

Reports Control ( ) bol 48/E/PC

MSG 430

Subject: "Special Report on Price Structure of Vegetables".

average farmer still must procure from 30% to 50% on the blackmarket, adding a sizeable item to his cost total.

e. The failure of the control price system to take quality into account results in the farmer paying little attention to achieving more than minimal standards of basic quality of his produce or condition of vegetables when delivered. It further results in his disposing of his best produce thru unofficial channels and putting the less good on the controlled market. All of these factors result in cumulative losses by the middleman and decreased value and satisfaction to the consumer.

f. The failure of the control price system to provide seasonal differentiation results in farmers' taking the "easy way" in all phases of production and delivery; i.e., harvesting when most convenient, delivering large quantities which have accumulated and aiming at the blackmarket during periods of scarcity.

g. It is believed that continuation of the present price structure for vegetables thru the current fiscal year will have the following results so far as farmers are concerned:

- (1) Almost total lack of stimulus for increased production, perhaps some inclination to decrease production in favor of more lucrative activities. (The fear is often expressed that increased production will result in a lowering of the official price.)
- (2) Continuing and increased conviction that the controlled market cannot handle the distribution successfully. With this goes a growing lack of faith in the economic sagacity of the government agencies concerned.
- (3) Increased capitulation to careless habits of production and processing. Before the war, the farmer prided himself on his product and the condition in which he delivered it; wartime compulsory deliveries created careless habits.
- (4) The necessity for continued large governmental expenditures for ~~enforcement~~ enforcement of control regulations and inspections to secure edible quality.

4. Wholesalers. Vegetable shipping organizations generally are able to operate more profitably in the current price structure than are receiving organizations, altho both are finding it difficult to realize favorable balances with the volume of produce at the low level it has averaged. The percentage profit currently allowed wholesalers is believed to be adequate, assuming a normal turnover of vegetables in terms of quantity and quality. The specific situation of receiving wholesalers



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in designated large consuming areas cannot be determined from this prefecture.

a. It is believed that the larger shipping agencies handle sufficient volume to realize a fair profit thru the 5% commission they receive thru handling vegetables. Since these usually are the suppliers for the designated large consuming areas, they achieve rapid turnover and accrue little loss from storage, spoilage and waste. For the most part, they have established business and handling organizations, dealing in many types of produce and other commodities. Hence, seasonal variations in quantities and turnover are absorbed in the general business.

b. Shipping and receiving wholesalers, serving the local markets, operate on a smaller scale in terms of both vegetables and overall business. The relatively limited volume handled by such organizations makes it difficult, if not impossible, for them to realize steadily profitable vegetable exchange. Losses incurred thru shrinkage and spoilage, irregular turnover and transportation costs often absorb the 5% profit. The fact that such agencies operate in non-priority consuming areas adds to their expense problems in that they must devote time and effort to locating sources of supply and attempting to maintain a flow of produce. Many contend that, without sources of profit from non-controlled foodstuffs such as fruits, they would be unable to remain in the business.

c. All types of wholesalers suffer directly from the adverse reactions of farmers to the price control in its present form. The tendency of the latter to dispose of his best produce illegally increases the spoilage and shrinkage losses of the wholesaler as well as his storage problem, inasmuch as he frequently receives the lower grade vegetables and those which have been harvested less recently. Furthermore, the tendency of the farmers to deliver vegetables not completely cleaned and properly processed for market is reflected directly by wholesaler shrinkage losses.

d. The fact that most wholesalers deal in other commodities along with vegetables makes it difficult to judge the adequacy of their labor force. In general, it is believed that slight excesses in personnel exist in about the same proportion as that evident in the majority of Japanese enterprises. Wages paid, however, consume a disproportionate share of the income, being as high as 55% of the income from vegetables in some large organizations. To the same degree, other cost factors have increased since August 1947, while the vegetable prices have remained stable. Averages reported for other costs include:

Taxes	5%
Association Dues	5%
Transportation	20%
Business Expense	12%



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e. It is believed that the current 5% profit is adequate to maintain the bulk of the desirable wholesale agencies in business if they can handle more nearly the total volume of vegetables on the market, if they can secure a greater proportion of high quality and properly processed produce and if they can receive a more steady flow of vegetables. To expect from them new enterprise in the form of improved refrigeration and handling practices and greater enthusiasm for more adequate service will require an increase in their profit to at least 7%.

5. Retailers. The average retailer is in a better position so far as percentage profit is concerned than other handling agencies in the vegetable business. However, the small volume of produce handled permits an income so small that it would not be possible to maintain operations on this enterprise alone. It is not believed that alterations in the current profit ratio would be of desirable consequence for the retailers.

a. Retailers sampled claim that the final profit which they have realized in recent months averages from 5% to 8% of the value of the produce handled. A large part of the allowed profit of 25% is absorbed by their voluntarily sharing spoilage and shrinkage losses with the wholesalers, by the spoilage losses they suffer themselves when large shipments are received and not taken up at once by consumers and by the costs of operation and consumer goods which they must buy at prices considerably higher than they were in August 1947, when the current vegetable prices were established. As a result of investigations by this headquarters, it is believed that actual profits run more nearly in the 10% to 15% bracket.

b. Surveys indicate that the average retailer in the cities of this prefecture handle an average of only 400 kan of vegetables a month during the height of the season. Assuming the profit claimed by them, this would net a monthly profit of only ¥400 to ¥600 on the average; assuming the profits estimated by this headquarters, monthly income from vegetables would be only ¥800 to ¥1,200. It should be noted that these figures are for the recent season of maximum produce and turnover. Also, figures are for the most prosperous type of retailer. Smaller operators in towns and villages handle such smaller quantities of produce, enjoy much less final profit and suffer more acutely from losses due to quality, condition and time of turnover.

c. Actual outlay for labor is negligible in the expenses of nearly all retailers, most of whom utilize family personnel for whatever operations they are unable to handle themselves. No evidence of overstaffing has been noted at any time.

d. Reports from retailers themselves indicate that their margin of profit on vegetables is depleted by the following factors to the extent indicated:



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Labor	0%
Taxes	50%
Association Dues	0.1% to 10%
Transportation	15%
Business and Misc.	15% to 20%

e. Retailers claim their principal problem lies in the losses caused by spoilage and shrinkage. Generally, it is believed the factors listed in Par. 4 e above as affecting wholesalers are passed on with equal emphasis to the retailers.

6. Consumers. Altho all consumers sampled allege they are unable to pay increased prices for legitimately obtained vegetables, this opinion does not appear to be entirely honest or valid. It appears that an increase in the official price would, if accompanied by greater volume and selection, better quality and condition, and improved service, serve to lower the over-all index of cost to consumers of vegetables.

a. Samples of opinion as to the extent of the blackmarket indicate that prices ranging from 40% to 200% over the official price are being paid for as much as 20% of the production. Consumer price indices for vegetables continue to fluctuate from 50% to 100% higher than the official prices. Information from the study made by the Gifu Prefectural Agricultural Association indicated the following blackmarket prices as a prefectural average:

<u>Product</u>	<u>Official Price</u>	<u>Blackmarket Price</u>
Dry onions	¥23.00/kan	¥65.00/kan
Taro	21.11	60.00
Baikon	5.58	15.00
Turnips	7.08	18.00
Carrots	19.16	40.00

b. The consumer application of the blackmarket levels depends on the following factors:

- (1) Consumers are willing to pay blackmarket prices in order to secure quality, condition and selection rather than because of total lack of supplies in official channels.
- (2) The unofficial price fluctuates directly with seasonal variations in production, having occasionally approached the official price at the height of the harvest season.
- (3) Both money and real incomes have increased since August 1947, when the current official prices for vegetables were established.



