annual installation

rate of not less than 700,000 telephones unless factors unforseen at present arise which indicate otherwise. The manufacturers can produce the equipment required for the program, and in general raw materials can be made available without adversely effecting the domestic economy. The limitation of this program is funds. (Tab 1 presents a general discussion of the place that telecommunications holds in the national economic picture.)

5. Financial Factors

a. The proposal for installing 400,000 telephones and associated plant will require the expenditure of approximately 37.5 billion yen and as compared to most other government expenditures, it is believed that government funds can be put to no better use. As covered above, the provision of additional telecommunications services is an economic necessity. At the same time, funds expended for the purpose of providing additional facilities would be invested in a sound business which has almost reached the state of self sufficiency and which is capable of becoming highly profitable, as is indicated by figures given below. This is not true of most other public works which produce no tangible income. Furthermore if the Japanese Government is to engage in enterprise operations, particularly those dealing in utilities of vital importance to the national economic and social welfare, the principle must be clearly established that funds invested in the capital plants of such ventures are not expense items but are assets capable of producing income sufficient to pay interest and meet sinking fund requirements with the possibility of obtaining net profits above these items.

b. That the telecommunications system has almost reached the point of financial self sufficiency is indicated by the following tabulation:

STATEMENT OF EXPENSE AND REVENUES
1 April through 31 December 1948
Unit of Yen 1000

| Month | Number of Telephones | Operating Revenues | Direct Operating Expense | Net | Note |
|---|---|---|---|---|---|
| 1 April | 1,192,236 | - | - | - | 1 |
| April | 1,202,246 | 509,646 | 810,060 | 300,414 | 2 |
| May | 1,222,017 | 1,021,213 | 692,224 | 328,989 | |
| June | 1,230,872 | 712,807 | 862,665 | 149,858 | 3 |
| July | 1,236,956 | 899,480 | 1,058,123 | 158,643 | 3 |
| Aug | 1,247,587 | 1,767,405 | 1,213,370 | 559,035 | 3 |
| Sept | 1,256,308 | 1,751,813 | 1,294,585 | 457,228 | 3 |
| Oct | 1,265,995 | 2,283,184 | 1,432,048 | 851,136 | 3 |
| Nov | 1,282,236 | 2,319,550 | 1,633,386 | 686,164 | |
| Dec | 1,295,112 | 2,458,530 | 2,421,067 | 37,463 | 4 |
| Totals | | 13,723,628 | 11,397,528 | 2,326,100 | |

Note 1 Telephones are actual number of main line PBX and public telephones.

Note 2 Deficit due to adjustments in wages and improper accrual accounting for year end payments.

Note 3 Deficit due to confusion in billing and failure to properly adjust for rate increases effective in July. It had been expected that rate increases would have been placed into effect in June. Final adjustments completed in during the following three months.

Note 4 New average wage of ¥6307 paid during this month. Previous average wages had been ¥2920 1 April to July with adjustments for these months made in July. Wages were ¥3791 July to December.

c. It can be seen from the above that there is a balance of approximately 2½ billion yen above operating expenses for the first 9 months of this fiscal year. Furthermore, it will be noted that there is a favorable balance of some 37 million yen for the month of December during which the new wage level of ¥6307/mo was paid. Due to inaccuracies in accrual accounting, (which system has been used for only a comparatively short time), the income for January will in all likelihood considerably exceed that for December due to settlement of quarterly and annual accounts, which had not been property accrued in the previous monthly reports.

d. Due to rehabilitation and maintenance programs which are being constantly implemented, the revenue per station has been gradually increasing. This increase for the first three quarters of this fiscal year is shown in the following table:

Monthly Income per Telephone

| Month | Local Revenue | Toll Revenue | Total | Note |
|---|---|---|---|---|
| April | - | - | - | - |
| August | 624 | 461 | 1085 | 1 & 2 |
| December | 636 | 847 | 1483 | |
| per station gain | ¥12 | ¥ 386 | ¥ 498 | |

(1) This period chosen because of rate increase effective in July. July accounts not considered accurate enough for a base.

(2) It is probable that due to billing confusion, toll income per station for this month was slightly greater than shown.

e. Assuming that the 400,00 telephones proposed for installation for the 1949-1950 fiscal year are installed at a uniform rate, and assuming that the average income per station stabilizes at ¥ 640 for local service income and ¥ 850 for toll income, additional operating income amounting to 2.98 billion yen can be expected. Since there is to be no appreciable increase in personnel most of this amount will be net. This sum is almost sufficient to pay interest and establish reserves for retirement. The following year, on the basis of present rates and operating costs, the income from these additional facilities will be double that shown, i.e. will amount to 5.96 billion yen. This is more than sufficient to meet both direct operating expenses and fixed charges associated with the additional plant.

f. Based on information above, it is evident that the telecommunications system has reached a point that adequate capital support is both justified and desirable. It is urged that this fact be recognized, that an adequate long term financing program be established, and that this program be initiated this fiscal year. (A separate recommendation is being prepared to cover the establishment of an organizational and financing plan which will permit this activity to continue under government ownership and still be operated on a corporation basis).

g. The required sum of 37.5 billion yen required for the proposed program should all be obtained through regular government financing channels and the present telephone bond law should be allowed to expire at the end of this fiscal year. The telephone bond law which requires that new subscribers purchase a bond sufficient to cover the cost of providing themselves service was originally suggested as a last resort, to obtain capital funds for the 1948-1949 fiscal year. (The original 1948-1949 budget for construction without the bond would have provided funds for the installation of only about 75,000 telephones). The bond also fitted in with plans to eliminate the "telephone right" since it depressed the "telephone right" market to the point that its elimination in future transactions for service has been accomplished with a minimum of political reaction. The continuance of the telephone bond is neither conducive to good public service or desirable from a development standpoint. If continued into the next fiscal year, it would be necessary to require the purchase by prospective subscribers, of bonds amounting to approximately ¥ 70,000 to accomplish the purpose for which the bonds were intended. This requirement because of the present chaotic financial condition of most businesses would deny service to all but the larger companies most of which already have a reasonable amount of service. Reasonable communications are required for proper industrial operations and and it is the responsibility of a communications system to provide such service on a fair public service basis. If the Japanese government is to continue the provision of national communications service, then it should be furnished on a fair and businesslike basis without the imposition of requirements which favor large organizations over small ones. Aside from the public service responsibility, the rehabilitation of Japan requires the active

participation of all possible industrial elements both large and small. As shown above the investment required is sound from a business standpoint. (Tab 2 presents a general discussion of factors entering into the financing of the Japanese telecommunications system).

6. Rates

a. Due to scarcity of service, telephone rates in Japan have in the past been established on the basis of net profit desired and upon what the public would bear. A telephone was and still is considered a luxury item. Before and during the war this resulted in extremely high rates and correspondingly large profits. Notwithstanding the high rates charged for service, due to losses in plant the system became a deficit operation following the termination of the war and damages incurred from the war, and as a result of failure to carry out a consistent maintenance and replacement program. It is only recently that the system has been able to meet direct operating expenses and as covered in the previous discussion, it is now in a position to enter a phase of sound business operation.

b. During the postwar period rates have been increased approximately 48 times over those existing at the end of the war. These increases have in general consisted of "across the board" increases of 200, 300 or 400 per cent and were determined entirely by the financial status of the government. The effect upon traffic of the last rate increases which became effective in July 1948 and which multiplied rates by 4, indicates that future rate increases should be approached cautiously. The point of diminishing traffic has been passed in the case of telegraph and it is believed has been reached in the telephone services.

c. The telegraph system is capable of handling a peak of about 7,000,000 paid messages a month. Previous to July 1948, the telegraph load had reached a peak of about 6,750,000 messages per month with an average of about 6,500,000 messages. Following the July rate increases, traffic dropped to about 4,500,000 messages per month. Although this average has increased since that time to approximately 5,000,000 messages per month, the recovery has been much slower than that following previous rate increases, and it appears that it will be some time before traffic again reaches system capacity.

d. Revenues from the telegraph activities are not yet quite sufficient to cover direct operating expenses, the deficit being covered by telephone income. However, an analysis of the telegraph system shows that this is due in part to improper management and placement of personnel, a situation that is expected to be corrected during the next year. The important point however, is that in a country seriously lacking adequate communications, facilities available are not being used to capacity yet it is known that there is an overwhelming need and demand for service. To support the industrial effort, full use should be made of these facilities. Hence, further increases in telegraph rates should not be enforced if they

can possibly be avoided. If an increase becomes necessary it should not be made until the traffic load again reached 6,500,000 messages per month. Furthermore, increases should be in terms of 10 or 15 per cent increments rather than in terms of 100, 200 or even greater percentages of increase which have been made in the past. In the meantime, the earnings of the telephone business, as pointed out previously, are expected to be sufficient to cover the telegraph losses until the traffic load again approaches system capacity and until other actions can be taken to eliminate the losses.

e. Due to operating factors not present in telegraph, the picture in the case of telephone rates is not so clear. The effect of the telephone bond (which was initiated at the time of the last rate increase) has clouded the issue to the extent that it has not been possible to adequately evaluate the effect of the increase in rates. However, from a public service standpoint, rate increases should be avoided if at all possible since the system is now in a position to support itself. The fact that it is resulting in revenues in excess of direct operating costs with considerably less facilities in service than existed at the peak, indicates that the time has come in connection with establishing rates to consider factors other than revenue which has been the sole criterion for such calculations during the past three years. Comparatively, present rates are extremely high. For instance, the average monthly cost of a telephone in Tokyo is approximately ¥ 2000. This amounts to approximately 25% of an average individual's salary at present wage levels.

f. As in the case of telephone rates, it is difficult to evaluate rate factors with respect to toll service. However, compared by any standard, these rates are extremely high. In general, the same principles that apply to telephone rates apply to toll rates.

g. In the case of both telephone and toll rates and as in the case of telegraph rates, increases in charges for these services, if absolutely necessary, should be made in small increments of 10 or 15 percent. Under no circumstance should increases exceed 25% since information at hand is accurate enough to show that increases exceeding this amount would adversely effect service usage. It is admitted that increased rates result in immediate additional income, but if usage or demand drops too greatly, further increases in income become impossible. As pointed out previously, the telecommunications system is in a position to become a profit making agency within the next year or two. Care must be taken to insure that unwise treatment of rates does not limit the possibilities in this respect and at the same time prohibit the use of scarce communication facilities. This does not apply to any adjustment which might be required due to stabilization of the currency or radical changes in the overall economic level.

7. Personnel Considerations

a. The discussion of this item is quite lengthy. However, the problem of personnel treatment in connection with telecommunications activities, is serious from both an operating and social standpoint. This

was recognized two and one half years ago when first steps were being taken to reduce operating deficits. It was decided initially that the problem was not so much that there were more persons than needed but that personnel available should be put to work. The program to carry this out has been moderately successful. Although there are still some categories which are overmanned, changes now in progress will in general place excess personnel into positions where they will be usefully employed. This program is not inconsistent with economy measures being taken in connection with government expenditures. It has been shown in previous parts of the discussion, that the system has been rebuilt and rehabilitated to the extent that it is now paying direct operating expenses and is in position to become a profitable business. During this period of approximately two and one half years, construction has progressed at a rate many times greater than any rate of expansion that had been achieved prior to or during the war. Furthermore, rehabilitation has been carried out with a consistently decreasing amount of work contracted to outside agencies. Thus the original CCS plan has proved its soundness and there appears to be no evidence that it should be changed at this time. On the other hand, it will be shown that by further utilizing existing personnel in obtaining more adequate supervisory control, particularly in connection with the expenditure of funds for supply and construction, much greater economies can be obtained than could be realized by a reduction in personnel.

b. At present there are approximately 200,000 employees engaged in the telecommunications activities. This is approximately 25% more than was employed at the end of the war. This increase is not considered to be excessive considering the work which has been done and which still remains to be accomplished. A considerable portion of the increase has been due to the return of former employees from overseas territories formerly held by Japan and for whom the Japanese government had a definite responsibility. Another portion came from the dissolution of the former International Telecommunications Company and one of its subsidiaries which, by SCAP directive, required that the Ministry of Communications absorb personnel involved. There is still one additional former subsidiary (an association of private installation and equipment maintenance companies) to be eliminated which will required that the Ministry of Communications offer employment to approximately 2,000 additional employees under a plan presented and informally approved in 1947. This personnel will be utilized to assist in a program for amalgamating the presently privately owned private branch exchanges into the national communications system. (The private ownership of these facilities not only mitigates against a unified telephone service due to lack of uniformity in installation and maintenance, but is used as a source of profit for private installation and maintenance companies which profit should accrue to the national system).

c. It is admitted that measured by Western standards the Communications system is greatly overmanned. Nevertheless, there are many factors which prevent comparison with Western standards from being fair under conditions as they exist in Japan. These factors require that measures be taken

to correct specific faults and these faults cannot be corrected by the mass dismissal of employees. They involve the following:

(1) In Japan, individual employees of practically all skills and trades lack comprehensive job training. They are trained individually (largely through experience) to do one particular task and no training has been given to expand their knowledge to include associated work. This applies not only to technical employees but also to many of the more clerical positions such as those associated with preparation and calculation of billing, accounting, etc.

