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1. State tax and public levy.
2. Wage of workers of the coal mining industry.
3. Price of materials used for the coal mining industry.
4. Other liabilities.

(Supervision of payment of liability)
Article No. 6

The Director General of Board of Coal or Chief of Coal Bureau shall be able to request to submit necessary plan or report concerning payment of the liability of the coal mining industry and make auditing of the coal mining industry by the competent government official or if recognized necessary, shall be able to issue necessary order or direction for supervision purpose to the owner of the enterprise of the coal mining industry or manager of the coal mine.

In case auditing shall be made by the competent government official in accordance with the provision of proceeding paragraph, the said official shall carry identification card showing his standing.

(Appointment of blocked account designated coal mine)
Article No. 7

The Minister of Commerce and Industry shall be able to appoint the coal mine which is recognized as not being eager or cannot produce result in carrying out the object of this law, as blocked account designated coal mine.

(Register of finance organization)
Article No. 8

The owner of the blocked account designated coal mine, in accordance with the decision of the order, shall register to the Board of Coal or Coal Bureau, the financial organization to which the blocked account of the coal proceed for the coal mine concerned, shall be established.

The financial organization registered in accordance with the provision of the proceeding paragraph (hereinafter called registered organization), in accordance with the decision of the order, shall establish the blocked account of the coal proceed of the coal mine concerned

(Blocked account of coal proceed)
Article No. 9

The Coal Distribution Kodan shall pay the proceed of coal received from the blocked account designated coal mine, to the blocked account of coal proceed of registered organization of the block account designated coal mine concerned.

The registered organization and owner of enterprise of blocked account designated coal mine, in accordance with this law and

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provision of order based on this law, shall make disposal of the amount of money paid in accordance with the provision of proceeding paragraph, by the blocked account of coal proceed.

The owner of blocked account designated coal mine shall have the credit for the amount of money paid in accordance with the provision of first item, provided, that the same shall not be transferred or used as security of liability.

(Supervision of blocked account of coal proceed)
Article No. 10

The Director General of Board of Coal or Chief of Coal Bureau shall be able to request to submit necessary plan or report or make necessary order of direction to the registered organization, owner of enterprise of blocked account designated coal mine or manager of the coal mine, concerning establishment or disposal of blocked account of coal proceed.

Chapter No. 3 Rationalization of labor relation

(Limitation of employment)
Article No. 11

The owner of enterprise of coal mining industry shall not newly employ surface miner or surface office worker, as long as the number of underground miner do not exceed 6 when the number of surface miner is settled as 4, in the total number of employee of the coal mine.

However, in case of the employee of new mine or new pit or transfer of underground miner to surface miner or surface office worker, the foregoing shall be exempted in case permission of chief of Coal Bureau is granted.

The definition of employee of the coal mine, underground miner, surface miner, surface office worker, new coal mine and new pit in the case of proceeding paragraph and Article No. 13 Item shall be decided by order.

(Supervision of employment)
Article No. 12

The Director General of Board of Coal or Chief of Coal Bureau shall be able to request to submit necessary plan or report or make necessary order or direction to the owner of enterprise of the coal mining industry or manager of the coal mine concerning employment of workers of the coal mine.

(Limitation of overtime work)
Article No. 13

The owner of enterprise of the coal mining industry or manager of the coal mine shall not make overtime work or payment of allowance thereof to the surface miner or surface office

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worker except in the case where there is emergency requirement for increase of coal production or the permission of Chief of Coal Bureau is granted in special case.

(Supervision of overtime work)

Article No. 14

The Director General of Board of Coal or Chief of Coal Bureau shall be able to request to submit necessary plan or report or make necessary order or direction to the owner of enterprise of the coal mining industry or manager of the coal mine, concerning overtime work of the workers of the coal mine.

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To Economics Sec.

RLQ

Report on consumed within Chiba Prefecture

28 March 1949

CHIBA Branch, TOKYO Coal Distribution Public Corporation

Term	Coal consumed in this month	Coal consumed in last month	Tonnage of difference	% of increase or decrease	Remarks
Feb. 24 - Mar. 23, 1949	10,496,790	8,796	1,700,790 (increase)	16%	

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GENERAL HEADQUARTERS
SUPREME DOMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division

25 March 1949

COAL BULLETIN NO. 25
(For Information Only)

1. COAL PRODUCTION

Production for the second ten days of March 1949 amounted to approximately 1,080,700 tons, or 101.8% of planned production. production by districts for the ten-day period is indicated below: (Unit 1,000 metric tons.)

Districts	Goal	Production	Percent
Hokkaido	328.9	301.4	91.6
E. Honshu	98.6	106.6	108.1
W. Honshu	82.6	83.9	101.1
Kyushu	551.9	588.8	106.7
Totals	1,062.0	1,080.7	101.8

2. REMARKS

During this period miners worked an average of 8.2 days and daily production average was 131,800 metric tons as compared to 117,227 MT per day for the corresponding period in February. The cumulative shortage in attaining the metric ton goal for the JFY 1948 amounts to 1,318,500.

3. DISCUSSION OF SCAPIN #1984

In order to clarify the terms of SCAPIN 1984 the following questions and answers are submitted:

Q. Will reasonable price adjustment by quality, kinds of coal and districts be permitted?
A. Yes, provided they make no change in the basic standard of consumer price.

Q. Will adjustments of reasonable differentials in producer prices be permitted?
A. Yes. At the present time the producer price is being restudied with the view of making a more equitable system of purchasing of coal possible.

Q. Will it be permitted to return profits of the SFDK to the producer?
A. Some of the functions of the SFDK should be assumed by the operators with any savings or profits derived from such operations being retained by the operators as profits, or being used to reduce the consumer price of coal.

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Q. Do the "subsidies" mentioned in the SCAPIN mean the subsidies now actually being given coal mines?
A. No. Except that no further subsidies for the payment of wages are contemplated.

Q. Will the increase of subsidies in proportion to the increase in coal production be permitted?
A. No. The object of the SCAPIN is to so rationalize industry that subsidies may be reduced in inverse ratio to increased production.

Q. Does the prohibition of deficit financing include the possibility of making loans to meet liabilities for materials?
A. Loans may be made by private banks but will not be made by RFB to meet such liabilities. However, equipment loans for new capital equipment and expenditures may be made through the RFB.

Q. Will loans be made for the purpose of retirement allowances should it become necessary to lay off large number of miners in order to rationalize industry?

A. No. The industry should be rationalized without large numbers of employees being laid off as those not now productively engaged should be transferred to more productive positions.

Q. If 42 million tons of coal are produced in the JFY 1949, will there be sufficient demand for this coal from other industries, finances which are severely restricted?

A. All industrial programs for the JFY 1949 are being planned on the basis of 42 million tons of coal and the rationalization of all industry to operate efficiently enough to produce the maximum amount of goods within the limitation of available finances.

Q. Will the 42 million ton goal have to be attained even by paying loss compensation according to the temporary control of coal mining laws?

A. The goal must be attained. Quotas for individual mines must be set in accordance with the production capacity of the mine so as to avoid any large amounts of lost compensation being necessitated. The loss compensation clause of the law must not be used as a substitute for subsidies or deficit financing.

Q. Will the Labor Standard Law be administered in order to enforce this memorandum?
A. The SCAPIN does not direct any actions which would necessitate violations of the Labor Standards Law. It does, however, make it mandatory for the operators not to schedule overtime work for any employee in any day unless that employee is scheduled to work more than 48 hours during the week.

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Q. Does the SCAPIN affect wages for piece work?
A. It does not.

Q. Does the ratio of 60-40 underground to surface workers apply only to individual mines, or to an enterprise, or the coal mining industry as a whole?
A. It applies to the enterprise (surface workers at mines, branch offices, and head offices of the companies) and to the coal mining industry as a whole.

Q. Does the term "new mine" mean new pit?
A. If a new pit is at considerable distance from the old pits of the same company and its volume of production is such that new surface installation for the handling and dressing of coal, and administration of the enterprise are necessitated, such a new pit can be reasonably defined as a new mine. If, however, no new surface installation as mentioned above are necessitated the new pit would not be considered as a new mine.

Q. Will the blocked account system be applied by individual mines as may be necessary?
A. Yes. There is no intention of blocking accounts of mines which are paying their bills.

Q. Does "clerical" or "administrative" include engineers or technicians for the purpose of the 60-40 underground to surface ratio?
A. Yes.

M. A. Wyatt

M. A. WYATT
Coal Coordinator

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STATEMENT TO THE PRESS
by M. A. Wyatt, Coal Coordinator
Economic and Scientific Section
Supreme Commander for the Allied Powers
28 October 1948

In every wartorn economy there are individuals and groups of individuals who would use the confusion, inherent in such an economy, to further their own ends at the expense of the economy and the people. They are usually a very small but highly organized and vociferous minority. Their weapons are the half truth, the lie often repeated, the extravagant promise given without thought of fulfillment, the questioning and criticism of established authority, the inciting and fomenting of demonstrations against authority, and other equally vicious forms of propaganda.

These are parasites who fatten on the blood of prostrate people, who through the lack of proper information are unable to distinguish between propaganda and fact. They are false leaders who only pretend to have the public interest at heart so that they may rise to power.

There is in Japan today such a minority, busy obstructing the aims of the occupation and the Japanese Government for their own selfish reasons. To fail to recognize and expose these groups would be like hiding our heads in the sand.

During recent weeks these groups have questioned the authority of both the Japanese and Military Government Coal Production Teams which have been doing an excellent job in the field ever since their establishment.

In order that every coal miner and the general public may know from whence the authority of these Coal Production Teams stems, I call attention to the following:

On 17 July 1948, General Douglas MacArthur, Commander-in-Chief, SCAP, issued a Command Letter to the Commanding General, Eighth Army, directing him to "Establish specific surveillance over Coal production in the four coal producing areas of Japan." The Command Letter defined "specific surveillance" as encompassing the disposition of rationed foods and incentive rations to coal miners, assistance to Management and Labor with respect to labor relations and labor problems; investigation of the financial aspects effecting coal production and of the performance of mine management in accordance with existing financial directives regarding the expenditure of funds allocated, payment of wages, capital and operations expense of deficit financing, surveillance with respect to the movement of coal from the mines and operating supplies to the mines--all in coordination with interested SCAP Sections. Thus there can be no doubt as to the authority of the Military Government Coal Production Teams.

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The Command Letter from General MacArthur also stated "The scope of this surveillance will encompass general surveillance - indicated in reference memorandum, Headquarters, Eighth Army, Military Government Section, 15 June 1948, to Chief, Economic and Scientific Section, Subject: "Accelerated Coal Production and Field Surveillance Thereof". By this wording the memorandum became a part of the Command contained in the Command Letter. This memorandum states in part that the continued efforts of the Japanese Coal Teams used by SCAP in the second phase of "Accelerated Coal Production Program" are considered essential to the special surveillance contemplated. These teams should be directed by the Japanese Government to work cooperatively with the Military Government Teams concerned. The memorandum further states that in order to effectively carry out special surveillance by Military Government Units, it is necessary that the present Japanese Coal Teams be assigned to work with the Military Government Teams concerned, as indicated above.

The pertinent provisions of the Eighth Army memorandum were conveyed to the Director General of the Coal Board by the Director for the Accelerated Coal Production Program and the Coal Coordinator, Economic and Scientific Section. The Director of the Coal Board, as a matter of expediency, implemented the memorandum with verbal orders causing the teams to remain in both Hokkaido and Kyushu, to function as they had been functioning under SCAP advice. Since these functions have not been changed under Military Government supervision, they must be construed as being SCAP approved. However, in order to more clearly define the authority and responsibilities of the Japanese Coal Team, the Director General of the Coal Board, Ministry of Commerce and Industry on 27 October 1948 issued in writing "The Duty of Japanese Coal Production Teams" as follows:

"The duty of Coal Production Team is to investigate various obstacles at the spots of the coal mines and accelerate the coal production by removing such obstacles.

"Hence, the objectives of investigation cover the production, technic, labor, fund, materials, transportation and other related matters and in order to develop maximum efficiency in respective field, various assistance will be given to the operators and miners.

"Accordingly, in case such fact which will hinder increase of coal production, will be recognized, in the conduct of the operators and miners it is quite natural to correct the same. For this sake the Coal Production Team and government office concerned shall take the following measures:

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(A) The case in which the fact of making obstacle to increase of coal production is recognized on the side of the operators.

(1) The Team Captain shall make strict investigation in order to clarify the use of fund and materials in the coal mine, condition of coal production and condition of completion of development work (Article 8 of Temporary State Control Law of Coal Mines).

(2) In the above case, if the fact is recognized that the operator made side-flow of the fund and materials thereby making obstacles to increase of coal production the Team Captain can recommend to the related government office, through Chief of Coal Bureau, to reduce or stop the allocation immediately.

(3) Upon receipt of the above recommendation, the Director General of Coal Board can request the RFB Committee to stop the finance of the fund immediately and can stop the allocation of materials immediately.

Furthermore, if it is recognized necessary, the Director Gneral of Coal Board and Chief of Coal Bureau can issue supervisory order to the coal mine concerned. (Article 9 and 20 of State Control Law).

If the operators will violate this order, they will be punished in accordance with the provision of the law. (Article 59 and 62 State Control Law)

(4) With regard to the coal mines which are recognized to have equipments and materials beyond their necessities or not fully utilizing the same, the Team captain can recommend to the Director General of Coal Board or Chief of Coal Bureau to transfer the equipment and materials or lease to other coal mines.

Upon receipt of the above recommendation, the Director General of Coal Board or Chief of Coal Bureau, if recognized necessary, can order the operators of the Coal mines concerned to transfer or lease, in accordance with the provision of the law. (Article 12 of State Control Law)

If the operator will violate the above order, they will be punished in accordance with the provision of the law. (Article 59 and 62 of State Control Law)

(5) In case the fact is recognized that the controller of the coal mine is inadequate, thereby causing obstacles to increase of coal production, the Team captain can recommend to Minister of Commerce and Industry through Chief of Coal Bureau to dismiss the said controller of the Coal mine.

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Upon receipt of the said recommendation, the Minister of Commerce and Industry can order the operator of the coal mine to dismiss the said controller, in accordance with the provision of the law (Article 24 ditto)

If the operator will violate this order, they will be punished in accordance with the provision of the law. (Article 62 ditto)

(6) The Team captain, if it is recognized necessary, can recommend to the Director General of the Coal Board or Chief of Coal Bureau to order new installations of the equipment, extension or improvement or development of new pit or excavation of pit road of designated coal mines.

Upon receipt of the above recommendations, the Director General of Coal Board or Chief of Coal Bureau can order the operator in accordance with the provision of the law. (Article 38 ditto)

If the operator will violate this order, they will be punished in accordance with the provision of the law. (Article 59 ditto)

(B) The case in which the fact of making obstacles to increase of coal production is recognized on the side of the miners.

(1) The related government office can reduce or stop additional allocation of side food, special allocation of linked goods and other incentive goods, to the coal mines which are recognized to have the fact of making obstacles to increase of coal production.

In case the Team captain will recommend to reduce or stop the additional or special allocation of the above mentioned goods by recognizing the fact of making obstacles to increase of coal production the related government office shall make necessary measure for the foregoings.

With regard to the recommendation of the Team Captain to the related government office, if the matters do not belong to the authority of the Chief of Coal Bureau, the same shall be made through the Chief of Coal Bureau.

(2) The Team captain shall make recommendations of the special measure in such cases in which the decrease of coal production of the coal mines concerned is evident by comparing the actual result of the past few months; and the causes of decrease of production shall not be due to inadequate conduct of the operators or the conditions

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of coal seams become worse and trouble of machineries and equipment; and the causes shall be due to rate of work, time of actual work and discipline at work.

(3) The objective of reduction or stop of commodities shall, in principle, be limited to persons who make obstacles to the increase of production. However, due to the character of the work, in case recognition for individual person is not proper, such as in the case of collective work, the collective body will be made as objective.

If the whole coalmine is recognized as natural to take joint responsibility, the whole can be made as the objective.

(4) In case the Team captain will recommend to reduce or stop the commodities, he shall make it clear as to the extent and period of reduction or stop and name of commodities.

The extent, and period of reduction or stop and the commodities shall be fairly determined in conformity with the extent of the fact of making obstacles to increase of production.

Especially, as the side food is adjusted in conformity with the amount of labor, in case of reduction or stop, decision of the extent and period shall be made on basis of amount of labor.

(5) As the object of this special measure is to remove the fact of making obstacles to increase of production and accelerate the production in case the Team captain recognizes the fact, he shall make warning and request the reflection to remove the fact of making obstacles to increase of production, by specifying deferred period.

If during this period the fact will not be removed, the Team captain shall inform, for the first time, to reduce or stop the commodities.

(6) In case the captain of the coal team determines that there has been false certification of days worked for the purpose of obtaining supplementary rations, he will report such false certifications to the coal bureau for proper action".