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7. Interrelationships. No groups are using the control program as reason to take undue advantage of other groups for reasons other than economic necessity. Farmers divide their sales between official and unofficial channels to that extent necessary to secure an operating surplus; careless habits of production and processing have been established before the control program and will be dispelled only by increased incentive. Wholesalers and retailers generally cooperate to the maximum extent, sharing shrinkage and spoilage losses as well as transportation costs in an effort to make both operations as profitable as possible. Consumers divide purchases between the official and unofficial markets to the extent necessary to secure the assortments they desire. Within the current price structure, all groups believe that complete enforcement is not economically realistic.

8. Recommendations. It is recommended that consideration be given the possibility of revising the price structure of vegetables to more nearly approximate current over-all price indices, to take into account geographical and seasonal situations, to reestablish incentive for quality production and handling by price differentials, and to increase rural confidence in the distribution control program. It is believed that the resultant increase should be passed thru all channels of distribution and ultimately to the consumer.

a. Specifically it is recommended that the following factors be considered:

- (1) Greater price differential be accorded top quality produce, in terms of both basic condition and condition as delivered. Price penalties for low quality should also be provided.
- (2) The official price be established to fluctuate with seasonal variations of supply and demand. Higher prices during the slack season and lower prices during the peak season will achieve a more even flow of produce over a longer period of time, improved condition, greater variety and increased confidence in the economic reality of the program.
- (3) Extension of link commodity possibilities and increased prices to areas of consistent shortages, relying on control measures to limit overshipment.
- (4) Percentage profits, as allotted to wholesalers and retailers need not be altered. The increase to be had as a result of basic price increase, plus the more important advantage of greater volume, smoother flow and better quality will tend to make the business of handling agencies increasingly profitable.
- (5) Inasmuch as consumer price indices are well above the



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official levels, such price increases, if accompanied by increased control and enforcement, need not be inflationary.

- (6) It is impossible, from this prefecture, to determine the percentage of increase to be desired. In the current price structure, it is believed that scaled increases of the type mentioned above should provide an overall average increase somewhere between 40% and 70%. Should the general price structure be revised upward in the near future, the maximum increase would be desirable.

b. Without such revision of the vegetable price structure, the following results may be anticipated:

- (1) At best, no increase in production during the coming year, with a strong possibility of decreases.
- (2) Intensification of current careless habits of production, processing and handling.
- (3) Intensification of current habits of using illegal channels by farmers and consumers, with accompanying lack of faith in legal channels and in the soundness of government control.
- (4) Increased economic instability and unemployment in rural areas.
- (5) At best, maintenance of supply to large consuming areas at the expense of lesser areas. Probably decreases to all areas.
- (6) An impact which will ultimately be inflationary, inasmuch as the conditions listed above will almost inevitably lead to increased unofficial prices and increased over-all consumer price indices.
- (7) Financial difficulties and withdrawals from business of small and medium handling agencies, much of whose current effort is based on the premise that keeping customers now will pay off when the price relationships are more rationally established.

2 Incl:  
1 - Cost-price comparisons.  
2 - Cost breakdown.

FRANK C. SKITZ  
Lt. Col., Inf.  
Commanding



VEGETABLE PRODUCTION COSTS COMPARED WITH OFFICIAL PRICES /1

<u>Vegetable</u> /2		<u>Production Cost</u> /3	<u>Official Price</u> /4	<u>Difference</u>
Daikon	(per kan)	¥13.245	¥ 5.58	¥ 7.665 (-)
Turnip	"	14.21	7.08	7.13 (-)
Carrots	"	28.21	19.16	9.05 (-)
Burdock	"	35.77	29.00	6.77 (-)
Taro	"	44.14	21.11	23.03 (-)
Cathay Taro	"	44.14	36.00	8.14 (-)
Chinese Cabbage	"	20.86	16.05	4.81 (-)
Greens	"	18.42	11.00	7.42 (-)
Spinach	"	50.71	31.00	19.71 (-)
Green Onion	"	22.72	20.00	2.72 (-)
Dry Onion	"	34.51	23.00	11.51 (-)
Cucumber	"	25.14	22.00	3.14 (-)
Egg Plant	"	26.95	15.81	11.14 (-)
Pumpkin	"	32.65	21.12	11.53 (-)

- /1: Source: Gifu Prefecture Agricultural Association.
- /2: Items listed account for 80% of the produce in this prefecture.
- /3: Includes cost of labor.
- /4: Based on average for all official markets.

Inclosure 1.



775013

BREAKDOWN OF TYPICAL PRODUCTION COSTS PER 1,000 KAN OF VEGETABLES /1

Factor	Daikon	Turnips	Carrots	Spinach	Tans
Seeds	¥ 400	¥ 250	¥ 400	¥1,300	¥3,150
Fertilizer	2,400	2,200	4,970	8,050	7,650
Insecticide	860	360	-	-	200
Implements	360	300	300	150	300
Packing	135	96	616	1,733	416
Land Tax	200	200	200	200	200
Income Tax	1,500	1,500	1,500	2,250	1,500
Capital Interest	100	75	338	472	704
Storage	50	-	-	200	900
Labor	2,805	2,576	2,930	3,215	2,180
Transportation	4,000	3,200	2,000	1,600	1,800
Commission	<u>495</u>	<u>504</u>	<u>855</u>	<u>1,116</u>	<u>810</u>
TOTAL	¥ 13,245	¥ 11,261	¥14,109	¥20,286	¥19,863
Income Sales By Products	5,500	5,600	9,500	11,600	9,000
	<u>80</u>	<u>64</u>	<u>80</u>	<u>800</u>	<u>500</u>
	¥ 5,580	¥ 5,664	¥ 9,580	¥ 12,400	¥ 9,500
BALANCE Loss	¥ <u>7,365</u>	¥ <u>5,595</u>	¥ <u>4,529</u>	¥ <u>7,886</u>	¥ <u>10,363</u>

/1: Source: Gifu Prefecture Agricultural Association.



775013

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

NA/NO

430

3 June 1948

**SUBJECT:** Confirmation of Fish Shipment.

**THRU:** Commanding Officer  
Tokai-Hokuriku Military Government Region  
APO 710

**TO:** Commanding General  
Eighth Army  
APO 343  
**ATTN:** Military Government Section

1. Reference: Telegram, Cite MGEP No. J895, Headquarters, Eighth Army, dated 28 May 1948.
2. Records of fish received in this prefecture from Hokkaido during March are as follows:
  - a. Total fresh fish received from Hokkaido by Gifu Prefecture during March was 17,301 kan.
  - b. Total fresh fish received by Gifu Prefecture and bearing shipping certificates issued during March in Hokkaido was 8,466 kan.