(2) The lack of systematic administrative systems and process, and lack of operating routines or instructions result in each individual being the caretaker of a particular responsibility which is his own personal property. He guards it jealously since in the past, his knowledge of his own job has been his insurance for keeping it. Without correction of these defects it is almost impossible for one individual to adequately perform the duties of another.

(3) The Japanese language is a most serious barrier to business operations as known by Western countries. The Japanese number system is impossible for use in ordinary accounting systems recognized in the United States and hence, it is necessary to teach the use of Arabic numerals. It will be found that even well educated Japanese businessmen often become confused in dealing with figures above 10,000. Business machines of any type are extremely scarce and without the aid of adding machines and calculators, errors are frequent. Typewriting is a slow laborious process and multiple carbon copies are difficult to obtain. The result is that practically all routine business is carried out in long hand. The language itself is not exact or expressive, nevertheless, the practice in Japanese Government agencies has been to make instructions short with the result that operations are carried out largely on an individual's interpretation of an inadequate instruction.

(4) Japanese Government Agencies do not provide sufficient supervisory personnel and those that are provided, in general, do not understand the first principles of supervisory responsibility. This is due to the conditions outlined above which makes a man's job his own property, concerning which even his supervisor is uninformed.

(5) Japanese social characteristics make it difficult for supervisors to check whether instructions have been followed. If instructions have not been followed it is

implied that he is not properly respected. On the other hand, the subordinate, hesitates to ask for clarification of instructions since such inquiries would imply that his superior had been remiss in his explanation which could never be acknowledged without "loss of face".

(6) The appointment of supervisory and management personnel on the basis of scholastic records, schools attended and social status without reference to practical knowledge of the job.

d. It is evident that all of these features must be taken into consideration when planning the improvement of an operational enterprise, the continued operation of which is not only essential to the Japanese public welfare, but also essential to the occupation forces. (Practically all occupation force communications services are obtained from the Japanese domestic system). It is emphasized that this is the basis upon which the CCS program was originally based and upon which this program has been implemented since its initiation.

e. Action has been taken by CCS to eliminate undesirable features insofar as possible. These actions include the following:

(1) In order to obtain more comprehensive technical training, a law sponsored by CCS has been passed eliminating the academic training previously provided by the Ministry of Communications and substituting technical training therefor. The first technical school capable of serving some 2,000 students at one time is now scheduled for opening during the first part of April. A project for the second such school is in preparation, and ultimately there will be approximately six such installations. These schools will provide practical job instruction. In addition to the schools, "on the job" training has been introduced and is now making considerable progress. Simultaneously, supervisory training courses have been introduced and are now being carried out throughout the system.

(2) After over two years of investigation and preparation, a a law has been passed providing for the reorganization of the telecommunications activities of the Japanese Government to provide an enterprise type of organization. Included in this reorganization is the establishment of businesslike administrative processes; establishment of an adequate accounting system, etc. These have been worked out to be applicable to the Japanese language and business office facilities.

(3) The new organization provides an adequate supervisory staff and the issuance of standard instructions which cover supervisory responsibilities as well as the responsibilities of their subordinates. Several hundred volumes of such instructions are now in preparation.

(4) It has been found if a Japanese can be given a specific problem with instructions as to his responsibility, that he is little different from people of other countries of the world. (Generally speaking most of the so called psychological problems are superficial). Although social characteristics are still an important factor, nevertheless, the individual Japanese, once he is started, is as proud of measured accomplishment as any Westerner. Hence, by establishing responsibility and providing a means for measuring results of his efforts, by actual trial, it has been found possible to breakdown the so called "sonic barriers" that have existed between supervisor and subordinate and obtain full and intelligent supervision or management cooperation with employees.

(5) The filling of key positions by men of little practical experience poses a problem. These individuals have certain rights that cannot be denied since they are the result of a system for which present incumbents have no direct responsibility. Not only is this true, but this personnel, although lacking in practical knowledge, do understand and are able to administrate the complicated government processes. (These processes will not be greatly simplified by reducing personnel). In spite of the conditions under which such personnel have obtained their positions, as a group they are highly intelligent. CCS experience in dealing with this group proves that with proper advise and insistence upon actual participation in field operations, they can as a whole, readily adjust themselves to the new situation. Those that cannot so adjust themselves, eventually fall into disfavor with their colleagues and the Japanese social system does the rest.

f. The above discussion has been presented to indicate that every effort has been made to obtain true facts and to establish a sound basis upon which to base action. It must be realized that three years is a relatively short time to determine and initiate actions which may fundamentally affect an important element of a national economy.

g. The effectiveness of this program and facts developed therefrom are outlined below. An analysis of the following should show that retention of personnel and continuation of the present program is not inconsistent with efforts to reduce government expenses.

(1) Implementation of the original CCS program has resulted in a 65% increase in telephones with an approximate 26% increase in personnel. The system which was in an almost inoperative state at the end of the war due to war damage, lack of maintenance and replacement and confusion caused by loss of records, has been brought back into a relatively satisfactory state of operation. In addition, the system has taken over and is maintaining an extensive communications wire network for Japanese police agencies and has entered the private branch exchange field which in the past has been handled on a private enterprise basis. Construction and rehabilitation accomplished during the period since the war is greater than that carried out during any similar period previous to that time. Contract work performed by outside agencies has been reduced by about 60%.

(2) The system has been brought from an extremely unprofitable operation to the point that it is now capable of becoming a profitable enterprise.

(3) If properly expanded, it will continue to require the services of personnel trained in this particular activity, no matter how narrow their training may be.

(4) A telecommunications enterprise is unique in personnel qualification requirements. Those now occupied in this activity have gained their experience and have been given such training as has been made available as an operating expense to the business. If the system is developed as it should be to meet the national requirements, all existing personnel will be required. Experienced and trained personnel released at this time on an "across the board" personnel cut would required replacement in the very near future, which would result in the loss of the present experience and training investment and of required expenditure/funds for the training of additional personnel when replacements are required.

(5) The present system has inadequate supervisory personnel. A considerable percentage of the present personnel are required for this purpose.

(6) Fiscal controls necessary to reduce losses from unwise spending require more personnel be assigned to accounting and statistical positions.

(7) Modernization of supply procedures require that greater emphasis be placed on this phase of the operation which will absorb a portion of excess personnel in other categories.

(8) An analysis of personnel assignments shows that there are actual deficiencies in certain of the operating categories, such as telephone and telegraph operators; office maintenance personnel; station installers; etc. Excess personnel which develop in other categories as improved efficiency is achieved, will be utilized to meet these deficiencies to as great an extent as possible.

h. The problem of reducing government expenditures includes many factors other than that of personnel, a fact which it is believed has not been given proper consideration by the Japanese government. The original 1948-1949 budget, adjusted to the wage level of approximately ¥ 3700 average salary per month, amounted to about 425 billion yen. The payroll on this basis for the year would amount to approximately 111 billion yen ($2.5 \times 10^6$ employees x $37 \times 10^2$ x 12 mo.). This amounts to approximately 26% of the total budget. Where does the remainder go? These remaining funds are expended for supplies, materials and for services performed at government expense by other than government agencies. On the basis of percentages, alone, it is evident that the approach to reduction in government expenditures must include many factors other than personnel.

i. An analysis of Ministry of Communications expenditures shows that an effective method of obtaining economies can be obtained by controlling funds expended for purposes other than salaries. One of the major factors resulting in unwise spending, if not actual misappropriation of funds, is due to the practice of committing the entire amount of estimated funds for a project or activity with no follow up to determine specifically what the money is spent for. The fact that the original estimate was not based on known cost factors and is universally made high in order to secure adequate funds in the budget, makes no difference. Once estimated all funds provided under the original estimate are expended for the project. The following case is given as an example of this:

An application was received for the installation of a private branch exchange switchboard. The installation was offered to a group of private installation companies for bids and the winning bid was ¥ 468,000 which based upon information at hand in CCS was known to be absurdly high. In order to prove this, arrangements were made with the Ministry of Communications for the installation to be carried out by that agency under strictly controlled conditions. The installation actually cost ¥ 227,000 including all overhead and incidental expense. Had the job been performed by the contractor the ¥ 468,000 would have been spent. Had it been carried out by the Ministry of Communications under conditions other than those imposed by CCS, approximately the same amount would have been spent, since ¥ 450,000 had

been recognised by the Ministry as the estimated cost of a PBX installation of the type involved in this case. Dozens of other projects have been analyzed and whether the work is performed by the Ministry of Communications or by outside contractors; regardless of how absurd the original estimate of cost might be, those carrying out the work are expected to and do spend the amount appropriated.

j. It appears that another source of serious losses occur in the purchase of supplies. In many cases government supply agencies are used to indirectly subsidize industries from which purchases are made. This is accomplished by setting prices on controlled items at high levels; by purchasing large quantities of supplies which are not needed; by accepting inferior products which not only represent lower production costs to the supplier but also provide a lucrative market for maintenance supplies later, etc. The Ministry of Communications now has approximately 1500 warehouses, most of which are full and which contain tens of thousands of items that can never be used by the communications system. (This situation is being corrected at the present time).

k. It is through the elimination of factors such as those covered above that the greatest reduction in communications expense can be obtained, and it is upon these factors that CCS is concentrating. Due to the necessity for establishing sound administrative procedures; considering the difficulties encountered in the Japanese language and the necessity for training, etc., it is required that more personnel be used for administrative and control purposes then would normally be expected. However, due to the fact that labor amounts to less than a third of total expense, this investment in personnel is sound. Referring to the case of the PBX installation mentioned above, the controls and accounting imposed on the carrying out of this trial, required the assignment of one additional engineer and one additional clerk to the job. The job required 6 days and thus this extra personnel added 12 man days to the cost of the installation. In the United States, records required would have been kept by the foreman with no extra help. Nevertheless, the addition of these two men and exercise of proper control, resulted in the saving of approximately ¥ 241,000.

l. Accounting and supply systems have been prepared and are now being introduced which are expected to form a basis for eliminating excessive expenditures of government funds in these categories of expense such as those mentioned above. As indicated, the imposition of those systems will require the use of personnel in larger numbers than would normally be necessary. It is to this end that personnel of the Ministry of Communications who might otherwise be considered as excess are to be employed. The introduction of such plans cannot be expected to immediately produce spectacular results; but they will gradually improve conditions so that as the system expands it will become more and more efficient and eventually become a true public utility.

m. One more important factor must be considered in connection with the personnel problem and this factor is that dealing with the social and political aspects of the case. Based solely on a work load basis, the greatest number of personnel who might be considered as excess, will be found in the ranks of the present Class 3 government officials and in the clerical personnel on an unclassified status. It is from these groups that most of the additional supervisory personnel required for implementation of the present program will be drawn. Generally speaking these groups consist of persons under 40 years of age, closely associated with actual operations, who actually carry the bulk of the work load, but at present carry it out very inefficiently. They are ambitious and anxious to progress and are still sufficiently pliable in their thinking and ideals to adopt progressive methods and ideas. Generally speaking this personnel have the operating "know how" of the business, but they are not adept in other government practices or yet qualified socially to assume places of equality among Class 2 and Class 1 officials. The new public service laws, of course, form a basis for elimination of these barriers, but the practices of the past are not easily done away with. These factors can no more be eliminated overnight than can the Japanese appetite for fish and rice. Hence, it is essential that these groups be nurtured, for it is through them, that the hope for the future lies. Important factors in this connection are based on dissatisfaction of these groups with conditions as they exist; their lack of background in international affairs due to previous nationalistic restrictions and their lack of comprehensive training which makes it difficult for them to understand and appreciate objectives of a public service program and the means for accomplishing it. Because of these factors these groups are subject to radical and idealistic propaganda. As a whole they are now "on the fence" and an improper or unwise move will throw them into the ranks of the extreme left elements. If proper consideration is given to the fact that they are not, in themselves, to blame for the present situation and if a sympathetic attitude is adopted, it is believed that they can be converted into the force that will eventually achieve occupation aims. Most of the people within the group being discussed are living "hand to mouth". Any program which will result in the wholesale discharge of personnel included therein will almost certainly result in completely alienating them from SCAP and add their forces to those now actively opposing occupation objectives. The importance of this cannot be over-emphasized. Either consciously or unconsciously they control to a great extent, the thinking and actions of most of the other personnel of the communications system except for Class 1 and Class 2 Officials and it is probable that the same is true in other agencies of the government.

n. In view of facts presented in the discussion above, it is the belief of CCS, that the program originally initiated which contemplates the development of the communications system as a means for furnishing gainful employment to those now engaged in communications activities is sound and support of this plan should be given by all elements at GHQ SCAP. It is agreed that losses due to normal attrition should not be replaced except in the ranks of the telephone and telegraph operators where turnover is quite

high and among certain critical types of technical personnel. (See Tab 3 for a discussion of "simplification" of government agencies).

