GHQ/SCAP Records(RG 331)
Description of contents

THE NATIONAL ARCHIVES OF THE UNITED STATES

(1) Box no. 2139

(2) Folder title/number : (4)
Transportation

(3) Date : Dec. 1947 - June 1949

(4) Subject :

Classification	Type of record
632	d

(5) Item description and comment :

(6) Reproduction : (Yes) No

(7) Film no. Sheet no.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
CIVIL TRANSPORTATION SECTION
APO 500

15 June 1949

Letter No. 3

Abbreviations:
CTS - Civil Transportation Section
SCAP - Supreme Commander for the Allied Powers
JNR - Japanese National Railways
ESS - Economic and Scientific Section, GHQ, SCAP

General

Legislation: Before the Diet recessed a number of bills pertaining to transportation were enacted as follows:

1. The Ministry of Transportation Establishment Law: (Law No. 157, 31 May 1949) defines the powers of the Ministry of Transportation and establishes an organization for the conduct of administrative affairs of the Ministry. The bill established a transportation council which is designed to function similarly to the Interstate Commerce Commission in the United States. The Transportation Council shall determine or revise basic rates, fares and charges for railways, tramways, water transportation and intercoastal water enterprises, grant or cancel franchises, authorize construction of railway lines, inauguration of ferry or water transportation service or transfer of working lines by JNR, and permission for consolidation, merger or sale involving private railway and motor carriers.

Functions of the Ministry of Transportation will be similar to the combined powers of the Interstate Commerce Commission and the Maritime Commission in the United States and will cover the entire field of Civil Transportation in Japan. The organization of the Ministry of Transportation includes a secretariat and six bureaus as follows: Maritime Transportation Bureau, Ship Bureau, Seamen Bureau, Port and Harbor Bureau, Railway Supervision Bureau and Highway Transportation Bureau.

2. Marine Transportation Law, passed May 26, 1949, provides necessary legislation for the orderly regulation of the marine transportation business, including tramp service enterprises, liner service enterprises, ship leasing enterprises, forwarding agencies, shipping brokerages, shipping company agencies, and tallying, surveying and measuring businesses. It supports and complements the law establishing the Ministry of Transportation and especially the Transportation Council and the concepts basic thereto.

3. The Marine Pilot Law, passed May 22, 1949, provides for the examination, licensing, and registration of pilots, and the regulation of pilots and pilotage.

4. Partial Amendments to Shipbuilding Public Corporation Law, passed May 12, 1949, undertakes to eliminate from the activities of the Sempaku Kodan all activities except shipbuilding and ship repair.

5. Law for Partial Amendments to Customs Law & Other Laws, passed May 12, 1949, designates the legal government authority, and provides for the collection of duties on import cargoes and prevention of smuggling.

6. Amendments to Maritime Safety Board Law & Sea Casualties Inquiry Law, passed May 23, 1949, provides for investigation and trial of personnel involved in marine disasters, establishment of four divisions and their responsibilities, duties and functions, appointment of officials and delineations of duties.

7. Navigational Aids Law, passed May 5, 1949, revises the regulations concerning navigational aids so that the Maritime Safety Board shall establish and control all navigational aids (beacons).

Transportation Certificate: Effective June 20, 1949. ordinance no. 1 of 1947 "Procedure concerning Transportation Certification of Designated Materials" was rescinded and replaced by ordinance no. 1 dated May 27, 1949. Important changes in the enforcement procedure may be summarized as follows:

1. One transportation certificate is issued for the duration of the transportation route of the designated material, rather than singly for each transportation media which might participate in the movement.

2. The transportation certificate is now issued by the consignor himself; formerly certificates were issued only by government agencies.

3. Upon receipt of the goods, the consignee returns certificate within seven days to the consignor stated in the certificate.

4. Certain goods may be excepted from operation of certificate procedure after due consideration by authorities.

5. Commodities belonging to the state (JGR or Coal Kodan) do not require certificates; formerly certificates were necessary.

6. Enforcement provisions were added by which, in the event of violations of ordinance permit, the competent official may suspend or curtail the allocation of production materials or rationed goods for the consignor or carrier or may cancel the registration of the consignor.

It is expected that MG surveillance of enforcement activities in regard to the revised law will be conducted in the same efficient manner as had been exercised over the rescinded ordinance.

Rail

Railway Strikes: Wildcat strikes by conductors and motormen from June 9-11 tied up Tokyo commuter traffic on the Japanese-Government-operated interurban electric train system leaving hundreds of thousands of passengers stranded on various suburban stations. The walkout started at Higashi Kanagawa on the Tokyo-Yokohama line and spread to east-west Chuo, the northbound Omiya line and western Chiba line.