FRANK C. SEITZ  
Lt. Col., Inf.  
Commanding

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775013

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

BT/NA/no

430

3 May 1948

SUBJECT: Report on Fish and Vegetable Distribution.

TO: Commanding Officer  
Tokai-Hokuriku Military Government Region  
APO 710  
ATTN: Economics Section

1. Reference is made to Report on Fish and Vegetable Distribution (GESS-COT)-15), Gifu Mil Govt Team, dated 10 March 1948, copy of which is enclosed. Supplementary information, as requested by Capt. George 29 April 1948, is as follows:

a. Section I, Par. 32.

Since the date of the report of 10 March 1948 there has been no evidence of higher than official prices being demanded by shippers in any fish producing area. Particular attention has been given to shipments from Nagasaki and Shimonoseki.

b. Section II, Par. 10.

At the beginning of the program the farmers seemed to think that the surveillance teams and controls would only be for a short time and they could hold back a portion of their crops until the controls were relaxed. They now realize that price controls will be in effect for an indefinite period of time, and it is believed that they are now turning in all but a minor percentage of their vegetables for sale through official channels. An estimate of about 5 to 10 percent is still getting into illegal markets.

c. Section II, Par. 14.

Of all the vegetable shipping organizations inspected since 15 March 1948, no instances of gross failure to fulfill shipping quotas have been found.

d. Section II, Par 26.

Since 10 March 1948, 32 Special Ration tires have been received as part of the October, November and December 1947 ration. Of these 32 tires and tubes, 28 were used for rice transportation and 4 for vegetables. Four additional tires and tubes have been received for allocation of January, February and March 1947. The Prefectural need of tires is about 1500 per month, about 100 are received from general and special rations.

MIAW OFFICE FILE



3 May 1948

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## e. Section III, Par. 14.

Instances of failure to post quantity of goods for the day and price of ration per capita are few, however, some cases are noted from time to time and officials are often cautioned to see that this is corrected.

## f. Section III, Par. 15.

Free sales are only permitted on approval of the Prefectural Food Office, and is confined to fish received in a spoiled or semi-spoiled condition, which the people refuse to buy as a part of their ration. The fish are inspected and the price fixed (less than official price) by a representative of the food office.

## g. Section IV, Par. 10

The court agendas are still crowded due to lack of investigation personnel, but have improved considerably since the last report. Cases now turned over to the procurator usually take from 5 to 10 days before being tried.

2. It is recommended that a central market be established in all the main cities for the purpose of disposing of the fish that consumers refuse to buy as rationed fish. This market would centralize the bad products and facilitate control.

1 Incl:  
A/SFRANK G. SEITZ  
Lt. Col., Inf.  
Commanding



775013

HEADQUARTERS  
TOKAI-HOKURIKU MIL GOVT REGION  
APO 710 (Nagoya, Honshu)

GNM/hcg/ss

30 April 1948

SUBJECT: Draft of Operational Plan for Fish and Vegetable Surveillance Teams.

TO: All Teams

This rough draft of an operational plan is an outline. This headquarters wants all additions, deletion, or changes that will, in your opinion, make it a workable operational plan that can be used in all prefectures as a guide to Fish and Vegetable Surveillance teams. Revised suggested plans should be returned to this headquarters by 7 May 1948.

BY ORDER OF COLONEL DUMONT:

Walter O. Wade  
Capt. Inf.  
Adjutant

1 Incl:  
Draft on Operational Plan  
For Fish & Vegetable Surveillance  
Teams in Tokai Region.



775013

BASIC: Ltr., Hq Tokai-Hokuriku Mil Govt Region, dtd 30 April 1948,  
Subj: "Draft of Operational Plan for Fish and Vegetable Sur-  
veillance Teams."

430

1st Ind.

NA/mo

HQ., GIFU MIL GOVT TEAM, APO 25, UNIT 2

6 May 1948

TO: Commanding Officer, Tokai-Hokuriku Mil Govt Region, APO 710

1. In compliance with basic communication, the following addi-  
tions to proposed surveillance plan are recommended.

a. Par. f under Administration: A monthly summary report  
to the C. O. of the military government team and for the files thereof,  
to include any new information or changed circumstances discovered  
during the reporting period, based on the list of questions given in OD  
12, Eighth Army, 13 February 1948.

b. Par. d under Initial Visit: A conference should be held  
with the official whom the governor has appointed to administer the  
program and the prefectural government section chiefs whose work is  
related to the program. (e.g. Agriculture Section, Food Section, etc.)  
to insure co-ordinated activity. Such conferences should be repeated  
when it is believed that new planning is required.

c. Par. 4e to read: Maintain a list of weaknesses found in  
various cities, towns and villages in the administration and enforce-  
ment of the program. Request other military government personnel to  
spot check such situations when they visit the localities in question.

2. It is further believed to be desirable that the surveillance  
officer be prepared to compile, at the conclusion of his tour of TDY,  
a general summary and evaluation of the program, as carried out by  
the prefectural and local officials, for the information and future  
guidance of the Economics Officer. Such summary should include names  
of officials whose work has been found to be effective and of those  
whose work requires surveillance, recommendations as to the localities  
which will require watching in the future and other information which  
will assist in the continued surveillance of the program by the regu-  
lar team personnel.

Incl:  
W/D

FRANK C. SEITZ  
Lt. Col., Inf.  
Commanding



775013

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

NA/f1

430

18 March 1948

SUBJECT: Excessive Demands by Fish Sale Associations

TO: Commanding Officer,  
Mie Military Government Team,  
APO 710

1. Information received by this headquarters indicates that fish sales associations in Mie Prefecture have been according priority shipments to those receiving agencies in other prefectures who provide supplementary incentive of such items as cotton thread, hervy oil, carbide or straw products. In the event the receiving agency is not in a position to provide such incentive, a request is made for cash subsidy. Receiving agencies in Gifu Prefecture, who have refused such transactions, have had fish shipments curtailed or cut off.
2. Request an investigation of such allegations be made in Mie Prefecture and this headquarters advised of the existing situation in order to deal properly with local fish shortages.
3. Representatives of the DAI-ICHI Fish Receiving Association, Gifu City, plan to be in Mie on a purchasing trip 22 March. This headquarters has recommended they contact Mie Military Government Team to explain the above situation and to request assistance in accomplishing lawful purchase of and adequate quantity of good quality fish for distribution in Gifu City and eight surrounding guns. Any assistance which can be provided will be appreciated.

FRANK C. SEITZ  
Lt. Col., Inf.  
Commanding

MAIN OFFICE FILE



775013

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

NA/eeh

430

17 March 1948

SUBJECT: Reported Excessive Demands by Fish Sales Associations

TO: Commanding Officer  
Toyama Military Government Team  
APO 713

1. Conferences with fish receiving agencies in Gifu Prefecture have developed information that certain fish sales organizations are demanding that receiving agencies in areas other than the designated large consuming areas make available to them such incentive items as charcoal, firewood, manila rope and cotton thread in return for their completing allocation shipments.