8. Conclusions

a. The present Japanese communications system is inadequate to meet industrial needs and plans for expanding it should be implemented.

b. These plans are practicable from a financial standpoint.

c. Increase in rates for communications services should be approached cautiously and if they do become necessary, should be made by small increments.

d. In general, personnel presently employed by the system should be retained and should be developed by training and organizational rearrangements to administrate and operate an expanded system without being correspondingly increased.

9. Recommendations

It is recommended that:

a. GHQ SCAP sponsor through staff advice, the provision of approximately 37.5 billion yen in the 1949-1950 Japanese government budget to be used for expanding the telecommunications system.

b. A financial program be established for increasing the rate of expansion in the future to reach a rate of 700,000 telephone installations a year.

c. The number of personnel engaged in telecommunications activities be maintained at the present level except for attrition occurring in non-operational positions.

d. If these recommendations cannot be implemented through advice of SCAP staff sections, a SCAPIN be issued directing that actions outlined above be accomplished.

e. CCS be consulted in advance of any decision made concerning any of the matters discussed in this paper.

W. L. WARDELL
Deputy, Telecommunications

3 Incls
Tab 1 - Telecom. in Natl. Econm. Picture
Tab 2 - Financial Factors Affecting Telecom. Service
Tab 3 - "Simplification" of Gov. Agencies

4

TAB 1 COPY

# REPORT OF JOINT COMMITTEE ON ORGANIZATION OF JAPANESE TELECOMMUNICATIONS SYSTEM

## SECTION ONE

## PREFACE

1. This report covers the findings and recommendations of a joint committee which has made a detailed survey of the organizational needs of the Japanese telecommunication system. The basis upon which this report is based is covered in the following parts of the report. However, before entering into discussions involving an administrative organization for the telecommunications agency, it would be well to consider the place that Telecommunications holds with respect to the economy, political and social life of a nation. Consideration of this is necessary in order to determine what weight must be given in the study of factors affecting its operation and organization, and the place that Telecommunications holds with respect to other activities in relation to the National welfare.

2. Since the advent of modern telecommunications, certain fundamental axioms have developed regarding Telecommunications and their impact upon the welfare of a nation. Some of the more important of these are as follows:

a. The national telecommunications system is a most essential factor in the administration of democratic government processes and its adequacy and operation may be a determining element in effecting proper governing actions.

b. The national telecommunications system is a determining factor in the efficient operation of an industrial economy capable of meeting international competition, which must be reestablished if Japan is to reach self-sufficiency.

c. The national telecommunications system is an essential factor in obtaining and maintaining a democratic way of life.

d. The national telecommunications system is an essential factor in the social and cultural development of a nation.

3. The fact that the use of telecommunications is essential to the governing of a nation is borne out by the present extensive use of the system made by various Japanese governmental agencies. These agencies constitute by far the greatest single-subscriber requirement in Japan today. This not only includes use made of the system by the legislative, judicial

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*Tabs 1, 2 and 3 are copies of pertinent parts of a report and recommendation for reorganization of the Ministry of Communication, prepared jointly by members of CCS and personnel of Japanese Ministry of Communications. This report was forwarded to the Japanese Government by SCAPIN 5985-A, dated 9 September 1948, subject: "Report of Joint Investigation Committee on Organizational Matters Within the Ministry of Communications".

and executive arms of the democracy, but also by the police, disaster relief agencies, and other similar activities operating for the health and welfare of the people as a whole. The absolute necessity for comprehensive communications is well exemplified by considering use made of telecommunications for coal allotment and delivery activities and food rationing and distribution activities, to name only two of the many. Sober consideration of telecommunications presently used by the government will indicate its prime importance in this field. The use made of telecommunications in Japan in no way differs from the degree to which they are used by governments in other countries of the world.

4. That a comprehensive telecommunications system is a most essential element to an industrial nation is a self-evident fact. It is only necessary to consider the magnitude and use of these systems in other industrial countries to determine its essentiality. Consider the United States, with approximately 35 million telephones and an extensive telegraph system. England is another example. The ability of a buyer and seller; of a supplier and user; of a shipper and recipient to communicate quickly and surely is the essence of modern industry. It leads to the maximum efficient use of all tools of production. Without a suitable telecommunications system, the effectiveness of industrial efforts are greatly reduced, production costs are higher and competition outside Japan will be more difficult to meet. The most undesirable result of an inadequate telecommunications system is the effect of reducing the efforts of Labor to produce, which reduction results in a lower standard of living than that to which the public is entitled. It must be remembered that the "public" of production, or in other words, Labor in its broad sense. It is the responsibility of the telecommunications system to carry the important load of tying together the multitudinous factors necessary to effect efficient use of raw materials and obtain efficient production results. This must be accomplished in order that maximum benefit can be derived by the Labor which actually produces.

5. It is interesting to note that all nations having recognized democratic governments also have well-developed telecommunications systems and that these systems have been designed to serve not only industrial purposes but also individuals in all walks of life. The United States has approximately one telephone for each four persons. Next on the list is Sweden with one telephone per eight persons, and these are followed by such countries as Switzerland, Great Britain and so on down the line. Best available figures show that Japan is about twenty-second from the top of the list. It is quite evident that a public that can communicate easily within and between communities will develop an overall singleness of purpose that otherwise would be impossible. If a person-

alized free exchange of ideas and thoughts is possible, radical differences of opinion are not nearly so likely to result in an attempt to settle these differences by force. The personal nature of telecommunications gives rise to a feeling of brotherhood and mutual responsibility that is not possible otherwise; it shrinks long distances and tends to make separated community interests combine into single community interests. Except for educational services, no public service exercises as great a democratizing influence as does integrated telecommunications service, since it permits the free exchange of personal views between persons separated by space.

6. Along the same vein as the preceding paragraph, the telecommunications system is an important factor in the social and cultural development of a nation. It provides a means of broadening social concepts by opening to the individual almost unlimited opportunity for personalized contact outside his immediate vicinity. It contributes to ease of living and is a source of personal satisfaction that cannot be obtained by any other means.

7. It is not claimed that the present system meets the requirements outlined above. Frankly, it does not, nor is it adequate to do so. However, in order for the New Japan to develop along the lines now envisioned, the system must be developed to meet the needs indicated, if the development of telecommunications in other enlightened nations is any indication of those needs. Taking into consideration the impact that a national telecommunications system has upon the processes of government and upon the national industry; considering its democratizing influence and its effect upon the social and cultural welfare of the public, it can be seen that this essential activity holds an important position within the government. The size of the activity is not the determining factor. The importance of the service rendered is the element to be most considered.

8. As stated above, the present system is inadequate to meet the truly democratic requirements of a telecommunications system. Because of many factors, accumulated over a period of years, the telephone system now can provide service for only the larger industrial organizations and an extremely few individuals who are financially able to bear the burden of its cost. In no way does this meet the industrial and social requirements outlined above.

9. The telegraph system is more comprehensive, but its operation likewise does not meet the requirements of speed, accuracy and public service to which the public is entitled. Furthermore, no democratic industrial nation can rely on telegraph alone to meet its industrial telecommunications requirements. It has its place in the telecommunications system and is important, but it lacks personal and instantaneous exchange

of intelligence, provided by the telephone, necessary to provide a "rounded out" and balanced telecommunications system.

10. One of the most important factors effecting the failure of the present telecommunications system to fulfill the needs of the nation, arises out of the organisation through which is administration and operation are accomplished. This organization is not based on the operational requirements of the system, but is based on a common pattern established for a group of widely varied government activities. The following brief outlines and discusses an organization which is devised to meet operational requirements and through which optimum service can be provided using existing facilities, and which will be able to provide minimum facilities necessary to adequately meet future requirements.

11. Considering the importance of telecommunications in contributing to the public welfare of the nation, this subject justifies the time required for careful study of its problems by each and every person having anything to do with its control and destiny.

12. As mentioned several times elsewhere in these discussions, the organization proposed for telecommunications should not be compared with those proposed for other services of a different nature. This organization is designed to meet the particular requirements of a telecommunications system. It would probably not be suitable for the postal system or transportation system. Conversely, the organizational requirements of those systems might differ between themselves and neither be suitable for the telecommunications system.

13. Appendix III discusses briefly factors other than organization which are essential to the proper development and maximum utilization of benefits that may be obtained from a national telecommunications system.

Tab 2

# REPORT OF JOINT COMMITTEE ON ORGANIZATION OF JAPANESE TELECOMMUNICATIONS SYSTEM

## SECTION ONE

## APPENDIX III

**Financial Factors Affecting Telecommunications Service:**

1. As mentioned in the preface and elsewhere in the brief, the present telecommunications system does not provide service adequate to meet the requirements outlined therein. There are important factors aside from that of organization which must be considered if the inadequacy is to be overcome. The proper organization is necessary to obtain maximum use of facilities available; however, unless sufficient facilities are made available, even under the most efficient operation, the system will fall short of accomplishing its mission.

2. This introduces a most important subject -- long term planning. In no public utility is future planning more important than it is in telecommunications. This is due to the fact that changes in economic conditions, or changes in requirements, at one point may affect a dozen or more other points scattered throughout the whole nation. Luckily, forecasting methods can be developed which make it possible to predict accurately for considerable periods into the future. However, these forecasts are of little value if a financial and construction plan is not developed which will insure the provision of needed plant at the place and at the time it is needed, and in quantities that are economical.

3. Telecommunications plant, like most utility plant, cannot be economically recovered and used elsewhere when uneconomical sizes and quantities are placed initially. Year-by-year additions to such plant are also extremely uneconomical. Hence, it is important in most cases to provide for five or six years' growth when plant is placed to meet an initial requirement. Similarly, buildings which for the most part must be designed to meet installation requirements must be provided with considerable margins of space for future growth, since it is economically unsound to make frequent building additions to care for small increments of equipment growth, which are possible insofar as telecommunication equipment installations are concerned. Hence, it is impossible to properly plan the system on a year-by-year basis.

4. In order, then, to carry out systematic and economical operation and expansion of the telecommunications system, it is necessary that plan-

ning be made at least five years into the future and that definite commitments of capital be authorized to insure the systematic carrying out of the plans. Failure to follow such a plan will, in many cases, result in losses greater than the immediate savings in a given budget because of losses that accrue from the uneconomical use of facilities already provided in anticipation of those to be provided during the given period.

5. This question is often asked: During a period of economic stress how can a government afford to provide funds for capital expenditures when the immediate return in only a small part of the capital investment? For telecommunications the answer is very simple. Factors discussed in the following paragraphs will show that the Japanese Government, at least at present, cannot afford not to provide such funds.

6. Factors which make a telecommunications system important to a nation can be measured by public demand for service. Telecommunications rates in Japan are extremely high in comparison to the average individual income. Yet there is such a demand for the service that subscribers are willing to pay not only these high monthly rates, but also to advance to the government a ¥36,000 loan to obtain service, and in some cases to pay an equal or greater sum to a broker for a telephone right. Not only are these facts true, but demand under these adverse conditions under which service must be obtained is such that service is denied to a vast number of small industries which are a most important factor in the national recovery. Due to this, there is a latent demand for industrial service that is not evident nor easily measured. In addition to this unseen measured demand, there is a still greater latent demand for residential and individual services which is an important factor in the political and social life of the nation.