The dispute arose over the changing of the conductors' riding schedule on the basis of the 48 hour week in accordance with law. Japanese National Railways was considerate of union members in delaying the change in schedules to the present time as the law providing for a 48 hour week went into effect over five months ago. A secondary cause of strikes was the elimination of 120,000 employees effective 31 July 1949.

There was a great number of outside unions brought in to assist the cause. Commuter service into Tokyo was paralyzed for the duration of the strikes but there was little interference with freight service.

Water

Japanese Harbor and Port Rehabilitation Program Fiscal Year 1949/50: After careful screening by CTS and Public Works and Finance Divisions of ESS, SCAP the Minister of Transportation's original program for port and harbor development amounting to over 16 billion yen was scaled down and finally established at ¥3,796,350,000 to bring the program in line with the total amount allocated in the Japanese budget for Public Works Projects. CTS is charged with screening such harbor projects to assure sufficient port and harbor facilities to meet the requirements of the Japanese economy and promote a smoother flow of commerce.

During the last fiscal year (1948-49) the Japanese government was required to submit a national plan for harbor development and rehabilitation which was approved by CTS and which has served as a basis for establishment of priorities to be used in screening the annual program. The priority arrangement is as follows: (a) Removal of obstructions to navigation, (b) Dredging of present facilities, (c) Repair and maintenance of present facilities, (d) Reconditioning and improvement of present facilities, (e) Limited New construction.

Emphasis last year and again this year is on removal of hazards to navigation and dredging in order that sufficient water depth could be restored for maximum required navigation. New projects are the exception and will continue to be screened with great care.

Every effort is being made to insist upon local communities bearing increased financial responsibility which is a new thought to the Japanese. During 1948/49 the central government shifted 25 percent of the responsibility to prefecture and city level, during the present year about 50 percent and expects ultimately to shift about 70-75% of the financial responsibility.

The ports and harbors in Japan are generally in excellent condition. War damage was slight. As in pre-war years, the ports are competent to handle a much greater demand than present or future requirements are expected to impose.

Single Exchange Rate: Instructions are being prepared to effect application of SCAPIN 1997, 23 April 1949, to charges for port facilities furnished to foreign flag vessels in Japanese ports. Effective 0001, 25 April 1949, all charges which are reimbursable in foreign exchange to the Supreme Commander, as prescribed in SCAP Circ. 29, 1 Nov. 1948, will be computed by applying the single exchange rate of ¥360 to $1 to Japanese yen prices authorized by various Japanese laws, ordinances and price board notifications. SCAP Circ. 29, other letters, and instructions are being amended accordingly.

Highway

Licensing of Express Business Operators (Freight Forwarders): Procedure has been established for licensing of freight forwarders. Application forms including the following data will be disseminated to all prospective applicants by the Ministry of Transportation:

1. Stations for which license is desired
2. Zone of business influence of the applicant
3. Financial resources
4. Equipment and facilities
5. Such other data as would be required to determine the best qualified applicant for license at each railroad station.

The Ministry of Transportation will refer the applications to the council for public hearing and deliberative action. The council will make recommendations to the Ministry of Transportation as to the best qualified applicant or applicants for each station. The number of licenses will be based upon sufficiency of available terminal facilities.

Vehicle Production Schedule: The vehicle production program for the fiscal year 1949 includes a total of 34,838 vehicles as follows: 28,278 trucks, 2,560 buses, 3,000 gas automobiles and 1,000 electric automobiles. The schedule is based on the minimum requirements of highway transportation necessary to carry the planned "mission" as approved by Chief, CTS, SCAP combined with the need of retirement of all vehicles which are now beyond the economic limits of further operation, estimated at 6 (six) years of useful life.

H. T. Miller
Colonel, TC
Chief, Civil Transportation Section

Trans

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Bank Chosen

CHECK SHEET

(Do not remove from attached sheets)

Maj. J. P. Napier
26-6962

File No.:

Subject: Plan for Governmental Reorganization

Note No.:	From: Govt Sec	To: Civil Transportation Section	Date: 7 April 1949

1

1. Herewith for your information is the official Japanese "Plan for Governmental Reorganization" as approved by the Cabinet. The government proposes to present Ministry Establishment Bills necessary to its implementation to the Diet before 22 April.

2. Economy in government through reduction of personnel and structural streamlining is an essential element of the 9 point economic recovery program announced by SCAP as a primary objective of the Occupation. This plan is the coordinated proposal of the various ministries concerned and of the Cabinet to implement the SCAP directive from the standpoint of the agencies of government.