Thus, it becomes apparent that the authority of the Japanese Government Coal Production Team stems directly from SCAP through the Japanese Government and can not, therefore,

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be questioned. Any person or persons who do not respect this authority may be severely dealt with.

It should be remembered that both the Japanese and the Military Government Teams are in the field to help both Labor and Management to settle the problems arising out of the effort to produce 36,000,000 tons of coal this year. They consist of fair, unbiased, competent men who have the problems of both Management and Labor at heart. Both Labor and Management, through cooperation with those teams, can make great contributions to increased coal production. If they do cooperate, the 36,000,000 ton goal for 1948 can be achieved.

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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
24 March 1949, 1400 Hours

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1. The representative of 8th Army MG presented an extract from the monthly summary of the Kyushu MG Team and requested comments from the committee concerning pertinent statistics contained in the report (copy attached). This report indicated that Kyushu mines are averaging ¥319.92 deficits on each ton of coal mined and further the average efficiency of all workers is 5.9 ton per month. Considerable time is lost in traveling from portal to working areas which is a major contributing factor to inefficient production. Mr. Twinom drew attention to the fact that the new contract wage is based on 7.2 tons per miner per month and that the overall efficiency in Japan is now approximately 6.6 tons per month. Increased efficiency on the part of coal miners would greatly assist in wiping out production deficits.

2. At a recent conference held with the Division Chief of Industry and representatives from the Japanese Government, the Coal Board was informed that new equipment loans would have to be justified in terms of increased production and considerable attention was directed to providing transportation between portal and working areas in order to maximize actual time spent by miners at the face (copy attached).

3. Mr. Baker is preparing a survey of mine timber requirements and deliveries. Further discussion of proper lenghts and suitable timber was held over until Mr. Baker's report is received by the committee.

4. The Japanese are preparing quarterly quotas for JFY 1949 and monthly quotas for the first quarter, showing necessary production by districts to meet the 42 million ton goal. Mines will be classified as "good mines" and "poor mines." Quotas by mines must be fixed in regional offices which has slowed up submitting final reports.

5. Mr. Phillips of Finance Department was unable to attend the meeting and his report on standardized accounting is deferred until next week. Mr. P. R. Paulick, Expert Consultant, and Mr. M. A. Wyatt, Coal Coordinator, are on a field trip to Hokkaido and a preliminary report will be submitted at the 31 March meeting.

6. A request was made of the Coal Coordinator's Office, by Mr. Jonnson, 8th Army MG, that the Military Government be kept informed of all proposed laws to be introduced into the present Diet for firming up the power of the Coal Board, Bureaus, Committees and Teams in order to implement the 9-point directive and SCAPIN 1984. The Coal Board has been requested to submit all proposed Bills prior to submission to the Diet.

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7. A Bill is now being submitted to the Diet to extend the Solid Fuel Distribution Public Corporation Law (#56, 1947) until 1 July 1949. This is a three-month extension after which distributing of coal will be under a different plan to be announced in the near future.

8. The meeting adjourned at 1520 hours.

M A Wyatt

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance:

Mr. D. T. Schwob, ESS/IN
Maj. Merriam, NRS
Mr. J. C. Twinem, ESS/FD
Mr. B. S. Dekle, CI&E
Mr. D. J. Carroll, NRS
Mr. W. F. Johnson, 8A MG
Mr. Q. Adams, FEC AC
Mr. H. J. Barton, CTS

NOTICE OF MEETING

TIME: 31 March 1949, 1400 hours.

PLACE: Hattori Building, Room 600-A

AGENDA

1. Coal Coordinator's report on quotas for 1949.
2. ESS/FIN report on standardized accounting.
3. Information on proposed laws before the Diet.
4. Report on Hokkaido Field trip.
5. Preliminary report from Consultant Engineer in Kyushu.

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KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

APO 24 Unit 5
8 March 1949

SUBJECT: Monthly Military Government Activities Report for Period Ending 28 February 1949

TO : See Distribution

EXTRACT

****

1. Coal:

b. As a result of investigations made by the Coal Board the following pertinent statistics were produced:

(1) The average gross cost to produce a ton of coal is ¥2,971.82.

(2) On the average ¥318.92 is lost on each ton of coal mined in Kyushu.

(3) Average wage of underground works in a Kyushu coal mine is ¥9,009.91 per month.

(4) Time lost in an 8 hour shift averages 2 hours and 41 minutes. This is due to traveling from portal to face, breakdowns, rest periods, etc.

(5) The average efficiency of all workers at the mine is 5.9 tons per month.

c. In the labor field three major points have been stressed: (1) the cessation of the practice of mines paying the salary of union officials, which is contrary to the Trade Union Laws, (2) the necessity for conference table discussion of employment contracts, and (3) the fact that both management and labor have an equal responsibility in solving Japan's economic problems.

d. Inquiry is being made into the necessity of some mines joining and contributing to various organizations who purport to "Expedite and procure materials" or to further the "culture" of the miner. Preliminary investigations indicate that many of these organizations are rackets which usurp large donations from mines under pressure.

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ADDRESS
BY
CHIEF, INDUSTRY DIVISION

Time: 1000 Hrs-22 Mar 49
Place: Office of Mr. Vaughan

1. The purpose of the meeting today is twofold:

a. To review to date the progress of the mechanical rehabilitation of the coal mining industry, and

b. To discuss rehabilitation plans for the coming fiscal year, beginning 1 April 1949.

2. Beginning with the second-half JFY 1946, the R.F.B. has semi-annually released funds totalling approximately 20 billion yen to the Coal Industry classified as Coal Mine Equipment Rehabilitation Loans. These loans have been made to the Coal Industry in an effort to accelerate the rehabilitation of those coal mines whose capital equipment was destroyed or damaged through wartime neglect and abuse. Early in 1947, a program was initiated by the Industry Division and appropriate agencies of the Japanese Government which would increase the production and delivery of the machinery ordered by the Coal Industry. The effective combination of available funds and efficient machinery production facilities has, to a large degree, been responsible for the favorable comparison of machinery conditions in the mines today as against that of two years ago. The plants designated as key suppliers of mining machinery have manufactured coal mining equipment in excess of 7 billion yen since the inception of the mining machinery production program.

3. Despite the apparent successful combination of available R.F.B. funds and increased production facilities, the implementation of R.F.B. Coal Mine Equipment Rehabilitation Loans is far from noteworthy. The preparation of the necessary loan papers and the subsequent screening and investigations by the agencies concerned have caused considerable confusion and delay.

The R.F.B. loans, once approved by the Japanese Government, are excessively prolonged in actual release to the respective coal mine companies.

4. At no time, since the origin of R.F.B. Coal Mine Equipment Rehabilitation Loans, have the approved funds been released to the mines within the period for which the funds were originally intended. This undesirable delay, plus the confusion of carry over balances, has had a degenerating effect on the rehabilitation plans of the coal mines concerned and has been a source of financial embarrassment and insecurity to the machinery manufacturers.

5. In all, the Industry Division believes that the Coal Industry has not accomplished the maximum gains obtainable in the necessary program of rehabilitating the mechanical facilities

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of the mines. The situation, as it stands today, is as follows:

a. The R.F.B. has released less than 50 percent of the funds assessed for the Coal Mine Equipment Rehabilitation Loan for second-half JFY 1948.

b. Machinery manufacturers are approaching bankruptcy and machinery production declines because the coal mines have not received the funds to pay for ordered equipment.

c. The Japanese Government continues to flood the offices of SCAP with applications for the improvement of the facilities of coal mines specifying R.F.B. funds despite the unstable conditions enumerated above.

6. The Coal Mine Equipment Rehabilitation Loan for first-half JFY 1949 is currently being developed by the Coal Mine Operators and the Japanese Government. It should be obvious to all concerned, that the budget considerations for JFY 1949 will not allow poorly coordinated, top heavy borrowing from the R.F.B. money available to satisfy the miscellaneous machinery wants of all coal mine companies. It is, therefore, the responsibility of the Coal Board and others concerned to draft the approach to coal mine rehabilitation for the first-half JFY 1949 in an efficient, well-thought-out manner. R.F.B. funds must be used to create the greatest coal production increase with the least possible R.F.B. expenditure. The Industry Division has established the following points as an outline in the formulation and implementation of the R.F.B. Coal Mine Equipment Rehabilitation Loan beginning with the first-half JFY 1949:

R.F.B. No longer is there enough

a. The Coal Board, in conjunction with the appropriate agencies of the Japanese Government, will screen the coal mine requirements for R.F.B. loans for the first-half JFY 1949. Approval will be granted, <u>on a priority basis</u>, for those projects which will yield the greatest increase in coal production for the amount of funds involved.

b. Approval for R.F.B. loans by the Coal Board will be accompanied by a comprehensive justification of the work involved and results to be obtained in terms of increased coal production.

c. Efforts will be made to increase worker efficiency through the installation of such equipment which will show direct gains in production. Example: The purchase of personnel cars to transport underground workers to and from the working area, eliminating long periods of wasted productivity.

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d. The practice of swamping SCAP with coal mine applications to borrow additional funds from the R.F.B. will cease. All such loan applications must be considered at the time the Coal Mine Equipment Rehabilitation Loan for a given period is being formulated. Except for recognized emergencies, all such loans which are requested after the Equipment Loan has been finalized will be carried over for inclusion in the subsequent equipment loans, if deemed advisable.

e. On the basis of a well-thought-out and coordinated program, every effort must be made to release the authorized loan amounts within the period intended. Carry over balances and delayed releases of approved funds must be eliminated.

f. Positive steps must be established to insure that the Coal Equipment Rehabilitation Loans are spent for the intended purpose with no devi tions for wages, taxes, food, etc.

7. The Industry Division can make no recommendation, at this time, as to the volume of funds which may be made available during JFY 1949 to the Coal Industry in the form of Coal Mine Equipment Rehabilitation Loans. It is mendatory, however, that the coal Board develop at the earliest opportunity a concrete plan for mine-by-mine rehabilitation consistent with the goal of increased coal production. This overall plan, upon approval, will be implemented only to the degree to which R.F.B. funds can be made available. It is suggested that the Coal Board present this Division with an interim report of progress by Friday, 8 April 1949.

W. S. VAUGHAN

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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
17 March 1949, 1400 Hours

1. Because of shortage of stenographic help the minutes of the last meeting had not reached the various representatives and there were, therefore, no corrections of the minutes of the meeting of 10 March 1949.

2. The representative of Price & Distribution, ESS, discussed the necessity for establishing quotas for each mine for the 1949 fiscal year. It was reported that the figures P&D had been getting from the Japanese Government were apparently not designed to add up to 42,000,000 tons and that unless considerable pressur was applied we might wind up with mine by mine quotas totaling from 36 to 45 million tons. The Coal Coordinator agreed that his office would accept the responsibility for seeing to it that the Japanese Government would set quotas for each mine so as to achieve the 42,000,000 ton goal. It was further agreed that the quotas should be set immediately for the entire year in order to expedite planning.

3. There was a discussion of the recent Nippon Times editorial which was considered quite constructive but in which the figures were incorrect. The Coal Coordinator reported that the attention of the Nippon Times had been called to these inaccuracies and that a correction would be forthcoming Saturday. (The figures were corrected in the Nippon Times issue of 19 Mar 49.)

4. The representative of ESS Labor discussed the first draft of the proposed agreement submitted by the coal operators as a basis for discussion between Labor and the operators. He stated that the proposal is a vast improvement on the contract presently existing but still left too many details open for furth negotiation. Furthermore, it had been submitted at least a month too late so that in all probability a new agreement could not be reached by 31 March when the present contract expires.

5. The representative of 8th Army G-4 asked if the labor laws would be changed to allow the terms of the SCAPIN 1984 regarding overtime to be met. The representative of the Labor Division pointed out the terms of the SCAPIN did not necessitate any violation of the existing labor laws and therefore no changes in the laws were necessitated.

6. The Coal Coordinator stated that the mine operators had asked for clarification of some points of the SCAPIN but had expressed no opinions regarding it as yet. The representative of ESS Labor said the same situation applied to the Labor Unions.

7. Some doubt existed as to who would be covered in the 60-40 ratio of underground to surface workers. It was agreed

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that the 60-40 ratio should cover all surface workers including engineers, technicians and administrative and clerical help, whether they be located at the mines, branch offices, district offices or head offices of the companies.

8. It was reported that the authority of the Japanese Coal Team had been questioned by Zensekitan in a letter to Minister of Commerce and Industry. The Minister of Commerce and Industry planned to answer the letter by referring Zensekitan to the Coal Coordinator's press conference of October 1948 in which the authority of both the Japanese and the MG Coal Teams were traced (copies of Mr. Wyatt's press conference will be attached to Coal Bulletin #25).

9. The representative of ESS Finance discussed the projected bond issue of 13 billion yen to be used to repay to the RFB the loans made to the operators before 23 June 1948. They stated, however, that this would still leave a considerable amount of debt owed by the operators to the suppliers and raised the question as to the advisability of making some money available to the operators to bring them back to somewhat more normal debt position. After considerable discussion it was decided that inasmuch as the machinery, equipment and mine timber suppliers have threatened to cut off supplies to the mines as of 1 Jan 1949 if ¥1,200,000,000 was not forthcoming by that date; and that since the money had not been made available; and there had been no reported incidents of supplies being cut off, or of suppliers being forced into bankrubtcy; it would be well to hold the position of no deficit financing until such time as effects of such a policy become more apparent. In fact there was evidence that the amount being claimed as necessary by the suppliers were being reduced each time they requested financing. This was illustrated by the mine timber suppliers' recent request of a loan of 65 million yen to finance seasonal production in Hokkaido which was originally presented in the amount of ¥1,500,000,000.

10. The question of the unusually high rate of consumption of mine timber was discussed. It was pointed out that mine timber consumption had gone up from 2 koku per ton to .347 koku per ton at the present time. The representatives of NRS and 8th Army MG both stated that there had been no reported incidents of the misuse of mine timber, but that some mine timber was probably diverted to saw mills and some used for mine housing construction.

11. The representative of the Kyushu MG Coal Team read a part of a report to the Chief of his team. It pointed out that there were large debts owed by the mines to suppliers and that it would be necessary for many of the mines to withhold some portion of wage payments in order to pay enough on supply bills to keep the suppliers in operation. It also pointed out that the production cost of coal in Kyushu has been showing a decrease since the end of November 1948 with the selling price to the Kodan showing a slight but steady increase due to improved washing and dressing.

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it stated: "It is reasonable to believe that if the mines are given a reprieve for their back indebtedness they will be able to make income meet production cost, will be self-sustaining without furtner financing to cover operational cost. Income received from normal sale of coal will not be great enough to cover capital expenditure. Further capital expenditure will have to be financed through long term loans from private institutions or the Reconstruction Finance Bank." However, it was pointed out that under the terms of SCAPIN 1984 no deficit financing could be provided by loans for equipment and capital expenditures could be arranged. It was further pointed out that reprieves for indebtedness have been given the operators almost constantly since the beginning of the occupation, and that decisive steps had to be taken or reprieves would be requested continuously from now on.

12. The question of a uniform system of accounting was raised and the representative of ESS Finance reported that the Japanese Government was ready to present the standardized system for SCAP's approval. Arrangements were made for Finance Division and the Internal Revenue Division, ESS, to meet with representative of NRS and the representative of the Kyushu Military Gov't Co Team to go over the subject system with the representatives of the Japanese Government. The result of this meeting will be reported at the next coal production committee meeting.

13. The meeting adjourned at 1600 hours.

M. A. Wyatt

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance

Mr. M. A. Wyatt, ESS/IN
Maj. C. S. Merriam, NRS
Maj. Geo C. Freeman, 8A MG
Mr. H. J. Barton, CTS
Mr. J. R. Boner, ESS/PD
Mr. P. R. Paulick, ESS/IND
Mr. Q. Adams, ESS/FEC AC
Mr. J. C. Twinem, ESS/PD
Mr. Phillips, ESS/FI
Mr. D. J. Carroll, NRS
Mr. B. S. Dekle, CI&E
Mr. V. Burati, ESS/LA
Mr. Hicks, Kyushu, MG

NOTICE OF MEETING

TIME: 17 March 1949, 1400 hours.

PLACE: Hattori Building, Room 600-A

AGENDA

1. Coal Coordinator's report on quotas for 1949.
2. ESS/FIN report on standardized accounting.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

15 March 1949

COAL BULLETIN NO. 24
(For Information Only)

1. COAL PRODUCTION

Production for the first ten days of March 1949 amounted to approximately 1,120,200 tons, or 97.2% of planned production. Production by districts for the ten-day period is indicated below: (Unit 1,000 metric tons.)