7. Following is another question often asked, the answer to which also helps to answer the point raised in paragraph 5: With only limited funds available, why should telecommmications be given special consideration in the allotment of funds? Considering the requirements of telecommunications in Japan as indicated by demand, no utility has so much to offer in return for a given capital investment as does this one. Following are a few factors which make this true:

a. The nature of the service permits expenditures to be made for additions at the exact point of demand -- installations can be spread throughout thousands of communities with almost

immediate benefits derived therefrom.

b. It is by means of telecommunications system that maximum use may be obtained of other more expensive utilities and industrial installations, and that the proper handling of all types of materials and supplies can be assured to prevent loss and delay.

c. Telecommunications plant, by which the mission given in "a" above may be accomplished, is extremely cheap per operating unit compared to any other operating unit of industrial production. For instance, the total plant investment for a telephone, including an average subscriber's share of toll plant, is about ¥60,000 at this time. One telephone call that saves even a comparative short time in unloading, or unnecessary lost time in the handling of a ship will not only save an amount equal to the cost of the service, but will save the industrial effort of the nation an amount equal to the entire capital investment of the telephone installation. Likewise, a telephone call that prevents a few hours of lost time in the handling of a shipment of perishable food may not only save the shipment from becoming a financial loss, perhaps equal to several years' charges for service, but may save the shipment from spoilage, which is more serious than the financial loss under the present economic situation. These are extreme cases, but they are repeated to a lesser degree many tens of thousands of times per day. Every telephone connected and operating during a period of economic rehabilitation, such as is being carried out in Japan today, is truly worth its weight in gold when measured in the service it performs in connection with the industrial effort.

d. Manufacturing materials and equipment for plant additions require comparatively small amounts of raw materials, and comparatively large amounts of labor to produce them (a very important factor in a nation with shortages of raw materials and an excess of labor).

e. Once installed, the completed plant offers steady employment of labor as well as high labor requirements compared to plant investment. (This is true in the most efficient communications system, and as mentioned above, is extremely important in Japan).

f. The cost of providing plant necessary to connect widely separated points, to carry out such missions as these mentioned, is low compared to other utilities and facilities.

8. This is not intended to be little the importance of other public utilities, public services and industrial requirements. It is an appeal to

give telecommunications its proper "place in the sun" when fund allotments are being considered. For instance, the cost of installing 10,000 telephones is no greater than that of building a short length of railroad or highway, neither of which, under normal conditions, will be of sufficient length to be of much practical value even in the community in which the construction might be located. Neither will attain any great value until it is connected to a similar facility extending over a long distance. On the other hand, the 10,000 telephones can be installed in as many different locations, scattered throughout a large number of communities. Each individual telephone station begins to produce the moment it is installed, and will save its cost many times over during the period of its first year of use by the assistance rendered in improving the results obtained from the national industrial effort.

9. As covered in other parts of this paper, the problem of establishing a sound telecommunications policy, consistent with the industrial, economic and social plans for the nation, should be made the subject of close study and all factors should be given careful, full and thoughtful consideration. Japan cannot reach the fullness of its new development if its telecommunications system is not given the same fair sponsorship that is given to other factors which may show more tangible results, but which may not have as great an importance in the overall economic welfare as some of the intangible results provided by the telecommunications system.

10. This discussion has purposely avoided the mention of social factors involved, and is intentionally limited to measurable economic factors. Consideration of factors regarding the democratizing and social influence of a true public telecommunications system, as outlined in the preface, only more strongly emphasizes the grave responsibility for adequately sponsoring this public service.

Tab 3

# REPORT OF JOINT COMMITTEE ON ORGANIZATION OF JAPANESE TELECOMMUNICATIONS SYSTEM

## SECTION ONE

## APPENDIX I

Organization to Obtain "Simplification" of Services Rendered:

1. The intent of the organization covered by the basic discussion is to increase the efficiency of the telecommunications system. This is analogous to the general policy of the Japanese Government to "simplify" government services. However, there may be a difference of opinion as to how this is to be accomplished, and questions regarding the concept upon which recommendations contained in the brief are based. In the discussion below, it will be proved that the organization proposed will accomplish the objectives desired by simplification.

2. There is a general feeling on the part of the public that in order to "simplify" government service or organizations, it is necessary either to eliminate levels of organization, reduce personnel involved in providing a given service, or do both. This is to be expected since other factors affecting this objective are seldom evident without careful study.

3. What is actually desired is that administrative expense be reduced, and that the processes through which the public obtains the service being furnished be simplified so that each member of the public applying for the service, or affected by it, is able to obtain necessary action easily, quickly, accurately and conveniently. The latter requirement means the elimination of "red tape", lost motion and duplication. The elimination of these factors automatically reduces administrative expense and in cases where the quantity of services rendered is static, it will reduce the requirement for personnel. However, to obtain this more efficient operation will seldom, if ever, permit reductions in the degree of supervision required since it is only by adequate management and supervision, through which coordination is obtained, that the desired results can be accomplished.

4. Now, let us examine the telecommunications service which is constantly expanding and which provides service around the clock. In this case, administrative expense is not measured in terms of total expenditures, but is measured in terms of the cost for engineering, maintaining and operating one unit of plant, or the unit cost of the operation. Reductions in administrative expenses are measured in reductions in the expense involved in providing service over one telephone, or the reductions in the cost of handling one telegram.

5. Actual analysis and field study of the telecommunications system show that:

a. The total number of personnel now engaged in telecommunications activities cannot be reduced appreciably at this time without seriously affecting an already inadequate service.
b. However, by training and proper supervision, the effectiveness of each individual worker can be greatly increased which will permit expansion of services without proportionate increases in personnel and without additional physical efforts of the individual worker.
c. In order to do this, it will be necessary to establish an organization which can provide proper supervision and training and through which lost motion and duplication can be eliminated AND--
d. If this is done, service given to the public can be very greatly simplified and the unit cost of administration can be greatly reduced. This is the objective of the "simplification" program.

6. It has been pointed out in the text of the brief that the Local Office is the basic and only place in the system through which service is actually rendered to the public. If simplification and efficiency are attained at that level, the logical question then is: Why is it necessary to have all the intermediate levels of management and authority proposed; why cannot the line organization structure be reduced in strength and length?

7. Remember that this concept of "simplification", to be obtained by increased efficiency, is based on proper and adequate supervision of delegated authority. It is not something that once attained automatically continues of its own will as perpetual motion. The constant exercise of supervision and management is required to sustain this accomplishment.

8. It is an axiom of proper and adequate management that there be one level of administration and management above two or more supervisory groups of equal level performing functions which must be coordinated. Furthermore, the number of groups which one person coordinates must be small enough that it is physically possible for him to do the job. As an example, assume that three construction gangs are building a sewer; with one gang digging the trench; one gang laying the pipe; and the third gang hauling the pipe to the site of the construction. Each gang will have a foreman; but if the job is done with good coordination and in accordance with approved plans, a general foreman will be required to supervise the activities of the three gang foremen in order to insure that the trench is ready for the pipe as the pipe layers progress, and to be sure that pipe is available as it is needed. Fully as important as these functions is the General Foreman's responsibility to assure that each of the three gang foremen performs his work in accordance with the approved plans. If two

such associated jobs were being done simultaneously with a common objective, then each would have the three foremen and a general foremen, as in the above case, and in addition, a field superintendent would be required to assure that the two separated jobs were kept in phase.

9. The management and supervision of the telecommunications system to obtain its objectives follows the example given above, except that it is infinitely more complicated. This is due to extent of the system, the technical nature of the operation, and the unique characteristics of the service.

10. The plant layout, geographical and other factors involved in establishing Districts, Divisions and Bureaus are covered in the basic discussion. Likewise, the differences in responsibilities at each of these organization levels and at Ministry levels are discussed in some detail. It can be seen from those discussions that each level has a responsibility for supervising subordinate organizations (general foreman's responsibility) and certain responsibilities not found below that level (foreman's responsibility). Hence, each has a responsibility for assuring that subordinates comply with standard practices and instructions (the approved plans in the construction gang example). Each, also, has a responsibility for carrying out those standard practices or instructions applying directly to that level of organization. As previously discussed, the areas throughout which these functions are exercised have been determind as logical due to social, economic, georgraphic and facility layout factors.

11. When the Ministry is reached, it is found that this level is responsible for insuring compliance with instructions at all levels of the system and for performing certain functions of its own.

12. To whom does this top level of organization report and how? It is best to answer this question in part by asking another: To whom can it report except to the representatives of the public from which funds are obtained for operation and for which service is provided? How? The top representative of operations is the Director General of Telecommunications. He is the final responsibility for the stewardship of the system. Through the Vice Minister he reports the system results to the Council of Vice Ministers, or through the Minister to the Cabinet and Diet. Through these same channels he learns what his "boss" (the public) likes and dislikes about the operation.

13. Thus, this system corresponds to that of an ordinary business enterprise. The results and management of the business pass up and down through the organization. The operating results are passed by the operating Vice President (Director General) to the President of the company (Vice Minister) who passes them on the the Board of Directors

in charge of Government Operations (Vice Minister's Council) or to the Minister who is a member of the "Board of Directors" of the Japanese Government (the Cabinet).

14. Examine the above carefully. Can any level of the proposed management be logically eliminated? If so, which? Assume the Division be eliminated. Can the work that is to be done at this level be eliminated without hampering the operations of the system? Before answering this, review the functions of the Division. This organizational level has been established to accomplish four things--

a. Assure that the district chiefs actually perform their jobs as measured in service results;
b. To provide coordination between the districts so that the prefectural unit of state obtains good and unified service;
c. To represent the system at this political level of the government;
d. To perform field engineering for higher organizations, in which case personal knowledge of physical installations and local conditions is essential.

15. It is obvious that these functions must be performed by someone. Not one of these functions can be shifted to the District, considering organizational and economic factors involved. Hence, if the Divisions is eliminated, the responsibilities must be shifted to the Operating Bureau. But can the Operating Bureau perform these duties as effectively and efficiently as the Division? Because of geographical and space factors it cannot. If the same test is applied at each level, the same answers will be obtained. Consideration of the above shows that in order to obtain increased efficiency, which will result in a reduction in the unit cost of administration and management and provide a more satisfactory service to the public, it is necessary to extend the echelons of supervision rather than contract them. If this is done, the primary objective of the "simplification" program will have been accomplished.

16. This extension of supervisory echelons does not require the addition of large groups of supervisory personnel. In general, it requires only the exact definition of authority and responsibility of the functions which are to be performed by existing personnel in order that efforts may be coordinated and become more effective.

17. The accomplishment of objectives outlined are not to be attained overnight. The ultimate completion of the job involves the technical school training of fifty or sixty thousand persons; the preparation of thousands of pages of instructions; constant on-the-job training of all system personnel; the ultimate change of certain artificial psychological factors, etc. Nevertheless, the initiation of a telecommunications system operation

based on precepts outlined above will result in a start along the right road, and although progress may not be spectacular, it will be constant and sure.

# CROSS REFERENCE

FILE UNDER: Communications

DATE: 18 Mar 49

FROM: GS TO: CCS

SUBJECT: Action Recommended to Meet Minimun Japanese Telecommunication Requirements

DOCUMENT FILED UNDER: 2 Weeks file CLASSIFICATION

CABINET # Near Shelf # 61

SHELF #

17

COPY

S-310

Assignment to DS of Messages Regarding International Conferences. Mr. Coville 26-7012

DS SCS 15 March 1949

1. 1. There has been lack of uniformity in the matter of assignment for action of messages having to do with international conferences and other meetings abroad in which SCAP has a possible interest. Matters regarding UNESCO conferences, for example, have often been assigned for action to CIE; those regarding International Telecommunications Union conferences to CCS or DS; those regarding FAO meetings to NRS; those regarding ECAFE meetings to NRS. A current example is the assigning of radio W-65435, 12 Mar 49, regarding an organizational meeting of a proposed Asian Federation of Labor, a body sponsored by the International Labor Organization, to NRS (presumably intended for the Labor Division).

2. It has been the practice of DS to follow up its information copies of previous radios so assigned to other sections for action by getting in touch with those sections to discuss action thereon. If it should become the practice to assign all such telegrams to DS for action, it would of course still be necessary for DS to consult with the various sections concerned before drafting action.

3. Although the practice of assignment of such messages hitherto followed has resulted in full consultation between sections concerned, it appears to DS that a desirable uniformity of Headquarters practice with regard to SCAP and Japanese participation in international conferences and other international meetings would be promoted by a uniform practice of assigning messages in this matter to DS for action.

4. Recommend instruction in this sense to AG Radio and Cable Section.

W. J. S.

2. FROM: SCS TO: AG DATE: 17 March 1949

The Chief of Staff has approved the recommendations contained in check note 1. Request that the necessary instructions to implement these recommendations be issued to the Adjutant General, Radio and Cable Section.