2. A specific example of this was cited in the case of the fish sales associations in Shinimoto, Hime and Uwase, Toyama Prefecture. Each is reported to be demanding 330 bags of charcoal in return for the completion of the 10,000 kan March allocation to Gifu Prefecture. The desired procedure is that the receiving agencies request the Gifu Prefectural Government to make available to the Toyama Prefectural Government the 990 bags of charcoal at official prices. The latter, in turn, is to distribute the charcoal to the producers according to production and at official prices.

3. Altho it is recognized that the sources of this information may not be entirely reliable, it is believed that the beginnings of such an extra-legal link system should be checked at once, for the protection of the established system. Request that the information contained herein be investigated in Toyama Prefecture and this headquarters advised of the results.

4. The information contained herein has been made the subject of a special report to Commanding General, I Corps.

FRANK C. SEITZ  
Lt. Col., Inf.  
Commanding

MAIN OFFICE FILE



Report Control Symbol QESS-(OT)-15

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

NEA/eeh

10 March 1948

SUBJECT: Report on Fish and Vegetable Distribution

TO: Commanding General  
Eighth Army  
APO 343  
Attn: Military Government Section

In compliance with Par 8, Operational Directive No. 12, Headquarters Eighth Army, dated 13 February 1948, the following report, subject same as above, is submitted.

I. Fish Shipment:

1 thru 13 not applicable to Gifu Prefecture, where fishing is not of economic importance.

14. The prefectural government has arranged the hiring of three additional officials to be used in administering the receipt and rationing of fish in the prefecture. At the date of the report, they were not yet on duty.

15. ESB inspectors have visited various points in the prefecture three or four times a month since the inception of the program.

16. It has been found that prefectural officials are prone to act quickly on the recommendations of ESB inspectors. Improved administration of the details of fish rationing were noted subsequent to February visits.

17 and 18 not applicable to Gifu Prefecture.

19. So far as can be determined from this prefecture, at the receiving end, the volume of rail fish shipments poses no serious problem. However, the possibility of spoilage occurring because of delayed rail movement after loading is offered in view of occasionally excess spoilage apparently occurring en route. Furthermore, the handling of cargo occasionally results in damaged packing and subsequent loss.

20. Surveillance, reports and interviews lead to the nearly positive assurance that rail fish shipments are not being unloaded at places other than the designated arrival stations.



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Subject: Report on Fish and Vegetable Distribution

21, 22 and 23 not applicable to Gifu Prefecture.

24. One of four ice plants in Gifu City is adding storage space by new construction. Special construction, as outlined in Appendix F, is not authorized in Gifu Prefecture.

25. Not applicable in Gifu Prefecture.

26. Normal ice production and distribution in this prefecture is adequate to provide for the small amount of preservation required. Stockpiles of fish rarely accrue at any season of the year.

27. Increased ice production could be effected only by increased facilities. The minimum relation this has to the subject of this report, so far as this prefecture is concerned, makes recommended action negligible.

28. No evidence has been discovered to indicate that short haul transportation costs exceed the official rates. A shortage exists but it has not operated to the disadvantage of the fish distribution program.

29. Principal shortages in short haul transportation are motor trucks, parts and repair facilities for run-down trucks, and fuel, both petroleum and charcoal. However, such shortages have not hampered the distribution of fish in this prefecture.

30. Not applicable in Gifu Prefecture.

31. No special rations of tires and tubes have been distributed since 15 December 1947 to trucks engaged in fish transportation. Few, if any, act as fish carriers more than a small percentage of the time.

32. Reports have been received that both fishermen and shippers are asking prices higher than the official ones, particularly in Shimonoseki and Nagasaki. It has been impossible to determine at this end to what extent this practice prevails.

33. Altho no specific instances have been reported, rumors have been received that the best fish are delivered to Hiroshima and Okayama, so far as this part of Japan is concerned. Further rumor was that receiving agencies in Nara Prefecture received better types of fish after a conference with shippers in Mie Prefecture.

34. a. It has been reported that, in some instances, fish shipping organizations demand that receivers assume costs of transportation, loss by spoilage and damage.

b. Cannot be determined in Gifu Prefecture.



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35 and 36 not applicable to Gifu Prefecture.

II. Vegetable Shipment:

1. Evidence gathered that vegetable producers are receiving link fertilizer in accordance with correct rates. However, it appears that receipt is often delayed by administrative procedures.
2. At the end of the reporting period, no link commodities other than fertilizer have been received in this prefecture. Quantities expected and shipping arrangements have been completed between local shipping agencies and commodity sources in Kyoto and Osaka.
3. Fertilizer received has been distributed equitably and at proper rates. Plans for distribution of other commodities indicate that proper procedure will be followed.
4. No evidence has been discovered which would indicate local diversion of link commodities from legal channels.
5. At the end of the reporting period, special vegetable producing areas had been established around the following towns and cities:
 

Gifu City. . . . .	5
Ogaki City . . . . .	1
Ota-machi. . . . .	3
Kitagata-cho . . . . .	1
6. One official of the Agriculture Section has been assigned to the supervision of the special producing areas. Five technicians have been borrowed from Nogyokai for part time instruction and supervision of areas. They will be paid when funds are received from the national government.
7. One additional person has been hired and trained to add to the personnel administering the shipment and rationing of vegetables. Efforts to recruit personnel for the remaining three authorized positions are being made.
8. Instructional conferences and distribution of written material have accomplished instruction of officials in vegetable producing areas which inspections by this headquarters have found to be satisfactory.
9. Such officials are fulfilling their responsibilities to the satisfaction of the letter of the regulations. It is believed that more enthusiasm and initiative on their part would add to the effect of the program.
10. a. Estimates were that farmers were disposing of their



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vegetables illegally to a degree of from 20% to 30% during January. A considerable decrease has been noted in February, due principally to exceptionally competent work by police check points and transportation control agencies and to the unexpectedly large harvest during February which has permitted consumers to secure adequate provision on the legal market and producers to realize as much income from legal transactions as they had anticipated from illegal sales.

b. It is believed that farmers with-held produce in varying quantities, but ranging as high as 50% during January and the first half of February. However, the continuation of enforcement and emphasis on the control program after 15 February and the points mentioned in 10a above are believed to have reduced such with-holdings to a negligible figure.

11. The prefecture governor has licensed 21 vegetable shipping agencies through out the prefecture.

12. The Food Section of the prefectural government has provided all shipping agencies with shipping plans and has made adequate provisions to secure reports of compliance with such plans.

13. No shipping agency in the prefecture has had its license revoked because of failure to fulfill shipment plan. The prefectural government took the position that it was sounder policy to take other measures, such as control by transportation control certificates, to insure compliance, rather than risk the upset of the delivery structure which might follow large scale punitive action. Improved compliance in February, as against January, would seem to substantiate their attitude, altho the conditions mentioned in 10a above may have been a more important factor. Government officials have been informed that punitive action will be expected in the future, should a wave of non-compliance develop.

14. No evidence has been discovered which would indicate that shipping agencies are demanding or receiving prices higher than the official ones.