Districts	Goal	Production	Percent
Hokkaido	339.3	300.5	88.6
E. Honshu	109.4	109.5	100.1
W. Honshu	93.1	91.0	97.7
Kyushu	610.2	619.2	101.5
	1,152.0	1,120.2	97.2

2. REMARKS

During this period all districts averaged 9 working days, and daily production averaged approximately 124,466 MT as compared with 120,568 MT per day for the corresponding period in February. The cumulative shortage in attaining the 36,000,000 MT goal for the JFY 1948 now amounts to 1,347,000 MT.

3. DIRECTIVE TO THE JAPANESE GOVERNMENT RE STABILIZATION OF THE COAL INDUSTRY

A SCAPIN has been issued to the Japanese Government directing the rationalization of the coal industry. Copies are attached (incl 1).

A discussion of the SCAPIN is contained in the press conference of Mr. M. A. Wyatt, dtd 15 March 1949, also attached (incl 2). Further discussion of the SCAPIN and clarification of its meaning will be included in the next bulletin.

M. A. WYATT
Coal Coordinator

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 463.3(10 Mar 49)ESS/EX
SCAPIN 1984

10 March 1949

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Stabilization of the Coal Industry

1. Reference is letter from the Supreme Commander for the Allied Powers to the Prime Minister, 19 December 1948.

2. The coal industry is the foundation of the entire Japanese economic rehabilitation and stabilization effort. In order to establish Japan's self-support and fully to implement reference letter, it is essential that the coal industry be rapidly and effectively improved in efficiency to provide a minimum of 42 million tons of coal for the JFY 1949-50 without increase in the present consumer coal price or subsidies and without resorting to deficit financing.

3. The Japanese Government will therefore take the necessary steps to insure that:

a. All contractual cash wage obligations for time actually worked be paid when due and in full and that such obligations constitute a first claim after taxes on coal company revenues.

b. Fictitious overtime payments will be eliminated immediately. Overtime work and payment therefor will be limited to that actually justified by production requirements. To this end, no overtime work or payment therefor will be permitted to surface or office workers except where emergency conditions require. No overtime payments will be made to underground and supervisory personnel except for work in excess of eight hours in one day or forty-eight hours in a week. Except where special circumstances justify, overtime work will not be scheduled for any day unless the total work schedule of the employee for the week is in excess of forty-eight hours.

c. No further hirings of surface workers, clerical or administrative personnel, except where necessary to open new mines, will be permitted until the overall ratio of underground to surface workers for the entire industry has reached a 60-40 ratio. Transfers from underground to surface employment in case of disability or similar reason shall be made only as replacements.

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d. Priority, after wages, will be accorded payment for expendable operating supplies and equipment. Mine equipment inventories and purchase programs will be reviewed to insure the elimination of purchases of excessive items.

e. The coal mine companies will rapidly adopt a uniform and accurate accounting system in mines, regional and head offices which shall clearly detail all costs and revenues. In the case of designated mines, this system shall be instituted prior to or on 1 April 1949.

4. If necessary to insure implementation of the foregoing measures, the Japanese Government will direct the Coal Distribution Kodan to pay revenue from coal sales into special blocked bank accounts for payment of taxes, legitimate wages, supplies of operating mine equipment and other supplies. Payment from such blocked accounts will only be made pursuant to regulations approved by the Supreme Commander for the Allied Powers.

5. Monthly reports on action taken to implement this Memorandum will be submitted beginning 1 April 1949. Direct communication between the Economic and Scientific Section and concerned agencies of the Japanese Government is authorized for the implementation of this Memorandum.

FOR THE SUPREME COMMANDER:

/s/ R. M. Levy
/t/ R. M. LEVY,
Colonel, AGD
Adjutant General.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

PRESS STATEMENT TO BE RELEASED BY MR. M. A. WYATT
COAL COORDINATOR, ESS/INDUSTRY

15 March 1949

Recent developments in the operation of the coal industry threaten the prospects of maintaining current coal output levels as well as realizing the 1949-1950 fiscal year coal goal of 42 million tons. In recent months most of the operating coal companies have failed to: (a) achieve their monthly output schedules, (b) meet contractual payroll obligations, (c) pay outstanding bills to suppliers for material and supply deliveries essential to continuation of mining activities, (d) fulfill their tax obligations. The operators allege that their depleted cash position due to current operating deficits makes the foregoing financial delinquencies unavoidable.

There is ample evidence warranting wholesale criticism of the manner in which the coal industry is presently operating. Management and Government have not exercised their responsibility to mine coal efficiently and to maximize output. Costs have been considerably inflated through gross inefficiencies and mismanagement while many cost elements presented by the operators are apparently fictitious. Recent actions of some Coal Operators, Government Officials, and segments of Labor suggest that their objective is to force an upward adjustment of coal prices.

The absence of a satisfactory standard cost accounting system on the part of the coal operators makes difficult a detailed assessment of the actual facts prevailing in the industry. However, on the basis of an overall analysis of the operating position of the entire industry, it has been concluded that the present price structure and revenue return are adequate and that to accede to the demands for an upward price adjustment would be unwarranted and prompt a rise of the entire price level with consequent serious disruption of the present overall stabilization effort.

Repeated attempts have been made to persuade coal operators and the responsible Ministries involved to correct the widespread malpractices prevailing in the industry. Unfortunately, no adequate response has been forthcoming.

A directive (SCAPIN 1984) was issued to the Japanese Government on 10 March 1949 directing the correction of the more important malpractices prevailing in the coal industry, and reiterating the necessity for producing 42,000,000 tons of coal during the 1949 JFY. This is the first formal implementation of the nine-point economic directive issued to

Incl 2

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the Japanese Government by SCAP on 19 Dec 1949.

The directive has been issued to produce a correction of the more important malpractices prevailing in the coal industry. It should insure against a walk-out by coal miners because of non-payment of wages. It should also eliminate all fictitious and inflated overtime wage payments. It should eliminate surplus surface workers, clerical and administrative personnel and bring about a more economic ration of surface workers to underground workers. The action directed should maintain continuity of supplies and equipment through insuring payment to suppliers. The institution of a uniform cost accounting system should eliminate current misrepresentations and reveal the actual circumstances of the operators.

The directive also provides necessary legal authorization in the event that operators do not meet contractual payments, for effecting payments essential to continue full operation of the mines by means of diverting coal sale revenues into special blocked bank accounts from which such payments will be made pursuant to approved SCAP policy.

The directive leaves no room for doubt as to SCAP's attitude toward the necessity for meeting the 1949 JFY goal and for the immediate rationalization of the coal industry.

In order that the 42,000,000 ton goal can be met under the terms of this directive SCAP is prepared to offer every possible aid. Such aid will include: (1) the importation of mining machinery from the United States together with repair parts for American-made machinery now in the mines, (2) technical advice to the operators by two expert consultants now in Japan. These men have both had years of experience in engineering, machanization, and mine management. Their on-the-spot advice, if accepted and followed through by the operators, will make possible a much higher per capita output almost immediately. Of these two consultants Mr. R. H. Barry is now in Kyushu where he has been for two weeks. The results of his work there are already apparent in the production of the mines he has visited. Mr. Paul R. Paulick is here today and will leave for Hokkaido this weekend. Because of the low ratio of production to quota which has been maintained for several months in Hokkaido, Mr. Paulick's work should show startling results almost immediately.

Two other proposals are presently being considered by SCAP to aid coal production. They are a survey of coal production by a firm of American consulting engineers for long range improvement and a trip to the U.S. by several Japanese coal mine engineers to study American coal mining methods so that modern techniques may be applied here.

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Even without the last two proposals becoming realities, the production of 42,000,000 tons of coal during the 1949 JFY is entirely feasible under the terms of SCAPIN 1984 and particularly so in view of the importation of modern machinery and the aid of the expert consultants. Should the last two mentioned proposals be effected early enough in the year this goal should be easily exceeded.

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15 March 1949

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 463.3(10 Mar 49)ESS/EX 10 March 1949
SCAPIN 1984

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Stabilization of the Coal Industry

1. Reference is letter from the Supreme Commander for the Allied Powers to the Prime Minister, 19 December 1948.

2. The coal industry is the foundation of the entire Japanese economic rehabilitation and stabilization effort. In order to establish Japan's self-support and fully to implement reference letter, it is essential that the coal industry be rapidly and effectively improved in efficiency to provide a minimum of 42 million tons of coal for the JFY 1949-50 without increase in the present consumer coal price or subsidies and without resorting to deficit financing.

3. The Japanese Government will therefore take the necessary steps to insure that:

a. All contractual cash wage obligations for time actually worked be paid when due and in full and that such obligations constitute a first claim after taxes on coal company revenues.

b. Fictitious overtime payments will be eliminated immediately. Overtime work and payment therefor will be limited to that actually justified by production requirements. To this end, no overtime work or payment therefor will be permitted to surface or office workers except where emergency conditions require. No overtime payments will be made to underground and supervisory personnel except for work in excess of eight hours in one day or forty-eight hours in a week. Except where special circumstances justify, overtime work will not be scheduled for any day unless the total work schedule of the employee for the week is in excess of forty-eight hours.

c. No further hirings of surface workers, clerical or administrative personnel, except where necessary to open new mines, will be permitted until the overall ratio of underground to surface workers for the entire industry has reached a 60-40 ratio. Transfers from underground to surface employment in case of disability or similar reason shall be made only as replacements.

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d. Priority, after wages, will be accorded payment for expendable operating supplies and equipment. Mine equipment inventories and purchase programs will be reviewed to insure the elimination of purchases of excessive items.

e. The coal mine companies will rapidly adopt a uniform and accurate accounting system in mines, regional and head offices which shall clearly detail all costs and revenues. In the case of designated mines, this system shall be instituted prior to or on 1 April 1949.

4. If necessary to insure implementation of the foregoing measures, the Japanese Government will direct the Coal Distribution Kodan to pay revenue from coal sales into special blocked bank accounts for payment of taxes, legitimate wages, supplies of operating mine equipment and other supplies. Payment from such blocked accounts will only be made pursuant to regulations approved by the Supreme Commander for the Allied Powers.

5. Monthly reports on action taken to implement this Memorandum will be submitted beginning 1 April 1949. Direct communication between the Economic and Scientific Section and concerned agencies of the Japanese Government is authorized for the implementation of this Memorandum.

FOR THE SUPREME COMMANDER:

R. M. LEVY,
Colonel, AGD,
Adjutant General.

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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
10 March 1949, 1400 Hours

1. The representative of NRS (Mr. Carroll) called attention to a correction which should be made in the minutes of the meeting of 3 March 1949: The "two cranes" should be deleted from paragraph 9b; it was just the two tractors mentioned in that paragraph which were being obtained for use in Hokkaido in strip operations. With this correction the minutes of the meeting of 3 March 1949 were approved.

2. The Coal Coordinator reported that a proposal of the Japanese coal mine operators with regard to a special incentive drive to produce an extra 330,000 tons over quota during March had been abandoned when it was learned the required cotton goods would not be available for this purpose. (ESS/PD nonconcurred in the release of these goods on the grounds that they were required for other essential requirements, and that the coal miners were getting too great a proportion of available incentive goods at present.) However, it was stated that the operators planned to make every effort to meet February wages in order that the workers would feel inclined to produce the maximum possible amount. It was stated that the unions said they would produce all they can during the normal working hours in March and the production goal of 3,540,000 tons will probably be met.

3. The attendance requirement for miners to receive incentive goods was reviewed. The Coal Coordinator read a note from ESS/LA indicating that ESS/LA agreed "in principle" to putting rewards more and more on a basis of production. The Coal Coordinator commented that he would consult further with ESS/LA with a view to fixing a minimum number of days or percent attendance requirement.

4. The Coal Coordinator discussed technical training schools maintained by the government for training new coal miners. It was noted that these are under the jurisdiction of the Labor Ministry, but that there was no provision in the 1949 budget for them. The Coal Coordinator reviewed some notes from the Fukuoka Coal Bureau and the League of Technical Training Schools for Coal Miners on the need for continuing this type of training, both for coal mine safety and for improved techniques in actual mining operations. He stated that this matter would be referred to ESS/LA for appropriate action.

5. The Coal Coordinator reported that a staff study is being prepared in ESS, which will require the concurrences of NRS and CI&E, and is about ready to put into final form, on plans to take Japa nese engineers, including a Coal Board man, and two coal miners, to the United States to collect practical technical information on coal mining operations. It was stated that the main objective of this trip will be

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mechanization and a study of the functions and the responsibilities carried by the industry as it operates in the U. S. A. They will visit mines where circumstances are similar to those in Japan. The plans also include visits to machinery manufacturers, and industries related to coal mining. While some consideration is being given to the use of American mining machinery in Japan, special emphasis will be placed upon the most effective use of the available Japanese machinery. This will be a technical trip. ESS/LA is planning a similar trip for the Japanese to study labor-management relations as they are carried on in the United States of America.

6. The Coal Coordinator reported that labor and management had been urged to work on their negotiations, based upon improved efficiency of operations. The Japanese have accepted the three principles, it was commented, and newspaper reporters were now more interested in the subject of increased efficiency as mentioned in the previous meeting (minutes, 3 March 1949, paragraph 8). The representative of CI&E commented that the newspaper items have been publicizing the need for increased efficiency in operations.

7. The Coal Coordinator read additional data on welfare items received by the miners, most of which were not included in the present wage contract in effect until 31 March, as mentioned in previous meetings (minutes: 24 February 1949, paragraph 6; 10 February 1949, paragraph 2; 3 February 1949, paragraph 7). It was noted that the mines were reporting expenditures for these items amounting to 2,500 yen up to 3,600 yen per miner, and on a per ton basis, 200 to 600 yen per ton produced in those mines. The Coal Coordinator stated that he was referring these data to ESS/PD. It was commented by the representative of the Eighth Army Military Government that benefits received by the miners, over and above wages agreed to in contracts, should be publicized. The representative of CI&E read newspaper items which mentioned some of these things, and stated that he would include this in the information program for as much publicity as possible.

8. The Coal Coordinator stated that, with the concurrence of NRS, ESS had prepared a radio to the Department of Army asking them to entertain bids for a survey of Japanese coal mines to be made by competent industrial engineering firms, with a view to improved mechanization, and modernization. This is part of the ESS program for coal production for the next fiscal year and for the coming years. As yet, no specific proposals have been made.

9. The meeting adjourned at 1450 hours.

M. A. Wyatt

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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Attendance:

Mr. M. A. Wyatt, ESS/IN
Mr. D. J. Carroll, NRS
Maj. C. S. Merriam, NRS
Maj. Geo. C. Freeman, 8A MG
Mr. W. F. Johnson, 8A MG
Mr. F. W. Goodhue, ESS/FI
Mr. Q. Adams, ESS/FEC AC
Mr. H. J. Barton, CTS

NOTICE OF MEETING

TIME: 17 March 1949, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report of ESS/LA on wage contract negotiations.
2. Incentive goods program attendance requirement.

Restricted

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Attendance:

Mr. M. A. Wyatt, ESS/IN
Mr. D. J. Carroll, NRS
Maj. C. S. Merriam, NRS
Maj. Geo. C. Freeman, 8A MG
Mr. W. F. Johnson, 8A MG
Mr. F. W. Goodhue, ESS/FI
Mr. Q. Adams, ESS/FEC AC
Mr. H. J. Barton, CTS

NOTICE OF MEETING

TIME: 17 March 1949, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Report of ESS/LA on wage contract negotiations.
2. Incentive goods program attendance requirement.

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To: Economics Sec.

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MT/yk

March 9, 1949

To: Commanding Officer, Chiba Mil. Gov't. Team.

From: Chief of Chiba Branch, Tokyo Coal Distribution Office,
Coal Distribution Kodan.

Subj: Report on Fourth Quarter Low-class coal allocated amount.

Fourth quarter Low-class coal allocated amount.

Coal distribution Kodan.

Kind of Industry.	Consumer.	Amount Allocated.	Kind of Industry.	Consumer.	Amount Allocated.
Raw materials.	Japan Pulp Co.	121	Bean paste & Soy Sauce.	Maruzen Industrial Co.	2
Iron & steel.	Nomura Steel Mfg. Co.	100	"	Choshi Soy Sauce Co.	6
"	Tokyo Iron Refinery	60	"	Yamasa Soy Sauce Co.	8
Metal	Yamanaka Light Metal MFG. Co.	50	"	Daiboshi Soy Sauce	1
Petroleum	Sankyo Oil & Grease Co.	15	"	Noday Soy Sauce	8
"	Japan Oil Co.	10	"	Atomiya Head Office.	2
Bean paste & Soy Sauce.	Noda Soy Sauce Co.	343	"	Kinoe Soy Sauce.	5

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Iron & steel.	Nomura Steel Mfg. Co.	100	"	Choshi Soy Sauce Co.	6
"	Tokyo Iron Refinery	60	"	Yamasa Soy Sauce Co.	8
Metal	Yamanaka Light Metal MFG. Co.	50	"	Daiboshi Soy Sauce	1
Petroleum	Sankyo Oil & Grease Co.	15	"	Noday Soy Sauce	8
"	Japan Oil Co.	10	"	Atomiya Head Office.	2
Bean paste & Soy Sauce.	Noda Soy Sauce Co.	343	"	Kinoe Soy Sauce.	5
"	Yamasa Soy Sauce Co.	160	"	Noda Soy Sauce.	38
"	Choshi Soy Sauce.	150	"	Yamada Soy Sauce.	5
"	Kinoene Soy Sauce.	30	"	Choshi Soy Sauce.	10
"	Iida Head Office.	15	"	Toriumi & Co.	5
"	Marutama Food	20	"	Choshi Plant, Takara Soy Sauce.	5
"	Choshi Plant, Takara Soy Sauce.	30	"	Sanei Industrial Co.	35
"	Kenkichi Ota.	10	Milk"& dairy products.	Takita Plant, Asahi Dairy Products Co.	150
"	Toriumi & Co.				