3. Under established SCAP policy, General Headquarters, SCAP, will not intervene by directive to alter the details of the Government proposal except where some specific objective of the Occupation is jeopardized. If such an objective is believed jeopardized under the plan of reorganization and desired modifications have not resulted from conference with the Japanese officials concerned a staff study thereon should be submitted to the Chief of Staff, with a proposed directive to the Japanese Government in accordance with established staff procedure.

1 Incl: Reorg. Plan

6 (4)

From: Civil Transportation Section To: Govt Sec

Mr. Silver 26-6002
Date: 20 April 1949

2

1. The Chief of CTS considers most undesirable the Plan for Governmental Reorganization as set out in the attachment to Checknote 1.

2. Article 9 (page 9) of the attachment sets out the projected organization of the Ministry of Transportation. Under the Railways Supervision Bureau there are provided two "divisions" - a National Railways Division and a Private Railways Division. Under the Motor Transportation Bureau there are provided a Management Division and an Equipment Division. Under the Maritime Transport Bureau there is provided a Coordination Division.

3. Article 7 of the National Government Organization Law provides that "for the purpose of administering their respective specific functions, a...ministry shall have internal subdivisions enumerated below:

Secretariat
Bureaus
Sections."

(7)

FEC AGO Form No 37

3415—FEC Printing Plant—12/48—50M

GENERAL HEADQUARTERS
FAR EAST COMMAND

CHECK SHEET

(Do not remove from attached sheets)

File No: **Subject**: Plan for Governmental Reorganization

Note No.	From: Civil Transportation Section To: Govt Sec Date: 20 April 1949
2 (cont.)	Paragraph 3 of Article 7 indicates that the Ministry Establishment Bills should be concerned only down to the Bureau level. While noting the breakdown of the reorganization plan to lower than Bureau level, it was assumed that this was not a matter to be dealt with in the preparation of the Ministry of Transportation Establishment Bill. CTS now learns that a change in the National Government Organization Law is contemplated and has been cleared by Government Section, whereby a new unit has been added between Bureaus and Sections and that such units are to be set out in the law establishing the Ministry. 4. Such divisions interpose an additional level in the pyramiding of responsibility between the head of a Bureau and the Sections that carry out his instructions. Such a pyramiding of responsibility is purchased at the cost of an additional uneconomical budgetary expenditure, and serves to augment an equally uneconomical bureaucratic structure toward the elimination of which some of the Occupation's best efforts have been directed. The piling of desk upon desk, authority upon authority, and salary upon salary, is one of the flagrant manifestations of Japanese bureaucracy that should not be countenanced by SCAP. 5. Specifically, moreover, the breakdown of the Railways Supervision Bureau into a National Railways Division and a Private Railways Division, preserves and, indeed, intensifies the split within the railroad system that has bedeviled the railway economy throughout its recent history in Japan, but one which CTS was, until the present reorganization plan, well on its way to eliminating. The National Railways are, by virtue of a SCAP-sponsored law, to become a Government corporation, and it is the intention of the Chief of CTS to further the equal governmental treatment of <u>all</u> railway corporations in Japan, national as well as private. The unhealthy rivalry between the National and Private railways, the inconsistency of treatment, the favoritism accorded the National Railways, and their dominance not only over the railways of Japan but the whole transportation economy should be eliminated. The present reorganization plan, making so clear a distinction between the National and the Private railways, augurs ill for the satisfactory achievement of that goal. 6. The Chief of CTS requests that the Japanese Government be informed that the proposed divisions must be eliminated from the Ministry of Transportation reorganization plan as being inconsistent with the objectives of the Occupation. 1 Incl: withdrawn

FEC AGO Form No 37 H. T. M.

3415—FEC Printing Plant—12/48—50M

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
CIVIL TRANSPORTATION SECTION
APO 500

FOREWORD

The Transportation Letter is a concise statement designed to inform the Military Government agencies of Japan on current SCAP and Japanese transportation activities, new policies, legislative action by the Japanese Government and field problems of such nature as to be of interest to Military Government. It is anticipated that the letter will be issued regularly once a month and oftener when items of special interest arise.

Civil Transportation Section will be pleased to receive comments and consider recommendations for additions to or revisions in the content of the letter and will appreciate receipt for inclusion of any material dealing with transportation problems which might be of general information or assistance to all Military Government teams. Issuance of the letter has been discussed with Military Government, Eighth Army who requests that, in the interest of time, the letter be distributed directly from GHQ to all Corps Headquarters, Military Government Regions and Teams.