15. No evidence has been received that agents from consuming areas are offering higher than official prices. Relatively higher official prices and link commodity rates in the large consuming areas served by this prefecture serve as adequate incentive.

16. Prefectural officials, shipping agencies and receiving agencies oversee shipments from source to distribution to insure quality and honest weight. Average quality of vegetables produced this season has been high.

17. Local transportation officials have been found to be well informed regarding priority in freight car assignments for vegetable shipments. Actual allocation of freight cars for this area is made from Nagoya. However, no instances of refusal to grant adequate priority for vegetable shipments have been noted.

18. Equitable assignment of freight cars to vegetable shipments have been made.



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19. Transportation control certificates are being issued on all vegetable shipments, whether by freight car, truck, cart or other means.

20. The Chief of Economics in each Local Administrative Officer of the prefectural government (of which there are 21) is authorized and responsible to issue transportation certificates.

21. Transportation certificates are being issued in accordance with vegetable shipping plans only. Shipping agencies may secure individual applications from the local office only upon presentation of written application, stating all pertinent details.

22. Not applicable in Gifu Prefecture

23. Not applicable in Gifu Prefecture

24. No truck shipments are made from this prefecture to any of the eight large consuming areas. Plans are being formulated for truck transportation of vegetables to Nagoya, taking advantage of the link fuel allocations.

25. In most instances in this prefecture, trucks used for the transportation of vegetables are owned by the consignor or consignee. No evidence has been discovered of rates greater than the official ones being charged in instances where trucks are hired.

26. One special rationing of tires and tubes was made since 15 December 1947 on trucks engaged in vegetable transportation.

### III. Rationing:

1. The prefectural governor has designated all urban food deficit areas (i.e. Gifu City, Takayama City, Ogaki City, Tajimi City and Funatsu-machi) as consuming areas in which rationing of fish and vegetables is to be accomplished.

2. January fish receipts in 1948 were approximately 101% of the 1947 figure; February 1948, 119% of February 1947. February 1948 receipts were 57% of November 1947. Vegetable receipts in January and February 1948 were approximately the same as the same period last year. February 1948 receipts were approximately 80% of November 1947.

3. A system of equitable rationing at official prices is actually in effect in the consuming areas mentioned in 1 above. It has been recommended that the system be extended to include Seki-machi and the desirability of such extension is being investigated by the prefectural government.

4. It is not believed that substantial quantities of fish and vegetables are being sold thru licensed shops at illegal prices anywhere in the prefecture. So far as has been determined, such activity is sporadic and



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not diverting significant quantities of foodstuffs.

5. It is not believed that significant quantities of fish are being sold thru illegal channels. In January, the fact of a greater market shortage of vegetables than was true of the consumers indicated widespread blackmarket sales by farmers direct to urban consumers, effecting an estimated 10% to 15% of the then current harvest. However, the appearance in the markets of adequate vegetables during February and the tightening of policy controls reduced this practice to insignificance by the end of the reporting period.

6. No evidency has been discovered to indicate any overlooking by local officials of illegal prices, dishonest weights or other obvious violations. It is believed that their honesty outweigh their organizational ability and enthusiasm.

7. Not applicable to Gifu Prefecture.

8. No additional personnel has been provided for market supervisory organizations. However, the method of operation of the per-drive staff has been completely revamped to provide for regular and through examination of market records and procedures. Four officials devote full time of this work.

9. Inspections by the surveillance team attached to this headquarters have indicated that policing of markets has been made adequate to the purposes of this program.

10. The prefectural government has urged a policy of taking care of small consumers before fulfilling the requirements of "big consumers". In several markets, this practice has been found to be in limiting application. However, no evidence of disproportionate supplying of "big consumers" has been found.

11. Processed fish is being rationed.

12. All fish and vegetable retailers, areas of rationed and unrationed sales, have been found to have lists of official prices posted.

13. No instance of a shop without its license prominently posted has been discovered or reported.

14. Scattered instances have been found where the quantity of goods received for the day and price of the ration per capital were not posted, altho they are in the great majority of cases. The prefectural government has been advised to make certain that this practice is universal.

15. Occasional "free sales" are permitted in all of the designated consuming areas, with specific permission from the Food Section of the prefectural government, to dispose of fish which has been received



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in semi-spoiled condition. Surveillance to insure compliance with official prices is maintained in such cases. Such sales are also very infrequently permitted, under the same conditions, when the received ration exceeds the demand and preservation facilities are not readily available.

16. At the end of the reporting period, there were 153 voluntary checkers on the operation of the ration system in the prefecture. Having volunteered, they are recognized and appointed by the prefectural governor. Violations discovered or suspected causes for investigation are reported to local police and to the Combined Price Surveillance Committee in Gifu City.

17. All licensed retailers inspected by this headquarters have had all required records. Reports from the police and from officials concerned with the rationing indicate universal compliance.

18. Food Section and Agriculture and Forestry Department officials make periodic inspections of the records of receiving agencies and have published the results of some such inspections. Accountants from the Commerce and Industry Section frequently accompany these inspectors for more thorough analysis.

19. Consumers have been informed by press, radio, lecture, conference and official release of the method to be used in reporting dishonest dealers.

20. Comparison of pre-enforcement drive quantities, quality, price, and frequency of distribution with subsequent statistics is as follows:

Period	Daily rations per capita	Fish Avg. price per 100 rations	Quality	Distributions During period
1-15 Dec 47	6.1	¥ 17.00	Average	10
16-31 Dec 47	4.2	13.00	Below Avg	13
1-15 Jan 48	3.3	13.00	Low grade	7
16-31 Jan 48	4	13.00	" "	7
1-15 Feb 48	3.9	13.00	" "	9
16-25 Feb 48	7.1	15.00	Below Avg	10
<u>Vegetables</u>				
1-15 Dec 47	40	¥ 3.00	Good	7
16-31 Dec 47	15	1.50	Average	10
1-15 Jan 48	0			
16-31 Jan 48	9	1.50	"	2
1-15 Feb 48	40	1.70	Good	13
16-25 Feb 48	55	1.70	"	12

IV. Enforcement:

1. In all inspections and reports, constant efforts have been found to eliminate unlicensed dealers and other blackmarketeers.



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2. It is believed that these efforts have made unlawful distribution much less of a problem than it was prior to the enforcement drive and less of a problem than other aspects of the program.
3. Japanese police are aware of the proper procedure to be followed in prosecuting foreign nationals, including Chinese and Koreans, for violations of fish and vegetable distribution control regulations. The police claim they have this situation well in hand, and no concrete evidence to the contrary has been uncovered by the surveillance team. Individual citizens claim that Koreans are still doing some blackmarketing, but have not produced specifically true instances.
4. Reorganization of the police into autonomous police forces and National Rural Police has been accomplished in local areas.
5. Reorganized police forces are taking an active interest in enforcement of the fish and vegetable distribution control program. The fact that this is the first wide-scale program requiring their attention seems to operate as an added incentive for them to make a favorable impression on the Occupation Forces.
6. Compliance with the Home Ministry plan of enforcement has been found in effect.
7. It is believed that, considering the elusive nature of the problems faced by the police in such an enforcement program, theirs has been the most vigorous and productive aspect of the drive.
8. Stocks of fish and vegetables found in illegal hands by the police have been placed in legal channels for proper distribution.
9. The limited quantities of blackmarket goods confiscated which are of value as link commodities have been so distributed to farmers.
10. Due to crowded court dockets and inadequate investigation personnel, the delay between a case being turned over to a procurator and the trial is generally from 15 to 20 days.
11. The prefectural governor has not, in any case, removed the license from dealers discovered in illegal acts. He has been advised that such punitive action will be expected if and when serious offenses are discovered.