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Bean paste & Soy Sauce.	Toriumi & Co.	30	Milk & dairy Products.	Shuki Plant Asahi Dairy Products Co.	130
"	Rikizo Yamamoto	10	"	Tateyama Plants, Asahi Dairy Products Co.	73
"	Irimasa Soy Sauce.	15	"	Hojo Plant, Asahi Dairy Products Co.	5
"	Hanzo Kato	5	"	Wakado Co.	20
"	Masaji Miura	5	"	Nabemise Best milk Co.	4
"	Kenkichi Ota	10	"	Chiba Nutriment Co.	2
"	Shigeo Kawashima	5	Intoxicating liquors.	Central Raw Alcohol Co.	300
"	Ozunosuke Fujikawa	10	"	Toho Intoxicating Liquors Co.	100
"	Koichi Iida	15	Staple Foods	Eihachiro Kato	5
"	Bunji Asano	10	"	Seijiro Ihara	5
"	Katsugoro Nakamura	34	"	Chu Iwasa	5
"	Tauemon Takashina	10	"	Fukukichi Kenno	5
"	Orient Food Co.	13	"	Kumeda	5

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"	Shigeo Kawashima	5	Intoxicating liquors.	Central Raw Alcohol Co.	300
"	Ozunosuke Fujikawa	10	"	Toho Intoxicating Liquors Co.	100
"	Koichi Iida	15	Staple Foods	Eihachirō Kato	5
"	Bunji Asanō	10	"	Seijiro Ihara	5
"	Katsugoro Nakamura	34	"	Chu Iwasa	5
"	Tauemon Takashina	10	"	Fukukichi Kenno	5
"	Orient Food Co.	13	"	Kumeda	5
"	Japan Food Co.	5	Other Food	Chiba Canned Goods	10
Staple Foods	Kojiro Nakadai	5	"	Sammatsu Industrial Co.	235
"	Shinzo Tokita	10	"	Ueki Wheat-Gluten Manufactory	50
"	Eiichiro Toyoda	3	"	Hinobe Chemical Industrial Co.	45
"	Miyuki Nakahara	5	"	Tohoku Industrial Co.	13
"	Ujiro Takeishi	7	"	Tachikawa Chemicals	4

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Staple food.	Seiichi Hanagasaki.	5	Other foods.	Iioka Ken-Han-Ren	27
Tobacco	H. Matsuda, representative of Kioroshi-machi Tobacco Cultivation Association.	40	"	Showa Agricultural Products.	13
"	T. Nakagawa, representative of Chitose-mura Tobacco cultivation Association.	80	"	Kobayashi Foods	13
"	S. Sugai, representative of Yatsu-mura Tobacco cultivation association.	130	"	Sammatsu Industrial Co.	35
"	S. Chiku, representative of Futakawa-mura, Tobacco cultivation Association.	100	"	Ueki Wheat-Gluten Manufactory.	30
Other foods.	Choshi Plant, Ajinomoto Co.	10	"	Hinobe Chemical Industrial Co.	30
"	Tokai Fisheries.	5	"	Boso Foods	3
"	Choshi Soy Sauce.	5	"	Toho Industiral Co.	10
"	Takara Soy Sauce.	5	"	Uchide Industrial Co.	20
"	Eikichi Toshiki	7	"	Sammatsu Industrial Co.	40
"	Nissan Lumber	10	"	Showa Foods	10

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Other foods.	Choshi Plant, Ajinomoto Co.	10	"	Hinobe Chemical Industrial Co.	30
"	Tokai Fisheries.	5	"	Boso Foods	3
"	Choshi Soy Sauce.	5	"	Toho Industiral Co.	10
"	Takara Soy Sauce.	5	"	Uchide Industrial Co.	20
"	Eikichi Toshiki	7	"	Sammatsu Industrial Co.	40
"	Nissan Lumber	10	"	Showa Foods	10
"	Funabashi Nutrition	5	"	Boso Foods	10
"	Central Marine Products.	3	"	Chiba Canned Goods	2
"	Kawagishiya Food	7	"	Nemoto Canned goods.	2
"	Kosei Marine Products.	2	"	Asashi Canned goods.	2
"	Prefectural Candensed Milk.	21	"	Toyoda Canned goods.	1
"	Ishikawa Industrial Co.	5	"	Nobuta Canned goods.	1
"	Urayasu Plant, Pref. Tsukudani Manufactory.	10	"	Chiba.Canned goods.	2
"	Choshi Plant, Pref. Tsukudani Manufactory.	15	"	Akashi Canned goods.	2

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Other foods.	Funbashi Plant, Pref. Tsukudani Manufactory.	10	Other foods.	Toyoda Canned goods.	1
"	Tokyo Microbe	40	"	Nemoto canned goods.	2
"	Chiba canned goods.	5	"	Choshi Soy Sauce.	5
Other foods.	Towa Industiral Co.	1	Transportation Ministry & others.	Kashiwa Meterological Technique Training Institute.	6
"	Chikara Ishige	15	Welfare Ministry.	Eiko Foods & Chemicals	10
"	Bunkai Ito	10	"	Japan Suisan Chemicals	5
Rubber goods	Mima Rubber goods.	30	"	Kuzuhara Industrial Co.	30
Potassium salt.	Okitsu Plant, Showa Denko.	20	Education Ministry.	Chiba Foreign Language School.	5
"	Tateyama Plant, Showa Denko.	50	Welfare Ministry.	Riken Pharmacy.	10
"	Aioi Industrial Co.	10	Legal Affairs Bureau.	Chiba Jail.	35
Converted goods.	Godo Pharmacy	20	Labor Ministry	Tateyama Vocational Training Institute.	4
Oil & grease Processing.	Boso Oil & Grease	10	"	Iioka-machi Vocational Training Institute.	4
Drugs	Sammatsu Industrial Co.	30	Agriculture-Forestry Ministry.	Prefectural Public Works, rivers & ports Sect. chief.	15
"	Shiratori Pharmacy	20	"	Cattle Testing Station	8
"	Tokyo Penicillin	20	"	Cocoon Examination Office.	40

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Potassium salt.	Okitsu Plant, Showa Denko.	20	Education Ministry.	Chiba Foreign Language School.	5
"	Tateyama Plant, Showa Denko.	50	Welfare Ministry.	Riken Pharmacy.	10
"	Aioi Industrial Co.	10	Legal Affairs Bureau.	Chiba Jail.	35
Converted goods.	Godo Pharmacy	20	Labor Ministry	Tateyama Vocational Training Institute.	4
Oil & grease Processing.	Boso Oil & Grease	10	"	Iioka-machi Vocational Training Institute.	4
Drugs	Sammatsu Industrial Co.	30	Agriculture-Forestry Ministry.	Prefectural Public Works, rivers & ports Sect. chief.	15
"	Shiratori Pharmacy	20	"	Cattle Testing Station	8
"	Japan Penicillin	20	"	Cocoon Examination Office.	40
"	Aioi Industrial Co.	15	Education Ministry.	Chiba Medical College.	100
"	Suisan Chemicals	40	Welfare Ministry.	National Chiba Sanatorum.	37
"	Torii Pharmacy	15	"	National Shimoosa Sanat.	20
"	Wakodo	30	"	Nation Matsudo Sanat.	20
CHEMICALS & OTHERS.	Kamogawa Chemicals	15	"	National Narashino Hospital.	15
"	Okitsu Plant, Showa Denko.	15	"	Nation Shimoshizu Hospital	6
"	Tateyama Plant, Showa Denko.	10	"	National Kashiwa Hosp.	15

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Cotton Spinning.	Yonezawa Textile goods.	30	Welfare Ministry.	National Chishiroen	12
"	Oya Textile goods	30	"	National Konodai Hosp.	15
"	Kokura Textile goods	30	"	National Chiba Hosp.	49
WOOLEN	Japan Woolen	100	"	National Sakura Hosp.	3
Reeling	Abiko Plant, Ishibashi Industrial Co.	80	"	National Kenho Chiba Sanat.	35
Construction Ministry.	Kanto District construction Bureau.	1,020	Public or Private Hospital.	Chiba-ken Cooperative Hospital.	1
Transporation & OTHERS	Choshi Metorological Observatory.	2	"	Sakura Koseien	5
"	Tomisaku M. O.	1	"	Kaijo Sanat.	2
Public or private Hospital	Takahashi Hospital	5		Kashiwado-Internal Treatment Hosp.	3
"	Nakayama Hosp.	1	"	Shikiba Hop.	16
"	Chemical Treatment Research Institute	17	"	Yoshida Kishi Hosp.	1
"	Nagashima Hosp.	1	"	Kenji Ophthalmic Hosp.	1
"	Murakami Hosp.	2	"	Tojo Hosp.	4
"	Takeda Hosp.	1	"	Suzuki Hosp.	2

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Public or private Hospital	Takahashi Hospital	5		Kashiwado-Internal Treatment Hosp.	3
"	Nakayama Hosp.	1	"	Shikiba Hop.	16
"	Chemical Treatment Research Institute	17	"	Yoshida Kishi Hosp.	1
"	Nagashima Hosp.	1	"	Kenji Ophthalmic Hosp.	1
"	Murakami Hosp.	2	"	Tojo Hosp.	4
"	Takeda Hosp.	1	"	Suzuki Hosp.	2
"	Tanabe Hosp.	1	"	Noda Hosp.	7
Public or Private Hosp.	Shirai Ass'n Hosp.	1	Public Bath	Chiba-ken Public Bath Ass'n.	200
Rural Industry.	Kyoka Industrial Co.	13	Rural Industry.	Tachikawa Chemicals.	4
"	Iioka Kenrenhan.	27	"	Showa Agricultural Products.	13
"	Kobayashi Food Industrial Co.	13	School Lunch.	Chiba-ken Education Dept. Director.	50
	Total of Low-Class Coal.	5,959			

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

7 March 1949

COAL BULLETIN NO. 23
(For Information Only)

1. COAL PRODUCTION

Production for the third ten days of February 1949 amounted to approximately 923,800 tons, or 102.6% of planned production. This brought the total production for February to 3,016,400 tons, or 98% of planned production. Production by districts for the ten-day period and the month is indicated below: (Unit 1,000 metric tons.)

District	3rd TEN DAYS Coal	3rd TEN DAYS Production	3rd TEN DAYS Percent	FEBRUARY Coal	FEBRUARY Production	FEBRUARY Percent
Hokkaido	262.0	245.1	93.5	899.0	815.0	90.7
E. Honshu	86.3	86.9	100.7	292.0	287.7	98.5
W. Honshu	75.5	73.9	97.9	258.4	236.5	91.5
Kyushu	476.3	517.9	108.7	1,629.0	1,677.2	103.0
	900.1	923.8	102.6	3,078.4	3,016.4	98.0

2. REMARKS

For the 24 working days of February, daily production averaged 125,683 tons as compared with the 117,815 ton daily average for January 1949. The cumulative shortage in attaining the 36,000,000 MT goal for JFY 1948 now amounts to 1,315,200 tons.

NOTE: The goal for the second ten-day period of February, erroneously reported as 1,035,400 tons, was 1,040,400 tons. Thus, 5,000 tons must be added to the total cumulative shortage reported as of the second ten days of February.

3. INCENTIVE GOODS

The following table shows the progress of shipments of incentive goods to coal miners for the third quarter (Oct-Dec 1948) as of 20 Feb 1949. Complete reports on deliveries for Class I items are not available. However, it is believed that substantial deliveries have been made in prefectures where shipments have been completed. Reports on deliveries of Class II items indicate that except for cigarettes, pipe tobacco and sake practically all deliveries have been completed for this period:

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	Unit	3rd Quarter Allocation	Shipments	Percent of Allocation
Work clothes (US)	pcs	380,000	380,000	100%
Cotton cloth (for women workers)	sq yds	62,400	62,400	100%
Gloves	prs	565,000a/	--	--
Socks (US)	prs	119,700	119,700	100%
Jikatabi	prs	640,022b/	640,022	100
Rubber boots	prs	39,000c/	39,000	100
Gaiters	prs	109,800d/	--	--
Towels	pcs	276,000e/	--	--
Underwear (US)	pcs	220,000	220,000	100
Bedding	pcs	7,500f/	6,940	93
Soap	pcs	3,247,000	3,247,000	100
Cigarettes (Jap)	pcs	20,250,000	5,552,100	27
Cigarettes (US)	pckgs (2 oz)	40,500,000	20,439,200	55
Pipe tobacco (US)	sho	352,000	97,298	28
Sake	kg	1,163,700	757,594	65
Sugar	kg	298,365	292,173	98
Edible oil	kg	74,864	69,277	92
Caramel		247,436	247,436	100
Baby Ruth candy bars	pcs	1,298,280	1,298,280	100
Mounds candy bars	pcs	199,992	199,992	100

a/ Consist of 370,00 US gloves and 195,000 Japanese gloves. Shipment of 77,000 US gloves for Hokkaido from SIM stocks will be completed by 28 Feb. 293,000 gloves being processed from released U.S. Army surplus materials (PDD 16 and 29) will be shipped as soon as they are completed

b/ Includes 47,300 coal mine boots for Hokkaido.

c/ Consist of 22,000 high rubber boots and 56,000 half rubber boots. Not included in link system and allocated mostly to Hokkaido.

d/ Shipping order issued 17 Feb 1949 and shipment will be completed by 10 March.

e/ Released export stock has been made available for the second half-year allocation and shipments will be started 1 March.

f/ It has been necessary to replace 40,000 US Army surplus blankets originally allocated for this period with an equivalent amount of Japanese bedding. This would consist of 20,000 pieces since 1 piece of Japanese bedding is considered equivalent to two US Army blankets. This allocation will be for the fourth quarter.

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4. PERSONNEL

Mr. Paul R. Paulick has been appointed Expert Consultant to SCAP on matters pertaining to modernization and mechanization of coal mines. Upon his arrival in Tokyo, Mr. Paulick will proceed to Hokkaido where he will do an at-the-mine job of advising on these matters. He will spend 60 to 90 days in the field before reporting back to SCAP.

M. A. WYATT
Coal Coordinator

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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
3 March 1949, 1400 Hours

1. There being no corrections or additions to the minutes of the meeting of 24 March 1949, they were approved as published.

2. The Coal Coordinator reported that the coal production goal for FY 1949 (1 April 1949 to 31 March 1950) is 42 million tons and the amounts for each quarter as follows:
(Unit: 1,000 Metric Tons)

First Quarter, April, May, and June 1949	-	9,910.0
2nd Quarter, July, August, and September 1949	-	9,817.0
3rd Quarter, October, November, and December 1949	-	11,124.0
4th Quarter, January, February, and March 1950		11,149.0
Grand Total	- - -	42,000.0

This will include high and low grade coal classified as standard coal, as well as anthracite and senseki, as in the past.

3. Discussion of the present status of the incentive goods program elicited the following notes:

a. It had been suggested that the poor mines, producing roughly 6% of total output, and whose production of coal is of comparatively low grade and therefore less desirable from the economic standpoint, should not be included in the incentive goods program for the coming fiscal year, and should receive only the supplementary food rations (minutes, 3 February 1949, paragraph 2c). The representative of ESS/PD reviewed this question and received confirmation of those present that they felt it was a good way to place emphasis upon producing better coal.

b. The representative of ESS/PD reviewed the present status of the incentive goods program for FY 1949. It was reported that Japanese representatives recently proposed that 39,000,000 tons of high grade standard coal from the "good" mines be required. A quota for the "good" mines was needed in order to distribute incentives. Previously the Japanese had tentatively settled upon the figure 39,400,000 tons as the amount to be expected from the "good"mines, with the assumption that the remaining 2,600,000 tons would be made up by the poorer mines producing a lower grade coal, but still in the class called "standard coal."