H. T. Miller
Colonel, TC
Chief, Civil Transportation Section

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
CIVIL TRANSPORTATION SECTION
APO 500

Letter No. 1

1 April 1949

Abbreviations:

CTS - Civil Transportation Section
SCAP - Supreme Commander for the Allied Powers
JGR - Japanese Government Railways
GMB - General Maritime Bureau
ESS - Economic and Scientific Section, GHQ, SCAP
ESB - Economic Stabilization Board

General

Transportation Plan, Fiscal Year 1949-1950: It is estimated that Japanese transportation facilities will be called upon to move a total of 427,264,400 tons, exclusive of load carried or drawn by man or animal, during the fiscal year 1949-50 which will be an increase of 3.4 percent above the 1948-49 plan. The expected demand on transportation media is segregated as follows: Railways 145,116,900 tons, ships 61,980,500 tons and motor vehicles 220,167,000 tons. It is estimated that of the total traffic to be moved by railways, about 96 percent will be moved by Japanese Government Railways (including interchange) and about 60 percent of the water tonnage moved will probably be shipped in wooden vessels.

Transportation Performance 1948-1949: Preliminary reports on performance for the fiscal year 1948-49 indicate that railways have moved 134,300,000 tons, ships 50,500,000 tons and motor vehicles 196,000,000 tons or a total of 380,800,000 tons against a planned movement of 413,187,346 tons. Movement of lesser tonnages than scheduled was primarily due to less freight being offered to motor vehicles than forecast. Transportation backlogs were reduced considerably. Water exceeded planned movements by 9.06 percent; tonnages moved by rail were 98.2 percent of goal. Highway traffic plans were revised downward in September 1948 after it became obvious that freight was not being offered to motor vehicles as forecast.

Legislation: Two bills pertaining to railway operations have recently passed the legislature: The Japanese National Railway Law and the Public Corporations Labor Relations Act, both effective by 1 June 1949. The JNRL transfers the Japanese Government Railways to a public corporation to be known as Japanese National Railways, whose business operations will be directed and controlled by a Board of Directors appointed by the Cabinet with the consent of both Houses. The Minister of Transportation will retain only limited supervision over operation of the railways. The Minister's approval will be required to construct new railway lines, commence ferry or motor service, and take over other related transportation enterprises or suspend any present service. The corporation will operate

on charges for service plus any necessary supplementation by the Government.

The Public Corporation Labor Relations Act sets up machinery to arbitrate and mediate differences between employees and management of, among other public corporations, the new National Railways Corporation. Under this bill unionization and collective bargaining is permitted for employees except those in managerial, supervisory and confidential capacities. Strikes are banned.

Tourist Industry: The Tourist Industry Committee, appointed by the Cabinet to "investigate and discuss fundamental plans and other important particulars concerning the Tourist Industry" has submitted its first report to the Prime Minister, for consideration by the Cabinet. The Ministry of Transportation reported to CTS, SCAP, activities of the Committee which proposes a Five Year Economic Rehabilitation Program to include: 1. construction, improvement and repair of roads; 2. construction and improvement of accommodation facilities; 3. establishment of facilities for sports, recreation, rest, amusement, etc., and improvement of sanitary conditions; 4. construction and improvement of transportation equipment and facilities; 5. preservation of art objects, scenic resorts, national and historical monuments, etc. Eighteen cities have been proposed as tourist cities, and 27 areas described as tourist zones with proposed expenditure requiring 23 billion yen. It appears that the first report submitted by the Tourist Industry Committee to the Cabinet proposes a tourist industry promotion plan for the Five-Year Economic Rehabilitation Program which far out-distances other economic rehabilitation plans. Further study must be given the program and more specific plan submitted to SCAP before a program can be adopted.

Japan Travel Bureau Tours: Japan Travel Bureau has submitted for approval of SCAP, a group of proposed itineraries for package tours in Japan consisting of from seven to 25 days which the Bureau wishes to advertise and offer on a regular schedule. It is probable that a group of approximately 12 proposed itineraries, consisting of from seven to 25-day package tours will be approved, depending upon the availability of railway equipment. There are now available two-day, seven-day and 25-day tours for a limited number of persons. The standardization of these tours should amplify the tourist program as a hidden export.

Incentive Goods: The transportation industry has recently been allocated 250,000 two-piece work suits, 47,512 work aprons and 30,000 pairs of gloves. These goods will be allocated to railway and marine workers during the next several months.

Rail Transportation

JGR Expense Cut: SCAP has applied the "Nine Point SCAP Program" to JGR expenses, Fiscal Year 1949. This new policy includes reduction of personnel, reorganization of bureaus to eliminate duplication of functions, examining capital investments, and planning for future developments.