J. J. Lo

GOVT

# CROSS REFERENCE

FILE UNDER: Communications

DATE: 17 Mar 49

FROM: SGS TO: AG

SUBJECT: Assignment to DS of messages Reguarding International Conferences

DOCUMENT FILED UNDER: 2 Weeks file CLASSIFICATION

CABINET # Near Shelf # 61

SHELF #

16

Communications

F. Rizzo 26-8443

Reorganization Ministry of Communications

GS CCS 11 March 1949

(2) 1. Government Section concurs in the decision of Civil Communications Section to offer no objection to the Japanese Government's plan to postpone the effective date of the law establishing the new Postal and Telecommunications Ministries from 1 April 1949 to 1 June 1949.

2. This Section is unable, however, to concur in the recommendation of CCS that Government Section indicate to the Japanese Government SCAP's no-objection to the postponement "with the understanding that the Japanese Government entertains no reservations regarding the details of the reorganization as provided for in the law." Exaction of such commitment from the Japanese Government is believed to be contrary to the established policy of the Supreme Commander to permit the agencies of the Japanese Government to perform their constitutional duties without detailed control or intervention unless such control or intervention is necessary in order to safeguard or insure the attainment of some specific SCAP policy or objective. It is not apparent in the present instance that any change in the proposed reorganization which might be contemplated by the Japanese Government in the course of the general governmental reorganization necessitated by the present economy drive would violate or jeopardize any specific SCAP policy or objective. If and when such changes in the law are proposed, CCS, as the staff agency primarily interested in the operations of the postal and telecommunications services, will, of course, have the opportunity to concur, object, or otherwise comment.

1 Incl
n/c

C.W.

Govt. Sect. File

15

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

11 March 1949

MEMORANDUM FOR THE RECORD,

On 4 March 1949 the undersigned in an interview with General Back pointed out that, in view of the Japanese Government's Cabinet resolution of 22 February 1949, effectuation of the law for reorganization of the Communications Ministry on 1 April 1949 would require the strongest kind of pressure from GHQ. Further, that such pressure might have to be backed up by a written directive, which could be issued only if it could be shown that postponement of the reorganization would violate or jeopardize some SCAP policy or objective. The undersigned proposed that the Japanese authorities be informed that there was no objection to the postponement but that they would be expected to carry out the separation of the postal and telecommunications services as indicated in General MacArthur's letter of 22 July 1948, and that the reorganization would follow in the main the functional outline provided in the present law. General Back agreed but requested that the undersigned discuss the matter with Mr. W. L. Wardell of CCS before notifying the Japanese.

On 5 March 1949 the undersigned conferred with Mr. Wardell but was unable to secure the latter's agreement to the proposed statement to the Japanese. Mr. Wardell maintained the position that the reorganization must follow in all details the present law which was worked out by the Japanese with the assistance and advice of CCS experts and represents the minimum which the Japanese must have if they are to build up an adequate telecommunications system.

On 7 March 1949 General Back, in an interview with General Whitney, was informed that Government Section could not support the CCS position because to do this would violate the SCAP principle of permitting the Japanese authorities to work out internal governmental and administrative matters with a minimum of control or intervention by the Occupation authorities. General Back was further advised that, unless the plan of reorganization as worked out by the CCS experts were clearly shown to carry out a SCAP objective, it should not be imposed upon the Japanese against their wishes but should be offered to them as the considered advice of the experts on the Supreme Commander's staff.

On 9 February 1949 Colonel Jay D. B. Lattin, in a conference with the undersigned, requested a written reply to the CCS Check Note No. (1), dated 4 March 1949, so that CCS might formulate its decision as to what further steps to take in the matter. Check Note No. (2) above sets forth the Government Section's position in writing as requested by Colonel Lattin.

P. R.

Govt. Sect. File

# C R O S S  R E F E R E N C E

FILE UNDER: Communications

DATE: 11 Mar.

FROM: RIZZO

TO:

SUBJECT: Problems within Civil Communications Sec. By Capt. Diamantes.

DOCUMENT FILED UNDER: MEMOS TO RECORD CLASSIFICATION

CABINET # 21 Drawer # 2

SHELF #

14

RB Robinson 26-6427

PO/RBR/mls

NonCompetitive Examinations Proposed for
Incumbent Ministry of Communications Officials

CCS GS

1 Mar 49

1 1. In accordance with Article 9, Supplementary Provisions of the National Public Service Law (Law No. 120 of 1947), as amended, persons holding positions from Vice-Ministers down to Assistant Section heads and other positions of similar organizational level in the service as designated by the National Personnel Authority, on a date to be established by the Authority, shall be deemed to have received temporary employment in such positions, such temporary employment not to exceed three years from 1 July 1948.

2. Articles 3, 33 and 36 of the same law empower the National Personnel Authority to require persons mentioned above to take open competitive examinations to obtain permanent appointment. However, Article 36 also provides a means whereby initial appointments may be made on the basis of an evaluation of demonstrated abilities other than competitive examination. The evaluation mentioned must be conducted by the National Personnel Authority, or an evaluating body appointed thereby, in accordance with standards established by the Authority.

3. To require incumbent Government officials to take examinations in competition with applicants in unlimited numbers, in the knowledge that they must attain scores higher than any competitors in order to be appointed to the Government service, immediately, in an equivalent but not necessarily the same position currently held, will have an extremely demoralizing effect. It is believed that many Japanese officials will resign rather than enter an open competitive examination where little or no recognition or advantage may be realized from their years of experience.

4. The great majority of officials in the Ministry of Communications who would be involved in this situation, are considered to be well qualified for the positions they hold. They have many years of service in the communications enterprises during which they have gained experience of great value. From the standpoint of the Government, it seems extremely unwise to risk the loss of such officials. The least disastrous result of such a loss would be a long period of great confusion and lowered efficiency. From the point of view of the officials involved, it seems entirely unfair to endanger their careers by requiring them to compete with any and all persons who may be able to meet the examination prerequisites.

5. In order to avoid these circumstances in regard to Ministry of Communications officials, it is recommended that the officials referred to in paragraph 1 be given the opportunity to take suitable non-competitive examinations for the purpose of demonstrating their fitness for continued employment in their present positions. Postal and telecommunications specialists are available in CCS to assist the Government Section in preparing and later providing some surveillance over the administration of suitable non-competitive examinations.

GOV. SEC.

13B

C/S from CCS to GS, dtd 1 Mar 49, subj: Non-Competitive Examinations Proposed for Incumbent Ministry of Communications Officials.

6. It is requested that the Civil Communications Section be advised as to what action is contemplated in this matter.

---------- G. I. B. ----------

From: GS TO: CCS

B. Hoover 26-8925
23 March 1949

2

1. Civil Service Division is thoroughly conversant with the problems enumerated by Civil Communications Section in Note #1.

2. The examinations constructed by the Japanese National Personnel Authority (under observation and technical direction of the Civil Service Division) will be directed toward testing personnel, including those at the top administrative levels, to ascertain their competence to be appointed or to retain position in the Japanese governmental service. These examinations will be practical in character and will as far as practicable evaluate relevant experience.

3. It is the responsibility of both the National Personnel Authority within the Japanese government and the Civil Service Division within SCAP to assure both basic organizations that only the most competent are approved for appointment. In general, to accomplish this end, examinations must be placed on an open competitive basis. To do otherwise would recruit or retain inferior personnel and perpetuate many of the abuses and weaknesses of the present bureaucratic setup.

4. In general, under such a system of examinations, the incumbent who knows his business has an advantage by reason of his knowledge and experience on the job and, if he cannot prevail against the man who lacks that experience, his displacement is a contribution to the efficiency of the service.

5. It is assumed and hoped that postal and telecommunications specialists are also available in CCS to assist Civil Service Division in preparing suitable competitive examinations.

6. To the extent that present incumbents are demonstrably competent their removal by examination processes is not anticipated.

7. This matter has been discussed with Mr. Blaine Hoover, Chief of the Civil Service Division, Government Section by Mr. J. W. Lisman, Director of the Postal Division, Civil Communications Section.

---------- C. W. ----------

# C R O S S  R E F E R E N C E

FILE UNDER: COMMUNICATIONS

DATE: 10 March, 1949

FROM: C.C.S. TO: G.S.

SUBJECT: Postponedment of Enformement of Date of Ministry of Postal Services and Ministry of Telecommunications Establishment Laws.

DOCUMENT FILED UNDER: CLASSIFICATION
LAWS "T"

CABINET # 19, drawer # 3

SHELF #

13A

GS 60 (7

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Communications Section
APO 500

CCS/DR 226

18 February 1949

MEMORANDUM FOR: The Ministry of Communications

SUBJECT: Temporary Domestic Frequency Assignment

1. Reference is made to:

a. Memorandum for the Japanese Government, file AG 676.3 (14 Jul 47)CCS, SCAPIN 1744, dated 14 July 1947, subject: Control of Radio Communications, as amended.

b. Memorandum for the Ministry of Communications, file CCS/DR 212, dated 19 January 1949, subject, as above.

2. Extension until 31 March 1949 is granted for the use of frequency 3455 kilocycles for domestic election coverage as specified in paragraph 3 below.

3. As directed by paragraph 15 of reference 1a the following temporary authorization will not be included in the bimonthly and semiannual lists of Japanese radio stations.

| SCAP REG. NO. | FREQ. | CALL SIGN | EMISSION POWER(KW) CLASS | TYPE | NOTES AND LIMITATIONS | STATION NAME AND LOCATION |
|---|---|---|---|---|---|---|
| 1501D | 3455 | JDA-9 | A1-.5-FX | DOM | Expires 31 Mar 49 | TOKYO (KEMIGAWA) |
| 7415D | 3455 | JDL-2 | do | do | do | SENDAI (TAKASAGO) |

GEORGE I. BACK
Brigadier General, Signal Corps
Chief, Civil Communications Section

DISTRIBUTION:
25 copies, OSigO, Rad Div, 8th Army
25 copies, Mil Govt Sect, 8th Army
1 copy, SRS
1 copy, GS

13

CCS MK GIB/cmt

Petitions re Reorganization of Ministry of Communications

CCS

Government Section

17 Jan 49

2

Attn: Mr. Hoover

1. Pursuant to conversation this date between General Whitney, Chief, Government Section, and General Rack, Chief, Civil Communications Section, there is being delivered to Government Section a file of petitions submitted by various Japanese nationals including employees of the Japanese Ministry of Communications, protesting the implementation of the recent Ministry of Communications reorganization act. It appears that the individuals concerned are laboring under ~~the~~ misconception as to the character and scope of organizational changes which will result from implementation of the Act.

2. CCS is prepared to work with the Ministry of Communications to the end that the Ministry of Communications will insure that full and accurate information regarding the implementation of the reorganizational act is furnished to all concerned, provided such action meets with the approval of Government Section. As suggested by General Whitney, Mr. W. L. Wardell, Deputy Chief for Telecommunications, CCS, is prepared to discuss the entire matter with Mr. Hoover of Government Section.

Incl - file of petitions _____ G. I. B. _____

12

Communications

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Communications Section
APO 500

16 December 1948

MEMORANDUM FOR: The Ministry of Communications

SUBJECT: Granting of Authorizations for the Establishment of New Radio Services

1. Reference is made to Memorandum for the Japanese Government, file AG 676.3 (14 Jul 47)GCS, SCAPIN 1744, dated 14 July 1947, subject: Control of Radio Communications, as amended.

2. In the past, many applications have been received in Civil Communications Section, General Headquarters, Supreme Commander for the Allied Powers, from the Ministry of Communications requesting authorization for the establishment of new radio services by various private and commercial agencies.

3. Owing to the nature of the applications, it has been necessary to consider each application on its individual merits and in many instances disapprove the application if determination was made that approval would give the applicant an unfair advantage over a competitor or was not considered to be in the best interests of the Japanese public.

4. With the reorganization of the Ministry of Communications and the establishment of the Radio Regulatory Agency, the basic principle that no private or commercial agency gain an unfair advantage over a competitor in receiving authorizations for new radio services must be established and adhered to by the new organizations.

5. The Ministry of Communications must proceed with the utmost caution in advocating new radio services at this time which may later embarrass or handicap the deliberations and decisions of the Radio Regulatory Agency.

6. It is directed that the Ministry of Communications take necessary action to bring the contents of this memorandum to the attention of all members of the Ministry of Communications who are presently engaged in matters dealing with radio regulation and to members of the Radio Regulatory Agency when that body is established.

GEORGE I. BACK
Brigadier General, Signal Corps
Chief, Civil Communications Section

DISTRIBUTION:
CIE
SRS
GOV SEC

GOVERNMENT SECTION

11

Memo for MOC, dtd 16 Dec 48, subj: Granting of Authorizations for the Establishment of New Radio Services

MFR:

1. The MOC has, in the past, forwarded applications to CCS from various commercial agencies knowing that if authorization were given, the applicant would have an unfair advantage over competitors.