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The representative of ESS/PD stated that the Japanese should be held to this earlier figure. The quotas for all the good mines must add up to the monthly quotas and the monthly quotas for the twelve months must add up to the production goal. He stated that this should be the basis for the incentive goods distribution. The representatives present interposed no objections. The representative of ESS/PD stated that he would instruct the Japanese to begin work on this basis.

c. The representative of ESS/PD reiterated his point that it is necessary to require a mine to produce 100% of quota to get the incentive goods (minutes, 3 February 1949, paragraph 2a). In taking his strong position on this point he stated that the miners' incentives for one month, if earned, would equal the incentives received by other workers in most industries over a period of three months. If for a month or two a mine fails to receive incentive goods by reason of not producing 100% of their quota, they still have the incentive goods from the previous month to carry them over on a level with living conditions of workers in other industries.

d. The Coal Coordinator read a note from the Eighth Army Military Government stating that the Kyushu team suggested an attendance requirement of a certain number of days out of every ten-day period, instead of a monthly attendance requirement, where a miner can under the present system accumulate days and take off for an extended period around a holiday. This point was referred to the representative of ESS/LA, who stated that he would discuss it with the Wages & Working Conditions Branch of his division and report at the next meeting. The representative of the Eighth Army Military Government stated that he felt it would be desirable to have a definite position taken by SCAP in this matter in order that the Japanese would have the same procedure in effect for all of Japan.

4. The Coal Coordinator stated that CTS had said informally they would not export used rails, and that the coal mines would get them. A representative of the Eighth Army Military Government in Hokkaido had requested the number of rails which will go to Hokkaido. The Coal Coordinator stated that this information would be available through the Local Ministry of Commerce and Industry, which keeps figures on the allocations by mines. The representative of NRS commented that although somewhat heavier rails would serve the purpose better, these JGR rails are of a weight which can be used to good advantage.

5. The Assistant Coal Coordinator (Mr. Schwob) reviewed two documents prepared by Japanese as proposed ordinances.

a. He stated that the first document, "Outline of Standard Establishment for Loss Compensation Through

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the Temporary State Control of Coal Mining Law," was based upon Articles 5, 9, 18, 19, 20, 38, and 40 of the Temporary State Control of Coal Mining Law. Under this proposal the Japanese Government would become liable for financial losses of coal mines due to increased quotas where a claim was made that the increased production multiplied the losses. It was felt that this would provide a means for the Japanese to camouflage another subsidy deficit finance proposition.

b. The second document, "Standards of Indemnity for Losses Under the Temporary State Control of Coal Mining Law," was based on Article 40 of the Law, and provided for indemnity against loss resulting from a required shift in operations under government authority.

It was felt that the second proposal was less bad than the first one. However, both measures were felt to be out of order from the standpoint of the nine-point program. It was stated that the Coal Coordinator's Office would refer these two documents to the Government Section with a note, pointing out that they appeared to be a disguise of subsidies and could be construed as a violation of the three principles laid down on price and subsidies, and that for this reason the Coal Coordinator recommended disapproval.

6. The Coal Coordinator reported that he had scheduled a meeting with the operators for the purpose of suggesting an incentive to give the workers on the basis of some promised reward if they make up during the month of March 330 thousand tons of the approximately 1,330,000 tons shortage in actual coal production versus quotas to the end of February, on the basis of the 36 million ton goal for FY 1948. It was stated that this would mean a production of 3,840,000 tons (quota plus 330,000 tons) for March.

7. The representative of CI&E reported from his observations on a recent field trip in Kyushu that the information program there was being conducted in a creditable manner. He stated that there had been a meeting of SCAP representatives with officials of ESB and representatives of Kyushu mine management and labor at which increased efficiency had been discussed as a means of offsetting the apparent operational losses. A representative of the Kyushu Military Government Coal Team had given them some specific ideas on how the coal mines could promote efficiency. Another representative of the Kyushu Military Government Coal Team discussed figures on all Kyushu mines, showing an average loss of approximately 318 yen per ton at the present time. However, the Sakito coal mine was cited as one mine which showed a profit for the month of January. The representative of CI&E had called attention to the fact that the information program should stress not only quantity production, but also greater efficiency, and better quality coal.

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8. The Coal Coordinator stated that in a press conference newspaper reporters had expressed keen interest in efficiency, particularly with respect to the work of special consultants on coal mine mechanization and modernization previously mentioned (minutes, 24 February 1949, paragraph 2). He stated that he had discussed with them the program of "rationalization" of operations for greater efficiency and pointed out ways in which there could be improved efficiency without too great hardships. An example was cited where repair men had been kept on the job for two years in the event of a pump breaking down. The pump had not had to have any repairs for two years, yet these men were kept on the payroll during all that time, and did nothing but sit by the pump. It was pointed out that such jobs could be combined with others with greatly increased efficiency. The possibility of using more efficient machinery was also cited. It was pointed out that in America the miners produce as much in a day as the Japanese coal miners produce in a month.

9. The representative of NRS (Maj. Merriam) reported on a Japanese Committee for the promotion of coal mine mechanization, which he had mentioned in a previous meeting (minutes, 26 November, 1948, paragraph 4). He commented that until the most recent report they had simply said what they planned to do, but that now they reported things accomplished or in progress:

a. A conference had been held with the Iron and Steel Bureau on getting proper materials for the manufacture of wire rope for hoisting. The Japanese do not have facilities of their own for producing the proper steel for wire rope for hoisting, it was stated. A check sheet was written by NRS (Mr. Carroll) to ESS recommending that the Japanese request for importation from Sweden or the U. S. A. of a thousand tons of steel rod for this purpose be given favorable consideration.

b. Two tractors and two cranes were being obtained from the Occupation for the purpose of using them at two Hokkaido mines for strip operations, it was stated.

c. Use of steel mine props, which are rather extensively used in Kyushu, was being extended to Hokkaido.

d. Another point was the development of a detector for power leaks in transmission lines inside the mine.

e. The same committee made tests of Japanese type cardox equipment for blasting in mines, as well as tests of other items, it was stated.

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10. The representative of NRS (Maj. Merriam) reported concerning some 18 mines being developed with government aid. Some representatives of NRS out in the field had looked at these mines, and reported that they are actually doing some good development work. Additional equipment was needed at some of the mines, it was stated. NRS had urged the Coal Bureaus of the Ministry of Commerce and Industry to do all they could to get it to them. It was discovered that two or three new mines have possibilities of strip mining, whereby the coal might be obtained much more quickly. Steps are being taken to get needed equipment released from Occupation Force Use in Hokkaido, it was stated. Also, the Ministry of Commerce & Industry is making available the necessary amounts of iron and steel needed to carry on development work, it was reported.

11. The representative of NRS(Maj. Merriam) reported progress in the Mine Safety program. The jurisdictional matters were all straightened out, with the exception of one controversial point yet to be decided. By late in April it is hoped that a bill will be presented to the Diet in regard to mine safety code. Public hearings will be conducted in the matter. It is hoped that the coal mine safety program will provide a means of meeting the adverse propaganda of certain individuals to the effect that increased coal production might mean increased losses of lives. It is planned to conduct during April an intensified mine safety campaign at the Joban coal mine. This program will include first aid and safety meetings, the showing of safety films, and displaying posters emphasizing how to avoid accidents. It is planned that a special mine will be used as a model in safety. It was stated that the Joban mine has been chosen for this, because of its nearness to Tokyo for close checking and also because it is reported that the management can afford a safety program. The Coal Coordinator pointed to the need for publicity to give impetus to the coal mine safety program. The representative of CI&E stated that he would give it as much publicity as possible.

12. The meeting adjourned at 1535 hours.

M. A. Wyatt

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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2 March 1949

PRESS STATEMENT TO BE RELEASED BY MR. M.A. WYATT
COAL COORDINATOR, ESS/INDUSTRY

Forty-two million tons has been officially established as the coal production goal for the 1949 Japanese Fiscal Year.

This means that the monthly production must average 3 1/2 million tons; a rate which has not been achieved in any single month since the beginning of the occupation. At the same time it is planned to raise the average calorific value of the coal produced to 5,730.

This means that the average efficiency per worker per month must be raised from the current 6.6 to approximately 7.6 tons. Certainly this should not be too difficult when we consider that from 1930 to 1934 the average worker produced 19 tons per month.

If such efficiency could be maintained at a time when no unusual economic pressure or necessity existed, it is well within the realm of reality to expect a minimum efficiency of 7.6 tons per worker per month now that it is necessary for Japan to produce at the maximum possible rate, if she is to survive economically.

Since coal is the foundation of the entire Japanese economic rehabilitation and stabilization effort, the achievement of this goal is absolutely imperative!

The mining techniques which contributed to an efficiency of 19 tons per month during the 1930 - 1934 period must be revived and improved. This is the joint responsibility of Government, Management and Labor. However, SCAP is prepared to give every possible aid in improving old methods and in developing new techniques which can contribute greatly to the achievement of the 1949 production goal. To this end SCAP has requested that two coal mine engineers be sent from the United States to act as consultants to the Japanese coal mining industry and to ESS, SCAP. These men will do an at-the-mine job of mechanization and modernization. They will advise the operators as to the proper use of the machinery presently available, and as to what types of machinery should be developed to most greatly increase efficiency and production, as well as to improve quality.

While it will be possible for these consultants to visit only a few mines, engineers and production men from other mines will be invited to inspect the mines visited and to study the improvements made, in order that they may apply similar methods to their own operations.

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10. The representative of NRS (Maj. Merriam) reported concerning some 18 mines being developed with government aid. Some representatives of NRS out in the field had looked at these mines, and reported that they are actually doing some good development work. Additional equipment was needed at some of the mines, it was stated. NRS had urged the Coal Bureaus of the Ministry of Commerce and Industry to do all they could to get it to them. It was discovered that two or three new mines have possibilities of strip mining, whereby the coal might be obtained much more quickly. Steps are being taken to get needed equipment released from Occupation Force Use in Hokkaido, it was stated. Also, the Ministry of Commerce & Industry is making available the necessary amounts of iron and steel needed to carry on development work, it was reported.

11. The representative of NRS (Maj. Merriam) reported progress in the Mine Safety program. The jurisdictional matters were all straightened out, with the exception of one controversial point yet to be decided. By late in April it is hoped that a bill will be presented to the Diet in regard to mine safety code. Public hearings will be conducted in the matter. It is hoped that the coal mine safety program will provide a means of meeting the adverse propaganda of certain individuals to the effect that increased coal production might mean increased losses of lives. It is planned to conduct during April an intensified mine safety campaign at the Joban coal mine. This program will include first aid and safety meetings, the showing of safety films, and displaying posters emphasizing how to avoid accidents. It is planned that a special mine will be used as a model in safety. It was stated that the Joban mine has been chosen for this, because of its nearness to Tokyo for close checking and also because it is reported that the management can afford a safety program. The Coal Coordinator pointed to the need for publicity to give impetus to the coal mine safety program. The representative of CI&E stated that he would give it as much publicity as possible.

12. The meeting adjourned at 1535 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

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Attendance:

Mr. M. A. Wyatt, ESS/IN
Mr. D. T. Schwob, ESS/IN
Maj. C. S. Merriam, NRS
Mr. D. J. Carroll, NRS
Maj. Geo C. Freeman, 8A MG
Mr. B. S. Dekle, CI&E
Mr. J. R. Boner, ESS/PD
Mr. Q. Adams, ESS/FEC AC
Mr. V. Burati, ESS/LA
Mr. R. E. Phillips, ESS/FI
Mr. T. R. Delaney, ESS/AC

NOTICE OF MEETING

TIME: 10 March 1949, 1400 Hours.

PLACE: Hattori Building, Room 600-A

AGENDA

1. Coal Coordinator's report on meeting with operators concerning an incentive for making up 330,000 tons extra production over the March quota.

2. Report of ESS/LA On the discussion of proposed ten-day period for attendance requirement in lieu of monthly requirement. (ESS/LA to report reactions of their Wages and Working Conditions Branch.)

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2 March 1949

PRESS STATEMENT TO BE RELEASED BY MR. M.A. WYATT
COAL COORDINATOR, ESS/INDUSTRY

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While it will be possible for these consultants to visit only a few mines, engineers and production men from other mines will be invited to inspect the mines visited and to study the improvements made, in order that they may apply similar methods to their own operations.

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The first of the two Coal Mine Consultants, Mr. Richard H. Barry, has arrived in Japan and is now in Kyushu where he will spend the next 60 to 90 days. Some of the mines Mr. Barry will visit have recently purchased new mechanical equipment. He will recommend techniques for use and possible improvements of mine machinery which will tend to improve quality and efficiency and to increase production.

Mr. Barry is eminently qualified for this work through over twenty-five years of developing and operating coal mines for United States Steel Company and other large coal mining companies in America. His advice on specific mechanical and engineering problems may be obtained by any coal mine operator upon request.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division
Office of the Coal Coordinator

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17 February 1949

COAL BULLETIN NO. 21
(For Information Only)

1. COAL PRODUCTION

a. Coal production for the first ten day period of February totaled 1,061,000 tons against a quota of 1,137,900 tons. This is 93.2% of planned quota.

b. Production by districts for the first ten days of February 1949 was as follow: (Unit 1,000 metric tons.)

Districts	Goal	Production	Percent
Hokkaido	326.0	281.6	86.4
E. Honshu	106.5	101.9	95.7
W. Honshu	96.7	84.2	87.1
Kyushu	608.7	593.3	97.5
Total	1,137.9	1,061.0	93.2

2. LABOR

CORRECTION TO ADDRESS OF MR.
EDWARD GROSIAK, ESS/LAB, ATTACHED TO COAL BULLETIN NO. 19

1. In paragraph number 4, the words "and Women's Sections" should be deleted. The information stated applies to Youth Sections only, for which there is no need and which tend to split the union.

2. At the present time Women's Sections, operating within the framework of the union and not as autonomous bodies, have much-needed functions to perform to help obtain full and democratic participation of union members in union activities. Traditionally excluded from group activities with men, Japanese women members do not participate in union meetings, committee activities, union elections, and so on unless specially encouraged and assisted to do so. Educational activities directed at obtaining rank-and-file participation of all union members often do not reach the women members without special effort. Therefore, Women's Sections need to make sure that women have the opportunity to participate in all union activities, including union education, and to afford special practice and education for women in speaking in groups, voicing opinions, leadership, and other participation techniques. Further functions of Women's Sections include efforts to obtain union

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interest in the problems of its women members as well as its men members, especially to insure equality in wages, hiring, upgrading, and discharge, and improvement in the problems inherent in combining a job with maintaining a home.

3. NEW LABOR CONTRACT

The coal mine operators have been instructed by the Labor Division and have agreed to present not later then 2 Feb 49 the first draft of a new labor contract to become effective 1 April 1949. It is the intent that this agreement will cover every condition under which miners will work in order to as nearly as possible eliminate disputes which arises constantly when agreements are not detailed.

4. WAGE PAYMENTS

The Japanese Coal Association has reported that most mines are able to pay only partially the January wages due in February. The following is a list of mining companies and the approximate percentage in wages to be paid this month.

COMPANY	PERCENT TO BE PAID
Mitsui Mining	80%
Mitsubishi Mining	75 to 80%
Hokkaido Colliery	80% on old scale of wages
Seika Mining	100% basic wages. No overtime wages
Furukawa Mining	80%
Taiheiyo Coal	70%
Yubetsu Colliery	A portion will be deferred
Joban Coal Mining	100% (old scale)
Aso Mining	A portion will be paid
Nihon Tanko	A portion will be paid
Matsu-ura	80%
Nichi-Man	100%
Ube Kosan	(Not reported)
Nittetsu	78.7%
Showa Denko	0% No definite prospect of payment
Kai-jima Tanko	Will pay in equal proportion with payment to material suppliers.

5. FINANCE

The Finance Ministry now proposes to releave coal mine operators of a little over 13 billion yen of the debt owed the RFB and incurred because of the Government pricing policy which existed up to 23 June 1948. The exact method of refinancing has not been definitely determined nor approved by SCAP. It is hoped to finalize this action within the next ten or fifteen days.

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6. UNION MERGER

Zensekitan has proposed to Tanro that the two unions be merged under Tanro leadership. Tanro has not accepted nor rejected this proposal nor the principles involved, but has taken the position that a merger can not be accomplished at this time. The two unions will, however, continue to negotiate jointly on matters pertaining to contracts, etc.

7. REMARKS

All districts averaged 8.8 working days during the period. Production averaged approximately 127,800 tons daily against a production rate of 96,800 tons per day in the same period of January 1949. No district made full quota during the first ten days of February. The cumulative deficit for the fiscal year now amounts to 1,330,100 tons.

M. A. WYATT
Coal Coordinator

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12 February 1949

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 6, VOLUME 2

COAL (Production)

1. Revised figures for the month of January 1949 indicate that 2,938,600 metric tons were produced against a quota of 3,139,900 metric tons, or 93.6% of quota.