Power-Private Railways: After conferences between SCAP, CTS, Land Transportation Supervisory Bureau of Ministry of Transportation, and ESB, power allocations to private railways have been increased. Eight major private railways had petitioned ESB and the Ministry of Transportation for an increase in power allocation since they were receiving insufficient power to perform their necessary service. The power allotment to private railways was a decided increase over the corresponding quarter of the previous year. In order to alleviate the inadequate supply 5,040,000 more kilowatt hours were allocated for February and 7,035,000 KWH for March.

Special Rail Equipment: SCAP approved the joint program for JGR and the Bank of Japan whereby JGR will sell 20 of its war-damaged passenger cars to the Bank of Japan for the exclusive use of the transportation of bank notes. The Bank of Japan will make the necessary contracts with rolling stock manufacturers for the required conversion.

Shipment Authorization Indigenous Commodities: Investigation made by CTS, SCAP, of the transportation costs of indigenous-procured commodities reveals that frequently vendors have taken advantage of freight authorizations to ship commodities to each other. Only shipments from the Japanese vendor to the Central Purchasing Office are authorized as properly chargeable against the cost of the Occupation. To insure that only authorized shipments are transported on army freight orders, Central Purchasing Office will supply the vendor with "authority for shipment" in duplicate, one copy to be retained by the vendor and the other to be submitted to 3rd Transportation Military Railway Service, which will refuse all shipments not accompanied by the "authority for shipment."

Water Transportation

Restricted Stevedoring Companies: In order to break up the monopolistic labor control in the principal ports of Japan, the Ministry of Transportation is reviewing the organization of stevedoring companies not presently on the restricted list with a view to requiring dissolution plans from any organization which falls within the meaning of a monopolistic Koun Kaisha. The stevedoring companies listed in the ESB memorandum of 12 April 1948 for dissolution have already complied with instructions and submitted plans to the Ministry of Transportation for reorganization.

Port and Harbor Information: SCAP instructed the Japanese Government to submit, through the GMB, additional port and harbor information. GMB officials enlisted the cooperation of all other Japanese agencies in a position to assist them in securing the required data. All reports have been submitted to CTS.

Billing Procedure for Port Charges: The Japanese Government was directed to implement an interim procedure to expedite processing of bills for port charges, reimbursement of such charges to SCAP, and payment to Japanese suppliers. The cycle of billing and reimbursement can be completed in 15 days. The instructions were issued in a memorandum to the Board of Trade, a letter to all general shipping agencies and a letter to the CG, Eighth Army.

Highway Transportation

Licensing: The Ministry of Transportation has been advised that there will be no extensions of licensing of new government bus or truck routes without prior approval of SCAP. This step is found necessary to insure compliance with the provisions of the Road Transportation Act in the creation of the new government bus and truck routes or in the extension of existing ones. In the past the government has extended its operations without having first submitted an application to a commission for recommendation based on a public hearing which is directly contrary to the provisions of the Road Transportation Act.

Licensing of Agricultural Cooperative Associations and Federations: Application for licensing by agricultural cooperative associations and federations have been submitted to various Road Transportation Commisions for consideration. Agricultural cooperative associations and federations established in accord with provisions of the Agricultural Cooperative Association Law must be licensed to transport the products of its members. SCAP has instructed the Ministry of Transportation that no special consideration should be given to the application of an agricultural cooperative association or federation by the Road Transportation Commissions. A conditional or limited license, in accord with Article 5 and other appropriate provisions of the Road Transportation Act, is the only type of license that should be issued to an agricultural cooperative association or federation.

Local Road Transportation Commission: Recent visits by CTS, SCAP, personnel to central and local commission hearings has brought to light the fact that these commissions do not comprehend the proper functions of a public hearing. CTS has recommended that the Central Road Transportation Commission immediately issue a uniform set of rules, regulations and procedures to govern the functions of the Road Transportation Commissions with special emphasis on the conduct of public hearings.

Maintenance and Repair of Japanese Roads and Streets: The Ministry of Construction has submitted, under SCAPIN 1943, a plan for the Japanese Fiscal Year 1949 providing for the maintenance and repair of the Japanese network of roads and streets. The plan calls for new construction, improvement, maintenance and repair of 22,941 kilometers of roads and streets and is estimated to require: cement, 86,700 tons; asphalt, 52,760 tons; lumber, 1,260,000 koku; steel, 10,000 tons; paint, 420 tons; paint oil, 330 tons; man-days, 51,340,000. The total cost is estimated to be ¥32,296,000,000 of which ¥20,976,000,000 is to be paid by the local government and the remainder of ¥11,320,000,000 by the national government. The plan is subject to revision depending upon availability of funds and materials. Priority during the Fiscal Year 1949 will be given to streets and roads in the following order: 1. city streets over which scheduled motor transportation services are in operation; 2. connecting roads between principal traffic and industrial centers; 3. access roads serving 1 and 2.