2. It is not intended to exclude private agencies from use of the radio frequency spectrum, but owing to its present congested condition a new radio service cannot be granted that is not considered to be in the best interests of the Japanese public or where a parallel service already exists.

3. This memorandum states a basic principle to be followed by the MOC and the ERA when that body is organized and further admonishes the MOC to use caution in approving applications to be sent to CCS for authorization.

4. Coordinated with Mr. D. Brown, Information Division, CI&E who requested that the memorandum be sent to CI&E for perusal and concurrence.

5. Direct communications with the Ministry of Communications is authorized by SCAPIN 1744.

6. CONCURRENCES:

Government Section — No staff interest

CI&E

DLPrice/26-5839/mls

FILE UNDER: Communications

INDEX SHEET

DATE: 12 Dec 1947

FROM: GS TO: CCS

SUBJECT: Check Sheet —
Proposed Law Requiring Purchase of Bonds to Cover Cost of Telephone Installation

DOCUMENT FILED UNDER: CLASSIFIED FILE:

Laws

VWD
jwh

GENERAL HEADQUARTERS, FAR EAST COMMAND
U. S. ARMY FORCES PACIFIC
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

Communications

# INCOMING MESSAGE

ROUTINE

16 Nov 47

FROM : WAR (CSCAD PG)

TO : SCAP

NR : W 90431

Reurad Nov C 56580. Concur in plans for expansion telephone sv although question desirability discrimination against persons auth to use mil pmt Certificates (Para 4 urad). Early notice of target dates requested.

NO SIG

ACTION : CIV COMM

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-2, AG, SIGNAL, FISCAL, GOVT, ECON & SCI, CIV PROP CUST

75497 ROUTINE TOO : 151828 Z
Restricted MCN : 55799

"Paraphrase not required handle as RESTRICTED correspondence per paragraph 51 f and 60 a (4) AR 380-5."

RECEIVED
NOV 1947

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY NO.

9.

FILE UNDER: Communications

# INDEX SHEET

DATE: 7 Nov 47

FROM: SCAP TO: WAR (CSCAD PG)

SUBJECT: C-56680 -

Recent plans for improvement and expansion telephone service between Japan and U.S.

DOCUMENT FILED UNDER: CLASSIFIED FILE:

Outgoing Radio Chronological File

8

Diplomatic Section

DS/GA/HER/bc

The Diplomatic Section presents its compliments to the Swiss Diplomatic Mission, and has the honor to invite the latter's attention to two telegraph messages, of which copies are enclosed, transmitted on or about July 14 and July 24, 1947, by the Swiss Telegraph Administration to the Japanese Ministry of Communications.

It is assumed that these messages were sent in error directly to the Japanese Government, rather than through the customary channels.

Enclosures:

Copies of messages (2).

M/R: Above communication based on C/H of CCS to DS of 1 August 1947.

26-8471

S 701.56
A 334/311.23

Tokyo, August 6, 1947.

Copies to:
G-2/GL
G-2
GS
CCS
AG Records

GS (Info)

15

COPY

A GENTEL TOKIO DE CONTROLE RADIOSUISSE BERNE A61 14 1800

726/47 DESIREUX DE LIQUIDER A BREF DELAI LES COMPTES RECIPROQUES DES ANNEES 1945 ET 1946 SOMMES DISPOSES D ACCEPTER VOS DEBITS MALGRE QUE CEUX POUR CERTAINS MOIS DEPASSENT LA MARGE DE TOLERANCE REGLEMENTAIRE A CONDITION QUE VOUS ACCEPTIEZ NOS CREDITS NOTIFIES STOP LA SITUATION EST TELLE QUE DES REVISIONS NECESSITERONT BEAUCOUP DE TEMPS QUI NE SERAIT EN AUCUNE PROPORTION AVEC L EFFET FINAL ET EMPECHERAIT LA LIQUIDATION ENVISAGEE EN TEMPS UTILE STOP MALGRE LES DIFFERENCES CONSTATEES DE PART ET AUTRE RESULTAT FINAL A EN JUGER POUR LA PERIODE COMPTABLE EN QUESTION NE SERAIT PAS TROP ELOIGNE DU RESULTAT CORRECT ET AUSSI BIEN VOTRE OFFICE QUE NOTRE COMPAGNIE POURRONT AINSI EVITER DE LONGUES INVESTIGATIONS ONEREUSES STOP NOUS SERIONS TRES RECONNAISSANTS SI VOUS SERIEZ A MEME DE PARTAGER NOTRE MANIERE DE VOIR ET A LA RECEPTION DE VOTRE CONSENTEMENT NOUS NE TARDERONS PAS D ETABLIR LE DECOMPTE GENERAL POUR LES ANNEES 1945 ET 1946 TOUT EN TENANT A VOTRE DISPOSITION LE SOLDE FINAL Y RESULTANT EN VOTRE FAVEUR STOP REMERCIEMENTS ANTICIPES ET SALUTATIONS

DIL REC. MAILED

13 M CONTROLE RADI'OSU'SSE BERNE GTA109 24/7 1150 TOK GVE
GENTIE TOKYO

780/47 NOUS REFERANT A NOTRE AVIS DE SERV'CE DU 14/7/47 REFERENCE NO 726/47 VOUS SERIONS TRES RECONNAISSANTS DE BIEN VOULOIR Y REPONDRE DANS UN DELAI RAPPROCHE STOP REMERCIEMENTS ANTICIPES ET SALUTATIONS

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

3"/

# CHECK SHEET

(Do not remove from attached sheets)

File No.: GIB/TEN/DAM/CGBM/emw  Subject: Direct Correspondence from Swiss Government to Japanese Government.

| Note No.: | From: CCS | To: Government Section | Date: 1 August 1947 |
|---|---|---|---|

1

1. Attention is invited to two telegraph service messages received in Japan on or about 14 July 1947 and 24 July 1947.

2. These two service messages and their English translations are attached herewith.

3. The Ministry of Communications has been instructed to ignore these two service messages and to make no reply.

4. The action taken by the Swiss Government Agency, in corresponding or attempting to deal directly with the Japanese Government, is contrary to instructions contained in Memorandum for Chiefs of Foreign Missions in Japan, file AG 334 ( 9 Jun 46)GB, dated 9 June 1946, subject: Official Relations and Contacts with the Imperial Japanese Government, with Staff Sections of General Headquarters, and with United States Occupational Forces.

5. This matter is being forwarded to Diplomatic Section with the request that appropriate steps be taken to prevent further correspondence of this nature from Switzerland.

6. The above is being furnished to Government Section, and by separate check sheet to G-2, for information.

1 Incl:
1. Two Service Msgs and English Translations.

for G. I. B.

7a

Pulled copy and will Check with DS & see what they are doing about this, since 1st the second time. FR

Since legation has been notified (7 Aug) FR

GOVERNMENT SECTION
Buck Slip

5 Aug 1947

FROM

| | | INITIAL | DATE |
|---|---|---|---|
| | CHIEF | [illegible] | 5 |
| 1 | Ex O | | |
| | Deputy Chief | | |
| 2 | Col. Hays | [illegible] | 6 |
| 3 | Maj. Rizzo | FR | 6 |
| | Ch Adm. Div. | | |
| | Special Proj. Div. | | |
| | Pol, Affairs Div. | | |
| | Local Gov't Div. | | |
| | Legis Div. | | |
| | Ch. P.S.Q.D. | | |
| 4 | Gov't Powers Div. | [illegible] | 7 |
| | Courts and Laws Div. | | |
| | National Gov't Div. | | |
| | Civil Service Div. | | |
| | Chief Clerk | | |
| 5 | File | | |

FOR

1-4 INFORMATION
ACTION
APPROVAL
SIGNATURE
INITIAL
COMMENT OR CONCURRENCE
TRANSLATION
5 FILE

TO: GENTEL TOKYO

FROM: CONTROL RADIO SUISSE BERNE A61 14 1800

726/47 It is desirable to settle as soon as possible our debits and credits for the years of 1945 and 1946. We are ready to accept your debits, in spite of the fact that some of them are due beyond legal margin of tolerance, on the condition that you accept our credits as notified. The situation is such, that the settlement will take considerable period of time, which will not be in any proportion with the final effect and hamper prompt completion of the settlement contemplated. In spite of the legal differences on one part or the other, the final result, based upon the accountable period in question, will not be too far from the correct result, and your office as well as our company will be thus able to avoid long and tedious investigations. We will be very much obliged if you would adopt our point of view, and we will not withhold our consent in accomplishing a general settlement for the years of 1945 and 1946 in accordance with your proposal; the final balance there of will result in your favor. We thank you in advance and send our best wishes.

13 FROM: THE CONTROL OF RADIO SUISSE BERNE GTA109 24/7 1130 TOK GVE

TO: GENTEL TOKYO

780/47 We are referring to our service message of 14/7/47 your reference No 726/47. We will be much obliged if you would answer without delay. We thank you in advance and send our best wishes.

1 incl.

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

# CHECK SHEET

(Do not remove from attached sheets)

File No.: GIB/TEN/JMK/END/aa  Subject: Direct Correspondence from Swiss Government to Japanese Government.

Note No.: (1)  From: CCS  To: Government Section  Date: 5 June 1947

1. Attention is invited to a telegraph service message received in Japan on or about 25 May 1947 from the Swiss telegraph administration in Berne (Swiss Government).

2. The service message is quoted herewith: (Translated from French text)

"14 GENTEL TOKYO
CONTROLE RADIOSUISSE BERNE JSA121 19/5 1800 TOK-GVE
522/47 LONDON INFORMED US THAT GOVERNMENT TELEGRAMS BETWEEN
GREAT BRITAIN AND JAPAN TOTAL RATE IS REDUCED TO GOLD FRANC
1.975 STOP PLEASE TELEGRAPH URGENTLY, IF YOU AGREE WITH THIS
TRAFFIC TO BE EXCHANGED BETWEEN OUR TWO STATIONS FROM 1ST
JULY 1946 AND APPLICATION OF FOLLOWING PROPORTION-OUTPAYMENTS
RADIOSUISSE 0.495 RADIO RATE 1.13 JAPAN'S TERMINAL 0.35
NAMELY YOUR CREDIT 0.7267 AND IN DIRECTION JAPAN TO GREAT
BRITAIN OUR CREDIT 0.8717."

3. The Ministry of Communications has been instructed to ignore the service message and to make no reply.

4. The action taken by the Swiss Government agency, in corresponding or endeavoring to deal directly with the Japanese Government, is contrary to instructions contained in Memorandum for Chiefs of Foreign Missions in Japan, file AG334 (9 Jun 46)GB, dated 9 June 1946, subject: Official Relations and Contacts with the Imperial Japanese Government, with Staff Sections of GHQ, and with United States Occupational Forces.

5. This matter is forwarded to Diplomatic Section with the request that appropriate steps be taken to prevent further correspondence of this nature from Switzerland.

6. The above is being furnished to Government Section, and by separate Check Sheet to G-2, for information.

for

G. I. B.

(7)

27 may 47

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Diplomatic Section

DS/GA/ESB/vz

The Diplomatic Section presents its compliments to the Netherlands Military Mission, and has the honor to invite the latter's attention to a telegraph service message transmitted on or about May 17, 1947 by the Netherlands East Indies telegraph administration to the Japanese Ministry of Communications, of which copy is enclosed.

It is assumed that this message was sent in error directly to the Japanese Government, rather than through the customary channels.

Enclosure:

Copy of telegram

A 311.23
701.3/872
Tokyo, May 27, 1947

Info copies to:
C/InC
C/S
G-2
G-2/Pl.
GS
CGS
AG Records

N/H: Above note based on c/n of 22 May 1947 of GHQ to DS

6a

COPY

TELEGRAM

"11 A BATAVIA DEA7 34 17 TOK BAT

GENTEL BATAVIA TO GENTEL TOKYO

382/VT IN VIEW OF REQUEST RECEIVED FROM SOCIETY OF IM-
PORTERS AND EXPORTERS IN NEX KINDLY INFORM US WHETHER IT
WOULD BE POSSIBLE TO OPEN OUR SERVICE FOR PUBLIC CORR-
ESPONDENT"

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

# CHECK SHEET

(Do not remove from attached sheets)

File No.: GIB/TEN/JMK/END/aa  Subject: Direct Correspondence Between Foreign and Japanese Governments.