2. Production shortage in attaining the 36,000,000 MT Goal for JFY 48 for the first ten months of JFY 48: (Unit 1,000 metric tons)

Date	Quota	Production	Loss
1 April thru 30 Nov 1948	22,944.3	22,046.8	- 897.5
Month of December 1948	3,341.5	3,187.1	- 154.4
*Month of January 1949	3,139.9	2,938.6	- 201.3
Total	29,425.7	28,172.5	-1,253.2

*Preliminary figures

3. Kyushu and Joban continue to lead other mining areas by achieving 100% or more of their goals. However, the production rate of Hokkaido lowers the total production for Japan, and is a major factor in retarding the accomplishment of the 36,000,000 MT Goal for JFY 48. The cumulative shortage as of 1 February 1949 was 1,253,200 MT.

RAW MATERIALS

1. Ferrous Metals. Iron and Steel.

a. Final reports for December show postwar peaks in overall production of pig iron, steel ingots, and rolled steel products; however, electric furnace pig iron and steel ingots continued to show a slight decrease as compared to previous months due to seasonal decrease in the hydro-electric supply. Final December production is shown below:

Pig Iron:		Steel Ingots:	
Blast Furnace	82,080	Open Hearth	197,414
Electric Furnace	7,656	Electric Furnace	11,348
Others	2,893	Others	34
Total	92,629	Total	208,796

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(Raw Materials -- cont'd)

Rolled Steel Products:

Critical Items	
Rails	11,356
Sheets (below 3 mm.)	24,509
Tin Plate	1,587
Pipe	11,367
Others	84,932
Total	133,751

b. Following completion of statistical data on iron and steel production in the calendar year 1948, comparison has been made of the average monthly production of pig iron, steel ingots, and rolled steel products during the last three years. This comparison shows tremendous increases in production year by year, and especially notable is the increase in 1948 over 1947 which is attributed to increased imports of vital raw materials, i.e., coking coal, iron ore, fuel oil, and manganese ore, as well as the general economic recovery of Japan. Along with the increases in production, substantial progress has been made in improving the efficiency of operations and decreasing consumption of raw materials required per ton of product. Monthly averages of production by years are shown below:

	1946	1947	1948
Pig Iron:			
Blast Furnace	11,701	20,534	55,219
Electric Furnace	4,806	8,365	8,761
Others	26	676	3,355
Total	16,533	29,575	67,335
Steel Ingots:			
Open Hearth Furnace	13,687	40,213	96,672
Electric Furnace	33,350	38,232	46,138
Total	47,037	78,445	142,810
Rolled Steel Products:	30,106	45,635	92,738

2. Non-Ferrous Metals.

a. Bauxite. 8,000 tons of bauxite arrived from Bintan, N.E.I. during the month of February, and have been delivered to the Showa Denko K.K. alumina plant at Yokohama. This shipment completes the current contract with N.E.I. for bauxite. Approximately 300 tons will be transferred to the ceramics industry and the remainder will be used in the production of aluminum.

b. Zinc. Due to increased power allocations to the zinc industry, and due to considerable improvement in operations by two major lead-zinc producers, Hosokura Refinery of Mitsubishi Mining Company and Aizu Plant of Nippon Soda Company, it is expected that overall zinc production in JFY 1949 will increase by approximately 16,000 tons, of which a large portion is scheduled for export.

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c. Antimony. In order to conserve the limited quantities of antimony and antimonial lead, recommendations were made to the Mitsui Mining Company to obtain specifications from battery companies as to the antimony content required in battery metal and to remelt high antimony lead scrap with additional lead or scrap in the appropriate ratio required. This should correct the past inefficient practice of consuming only high antimony lead scrap for producing against orders for low antimony metal requirements.

d. Aluminum Sheet and Copper Wire. 1,500 tons of aluminum sheet and 2,000 tons of bare copper wire have been made available to the Foreign Trade and Commerce Division of ESS for export from Japan.

3. Non-Metallic Materials.

a. Mine Timber. Deliveries of 96,642,610 cubic feet of mine timber have been made to the coal mines during the period April through December 1948, which represent 76% of the total allocation for 1948 JFY. Of this total, 90,666,720 cu. ft. have been consumed, and the remaining 5,975,890 cu.ft. have increased the reserve supplies necessary for winter stockpiling to 44 days as compared to 31 days at the end of December 1947. 29,612,390 cu.ft. have been earmarked for delivery during the remainder of 1948 JFY which will bring the total deliveries to 126,255,000 cu.ft., or 100% of requirements and allocation.

b. Receipt of Graphite. Receipts in December were as follows: 1,356 tons of amorphous, 231 tons of crystalline from Korea; 50 tons of crystalline lump graphite from Ceylon. Since that time, shipments amounting to 2,550 tons of amorphous and 250 tons of crystalline have arrived from China. In addition to these imports, 1,000 tons of crystalline are expected to arrive from China in the near future. Supplies of amorphous graphite are currently satisfactory. However, supplies of crystalline graphite have been below minimum requirements, and the above imports, combined with the recent arrival of 8,575 tons of calcined petroleum coke to be used in lieu of crystalline, will greatly alleviate the short supply.

4. Requirements. The Economic Stabilization Board proposed allocation plans for critical raw materials for the 1st Quarter JFY 1949 have been circulated among the various claimants for screening against projected production plans.

PRODUCTION OF COMMODITIES

1. Chemicals.

a. Chemical Fertilizers. Production of chemical fertilizers for January far exceeded initial production schedules due to good deliveries of pyrites and coal against allocations, and the extra hydro-electric power during the unseasonally warm weather. Production of Ammonium Sulfate totaled

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(Production of Commodities-- cont'd)

81,292 MT, or 124% of original production plan; Superphosphate, 98,491 MT, or 109%; and Calcium Cyanamide, 17,173 MT or 122%.

b. Salt. Receipts of imported salt during January totaled 89,993 MT, compared with 134,041 MT during December. The decrease was due, partly, to price difficulties in supply areas.

c. Synthetic Oils. Production of 113 varieties of essential synthetic oils which are used in the production of pharmaceuticals, cosmetics and food products, totaled 159 MT during JFY 47 and increased to 184 MT during April--December 1948. This represents 58% of the 316 MT goal for JFY 48 of the Ministry of Commerce and Industry. However, the total demand for the same period is estimated at 1,283 MT.

d. Pottery and Porcelain. Firm export contracts during the four weeks ending 15 January 1949 amounted to $2,762,850.

e. Cement. Cement production for the month of January (preliminary reports) amounted to 173,677 MT, or approximately 34,000 MT less than that of the previous month. The main cause for this decline was the restriction of coal deliveries for the month to 25% of the total quarterly allocation... Production of Type III cement amounted to 82,228 MT, or enough to fill export and PD requirements... Export shipments also dropped from the December figure of 57,580 MT to 38,835 MT, due to delays in shipping.

2. Consumer Goods and Miscellaneous.

a. Ajinomoto. Export of Monosodium Glutamate, a vegatable seasoning commonly called "Ajinomoto", has been increased from 60 MT in the 3rd Qtr 48 to 120 MT in the 4th Qtr 48 and 130 MT in the 1st Qtr 49. So far, 60% of the total requirement has been produced.

b. Ice. The construction plan inaugurated in the summer of 1948 has increased ice-making from 13,500 tons to 14,000 tons per day. In 1946, the usable capacity amounted to only 9,000 tons per day. Ice production in 1948 reached 1,800,000 tons as compared to 900,000 tons in 1946.

c. Pulp and Paper. Paper exports for the 3rd Qtr. 48 JFY amounted to 3,250 ST, or four times the exports of either the first or second quarters. This great increase was due to consummation of sales which had been pending for a long time. Although such an increase will not continue through the 4th Qtr, it is expected that January, February and March sales will be at least 1,800 tons. The prospect for 1949 paper exports, therefore, are bright.

d. Fountain Pens. The highest monthly production of the Japanese fountain pen industry in 1948 was reported during December when 56,915 dozen pens were manufactured -- an increase of 10% over that of November. Increase of sales to Asiatic markets, particularly the low cost gilt nib pens, has resulted in approved export contracts for 9,045 dozen pens in January 1949.

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(Production of Commodities - cont'd)

e. Leather Products. 10,300 MT of hides will be required during USFY 1949 for machinery and equipment with which to manufacture textiles, ceramics, and similar goods for export.

3. Machinery and Equipment.

a. Sewing Machines. The rapid strides being made by the Japanese sewing machine industry are shown by the production of home-type sewing machines in December 1948 which amounted to 17,970 units, or an increase of 11% over the previous month, and 58% more than production in January 1948. It is expected that export of Japanese sewing machines will experience a marked increase during 1949, judging by the 8,243 units contracted for during January.

b. Machine Tools. The Siamese Government recently ordered several large machine tools for its railway shops amounting to ¥ 22,710,922. This is the first sizable foreign purchase of machine tools since termination of hostilities. Total production for December amounted to 1,018 units, weighing 629 MT, valued at ¥ 94,798,700. This represents only about 12% of capacity; therefore, increases in export will be welcomed by the industry.

c. Textile Machinery. Exports of textile machinery during JFY 1949 are expected to show considerable gains over JFY 1948. Cotton Spindle exports are likely to increase 50%, while cotton looms and silk-rayon looms are expected to increase by 180 and 140% respectively.

FACILITIES - VARIOUS.

1. Construction.

a. Harbor Repair. The harbor repair and construction program for JFY 1948 included an expenditure of approximately 419 million yen on seven major harbors and 1,710 million yen on 44 second-class harbors. 112 third-class harbors received 903 million yen. Harbor reconstruction for earthquake damage and for port facilities, such as warehouses for oil and other industries, amounted to 1,300 million yen for 1948.

b. Road Maintenance. To supplement the road maintenance program of the Japanese Government, 193 pieces of Eighth Army surplus heavy equipment have been transferred this week to the Road Section of the Ministry of Construction through the Office of the Foreign Liquidation Commissioner, and in turn, Boeki Cho.

2. Shipbuilding. Of 19 vessels, totaling 49,163 gross tons, permission has been given to construct 12 vessels with a total gross tonnage of 41,480. The remaining 7 vessels, totaling 7,683 gross tons, are being held for further study and consideration... The "Shunzan Maru", a steel cargo vessel of approximately 910 gross tons, is being reconditioned at Niigata Dockyard.

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(Facilities — Various cont'd)

3. Public Utilities. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline to the winter dry season low (which generally occurs in February), being 140.0% of the past 10-year average for the same period, and 104.5% of the stream-flow of the preceding week. Thermal generation was 74.0% of the past nine-year average, and 84.0% of the preceding week.

J. S. VAUGHAN
Chief, Industry Division
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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
10 February 1949, 1400 Hours.

1. There being no corrections or additions to the minutes of the meeting of 3 February 1949, they were approved as published.

2. The Coal Coordinator read a memorandum dated 5 February 1949, from the Japan Coal Association, requesting assistance in setting up appropriate measures to cope with possible disorders which might occur as a result of postponement of a portion of wage payments due the miners for January 1949, as mentioned in the previous meeting (minutes, 3 February 1949, paragraph 6.) This was brought about largely as the result of alleged inadequacy of the current producer price of coal to cover cost of production, the memorandum stated, and notwithstanding all their efforts to economize expenditures, the operators' liabilities for materials and equipment, as well as other indebtedness, had increased to a point where postponement of a part of wage payments due the miners was unavoidable and would take place for nearly every mine, for January wages due about the middle of February. Fear was expressed that this might have an adverse effect on coal production. Discussion of this crisis elicited the following notes:

a. The Coal Coordinator stated that one reason the mining companies were financially unable to pay wages in full at this time was the extra items paid out in benefits to labor which, because they were not included in wage contracts, could not be considered in fixing the price of coal. He reviewed items paid by the Mitsui Mining Company to workers at the Tagawa mine, namely, free rent for some 17,000 wworkers, coal produced at high cost and sold to workers at a nominal sum, large losses suffered by company mess, hospital, company operated store, rice rationing store, labor and trucks furnished the food kodan at loss; power sold to workers at loss; totaling a considerable monthly loss, e. g., ¥16,261,720.00 for the month of November 1948 (minutes, 3 February 1949, paragraph 7a.) It was pointed out that this in effect amounts to an extra cost of 332 yen per ton of coal produced, or approximately the amount which operators have been claiming they were losing per ton. Also it represents ¥951 per miner per month in extra wages, not including free rent, not covered by contract. The Coal Coordinator stated that he was securing similar data for other coal mines. The representative of NRS (Mr. Carroll) compared these items with benefits included in wage contracts of the United Mine Workers in the United

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States . American miners have received rooms at $2 per month and have had special privileges such as purchasing "house" coal at cost, but these items have all been written in the wage contracts. The Coal Coordinator commented that if these benefits are to be furnished the miners they should be included in the wage contract and considered in fixing the price of coal. If they are not to be covered in the coal price they should not be furnished the miners.

b. It was stated that there is a long established custom in Japan that the miners would receive these privileges and benefits, and that therefore the only alternative is to put it in the wage agreements. The representative of ESS/LA commented that his division is very much in favor of spelling out in detail the items which are to be given the miners by management as part of the wage contract. He agreed to call these items to the attention of labor representatives. He commented further that management should make the proposition that those things be included in present wage negotiations to become effective 1 April.

c. The problem of what to do about it until 1 April was discussed. This was considered the most immediate problem, and one which already had resulted in a serious financial crisis facing mine owners. The representative of ESS/PD stated that the price of coal should not at this time be changed. The whole economic structure is based upon the price of coal. While it is true that the mining industry has paid out these extra amounts not covered in coal price, it w as stated that other items of equal magnitude were covered in price, for which no disbursements were made. These included such things as 180 to 190 yen per ton resulting from the fact that price calculations were based upon a higher number of personnel than are actually on the payroll--temporary workers, absentees, etc., mentioned in the previous meeting (minutes, 3 February 1949, paragraph 6.) For this reason the representative of the Price Branch, ESS/PD, stated that no increase in coal price was warranted at this time. On the other hand, the Coal Coordinator stated that some provision must be made if the operators cannot operate without losses under the present wage agreement. The representative of ESS/PD commented that the Price Board had submitted to him a study based on spot checks of six mines, giving welfare allowances, residence, dormitory, hospitalization, heating coal, rationed goods, for miners. Percentages from 19.5 to 41 percent of the total wage bill were quoted for total welfare, not included in wage contract, and therefore not in price. Until these items are in the wage contract they can not

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be included in price, it was stated.

d. Two possible results of mines failing to meet the present financial crisis were mentioned, both of which were felt to be very undesirable.

(1) The coal mines might go bankrupt and be thrown into receivership, the labor agreements be re-written to include as part of the wage whatever benefits are to be received by labor heretofore not covered in wage contracts, but which they have been receiving from long established custom. These items would immediately become chargeable against the current wages. The representative of ESS/LA commented that this would probably result in decreased production because of labor being unwilling to accept such terms.

(2) The government might take over the coal mining industry. As a government industry, mining would receive unlimited amounts of government funds in continued inflationary trends. In this connection the Coal Coordinator read Article 40 of the proposed ordinance, Temporary State Control Of Coal Mining Law, applying in the case of loss compensation of coal mines. There might be some interests who were trying to push state control and therefore would like to see the mines bankrupt, it was stated. The Committee feels that such a thing would be disastrous.

e. The representative of ESS/FI brought the Committee up to date on the subject of back debts of coal mines to suppliers of mining machinery and equipment, including mine timbers (minutes, 27 January 1949, paragraph 4.) Originally the measure withholding Kodan payments in the amount of 400,000,000 yen monthly and applying them against back debts was intended to be in addition to coal mine payments to suppliers against current obligations, for suppliers of items needed by coal mines. However, with the present crisis the mines had not made payments against current debts, and therefore the measure of withholding Kodan payments, even if accomplished, will not improve the financial condition of mine suppliers beyond what it would have been if mines had just kept up with their current obligations. In paying back debts the mines are simply forgetting about current operating expenses. This was reflected in an Eighth Army report of lack of delivery of mine timbers. It was commented that the reason for the drop in delivery of mine timbers was almost entirely financial in nature.

f. The representative of NRS (Mr. Solomon) commented that some measures intended to stabilize the economy, are not necessarily to be recommended, and especially not desirable if they result in bankruptcy to the coal mining industry. He asked whether such a question might apply in the case of the "three principles," and the "nine point

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program." It was pointed out that the plans upon which funds were approved for the mines were often of necessity altered because of delay and rising cost of materials. To get such programs approved often takes more than a year, it was stated. Thus, where a mine has submitted a program costing a certain amount, by the time the approval is given and the program begun the price of the items in that program may have increased to two, three, or even five times the original estimates. Or the original estimates may have been too conservative. Thus, mines have often been faced with the necessity of shifting funds intended for other things. Yet those very same programs have had to be undertaken often at the urging of SCAP representatives interested in improving the mining industry. Thus it would not be correct to hold the Japanese entirely to blame for their financial situation, even though presumably the funds actually used for one program, representing perhaps a capital investment, were loaned for some other purpose representing operational expenses, and vice versa, with actual expenses exceeding the amount approved on the basis of the differential between actual cost and original estimate. The representative of NRS stated that for this reason subsidies or deficit financing might be justified in certain instances and perhaps the Japanese coal mining industry (on the basis of capital investments) might be a better financial risk than appeared from their financial statements at present. He stated further that the language of early directives against subsidies and financial measures, saying, "unless with authority of SCAP," indicated that subsidies should perhaps be permitted where justified.

g. The representatives of ESS/FI, ESS/PD, and ESS/AC were in favor of continuing to stand on the "three principles" as a means of carrying out the "nine point program" with the idea that the coal mining industry, and the entire economy, must not live beyond their means. They pointed to the ever-increasing debts as a warning that corners would have to be trimmed some place in order to live within the program. The mines themselves must take some responsibility for seeing that they do not undertake anything which does not fit into the program from now on. Yet, it was felt that in some cases mines had deliberately created losses in order to benefit by the possibility of indemnity against loss under proposed state control.

h. The Coal Coordinator stated that he was drafting a check sheet to the Chief of ESS pointing out the current serious conditions of the operators as outlined above.

i. The possibility of securing additional funds for the mining industry by eliminating the Kodan as

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distribution agency was discussed. The details of distribution were scanned, but it was felt that nothing could be done in this matter immediately. However, it was agreed that the coal distribution should be turned back to the coal producers as rapidly as possible.