H. T. Miller
Colonel, TC
Chief, Civil Transportation Section

(9)

004.04 Industrial Mobilization

File

Transportation

From: Mil. Govt. Sect. To: Chief Engr. 24 Sep 1945

1. The above comments were received from Manila after Directive Number 3 had been published and after proposed Directive Number 4 had been submitted to the Chief of Staff.

2. Your comments on the desirability of including the proposed instructions in a future communication to the Imperial Japanese Government are requested. In view of the fact that the subject matter relates primarily to economical and industrial matters, it is further requested that your comments be submitted to the Economic and Scientific Section for consideration.

File

3. Attention is called to the fact that the proposals made concerning transportation cover railway lines and priorities in Korea, as well as in Japan. In view of the governmental and administrative separation of Korea from Japan, as defined under the Cairo and Potsdam declarations, it is not believed that instructions relating to Korean transportation problems should be issued through the Imperial Japanese Government at this time.

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

(6)

GENERAL HEADQUARTERS
FAR EAST COMMAND

CHECK SHEET

(Do not remove from attached sheets)

FSB:GBD:CCM;as

File No:

Subject: Request for Railroad Facilities

Note No.	From: Trans Sec	To: Government Section	Date: 5 Jan 1948

4

1. In confirmation of conference held with Mr. Hayes, Government Section, and representatives of JGR and Ministry of Transportation, in the office of the Rail Division, Civil Transportation Section, on 29 December 1947, arrangements have been made for the office of the Procurator General to secure from the Japanese Government Railways 100 bearer passes to be issued to individuals to cover urgent movement of personnel necessary to fulfill their duties in connection with objectives of the Occupation.

2. Above mentioned passes will be strictly controlled by the office of the Procurator General and will be issued for a period of six months.

3. Details concerning the payment of charges will be worked out independently between the office of the Procurator General and the Chief of Documents and Archives Section, JGR.

for F.S.B.

AGO Form No. 37

5177-64 ENGR-3-27-47-100,000

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

(Do not remove from attached sheets) CW/CLK/FEH/rh

File No.:

Subject: Request for Railroad Facilities

Note No.: 3

From: GS To: Civil Transportation Section Date: 16 Dec. 1947

1. Pursuant to a telephone conversation of this date between Mr. Hays of this Section and Lt. Col. Barnes of your Section, it is requested that reconsideration be given to this Section's request for railroad facilities for Japanese procurators who are charged with the responsibility of securing evidence and prosecuting illegal transactions in hoarded goods.

2. Specifically, it is desired that arrangements be perfected whereby the Transportation Ministry will be authorized to place in the hands of the Procurator General a block of one hundred passes on Japanese trains; this to enable Procurators to move by rail on a moment's notice without being requested to compete for space with the traveling public. This is not a request for authority to travel on Occupation Force trains or military cars.

3. It is submitted that the method outlined in paragraph 3 of Check-note 2 above is impractical as the necessity for travel of Japanese investigators is not known sufficiently in advance to comply with that procedure. The success of the entire program depends upon the ability of the numerous prosecutors located throughout the 46 prefectures of Japan to move expeditiously upon short notice and with the greatest of secrecy to any point in Japan. To require the hundreds of procurators in Japan, or their assistant investigators, to report to Military Government units, or tactical units, in order to obtain a letter of permission to travel would defeat the entire purpose of one of the main objectives of the Occupation.

4. The enforcement program, as set up by the Procurator General's office, at the instance and approval of ESS and Government Section, is of greatest importance. In order to democratize and reform the governmental structure of Japan, a requirement of the Potsdam Declaration, it has become apparent that a thorough house cleaning of political circles and the elimination of underworld ties therewith is an absolute necessity. The Japanese judicial system is the instrumentality being used by this Headquarters for that purpose. Full responsibility for the success of the program has been placed in the Procurator General's office with the understanding that all possible aid be given to the procurators in achieving the necessary ends of the program. Therefore, it is requested that favorable consideration be given to paragraph 2 of this checknote.

C. W.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

CW/FEH/MM/sr

(Do not remove from attached sheets)

File No.: Subject: Request for Railroad Facilities

Note No.: From: Government Section To: Civil Transportation Section Date: 4 December 1947

1. Pursuant to telephone conversation between Mr. Rizzo of this Section and Mr. C. S. Woods, Executive, of your Section, it is requested that arrangements be made through your Japanese Liaison Office whereby upon request from the office of the Procurator-General, procurators and their assistants may be enabled to obtain travel accommodations without having to wait in line at the various railroad stations.