Note No.: (1)

From: CCS  To: Government Section  Date: 22 May 1947

1. Attention is directed to a telegraph service message received in Japan on 17 May 1947 from the Netherlands East Indies telegraph administration, reading as follows:

"11 A BATAVIA BTA7 34 17 TOK BAT
GENTEL BATAVIA TO GENTEL TOKYO
222/VT IN VIEW OF REQUEST RECEIVED FROM SOCIETY
OF IMPORTERS AND EXPORTERS IN NEI KINDLY INFORM
US WHETHER IT WOULD BE POSSIBLE TO OPEN OUR SERVICE
FOR PUBLIC CORRESPONDENT"

2. The above message was delivered to CCS on 20 May 1947 by a representative of the Japanese Ministry of Communications.

3. The Ministry has been instructed to ignore the service message and to make no reply.

4. The action taken by the Netherlands East Indies authorities, in corresponding or endeavoring to deal directly with the Japanese Government, is contrary to instructions contained in Staff Memorandum No. 61, GHQ, SCAP and AFPAC, dated 23 December 1946, subject: Official Relations and Contacts with Foreign Missions.

5. This matter is forwarded to G-2 with the request that necessary action be taken to prevent further correspondence of this nature from Netherlands East Indies.

6. The above is being furnished to Government Section, and by separate Check Sheet to Diplomatic Section, for information.

for
G. I. B.

61

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Diplomatic Section

DS/GA/HER/vr

27 May 47

The Diplomatic Section presents its compliments to the Italian Diplomatic Mission, and has the honor to invite the latter's attention to a telegraph service message transmitted on or about May 8, 1947 by the Italian Government telegraph administration to the Japanese Ministry of Communications, of which copy is enclosed.

It is assumed that this message was sent in error directly to the Japanese Government, rather than through the customary channels.

Enclosure:

Copy of telegram

Tokyo, May 27, 1947

VOL.5/572
A 511.25

N/H: Above note based on c/n of CAS to DS of 21 May 1947

Info copies to:
CinC
C/S
G-2
G-2/FL
GS
CAS
AG Records

HER

COPY

TELEGRAM

"15 A SANFRANCISCO TOA85 65 ITX ROME 15 GEATAL TOK RCA 1026 TUWIN (PLEASE ADVISE YOUR VIEWS) RE REESTABLISHING OUR JOINT WIRELESS CIRCUIT ROME TOKYO STOP NAFUO (PLEASE REPLY QUICKLY) TES"

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

# CHECK SHEET

(Do not remove from attached sheets)

File No.: GIB/TEN/JMK/END/emw  Subject: Direct Correspondence between Italian and Japanese Governments

Note No.: (1)

From: CCS  To: Government Section  Date: 21 May 1947

1. Attention is directed to a telegraph service message received in Japan on or about 8 May 1947 from the Italian telegraph administration (Italian Government), through RCA, San Francisco, reading as follows:

"15 A SANFRANCISCO TOA 25 85 ITX ROME 15 GENTAL TOK RCA 1026 TUFIN (PLEASE ADVISE YOUR VIEWS) RE REESTABLISHING OUR JOINT WIRELESS CIRCUIT ROME TOKYO STOP WAPUC (PLEASE REPLY QUICKLY) TKS"

2. The above message was delivered to CCS on 12 May 1947 by a representative of the Japanese Ministry of Communications.

3. The Ministry has been instructed to ignore the service message and to make no reply.

4. The action taken by the Italian telegraph authorities, in corresponding or endeavoring to deal directly with the Japanese Government, is contrary to instructions contained in Staff Memorandum No. 61, GHQ, SCAP and AFPAC, dated 23 December 1946, subject: Official Relations and Contacts with Foreign Missions.

5. By Check Sheet, Diplomatic Section has been requested to take necessary action to prevent further correspondence of this nature from Italy. The above is passed to Government Section, and by separate Check Sheet to G-2, for information.

Mpp for

----------G. I. B. ----------

(5)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Diplomatic Section

27 May 47

DS/GA/HER/vr

The Diplomatic Section presents its compliments to the Swedish Diplomatic Mission, and has the honor to invite the latter's attention to the enclosed copies of telegraph service messages transmitted by the Swedish Government directly to the Japanese Ministry of Communications.

It is assumed that these messages were sent in error directly to the Japanese Government, rather than through the customary channels.

Enclosures:

Copies of two telegrams

Tokyo, May 27, 1947

701.3/372
A311.23

M/R: Above note based on check note from CGS to DS of 21 May 1947

HER

Info copies to:
CinC
G/S
G-2
G-2/PL
GS
CCS
AG Records

GS

(4a)

4-8

COPY

11 11 SSM

GENTEL TOKYO COMPTE STOCKHOLM TSA 20 94 14 TOK ST

SETTLEMENT ACCOUNTS 3RD QUARTERS 1945 STOP OUR CREDIT GENERAL TRAFFIC JULY 1603.29 4836.20 AUGUST 2638.55 7900.32 SEPTEMBER 6728.44 4732.17 COLLECTS JULY 86214.20 AUG 49770.60 SEPT 52045.15 TOTAL OF 216468.92 YOUR CREDIT GENERAL TFC JULY 14264.03 35003.74 AUG 21824.52 12666.13 SEPT 10281.63 16572.13 TOTAL OF 111712.17 BALANCE DUE SWEDEN OF 104756.75 TUNHU STOP 4TH QUARTER 1945 OUR CREDIT GENERAL TFC OCT 1803.57 8520.15 NOV 7212.06 DEC 2956.12 COLLECTS OCT 8373.60 NOV 23.30 TOTAL OF 28888.80 YOUR CREDIT GENERAL TFC OCT 1631.39 9888.37 NOV 3922.13 DEC 974.22 TOTAL OF 16416.11 BALANCE DUE SWEDEN OF 12472.69 TUNHU.

12 SOM HM

COPY

GENTEL TOKYO COMPT STOCKHOLM TSA 31 33 17

QUARTER ACCOUNTS 3RD AND 4TH QUARTERS 1945 SENT YOU BY TELEGRAM 14/9/1946 SHOWING BALANCE DUE SWEDEN GOLD FRANCS 104.756.75 AND 12,472.69 RESP STOP WE ARE STILL MISSING YOUR ACCEPTANCE KINDLY RUSH ACCEPTANCE AND PAYMENT

RECEIVED ON 19TH APRIL 1947

NOTE

BALANCE DUE TO SWEDEN IN AGREEMENT

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

# CHECK SHEET

(Do not remove from attached sheets)

File No.: GIB/TEN/JMK/END/emw

Subject: Direct Correspondence between Swedish and Japanese Governments.

Note No.: (1)

From: CCS To: Government Section Date: 21 May 1947

1. Attention is directed to two (2) telegraph service messages transmitted by the Swedish Government directly to the Ministry of Communications of the Japanese Government. The two messages, copies of which are attached as Inclosures 1 and 2, have not been replied to, nor otherwise acted upon, because:

a. The Japanese Government has instructions prohibiting its engaging in such direct communications with foreign administrations, and

b. The first such message from Sweden, received in Tokyo in September 1946, was not called to the attention of CCS, or other SCAP agency, but was merely filed away.

2. The second message from Stockholm, received in Tokyo on 18 April 1947, was submitted to CCS on 13 May 1947. This message made reference to the communication of 14 September 1946 whereupon CCS requested it be supplied with a copy of same.

3. The two messages relate to the same subject, namely settlement of general telegraph traffic accounts for the third and fourth quarters of 1945.

4. Your attention is called to a similar case involving the USSR and the Japanese Ministry of Communications resulting in a Check Sheet dated 5 March 1947, copy of which is attached as Inclosure 3.

5. As in the latter case, such communications from the Swedish Government constitute a violation of Staff Memorandum No. 61 GHQ, SCAP and AFPAC, dated 23 September 1946, subject: Official Relations and Contacts with Foreign Missions.

6. By Check Sheet, Diplomatic Section has been requested to take the necessary steps to prevent further correspondence of this nature from Sweden. The above is passed to Government Section, and by separate Check Sheet to G-2, for information.

3 Incls:
Incl 1 Svc msg from Swedish Govt.
Incl 2 " " " " "
Incl 3 Copy of C/S 5 Mar re USSR-JG correspondence

Gsd for

G.I.B.

(4)

COPY

11 11 35M

GENTEL TOKYO COMPTE STOCKHOLM TSA20 94 14 TOK ST

SETTLEMENT ACCOUNTS 3RD QUARTERS 1945 STOP OUR CREDIT GENERAL TRAFFIC JULY 1603.29 4836.20 AUGUST 2638.55 7900.32 SEPTEMBER 6728.44 4732.17 COLLECTS JULY 86214.20 AUG 49770.60 SEPT 52045.15 TOTAL GF 216468.92 YOUR CREDIT GENERAL TFC JULY 14264.03 36003.73 AUG 21824.52 12666.13 SEPT 10281.63 16572.13 TOTAL GF 111712.17 BALANCE DUE SWEDEN GF 104756.75 TUHRU STOP 4TH QUARTER 1945 OUR CREDIT GENERAL TFC OCT 1803.57 8520.15 NOV 7212.06 DEC 2956.12 COLLECTS OCT 8373.60 NOV 23.30 TOTAL GF 28888.80 YOUR CREDIT GENERAL TFC OCT 1631.39 9888.37 NOV 3922.13 DEC 974.22 TOTAL GF 16416.11 BALANCE DUE SWEDEN GF 12472.69 TUHRU.

12 50M HN

1 incl. 1

COPY

GENTEL TOKYO COMPT STOCKHOLM TSA31 33 17

QUARTER ACCOUNTS 3RD AND 4TH QUARTERS 1945 SENT YOU BY TELEGRAM 14/9/1946
SHOWING BALANCE DUE SWEDEN GOLD FRANCS 104,756.75 AND 12,472.69 RESP
STOP WE ARE STILL MISSING YOUR ACCEPTANCE KINDLY RUSH ACCEPTANCE AND
PAYMENT

RECEIVED ON 18TH APRIL 1947

NOTE

BALANCE DUE TO SWEDEN IN AGREEMENT

l enel 2

311

GOVT SECTION

CCS JDBL/by

CCS

Dispute Between Minister of Communications and Engineering Staff

C/S

Copy: Govt. Sec.

18 March 1947

1. 1. Information reached CCS this morning through Mr. Suzuki, Vice-Minister of Communications, to the effect that the dispute between the Minister and the engineering staff was settled amicably today. This appears to remove the threat to occupation forces' wire communications which would have been disrupted had the engineering staff submitted their resignations as, at first, they planned to do.

2. I am sending a copy of this to the Government Section for their information.

3. Inasmuch as this matter appears to be closed, no further reports will be rendered.

---------- J. D. B. L. ---------

3

2

GOVT SECTION

811

OCS JSHL/TEH/by

Status of Resignations of Engineers in Telephone Service in Ministry of Communications.

OCS

C/S

14 March 1947

(Copy to Govt Sect)

1. 1. Advice received today indicates that the current disagreement between the Minister of Communications and several section heads and engineers is in progress of a satisfactory solution. In any event, the engineers have assured the Minister that no action on their part will result in any disruption to the communications service of the occupation forces.

---J. D. B. L.---

(2)

A

105

COPY

File No: JDBL/TEN/JMK/MGC/HBM/emw Subject: Radiotelegraph Messages from Moscow to Ministry of Communications Regarding Payment of Revenue Derived from Circuit Operations.

1 FROM: CCS TO: G-2 DATE: 5 March 1947

1. Over the period September 1946 to February 1947, eight service messages are known to have been received from Moscow, signed MINSVIAZ, (presumably representing the administrative authorities for the Moscow terminal of the Moscow-Tokyo direct radio circuit), which have been addressed to GENTEL, Tokyo, (Director General of Telecommunications, Ministry of Communications, Imperial Japanese Government), and which have dealt with the settlement of accounts and request for payment by Japan to the USSR of the amount due USSR from revenues derived from the operations of this circuit. Copies of these messages, and the replies which have been sent to Moscow by GENTEL, which have been furnished this Section by the Ministry of Communications, together with a reading analysis of their content, are attached as Inclosure 1. The Ministry of Communications has been instrcuted to make no further replies to such messages.

2. The action taken by the Moscow radio authorities, in corresponding or endeavoring to deal directly with the Imperial Japanese Government, is contrary to the spirit, if not the letter, of Staff Memorandum No. 61, GHQ, SCAP and AFPAC, dated 23 December 1946, subject: Official Relations and Contacts with Foreign Missions.

3. The matter is forwarded with the recommendation that G-2 initiate action to prevent further correspondence of this nature from Moscow. A copy is being furnished ESS for information.

1 Incl.
Incl 1 Copies of messages.

s/
J.D.B.L.

GB/GL

2 FROM: G-2 TO: CCS DATE: 12 March 1947

G-2 will request the Soviet Member, Allied Council for Japan to inform the authorities in Moscow of the proper procedure necessary to contact the Japanese Government.