3. It was stated that CTS reported 10,600 tons of used rails available for release to coal mines requiring them, and holding allocation tickets for same, as discussed in the previous meeting (minutes, 3 February 1949, paragraph 12.). The Coal Coordinator stated that a check sheet is being written from ESS/IN to CTS, requesting release of the used rails for this purpose.

4. The representative of CI&E reported concerning plans for bringing a better understanding of grievance machinery to the mining industry. The Labor Ministry and ESB have agreed to produce a two reel film, for this purpose. A representative of ESS/LA is preparing the script. It is expected to be released some time in the next two months.

5. The Coal Coordinator distributed copies of "Outlines Of Standard Establishment For Loss Compensation Through The Temporary State Control Of Coal Mining Law," submitted by the Coal Board, for discussion at the next meeting.

6. The meeting adjourned at 1615 hours.

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance:

Mr. M. A. Wyatt, ESS/IN
Mr. A. H. Solomon, NRS
Mr. D. J. Carroll, NRS
Mr. H. J. Barton, CTS
Mr. V. Burati, ESS/LA
Mr. W. F. Johnson, 8A MG
Mr. T. R. Delaney, ESS/AC
Mr. R. E. Phillips, ESS/FI
Mr. J. C. Twinem, ESS/PD
Mr. Q. Adams, ESS/FEC AC
Mr. H. T. S. Ellison, ESS/IN
Mr. B. S. Dekle, CI&E

NOTICE OF MEETING

TIME: 17 February 1949, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Review of coal mine finances.
2. Discussion of "Outline of Standard Establishment For Loss Compensation Through The Temporary State Control Of Coal Mining Law."

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division

5 February 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 5, VOLUME 2

COAL (Production)

1. Coal production for the third ten-day period of January 1949 totaled approximately 1,179,300 metric tons against a quota of 1,142,500 metric tons. This was 103.2% of quota. Total production for the month of January was 2,931,500 MT against a quota of 3,139,700 MT, or 93.4% of quota.

2. Production by districts for the third ten-day period of January and for the month of January 1949, was as follows: (Unit 1,000 MT)

	3rd 10 Days, January 1949			Month of January 1949		
District	Goal	Production	Percent	Goal	Production	Percent
Hokkaido	337.2	325.5	96.5	905.0	789.8	87.3
E. Honshu	105.3	110.5	104.9	291.9	284.9	97.6
W. Honshu	94.2	88.3	93.7	261.5	229.0	87.6
Kyushu	605.8	655.0	108.1	1,681.3	1,627.8	96.8
	1,142.5	1,179.3	103.2	3,139.7	2,931.5	93.4

3. The production rate for the third ten-day period of January was 131,033 MT per day, for the nine days worked, as compared with the average daily rate of 117,815 MT for the whole month.

4. The cumulative production shortage for JFY 48, which was slightly reduced by the increased production during the third ten days of January, is now approximately 1,251,000 MT.

RAW MATERIALS

1. Ferrous Metals.

a. Hot Rolled Strip. The Tobata Strip Mill, Nippon Seitetsu, K.K., continues to show steady increases in production, and on 1 February set a new record of 420 tons of hot rolled strip for one eight-hour turn. This remarkable increase in production is due to improved techniques as recommended by the U.S. rolling mill expert on temporary duty in this theater. The production record prior to the arrival of this expert was only 180 tons.

b. Pig Iron. Preliminary reports for January show new postwar peaks in the production of blast furnace pig iron at all plants, with a total of 97,052 tons produced. It is anticipated that final reports for

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the month will show production in excess of 100,000 MT. This increase is attributed to the steady supply of domestic and imported coking coal and the use of high grade iron ore. Individual plant production was as follows:

	Metric Tons
Kawasaki Plant, Nippon Kokan	20,500
Yawata Plant, Nippon Seitetsu K.K.	49,900
Kamaishi Plant, Nippon Seitetsu K.K.	15,300
Wanishi Plant, Nippon Seitetsu K.K.	11,352

2. Non-Ferrous Metals. 10 tons of chromium metals have been made available for export sale. Additional quantities will be offered at a later date, provided the market exists.

3. Non-Metallic Materials.

a. Pulp Logs. Deliveries of 57,152,890 cubic feet of pulp logs have been made to the paper and pulp industries during the period April through December 1948, and represent 93% of the total allocation for 1948 JFY. Of this total 48,161,117 cubic feet have been consumed, amounting to 10% greater than that consumed for the entire 1947 JFY. The remaining 8,991,773 cubic feet have been delivered to provide a stockpile necessary for minimum reserve. 4,227,110 cubic feet have been earmarked for delivery during the remainder of 1948 JFY which will bring the total deliveries to 61,380,000 cubic feet, or 100% of requirements and allocations.

b. Crude Rubber. December crude rubber consumption was 2,667.8 MT as compared to 1,621.5 MT in November 1948. Consumption of latex during December was 20.7 MT as against 24 MT in November. 3,208.6 tons of crude rubber were received during December, and the balance of stocks at the end of the month was 3,898.6 tons... Crude rubber allocations for the domestic economy for the first half of the U.S. Fiscal Year 1949 total 12,683 MT, or an average of 2,114 tons per month. Programmed requirements for the period were 2,633 MT monthly, indicating 80% accomplishment. During the same period, 2,191 tons of crude rubber were allocated for export rubber goods manufacture.

c. Graphite. Contracts have been completed for the import of 1,600 tons of Ceylon graphite crucible chips for use in the metal industries. First deliveries are expected before the end of March and will alleviate the dire shortage of this type graphite. Efforts are being made to revive the export of crucibles and it is expected that 200 to 300 tons of crucibles will be exported in the coming year.

d. Fluorspar. Fluorspar consumption in December was 2,400 tons, with 1,280 tons consumed in the iron and steel industry, 787 tons in the aluminum industry, 220 tons in the chemical industry, and the balance in various other industries. No imports were received during the month, and stocks decreased from 15,100 tons of all grades to 12,700 tons. There have been no mines producing fluorspar since the first of 1946 until December when one mine reported 8 tons production plus 60 tons of previously unreported stocks.

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(Raw Materials - cont'd)

e. Coke. Coke production report for December shows 306,796 tons were produced in the following industries:

	Metric Tons
Chemical	26,452
Iron and Steel	116,768
Gas	115,330
Others	48,246
	306,796

PRODUCTION OF COMMODITIES

1. Chemicals.

a. Chemical Fertilizers. Unseasonably warm weather has maintained hydro-electric power above expected supply and made possible greater production of chemical fertilizers than originally anticipated. Larger production, however, has cut further into already meager stocks of pyrites required for sulfuric acid.

b. Dyes. December dye production of 692 MT was valued at ¥ 453 million, or an average of ¥ 630 per kilogram. (Includes 89 different dyes produced in 46 plants of 41 companies.) This production represents post-war peaks in tonnage, value, and the number of different dyes produced for the first time. Eleven types of dyes were produced in December for the first time.

2. Consumer Goods and Miscellaneous.

a. Hand Sewing Needles. A new post-war production record of 217,000,000 hand sewing needles has been reported for the month of December 1948. In comparison, monthly averages for 1946, 1947 and 1948 were 6,000,000; 30,000,000; and 112,500,000 needles, respectively... The Ministry of Commerce and Industry reports that the total export production for 1948 was 371,000,000 needles, of which 239,000,000 were exported during the October-December period.

b. Cosmetic Markets. The first post-war private trade export contract for the Japanese cosmetic industry has been made with a firm in India. There were large cosmetic markets in the Far East prior to the war, but present trade restrictions and general Asiatic economic disruptions have raised obstacles to resumption of business.

3. Machinery and Equipment.

a. Railway Rolling Stock. Final inspection is being completed on the freight cars now being built for the U.S.S.R., the last car being scheduled for delivery by 31 March 1949. The entire contract includes 160 covered freight cars, 100 open-top cars, 30 tank cars and 30 steam locomotives. Completion of locomotives is expected by the end of May 1949.

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(Production of Commodities - cont'd)

b. Automotive Equipment. The automobile manufacturers of Japan, under the sponsership of the Ministry of Commerce and Industry, are exerting considerable effort to improve the mileage performance of their standard size trucks to cope with the fuel shortage problem and the requirements for quality in overseas markets... The Society of Automotive Engineers reports that recent comparative tests made in December 1947 and November 1948 show that there has been a 20% average increase in distance traveled per unit of fuel consumed. Vehicles of four principal manufacturers were used in these tests. This improvement is reported to be due to greater mechanical efficiency of working parts, made possible by increased precision attained in the manufacture of parts.

FACILITIES - VARIOUS

1. Construction.

a. Housing. A summary of completed housing construction as of 31 December 1948 is as follows:

Japanese Housing Construction by Tsubos

(1 tsubo equals 36 sq. ft.)

Year	Urban	Rural	Total	Cumulative Total
1945	120,000	37,000	157,000	
1946	211,845	76,916	288,761	445,761
1947	222,775	182,071	404,846	850,607
1948	292,028	375,804	667,832	1,518,439
	846,648	671,791	1,518,439	

During the past four years urban construction increased 2½ times while rural construction increased 10 times. However, the total rural construction is now approximately 3/4 the total urban construction. With 1/4 of the required 6 million tsubo construction completed, and based on present building trends, it is hoped that the reconstruction program will be achieved within the next five years.

b. Public Works. For emergency repairs of harbors which were damaged by "Ione" Typhoon, 4,000 tons of cement were consigned this week to the following Prefectures: Miyagi, Iwate, Kanagawa, Chiba, Tokyo To, Shizuoka, Hyogo, Yamaguchi, Kochi, Saga and Nagasaki.

2. Shipbuilding.

a. Converted Vessels. "No. 2 Asahi Maru", a wooden fishing vessel, is being converted into a cargo vessel of 165 gross tons... Nine 2E-type vessels are being converted from semi-diesel engines to steam reciprocating engines... Two wooden vessels are being converted by replacing the present main engines with those of larger horsepower and making minor related changes.

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(Facilities - Various - cont'd)

b. Amendment of SCAPIN 6177-A, 15 November 1948, Subject: "Request for Permission to Resume Construction Work of a Large Sized Oil Tanker", will change the horsepower of subject oil tanker from 5,000 to 8,500.

3. Public Utilities.

a. Natural streamflow throughout Japan, except for Hokkaido, continued relatively high when the normal trend is a seasonal decline to the winter dry season low (which generally occurs in February), being 130.0% of the past 10-year average for the same period, and 102.0% of the streamflow of the preceding week. Thermal generation was 91.0% of the past 9-year average, and 97.0% of the preceding week.

b. Reserve electric power equivalent in public utility reservoirs for all Japan on 31 January was 493,895,000 KWH, or 64.0% of full capacity. Last year, for the same period, reserve power was 54.0% of full capacity.

c. Japan received unseasonal extra rainfall during the month of December. The hydro-electric power generation by public utilities in all Japan during December 1948 was 2,661,470,000 KWH, which was 206.3% of the 5-year average hydro-electric power generation for December over the years 1930-34, and 94.0% of the previous high of the last twelve months (May 1948). Compared to the hydro-electric power generated in December of years 1945-46-47, the hydro-electric power generation of December 1948 was 163.5, 111.5, and 133.4, percent, respectively. General industrial production level for December was 64.0% of the 1930-34 level.

W. S. VAUGHAN
Chief, Industry Division
ESS

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COAL PRODUCTION COMMITTEE MEETING
Hattori Building, Room 600-A.
3 February 1949, 1400 Hours

1. There being no corrections or additions to the minutes of the meeting of 27 January 1949, they were approved as published.

2. Discussion of the incentive goods program elicited the following notes:

a. The Chief of the Distribution Branch, ESS/PD, reported that for the coming year, 1 April 1949 to 31 March 1950, the goods available for distribution in the incentive goods program for coal miners, will be about the same type as the previous year, but not quite as much. He stated that there are not enough goods to distribute substantial amounts to all the mines producing, say, 80 or 90% of their quotas; and he expressed the feeling that to get the greatest production in return for the amount of goods available it would be well to require a mine to produce 100% of quota before any incentive goods are awarded to that mine for distribution to the miners. The rice farmers, for example, to receive any incentive goods must meet quotas in full, it was stated; and the rice program has been generally successful. Those present at the meeting raised no objections to the ESS/PD proposal to put the incentive goods program on a requirement of 100% of quota.

b. The point was ma de that ESB made two categories of mines: the good ones, and the poor ones, which either produce poor quality coal or for other reasons operate at great loss. It was stated that the incentive goods program should apply only to the good mines--which produce roughly 94% of total output at present. It was agreed that ESB be requested to furnish a list of the "good" mines for use of ESS/PD in preparing the incentive goods program.

c. The poor mines, while producing only 6% of total output, in inferior coal, have been supported by subsidies, allowances in the price of coal, and have been included in the incentive goods program; while low grade coal has been produced in excess of the demand, with resultant loss and waste. The representative of ESS/PD stated that for the coming year no incentive goods, other than supplementary food rations, should be allocated the poor mines. There were no objections to this suggestion.

d. It was felt that a monthly basis of distribution of incentive goods would bring the most immediate results.

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e. It was reported by the representative of the Eighth Army that the Kyushu team suggested an attendance requirement of a certain number of days out of every ten-day period, instead of a monthly attendance requirement where a miner can under the present system accumulate days and take off for an extended period toward the end of a month. The representative of ESS/PD commented that if the Japanese Government Agencies so desire, he would be glad to insist upon this change in the attendance requirement, but he felt that this is an administrative detail, and the responsibility of the Japanese.

f. The representative of ESS/PD agreed to prepare a draft of the incentive goods proposal on the basis of the points discussed and present it for concurrences of interested Sections and Divisions. It was commented that as yet the production quotas for each mine, and the total production goal for FY 1949, were undetermined, and therefore the details of the plan applying to individual mines would have to wait until such quotas are set. Further, the representative of ESS/PD commented that quotas should be re-examined on the past twenty-four months' records.

g. "Operation G-String," whereby the Coal Board and ESB proposed to use a million and a half yards of rejected textile cloth as an incentive toward meeting the 36 million ton production quota for FY 1948, was reviewed. (Minutes, 30 December 1948, paragraph 4d.) The Coal Distribution Specialist, ESS/IN, reported that the Japanese were told this proposal could be approved only if they meet the 36 million ton production goal by the end of FY 1948, 31 March 1949, in accordance with the position taken by ESS/PD. It was the consensus of the opinion of the Committee that this decision should be adhered to. The representative of ESS/PD commented further that the million and a half yards of rejected textile goods, mentioned in the Japanese proposal, must be included in future allocation plans.

h. ESS/PD will take up the 1949 incentive goods plan outlined above with the appropriate Japanese Government Agency.

3. The Coal Coordinator read an excerpt from the 31 January 1949 issue of the "Asahi Shimbun," reporting a recent investigation by the Economic Stabilization Board and their proposed disposition of a part of the loss incurred by coal operators during the period from 1 April 1946 through 22 June 1948. The total amount of the operators' loss incurred during the above-mentioned period was reported to be approximately 22.3 billion yen,

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of which 15.82 billion yen was stated to be the amount of loss for which the coal industry should not be held responsible at this time. The Economic Stabilization Board proposed a budget item to take care of 12.28 billion yen of this loss and that 3.54 billion yen be paid out of the price of coal over a period of five years. As yet the required approval had not been given by ESS. However, the Coal Coordinator commented that the proposal indicated that at least the Japanese were working on the matter. (Note: The possibility of shifting to the government the responsibility for indebtedness incurred by mine owners due to the government's price policy during the period 5 July 1947 through 22 June 1948, and that there might be a subsidy to cover this deficit, was discussed in previous meetings. -Minutes, 7 October 1948, paragraph 6; and 28 October 1948, paragraph 5.)