2. The basis for this request is that the Procurator-General has been charged with complete responsibility for investigating and prosecuting cases involving large stocks of goods diverted from government channels as early as August 1945. These cases are being investigated in various cities in Japan and it is important for the conduct of this work that the procurators move expeditiously between Tokyo and other centers and the places where the investigations are being conducted.

3. Since, in a number of these cases, there is evidence of corruption of public officials and the use of the proceeds from the sale of these hoarded goods for political purposes, the current drive of the Procurator-General is of the utmost interest to GHQ, SCAP, and its success is deemed necessary in the attainment of Occupation objectives.

-C.W.-

2 From: Civil Transportation Section To: Government Section Date: 6 December 1947

1. Reference is made to paragraph 8c, Circular 61, Headquarters, Eighth Army, 18 April 1947.

2. Your request can be well covered by 3d TMRS Form P-6.

3. It is suggested that your office initiate a mimeographed form so that only the individual's name, point of origin, destination, and dates between which travel is required need be filled in. This mimeographed form should be addressed to the RTO-3rd TMRS and should inform the 3rd TMRS that the travel being performed is in the interests of, but not for, the Occupation, and that the traveller will make his journey at his own expense. However, due to the nature of his business a priority certificate is required.

-C. S. W.-

10167

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

File
Procurators
investigation
committee

31 December 1947

MEMORANDUM FOR THE RECORD

SUBJECT: Railway Passes to be Issued to Procurators

1. On 29 December in conference with representatives of the Transportation Section, SCAP, and representatives of the Transportation Ministry of the Japanese Government, Government Section made arrangements for the Transportation Ministry to issue one hundred passes valid only on non-military trains to the office of the Procurator General. These passes are to be used in connection with the current campaign directed towards uncovering hoarded goods and prosecuting Japanese who have illegally dealt in the same.

2. It was suggested by Mr. DeGroat, Director of the Rail Transportation Division, and concurred in by all present, that these passes be "bearer passes," to be issued in blank and indicating on the face of the pass that the bearer of the pass is a special security officer of the Procurator General's office. The purpose of this is because the Japanese National Railways issue special passes of the same type to their own security officers. This arrangement would maintain some degree of security as to the identity and purpose of the procurator's agent traveling on the pass.

3. Transportation Section desired that all travel performed on these passes be made a debit item against the Procurator General's budget and credited to the account of the Japanese Government Railways.

4. The passes are to be issued on a six-months basis but it was understood by all present that at the end of that period they may be renewed.

5. Each time a pass is used the Procurator's office is to issue an identification certificate to accompany the pass, the purpose of the certificate to be of identifying the bearer as being entitled to carry and use the pass, such certificates to be good for only one trip.

6. It was determined at the meeting that future contacts relative to any business in connection with the issuance and use of the passes, as far as the Headquarters is concerned, would be made between Mr. Matsukata of the Government Section and Mr. Kano, Ministry of Transportation Secretariat.

4 E N
FRANK E. HAYS
Special Adviser

Transportation

K

GW/CLK/FEH/rh

Railway Passes for use of Procurators' Office

Government Section Civil Transportation Sect. 3 March 1948

Govt. Section file

1

1. In accordance with a telephone conversation between Mr. Mitchell, Civil Transportation Section, and Mr. Hays, Government Section, on 2 March 1948 there is quoted hereafter an excerpt from Government Section's Daily Report to the Chief of Staff of actions taken in conference with reference to the above subject:

"Pursuant to the Supreme Commander's instructions to the Chief, Government Section, that the aggressive prosecution of those guilty of illicit traffic in hoarded goods is to be considered as one of the chief objectives of the Occupation, Government Section initiated some months ago an enforcement program to be carried out by the Office of the Japanese Procurator General. Subsequently, it was determined by the Procurator General that it would be necessary for his office to have placed at its disposal a certain number of passes on non-military trains in order to carry out the program. Therefore, Government Section made the necessary arrangements with the Civil Transportation Section for the procurement of such passes at a conference on 29 December 1947. Accordingly, the Chief, Civil Transportation Section, addressed a communication to the Japanese Ministry of Transportation on 9 January 1948 requesting that the 'Japanese Government railways issue 100 bearer passes to individuals designated by the Procurator General in order that they may be used by members of the Procurator General's staff on urgent missions necessary to fulfill their duties....on a 6-months basis and will bear a notation that the holder is a member of the Group Security Office of the Japanese Government Railways and the Office of the Procurator General... Payment of charges for the use of these passes will be by mutual agreement between the Office of the Procurator General and the Japanese Government Railways.'