1 Incl.
n/c

s/
C.A.W.

(1)

(2) 1 incl 3

Cross to communications

Communication

Policy

2

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section
Public Administration Division

PAD FILE

29 May 1946

MEMORANDUM FOR THE RECORD.

SUBJECT: Reorganization of Board of Communications.

1. This morning I had a conference with Mr. Whittemore, Deputy Chief of the Civil Communications Section, on the question of whether or not the Board of Communications should be raised to the status of Ministry. I pointed out that the Government Section has always felt that the Board of Communications and Transportation should be taken out of politics and that the best way of doing this appeared to be to set up public authorities. I further stated that we were opposed at this time to the creation of a Ministry of Communications for two reasons: (1) because it might interfere with the long range program of removing Communications and Transportation from politics, and (2) because it did not seem advisable to permit a major governmental change by Imperial rescript or Cabinet ordinance at a time when the Diet is in session.

2. Mr. Whittemore said that he was anxious to have the Board of Communications secure Cabinet representation in order that they would receive fairer treatment in the allocations, etc., but that he agreed fully with the position of the Government Section that Communications should be taken out of politics.

3. It was finally agreed that as a temporary measure the Board of Communications would be placed under the responsibility of a Cabinet Minister without Portfolio and that hearings would be started at an early date between representatives of the Japanese Government, the Civil Communications Section, and the Government Section, looking toward the preparation of legislation necessary to accomplish our long-range objectives.

ALFRED R. HUSSEY, JR.
Commander USNR.

1B

Communication

CW/CLK/RAP/cg

Policy on Signal Communications
to and from Japan.

CCS 24 Jan 46

1 With reference to conversations between Mr. Nash of CCD and Mns. Poole of this Section. There are enclosed certain suggested changes in CCD's proposed Memorandum to the Chief of Staff, subject, "Policy on Signal Communications to and from Japan".

C. W.

Suggested changes, ad Memo of Conference held in Civ.Com.Sec. on 16 Jan 46, filed in External Affairs File.

1A

R

PA FILE

Communications

For Relation File

WEC/CLK/RAP/ch

Cessation of Communixcations
between Japanese Govt and its former Diplomatic
and consular Representative abroad.

CDD

Attn: Lt Comdr Spaeth 11 Dec 45

1. There is enclosed herewith a copy of Memorandum of 10 December 1945 on the above subject. , together with a copy of Memorandum of 25 Oct 45, which is referred to therein.

2. Request that communications between the Jap govt. and its former diplomatic and consular representatives abroad be censored in accordance with the enclosures.

WEC

Other Copy of above in Reading file.

2

Communications

Cessation of Comm unications between Jap Government and its former Diplomatic and Co nsular Officials Abroad

D C/S 5 Dec 45

The inclosed memorandum has be en concurred in by CCD (Lt. Comdr. Spaeth), CCS (Maj Small), G-3 (Brig Gen Dumas ), and discussed with Mr. Atcheson.

W. E. C.

Communications

GENERAL HEADQUARTERS
UNITED STATES ARMY FORCES, PACIFIC

CHECK SHEET
(Do not remove from attached sheets)

File No.: Subject: **Transmittal of Comment Sheets**

| NOTE NO. | FROM: **IRD, CCIG-J** TO: **GS** DATE: **10 Nov 45** **Att: Lt Com'dr Byard** |
|---|---|
| **1.** | **Transmitted herewith Comment Sheets for your information.** |
| | **H.F.H.** |
| | GS IRD, CCIG-J 15 Nov 45 |
| **2.** | 1. Inclosure returned. |

2. May we have all cables exchanged between the Japanese Government and their representatives abroad and all cables sent from representatives abroad to the Japanese Government, sent through the Swiss and Swedish circuits since October 25, 1945.

3. It is regretted that our previous telephone request was not understood.

C. L. KADES
Col., Inf.,
Pub. Adm.

See Elect. Affairs to
- Complete file.

A

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

RAP/afv

24 Nov 1945

MEMORANDUM FOR THE RECORD: 1/2

1. Basic communication is letter of 8 Nov 45 from A. S. Jain, President Indian Residents' Ass'n, Yamamoto-dori, San-chome, Kobe, addressed to GHQ, Office of the Chief Signal Officer, requesting information and assistance in establishing communications between Indian residents in Japan and their families and friends in India, and requesting use of telegraphic facilities of occupation forces.

2. Lt Col Figgess of the British Staff Section states that he will take care of this matter and answer Mr Jain's letter for SCAP. The British Staff Section has had considerable dealings with the Indian residents re repatriation, transfer of funds, communication, etc., and has presented the various problems arising to the Indian Government for solution, including the matter of opening mail and telegraphic communications with India. They have also asked that an Indian representative be sent here. From information supplied by Badahur Singh, an ex-officio Indian representative (now departed), after a trip to Kobe, Col Figgess understands that Indian residents have been able to communicate with India (but not vice versa) through the U.S. Army. Perhaps the Sixth Army has been doing this? Col Figgess says he feels no obligation to give extraordinary assistance to the Indian residents, since those who remained in Japan during the war declined to avail themselves of repatriation on a ship provided by the Indian Govt in 1941, since most were connected, willingly or unwillingly, with the Chandra Bose group in Japan, and since only eight availed themselves of repatriation provided a short time ago. There are about seventeen Indians in the Kobe area and about thirty in the Tokyo-Yokohama area.

3. Information in para 2 of our memo to the British Staff Section was checked with Lt Comdr Spaeth, Telecommunications Division, Civil Censorship Detachment, CIS, ( a & b); Major Cash, Postal Division, Civil Censorship Detachment, CIS (c & d); and Col Guest, Signal Office (a & b).

R. A. POOLE,
Ensign, USNR.

Communications

SBA/JAP/egs

Communication from the Indian Residents' Association.

(1) C Civ Comm — Govt Sec — 19 November 45

1. The attached letter (Inclosure No 1) from The Indian Residents' Association, Kobe, is referred to your section inasmuch as the request made, goes beyond the purview of the Civil Communications Section.

2. In order to furnish your section with background for this request, the following information is supplied:

a. Original communications received by this section dated 11 Sep 45 copy attached (Inclosure No 2) requested information reference telegraphic communication with India.

b. Reply was made on 30 Sep 45 as per attached copy of our letter to Mr Jain (Inclosure No 3).

3 Incls:
#1 - Ltr fr Indian Residents' Asso dtd 8 Nov 45 to CSigO
#2 - Ltr fr M. A. S. Jain dtd 11 Sep 45
#3 - Ltr fr CSigO to Mr. Jain dtd 30 Sep 45

/s/ JAB for
/t/ S.B.A.

COPY: afv

Foreign Affairs file

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(2) FROM: Govt Sec — TO: British Staff ~~Mission~~ Section — DATE: 24 Nov 45
THRU: G-2, Foreign Liaison

WEC/CLK/RAP/afv

1. Referred to British Staff ~~Mission~~ Section for action as per conversation of 23 Nov 45 between Lt Col Figgess of the British Staff Mission and Ensign Poole of this Section.

2. Reference Mr Jain's letter of 8 Nov 45, it has been ascertained that:

a. (Ref para 4) There is no direct civil telegraphic circuit to India. Not known when such will be made available.
b. (Ref para 5) SCAP's telegraphic circuit cannot be made available for this purpose.
c. (Ref para 6 & 7) There is no direct civil mail or air mail to or from India. Not known when such will be made available.
d. (Ref par 8) SCAP is unable to supply copies of U.S. Postal and Telegraphic Guides.

3 Incls - n/c

W. E. C.

B

THE INDIAN RESIDENTS' ASSOCIATION KOBE.
1/2. Yamamoto-dori Sanchome; Kobe.
Telephone: Motomachi 3926

TELEGRAPHIC ADDRESS
INDIAN KOBE

General Headquarters;
Office of the Supreme Commander;
for the Allied Forces;
Office of the Chief Signal Officer;
Tokyo.

Dear Mr. Akin;

(1) I acknowledge with thanks your letter addressed to me as Hon: Secretary of the Bharat Hindu Mandir, Kobe City, Fukiai ku Nakajima dori Nichome No: 16, dated the 30th of September 1945.

(2) It is regrettable that your letter dated the 30th of September (although my letter was promptly attened to by your goodself) reached me only yesterday, just after 38 days.

(3) Repeated enquiries have been made from the local Central Telegraph office, as to when telegraphic communication, open to the public will be resumed, but without result.

(4) As every one of us is most anxious to exchange news of welfare with the home people, after the lapse of so many years; could you give me an idea as to when civil telegraphic communication is likely to be resumed.

(5) In case it is still likely to take a long time before arrangements could be completed, could you fecilitate our using the telegraphic arrangements of the local occupation forces?

(6) As suggested by you, we will make full use of the mails, and for this we are much obliged to you.

(7) Since there is no airmail arrangement as yet (to our knowle dge) between India and Japan; could you please find a way or make one for our people at home to enable them to reply to letters (By airmail) addressed to us in Japan.

(8) We shall appreciate if you will be pleased to spare for the use of the Indain Cummunity a copy each of the U.S. Postal and Telegraphic guides for which we will be pleased to make payment,

Thanking you, I remain;

Yours very truly;
/s/ A. S. Jain
/t/ A. S. Jain.
PRESIDENT INDIAN RESIDENTS' ASS'N

KOBE:
8th November 1945.

COPY: afv

COPY

GENERAL HEADQUARTERS
OFFICE OF THE SUPREME COMMANDER
FOR THE ALLIED POWERS
Office of the Chief Signal Officer

30 September 1945

A. S. JAIN, Hon. Secretary;
The Bharat Hindu Mandir,
Kobe City;
Fukiai Ku: Nakajima-dori
Nichome: No: 16.

Dear Mr. Jain:

Your letter of 11 September to General MacArthur's Headquarters inquiring as to resumption of private telegraph communications with India has been referred to me for reply.

The necessary arrangements to permit resumption of telegraph communications open to the public have not yet been completed. At this time it is difficult to set an exact date. In the meantime it is suggested that you make full use of the mails. In this connection letters will be expedited if written in English, Spanish, French or German.

Yours very truly,

S. B. AKIN,
Major General,
U. S. Army.

COPY TO:
CG SIXTH ARMY

NOTE FOR RECORD:

None required.

WTG/aju

COPY: afv

COPY

THE BHARAT HINDU MANDIR
(Indian Instituation)

Marshal Mac Arthur's Headquarters;

TOKYO

Gentlemen;

I beg to confirm having despatched the undermentioned telegram to your headquarters :-

"Indian Community anxious knowing whence direct private telegraphic communication with India will be resumed. All anxious exhanging welfare news with ome folks"
10 September 1945.

A. S. Jain.
16. Nakajima-dori
Nichome Kobe.

The Indian Community here being cut off from home-folks for the last four years is most anxious to exchange welfare news with them.

Repeated enquiries were made from the local Central Telegraph Office in the above connection; but all in vain.

Believing that you would be a position to oblige us with definite information, I took the liberty of telegraphing you, and hope to hear from you before long.

Yours very truly;

/s/ A. S. Jain
/t/ A. S. Jain
Hon. Secretary;
The Bharat Hindu Mandir.

Kobe City;
Fukiai Ku: Nakajima-dori
Nichome: No; 16.
11 September 1945.

P.S. During the Air-raids all our stationery was burnt down hence communications on plain paper.

COPY: afv

Communications

Opening of Communication Channels
WEC/CIK/FR/jmh

C Govt Sect AG CIC 24 Nov 1945

Since continued control over Japanese civil communications is necessary from the standpoint of occupation policy and since Chief Counter Intelligence Officer states that the present staff of the Civil Censorship Detachment could not satisfactorily censor the increased volume of communications which would result from granting of the Japanese Government's present request, this Section concurs in the OCCIO's recommendation that the request contained in C.L.O. No. 566(5) be not granted at this time.

- - - - - - - - - - - - - - - - - W. E. C. - - - - - - - - - -

MEMORANDUM FOR RECORD: In AG 311.7 (28 Oct 45)CIS this Hq gave the Japanese Govt permission to establish a limited mail service between Japanese subjects awaiting repatriation from former Japanese-occupied areas and the home islands, through Allied focal control points. CLO 566 (5) requested the privilege be broadened to include communications between Japanese nationals and their families in the U.S. (including Hawaiian Islands), North & South America, Europe, India, Australia, New Caledonia, etc. OCCIO points out this would amount to universal communication privileges, since it would not be possible to identify "members of their families". CCD personnel and facilities are inadequate to censor such a volume of correspondence. The Political Advisor concurs in the recommendation of this Section.

F.R.

PA FILE