V. Comments, Suggestions, Recommendations:

1. The effect on local officials, administrative and enforcement, of visits, inspections and counsel by representatives of national and regional agencies such as ESB is found to be most stimulating. It is recommended that the Japanese government be encouraged to conduct such field work to the maximum extent considered consistent with local autonomy. The effect on the populace is also desirable from the point of view of this program.



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2. Rapid turnover of personnel in military government units makes understanding of the entire program and inter-team coordination sometimes lag. It is recommended that occasional conferences, for instruction and exchange of information among officers and enlisted personnel participating in the drive, be held on the region or corps level.

3. It is recommended that consideration be given the possibility of establishing standard forms for the exchange of pertinent information between military government teams representing prefectures which are related by this problem. It is believed that the automatic exchange of shipping and receiving statistics, as well as information regarding local market conditions and specific developments connected with the drive, on a monthly or semi-monthly schedule, would be of greater value than the current necessity for relying on the individual initiative and action of other teams' personnel.

4. With reference to Section I, Par 19 above, it is recommended that more adequate surveillance be provided the packing of fish for shipment and the priority movement given freight cars carrying fish long distances. These measures should serve to eliminate a part of the fish loss being experienced.

5. The most serious defect discovered in the vegetable distribution program was that shipping organizations in this prefecture failed to meet their January and February allocations for cities and towns in Gifu Prefecture, altho during the same months they were able to ship more than their allocations to Kyoto, Osaka and other large consuming areas outside the prefecture. The reason given by shippers was that the farmers received 20% more link fertilizer and that 20% higher prices were paid by these cities according to the official plan. It is suggested that the total receipts of vegetables during January and February by receivers in Kyoto, Osaka, Kobe and other large consuming areas be examined to determine the amount of over-shipment to those cities by vegetable-producing prefectures, and that either the extra price and link fertilizer inducements be reduced for shipments thereto or that the same be increased for vegetable shipments within producing prefectures. In the past shippers have found that the farmers are unwilling to turn in their vegetables unless they are to be shipped to the high price, high link goods areas. Disproportionate overshipment to areas outside the prefecture is economically wasteful undermines the local consumers' confidence in the program and increases the incentive for black-market vegetable transactions.

6. Due to the understaffed condition of most military government teams and the necessity for maintaining constant surveillance in order to accomplish complete and real success for this program, it is recommended that the surveillance teams currently provided be retained until the drive has been judged entirely successful.



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10 March 1948

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7. One of the most serious difficulties encountered in the drive has been a lack of consumer co-operation in reporting retailers and other persons who are violating the price and distribution regulations. Individual consumers, when asked about the fish and vegetable blackmarket, claim there is still considerable going on. Generally, they give the following reasons for not reporting such practices to the police and other authorities:

a. Some doubt that the report will be properly investigated. It is hoped that the establishment of autonomous police forces will give the people greater confidence in them. Also that education and publicity of consumer activity resulting in prosecutions will help refute this doubt.

b. Others are unwilling to report violations because of a dislike or fear for police authority or for being involved in investigations.

c. Other consumers have not severed connections with the blackmarket because they still lack confidence in the ability of legal channels adequately to supply their needs. Continued stress of the program, consumer education and publicized enforcement are believed to be the weapons against this attitude.

#### VI. Incentive Goods Distribution:

Altho investigation has not yet progressed sufficiently to determine whether it is a local or general situation, this headquarters believes that the period of time between the individual farmer's turning in his vegetables and his receipt of his link commodities is often long enough to temper the value of the incentive and make the more immediate profit of an illegal transaction attractive to him. If further study of the situation reveals local bottlenecks, these will be remedied; if it reveals problems which cannot be handled by this headquarters, a special report will be submitted.

#### VII. General Evaluation:

1. In general, it is believed that the program to date has succeeded in establishing, within the Japanese Government and food distribution agencies, a groundwork for a system which will, in the long run, serve to assure economical distribution of essential foodstuffs. The slowness of local officials to grasp the dynamic intent of the program and to establish efficient administrative procedures for its implementation is thought to be less from any malicious opposition or lack of concurrence than it is from inability rapidly to form the necessary organization and attack positively the apparent obstacles to effective control.

2. The critical shortages of such link commodities as fertilizers and fuels give them disproportionate value when the allocations vary in different consuming areas.



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10 March 1948

Subject: Report on Fish and Vegetable Distribution

3. In this prefecture, the blackmarket phase of the problem is reduced to minimal proportions at this time, the police having enjoyed the most success in their part of the work.

4. In addition to the detailed recommendations made elsewhere in this report, it is believed to be most essential that the emphasis on this program be continued for several months. Only when the Japanese have a well established and experienced staff in control of food distribution problems, when the producers and consumers have become accustomed to using the lawful channels and when the public has become satisfied that it can be supplied without recourse to illegal sources, does it appear that it will be safe to withdraw the current occupation force stimuli.

FRANK C. BEITZ  
Lt. Col., Inf.  
Commanding



775013

Report Control Symbol 48/E/PC/1

430  
GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

EBG/f1

12 February 1948

SUBJECT: Fish and Vegetable Controls

TO: Commanding General, I Corps,  
APO 301  
(Attn: Mil Govt Section)

1. Inspections by personnel from this headquarters of receiving organizations handling perishable foodstuffs reveals marketing difficulties some of which are as follows:

a. Fish receiving organizations in this prefecture claim to be operating at a loss. This loss is accrued because of the natural loss of the water content in the fish. Receiving organizations have sustained a loss of 10 to 12% from shrinkage.

b. Instances have occurred where receiving organizations have borne the cost of transportation. This matter is being investigated by personnel from this headquarters and recommendations will be made at a later date.

c. Compensation system linked with fertilizer is established for vegetable shipments to the consuming areas designated by the Ministry of Agriculture and Forestry; but such a system is not established for intra-prefecture consuming districts. The lack of such a system and the great difference in price are the reasons the producers do not like to ship intra-prefecture. These factors contribute largely to the scarcity of vegetables on the shelves of retailers within this prefecture.

d. Fish coming into Gifu Prefecture are of low quality. Inspections made on the retail and consumer level have repeatedly brought severe criticism on this aspect of the program.

TRS

753 12 FEB 1948



Report Contr Symbol 48/E/PC/1

BASIC: Ltr Hq GMMT dtd 12 Feb 48

e. Gifu's allocation of fish for the month of January was set at 220,000 kan by the Ministry of Agriculture & Forestry. Shipments of fish into Gifu-ken during January amounted to 182,912 kan which is 88% of the Prefectures allocation.