"It has been reported to the Government Section by the Procurator General's office that the Transportation Ministry has demanded 5 million yen from the Procurator General's budget to pay for the passes on a 6-months basis. This figure is considered by the Procurator General's office to be unreasonable and negotiations between the two government agencies have become deadlocked because the Procurator General's budget will not permit the expenditure of an unreasonable sum of money for this purpose.

"In view of the importance of the procurators' program, it is considered that further delay in the issuance of the passes is not only completely unwarranted but will seriously hamper the attainment of an Occupation objective. Therefore, on 2 March the Minister of Transportation was summoned to the Government Section and instructed to carry out the terms of General Besson's letter by noon, 3 March 1948, or failing to do so the responsible officials of the Transportation Ministry will not be allowed to continue in office. The Minister of Transportation was further instructed that the amount to be paid by the Procurator General's office to the Transportation Ministry may be determined by mutual agreement between them at a later date."

---------- G. W. ----------

COPY

COPY

FSB/GBD/CCM/as

Request for Railroad Facilities

Trans. Sec. Government Section 5 Jan. 1948

4 1. In confirmation of conference held with Mr. Hays, Government Section, and representatives of JGR and Ministry of Transportation, in the office of the Rail Division, Civil Transportation Section, on 29 December 1947, arrangements have been made for the office of the Procurator General to secure from the Japanese Government Railways 100 bearer passes to be issued to individuals to cover urgent movement of personnel necessary to fulfill their duties in connection with objectives of the Occupation.

2. Above mentioned passes will be strictly controlled by the office of the Procurator General and will be issued for a period of six months.

3. Details concerning the payment of charges will be worked out independently between the office of the Procurator General and the Chief of Documents and Archives Section, JGR.

F. S. B.

Govt. Section files

FJS/mhn

Proposed Land Transport Act

Civ. Trans. Sec GS 31 July 1947

1. 1. Concurrence of Government Section in attached proposed amendment to subject law is requested, to permit formal submission to Cabinet tomorrow, Friday 1 August 1947.

2. This amendment as already discussed with Col. Tilton and Mr. Nolan, provides for placing jurisdiction of wholly municipal bus transportation under the jurisdiction of Municipal Government of the Municipality involved.

1 Attachment

GS - File Copy

---------- F. S. B ----------

From: Govt. Section To: Civ. Trans. Sec. Date: 1 August 1947.

2. 1. Government Section concurs.

2. Government Section recommends that the position of this headquarters should be to offer no objections to this proposal rather than to strongly support it.

1 Attachment n/c

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

GW/CLK/ARH/amm

Railway Express Transportation Act.

Govt Section — Civil Transportation Section and ESS — 25 July 1947

1 1. Government Section does not approve the Railway Express Transportation Act. Regulation of the railway express business may well be required for the protection of the public, but regulation should be accomplished by writing into the law the standards and conditions deemed necessary and not by vesting broad discretionary powers in government officials.

2. Under the proposed law, the Minister of Transportation is given the authority to grant or withhold license to do business, to interfere with the conduct of business, to approve, amend and alter contracts of carriage, to require or prohibit the transportation of articles, to regulate the sale or merger of express companies, and to exercise any other form of interference or control. In no case are the bases for action clearly established with the result that the person engaged in or wishing to engage in the express business has no way of knowing what factors are going to dictate the decision of the minister. He is, therefore, entirely at the mercy of the government.

3. The criteria which must be applied to legislation of this nature are quite clear. Are the standards of conduct written into law? Are the limits of - the bases for - administrative interference clearly defined? Has the person affected any reasonable assurance of protection against arbitrary or discretionary action at any time and on any phase of his legitimate operations? Are safeguards by hearings and appeals provided? If there is a sufficient public interest present, the nature and extent of that public interest should be defined in the law in the clearest possible language and the conditions under which the government may act and the limitations upon these actions specifically set forth.

4. In other words, private enterprise is entitled to know how it is expected to conduct its operations. It should not be required to act at its peril and completely at the mercy of the government. Under the proposed law, the Minister of Transportation may determine at his discretion, what the public welfare requires and how and when it should be enforced. Nothing in the law prevents his own personal feelings from becoming the will of the government. The authority of the state to act is absolute and unimpaired and no effective remedy lies in the courts because no standards are set up whereby the regularity or irregularity of the action can be measured.

C.W.

GOVT SECTION FILES