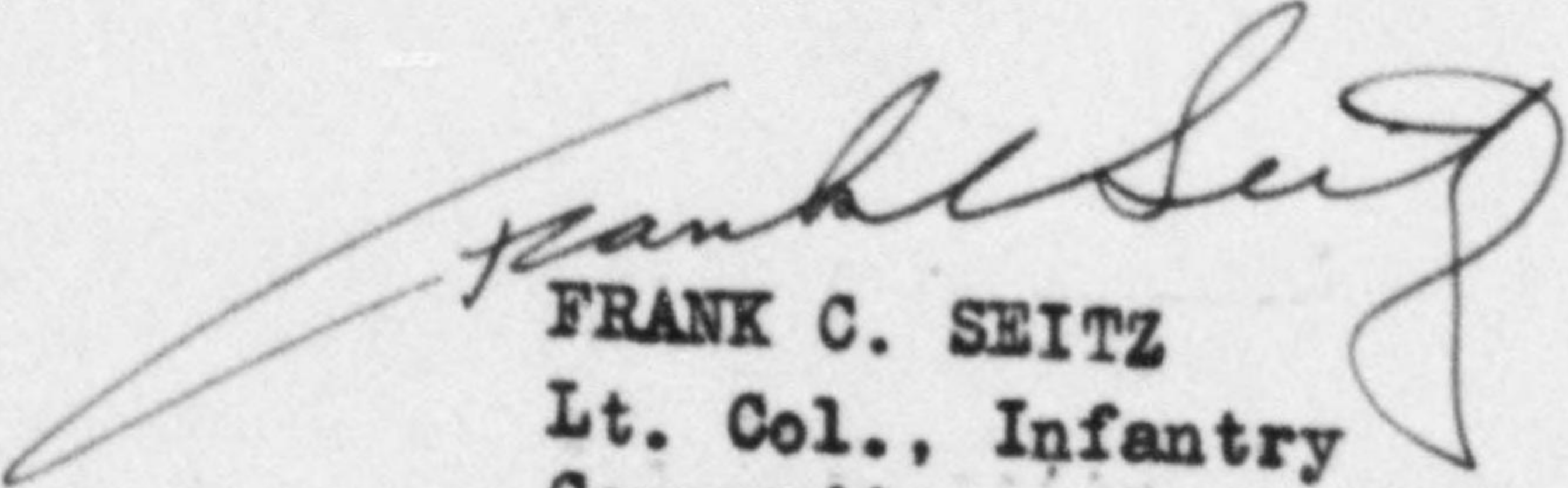
2. Recommendations for the improvement of the program.

a. More supervision of the producing and shipping organizations so that consuming prefectures will get its allocated amount of fish and a selection of different types and grades.

b. Close supervision of producing and shipping organizations so that losses through crate breakage, shrinkage, and spoilage will be reduced to the minimum.

c. Broaden the scope of the Link System to include compensation for effected distribution on intra-prefectural shipments.

3. This headquarters would appreciate any information that would aid in clearing up the above difficulties.



FRANK C. SEITZ  
Lt. Col., Infantry  
Commanding



775013

1347

BASIC: Ltr, Gifu Mil Govt Team, APO 25, dtd 12 Feb 48,  
 Subj: "Fish and Vegetable Controls"

1st Ind

MSB/af

Hq Tokai-Hokuriku Mil Govt Region, APO 710, 13 Feb 48

TO: CG, I Corps, APO 301

Forwarded.

FOR THE COMMANDING OFFICER:

*Walter O. Wade*  
 WALTER O. WADE  
 Capt, INF  
 Adjutant

AG 430 - BA

2nd Ind

EPH/mk

Hq I Corps, APO 301,

TO: CG, Tokai-Hokuriku Mil Govt Region, APO 710

1. Reference: paragraph 1a of basic communication. Shrinkage loss between the shipping agency and the receiving agency is the responsibility of the shipping agency. Shrinkage loss between the receiving agency and the retailer is the responsibility of the receiving agency. The loss as indicated seems excessive, and may be caused by the shipping agency forcing the receiving agency to assume the loss under threat of cutting off the supply. If such is the case, it is requested that this headquarters be advised.

2. Reference: paragraph 1b of basic communication. Transportation costs between the shipping agency and the receiving agency is a responsibility of the former. For the same reasons as noted in paragraph 1 above, the receiving agencies may be accepting transportation costs in order to insure future shipments. In such cases, it can be assumed that the receiving agency is probably passing this extra cost onto the retailer illegally.

3. Reference: paragraph 1c of basic communication. Your attention is invited to Article 14 of Agriculture and Forestry Ministry Ordinance No. 63, which gives the Governor

BA/15698

753 13 FEB 1948



BASIC: Ltr, Gifu Mil Govt Team, subj: "Fish and Vegetable Controls", dtd 12 February 1948

authority to issue shipping instructions to shipping agencies for purposes of supplying vegetables to consuming areas designated by himself. This authority should give the Governor adequate control over intra-prefectural shipments, since he also has authority to control the issuance of transportation certificates for inter-prefectural shipments. Any measure taken, however, will not cause or effect hindrance to complete compliance with inter-prefectural shipment plans.

4. Reference: paragraphs 1d, 1e, 2a and 2b of basic communication. It is recommended that the noted discrepancies be brought to the attention of the Military Government Team located in the producing area concerned.

5. Reference: paragraph 2c of basic communication. It is not considered advisable to equalize the incentive for inter-prefectural and intra-prefectural shipments since most prefectures report difficulty in complying with the former, due to high transportation costs and other difficulties attending longer shipments. The situation as reported in Gifu is apparently due to special geographical considerations, and the measures outlined in paragraph 3 above should enable the Governor to take corrective action. The Governor may also request special price considerations from the Ministry of Agriculture and Forestry if conditions so warrant.

BY COMMAND OF MAJOR GENERAL SWING:

FEB 20 1948

*Wilder A. Johnson*  
WILDER A. JOHNSON  
Capt., A.G.D.  
Asst. Adj. Gen.

~~1764~~







C-O-P-Y

HEADQUARTERS I CORPS  
APO 301 (Kyoto, Honshu)

EHN/yy

AG 430 - BA

12 Feb 1948

**SUBJECT:** Surveillance by Military Government Personnel  
over Fish and Vegetable Distribution**TO:** Commanding Officer  
Tokai-Hokuriku Military Government Region,  
APO 710

1. Past experience has indicated that investigation conducted by Military Government personnel without the assistance of trained Japanese personnel often results in receipt of negative or incomplete information. This is especially true in regard to the present enforcement drive on fish and vegetables. The system of rationing and distribution is in itself extremely complicated, and involves many other related factors, such as transportation, incentive goods distribution, price control laws, fuel distribution, bookkeeping methods, processing regulations, shipment allocations etc. Since working knowledge of all these various factors would require several months study, it is felt that the surveillance personnel dealing with this problem must depend upon the Japanese police to carry the burden of the present enforcement drive.

2. During recent field investigations in Tokai-Hokuriku Region it was found that some fish and vegetable surveillance teams were attempting to operate without the assistance of the Japanese police, or, where the police were represented, were taking the initiative in the control drive. While this may be desirable under some circumstances, it should be remembered that the burden of success or failure of this program rests with the Japanese and not with Military Government. It is the opinion of this headquarters that more effective action can be obtained by having the surveillance personnel accompany the Japanese police, in order to add prestige to their efforts. Military Government can exercise control over the daily investigations by designating the operational plan desired for that day.

BY COMMAND OF MAJOR GENERAL SWING:

/s/t/ WILDER A. JOHNSON  
Capt, AGD  
Asst Adj Gen



775013

**BASIC:** Ltr, Hq I Corps, APO 301, dtd 12 Feb 1948, Subj:  
 "Surveillance by Military Government Personnel over  
 Fish and Vegetable Distribution"

1st Ind

MSB/af

Hq Tokai-Hokuriku Mil Govt Region, APO 710, 16 Feb 48

TO: CO, Aichi Mil Govt Team, APO 710  
 CO, Gifu Mil Govt Team, APO 25  
 CO, Ishikawa Mil Govt Team, APO 713  
 CO, Mie Mil Govt Team, APO 710  
 CO, Shizuoka Mil Govt Team, APO 1007  
 CO, Toyama Mil Govt Team, APO 713

1. Attention is directed to the second sentence of paragraph 2, basic communication, for reference as to mode of operation of Fish and Vegetable Surveillance Teams.

2. It is true that the surveillance teams should check on posting of prices, buyers and their complaints, free sales, weights, back-door purchases, shop records and their monthly posting, surplus stocks, ration books, receipts, transporting of these items, Fishing ports, false bottom boats, distribution of link commodities, cooperation of police, efficiency of officials, but it is not desired that surveillance teams operate as policemen. Rather, they should operate as a checker and supervisor of the price controls program. When an infraction of the laws are observed it is an indication that there is a weakness in the enforcement measures taken by the police. Therefore, the real check should be on the police and economic officials who are operating in that area to determine what measures they are taking effect the proper controls.

TO: GIFU MIL GOVT TEAM  
 APO 25

BY ORDER OF COLONEL DUMONT:

*Walter O. Wade*  
 RECEIVED: GMGT  
 8:00 PM - time  
 8 Feb 48

WALTER O. WADE  
 Capt, INF  
 Adjutant

C. O.	<input checked="" type="checkbox"/>
Ex. O.	<input checked="" type="checkbox"/>
Adj.	
P. W.	
C1 & E.	
Legal & S.	<input checked="" type="checkbox"/>
P. H.	
Comm & Int.	<input checked="" type="checkbox"/>
Reports	
Sgt Major	

995 17 FEB 1948



775013

Report Control symbol 48/2/FC/3

GIFU  
MILITARY GOVERNMENT TEAM  
APO 25, Unit 2 (Gifu, Honshu)

HA/rpw

31 March 1948

SUBJECT: Special Report on Incentive goods distribution

TO: Commanding General  
Eighth Army  
APO 343  
ATTN: Military government section

## 1. References:

- a. Telegram, cite MGMP No. J768, Military government section, Headquarters Eighth Army, dated 19 March 1948.
- b. Weekly summary No. 128, Natural Resources section, GHQ, SCAP, dated 29 February - 6 March 1948.

2. Evidence of unnecessary delay in the distribution of incentive goods for staple foods deliveries, as indicated by the statistics available to the Ministry of Agriculture and Forestry, has been due to inadequate and inaccurate reports by the Gifu Prefectural Government, rather than by actual delay in the distribution. Information available to this Headquarters is that reports from the prefectural governments are to be made to the central government tri-monthly. However, investigation reveals that recent reports have been made on the following dates only: 30 January 1948, 24 February 1948 and the next report was in preparation on 29 March 1948.

3. Report dated 24 February 1948, which showed distribution status as of 20 February, apparently had not reached the Agriculture and Forestry Ministry when the information used in preparation of the references cited in paragraph 1 above was obtained. Statistics on receipt and distribution of incentive goods, extracted from subject report are contained in Inclosure 1.

4. Receipt and distribution statistics as of 18 March are contained in Inclosure 2.

5. The Governor of Gifu Prefecture, the Chief of the Food Section and the individual actually responsible for the preparation and submission of reports to the central government have been advised that future delinquency will be cause for this headquarters to recommend removal of the responsible persons from office. Direct surveillance of the reporting procedure will be conducted until it is established that the situation is permanently corrected.

6. Interviews and inspections by this headquarters in the field have established that the farmers have actually received the goods for which they are eligible.

MAIN OFFICE FILE



775013

GNOT

Subject: Special Report on Incentive Goods Distribution

31 Mar 48

2 Incls:

1. distribution data,  
20 Feb.
2. distribution data,  
18 Mar.

FRANK C. BRITZ  
Lt Col., Infantry  
commanding



## GIFU PREFECTURE

status of Incentive goods distribution, as of 20 Feb 48. /a.

Item	received	distributed
working gloves	44,400	44,400 /b.
working press	27,857	0
blue textiles	63,894 rolls	0
tricycle tires	333	333
tricycle tubes	333	333
bicycle tires	2,220	2,220
bicycle tubes	2,100	1,980
saccharine	0	0
Leather shoes	2,220 pr.	2,213 pr. /c.
tricycles	55	55
silk and rayon	50,271 rolls	0
sake	2,264 koku	463.6 koku
Japanese cigarettes	5,273,000 pcs.	4,076,640 pcs.
rubber-soled socks	18,500 prs.	18,500 prs.
sugar	285,500 kin	258,000 kin
bicycles	0	40 /d.

- /a. source: Copy of Report forwarded to Ministry of Agriculture and Forestry 24 February 1948 by food section, Gifu Pref. Govt.
- /b. distribution figure reported is incorrect. should be "0".
- /c. seven pair were not matched in same sizes.
- /d. distribution figure is incorrect. should be "0".



775013

## GIFU PREFECTURE

status of Incentive Goods Distribution, as of 18 March 1948 /a.

Item	received	distributed
working gloves	44,400 pr.	0 /b.
working press	44,400	0 /b.
plus textiles	62,231 rolls	37,845 rolls
tricycle tires	333	333
tricycle tubes	333	333
bicycle tires	2,220	2,220
bicycle tubes	2,220	2,120
saccharine	43,800 boxes	43,800 boxes
leather shoes	2,220 prs.	2,213 prs. /c.
tricycles	55	55
silk and rayon	57,979 rolls	57,979 rolls
sake	2,264 koku	2,264 koku
Japanese cigarettes	5,273,000 pcs.	5,273,000 pcs.
rubber-soled socks	18,500 prs	18,500 prs
bicycles	40	0 /d.
Additional sake	207 koku	207 koku
Imported cigarettes	95,370	95,297

/a. source: food section, Gifu Prefectural Government.

/b. distribution to eligible farmers has been made from stocks previously on hand. rationing plan for current stock is being formulated.

/c. seven pair were not matched in the same sizes.

/d. item recently received.