4. Considerations of price and deficit operations in the coal mining industry, were discussed. The Coal Coordinator stated that Japanese representatives of coal mine operators reported they were studying this problem also in connection with how best to distribute coal without requiring the Coal Kodan to perform so much of the function and necessitating the employment of approximately 14,000 workers. The operators thought they could perform the same functions with 5,000 employees. It was commented that any plans concerning elimination of some or all of the Kodan functions, are plans which could not be carried out in the immediate present. Elements requiring careful consideration were mentioned: stringent control, the problem of financing, and preventing coal from getting into the black market. However, it was felt the operators could do a better job than the Kodan and that over a period of time it would result in considerable savings. Further discussion was deferred.

5. Commenting on the decontrol of lignite, the Coal Distribution Specialist, ESS/IN, stated that he had asked consumers how lignite decontrol had affected lignite distribution, quality, and price. The consumers had indicated that distribution had been affected advantageously, that the quality of the lignite is better, and the price lower.

6. It was reported that the coal mine operators had contended that because of stringent financial difficulties some portion of wages would have to go unpaid for a time. They cited The Mitsui Company, which is in a comparatively good financial condition, as being able to pay only 80 percent of January wages of coal miners during the month of February, unless some relief is given. It was stated that other mines are in

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a still less favorable position. The representative of the Price Branch, ESS/PD, commented that there were 70 to 84 thousand workers provided for in the price of coal who are not actually on the job. This should result in extra savings to the operators to the extent of 180 to 190 yen per ton. These are temporary workers, miners who are absent for one cause or another, or employees who otherwise do not contribute to the production of coal. Comment was made that a serious employment situation in Japan is largely responsible for this.

7. Pertinent to the discussion of finances in the mining industry, the following information received from the Kyushu Military Government (Mr. Roames) was given by the representative of the Eighth Army Military Government:

a. From personal observations it is found that the true financial condition of the mines inspected was camouflaged to the extent that it was impossible to determine the exact operating cost, profit or loss. There is practically no income derived from rentals, hospitals, sale of power or coal to workers. As an example, for the month of November 1948 at the Tagawa mine, operated by the Mitsui Mining Company Ltd., the following facts concerning income to be credited to cost of production were found:

(1) Free rent to 17,011 workers.
(2) 4,000 tons of coal sold to the workers at ¥20.00 per ton.
(3) Some coal cost the mine ¥3,052.93 to produce.
(4) Company mess suffered a loss of ¥50,000.00 for the month.
(5) Hospital showed a loss of ¥3,000,000.00.
(6) Company operated store, loss of ¥200,000.00.
(7) Rice rationing store, loss of ¥500,000.00.
(8) Labor and trucks furnished the Food Kodan on a contract basis, loss of ¥100,000.00.
(9) Power is sold to workers at 5 sen per KWH, cost the mine ¥1.70 per KWH, loss of ¥200,000.00 for the month.
(10) A total net loss of ¥16,261,720.00 which was charged against the production cost of coal under administrative expenses. These figures were given by the accounting section of the mine and are no doubt conservative as it would be very difficult to verify.

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8. The point was made by the representative of NRS that coal sold at 20 yen per ton to the miners for heating, is not considered in fixing prices of coal for general distribution. Yet mine owners are obliged to sell this coal to the miners at this nominal price in accordance with long established custom. The representative of ESS/PD stated that this item is not a part of the wage contract and that for this reason he could not figure this in the price of coal. As a result of this and similar items not included in price, the representative of NRS commented, an inequitable factor was operating against the mine owners, resulting in deficit operations where presumably they should be able to make a profit.

9. The representative of the Eighth Army reported that a command letter is being published on coal mine safety to insure cooperation between management and labor on a voluntary recognition of the coal mine safety code. (Mentioned in Coal Bulletin No. 19, 28 January 1949, paragraph 5.) The representative of NRS reported that in a conference in Hokkaido, 21 January 1949, he discussed mine safety with a representative group of mine labor and officials of the coal mines (as well as metal mines), and read them some of the provisions in the mine safety code, after which there was about an hour's question and answer period. A similar meeting at Fukuoka is planned for early February, it was stated.

10. The Coal Coordinator reported that a check sheet has been drafted outlining plans to take four coal mining engineers and two representatives of coal mine labor on a 60- to 90- day visit to the United States to study coal mining in Illinois, Kentucky, Virginia, West Virginia, Maryland, Pennsylvania, and other States. This would include mining machinery and equipment plants. The trip would probably take place in spring.

11. The Coal Coordinator reported that upon the recommendation of CTS The Kyushu Coal Team was being asked to investigate the advisability of returning to private operators the Seika Mine now being operated by the Japanese Government Railway. He stated that if this is found necessary he will draft a command letter to the Eighth Army Military Government on the subject.

12. The representative of CTS agreed to find out how much used rails are accumulated and where, and when it may be possible to release some used 45-pound rails to the coal mines which have allocation tickets for them.

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13. The meeting adjourned at 1540 hours.

M. A. Wyatt

M. A. WYATT, Chairman
Coal Coordinator, ESS/IN

Attendance

Mr. M. A. Wyatt, ESS/IN
Maj. C. S. Merriam, NRS
Mr. A. H. Solomon, NRS
Mr. H. J. Barton, CTS
Mr. W. F. Johnson, 8A MG
Mr. J. R. Boner, ESS/PD
Mr. J. C. Twinem, ESS/PD
Mr. T. R. Delaney, ESS/AC
Mr. R. E. Phillips, ESS/FI
Mr. H. T. S. Ellison, ESS/IN

NOTICE OF MEETING

TIME: 10 February 1949, 1400 Hours.

PLACE: Hattori Building, Room 600-A.

AGENDA

1. Discussion of the Solid Fuels Distribution Kodan.
2. Coal Mine Finances.

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Industry Division

29 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 4, VOLUME 2

COAL (Production)

1. Coal production for the second ten days of January totaled 1,074,500 metric tons against a quota of 1,114,600 metric tons. This is 96.4% of the planned quota.

2. Production by districts for the second ten days of January 1949 was as follows: (Unit 1,000 metric tons)

District	Goal	Production	Percent
Hokkaido	313.4	284.3	90.7
E. Honshu	105.0	104.0	99.0
W. Honshu	94.1	88.6	94.2
Kyushu	602.1	597.6	99.3
Total	1,114.6	1,074.5	96.4

3. During the second ten days of January the production rate was 120,730 MT per day. Hokkaido's production of 71% of goal for the first ten-day period jumped to 90.7% for the second ten-day period of January, amounting to an increase of about 104,300 MT. Production for Kyushu increased from 79.3% during the first ten-day period to 99.3% for the second ten-day period of January, making a gain of approximately 222,400 MT. These increases are due partly to the fact that Hokkaido mines worked 8.7 days and Kyushu mines worked 8.9 days during the second ten days of January as against 6.7 days and 7.2 days, respectively, during the first ten days of January.. The production shortage for the first 20 days of January added to the cumulative shortage result in 1,274,200 MT below quota for JFY 1948.

RAW MATERIALS

1. Ferrous Metals.

a. Pig Iron. The Kawasaki Plant of Nippon Kokan (Japan Steel Tube Company) has been producing 670 tons of pig iron per day for the first 23 days of January in their 600-ton blast furnace. This excellent production record is attributed to the use of high quality imported iron ore and the blending of East Coast U.S. low ash coking coal with Japanese coal.

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(Raw Materials cont'd)

b. Steel Production Program. Approximately 9,000 tons of coal have left the U.S. and are expected to arrive in Japan on 4 March. This is the first shipment against a new contract for 400,000 tons of coking coal to be used in the JFY 1949 steel production program.

2. Non-Ferrous Metals.

a. Zinc. An additional furnace will be completed in February at the Hikoshima Plant, Mitsui Mining Company, Ltd., at Shimonoseki. This furnace is expected to produce 120 tons of zinc per month beginning in March.

b. Mercury. 200 flasks (6.9 tons) of mercury owned by Nomura Mining Company have been approved for export.

3. Non-metallic Materials.

a. Coke. Supplementary allocation of 44,700 tons of coke has been approved for the 4th Quarter JFY in response to requests from the local bureaus of the various ministries; allocation tickets will be issued by those bureaus, and coke will be supplied from the stocks of the distribution kodan. This additional coke is expected to meet the requirements of many small claimants not included in previous allocations.

b. Pitch Coke. Allocations of pitch coke for the 4th Quarter JFY have been approved and are shown below in comparison with 3rd Quarter allocations:

	3rd Quarter	4th Quarter
	(Metric Tons)	
Iron and Steel Industry	200	150
Metal Industry	1,200	1,000
Machine Industry	200	200
Shipyards Industry	290	250
Private Railways	10	10
Ceramics Industry	5,175	3,796
Chemical Fertilizer	200	300
Miscellaneous Industries	0	300
Total	7,275	6,006

Decrease in allocation to the ceramics industry is due to lack of electric power to produce artificial electrodes in the dry months of January, February, and March.

c. Cork. Deliveries of abemake (Japanese cork) products to industries for the calendar year 1948 were 10,210 tons as compared to 7,027 tons in 1947. This represents a 47% increase which is attributed to elimination of black market by tighter controls on deliveries.

d. Crude rubber. The crude rubber allocation plan for 4th Quarter JFY has been finalized, and quantities of rubber allocated during this quarter as compared with the 3rd Quarter are shown below:

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(Raw Materials cont'd)

(Metric Tons)

	3rd Quarter		4th Quarter	
	Domestic Use	For Export	Domestic Use	For Export
Crude Rubber	7,505	1,500	5,465	2,000
Latex	132	0	137	5
Scrap Rubber	6,888	20	3,794	20
Reclaimed Rubber	1,740	0	1,410	30
Total	16,265	1,520	10,806	2,055

4th Quarter allocation drop is necessitated by decrease of imports.

e. Petroleum Products. Allocations of petroleum products for export goods to "Mining and Industry" for the month of February as compared to January allocations are as follows: (Metric Tons)

	January	February
Gasoline	205	203
Kerosene	98	122
Gas Oil	95	93
Diesel Oil	330	242
Fuel Oil	10	55
Lube Oil	487	525
Grease	0	24
Wax	23	21.1
Asphalt	85	84.8
Total	1,333	1,369.9

4. Requirements. The ESB proposed coal allocation plan for the 1st Quarter JFY 1949 is now being reviewed by the various claimants. Preliminary figures show that despite increased allocations of coal to industrial categories, proposed allocations are approximately 600,000 metric tons below minimum requirements to meet the demands of accelerated production programs.

PRODUCTION OF COMMODITIES

1. Chemicals.

a. Ceramics. During 1948 manufacturers of ceramic products sold approximately $20,800,000 worth of goods for export. This was divided as follows:

(1) Pottery Industry, including chinaware, wall tile, sanitary ware, and porcelain insulators - $11,700,000.

(2) Glass Products, including glassware, sheet glass, scientific glass, and glass ornaments - $3,680,000.

(3) Cement and cement products - $3,980,000.

(4) Porcelain enamelware, including cloisonne - $1,440,000.

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(Production of Commodities cont'd)

Indirect exports of ceramic items such as glass containers for medicine and beverages, glass and porcelain parts, etc., were appreciable, but difficult to estimate. The value of exports of optical glass and instruments alone amounted to $1,548,000.

For 1949 total export sales of all ceramic items are estimated at $45,000,000, divided as follows:

(1)	Pottery	$20,000,000
(2)	Cement	16,000,000
(3)	Glass Products	6,000,000
(4)	Porcelain Enamelware	3,000,000

This estimate is based on the assumption that the yen-dollar ration will be such that profitable operations will be possible.

b. Dyestuffs. Dye production reached another postwar peak in December, with the production of 690 MT, approximately 9% above the previous postwar record of 633 MT, produced in November. Total production during the calendar year 1948 was 5,335 MT, almost double the amount produced in 1947, or approximately 2,700 MT.

2. Machinery and Equipment.

a. Coal Mine Machinery. On 20 January 1949, the Ministry of Commerce and Industry presented certificate awards to representatives of 25 coal mine machinery and equipment manufacturers. These plants were selected by the Japanese Government on the basis of overall production efficiency during the period 1 November 1947 -- 31 October 1948. Special production flags were awarded to each of the three leading manufacturers of industrial machinery, rolling stock and electrical apparatus for coal mine use.

b. Textile Machinery. During December, 765 sets of cotton and rayon looms were manufactured for export, bringing the total export production of looms to 4,925 as of 31 December 1948.

c. Electrical Equipment. During December the repair work of power generating and transmitting equipment under the Power Rehabilitation Program was valued at ¥297,500,000. This was more than double the amount of work done in May 1948 when the Program went into the 1948 peak. It should be noted that this was achieved with the use of fewer man-hours and smaller consumption of electric power than was required in May, at which time only ¥126,000,000 worth of equipment was put into operating condition.

3. Consumer Goods and Miscellaneous Goods.

a. Hardware. Building hardware production during the first 11 months of 1948 totaled 19,239 MT. According to data compiled by the Ministry

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(Production of Commodities cont'd)

of Commerce and Industry, 811 MT were produced for the Occupation Forces, and 785.9 MT, totaling ¥355,854, for export during 1948. Of the 785.9 MT for exports, 757 MT were produced during the last three months of the year.

b. Tires. December production of tires reached a postwar peak with a total production of 85,290 tires. Of this amount, 20,615 tires were earmarked for export and these consumed 294 MT of the imported rubber. The arrival of 500 tons of channel black and the purchase of higher quality of crude rubber make it possible now to produce tires of standard quality. These are being checked against American tires, procured for testing purposes.

FACILITIES - VARIOUS

1. Construction. General construction in Japan is being expedited through bulk delivery of cement by a 3,500-ton bulk cement transport ship which operates between the base plant at Ube and the unloading and packing plant at Osaka, with storage capacity of 9,000 tons... This transport ship, the only one of its kind in Japan, is named the "Kiyotada Maru", and is the property of the Ube Cement Company, one of the highest production plants in Japan. Cement is mechanically loaded and unloaded by two systems, one being a belt conveyer with bucket elevators, and the other a ten-inch pipe line under pressure from ship to shore... One load of cement aboard the "Kiyotada Maru", 3,500 tons, would require 350 freight cars of ten tons each. Also, in regular water shipment, this same load of cement would require 280 barges and 13 tug boats, which are not needed due to the mechanical system.

2. Shipbuilding.

a. From 10 December 1948 to 10 January 1949 the Japanese shipyards completed repairs on 346 vessels, totaling 588,738 gross tons.

b. From 20 December 1948 to 20 January 1949, six steel cargo vessels totaling 8,381 gross tons, were launched and eleven steel cargo vessels, totaling 7,100 gross tons were completed. During the same period, two steel fishing vessels, totaling 4,000 gross tons were completed. Also, one wooden ship of 250 gross tons was completed.

c. From 20 December 1948 to 20 January 1949, six wooden tugs and 16 wooden barges were completed for the U.S.S.R. During the same period, 14 wooden tugs and eight wooden barges, previously completed, were exported to Russia.

d. Contracts were signed on 24 January 1949 for six whale catcher boats of approximately 470 gross tons each, to be constructed for export account to Norwegian interests.

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(Facilities - Various cont'd)

3. Public Utilities.

a. Electricity. Natural streamflow throughout Japan, except for Hokkaido, continued relatively high when the normal trend is a seasonal decline to the winter dry season, being 127% of the past ten-year average for the same period, and 89% of the streamflow of the preceding week. Thermal generation was 53% of the preceding week and 94% of the past nine-year average.

Reserve power in public utility reservoirs for all Japan on 21 January 1949, was 535,580,000 KWH, or 70% of full capacity. Last year, for the same period, reserve power was 60% of full capacity.

b. Gas. The Japanese Government has taken steps to prohibit the use of gas booster pumps by private industries to exhaust gas from low-pressure mains. This will minimize drawing air into the mains which frequently results in back-flash explosions. In those cases where industrial plant production is decreased by restricting the use of these boosters, efforts will be made to transfer production to similar plants in areas where gas supply is continuous at the required pressure.

W. S. VAUGHAN
Chief, Industry Division
ESS

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D13a

HEADQUARTERS
CHIBA MILITARY GOVERNMENT TEAM
APO 181

RAS/mi

463.3

13 December 1948

SUBJECT: Surveillance of Coal Distribution

TO: Commanding Officer
Kanto Military Government Region
APO 201

1. Attention invited to the inclosed report from the Chiba Coal Distribution Kodan showing coal distribution in Chiba Prefecture for the 3rd fiscal quarter (Oct., Nov., Dec.).

2. Request this headquarters be informed if distribution as reported therein is in accordance with the official plan prepared by Central Government.

FOR THE COMMANDING OFFICER:

1 Incl.
as above

ROBERT L. ROBERTSON
Major Cav
Adjutant

10

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ECOM 83 11 8 D13a

HEADQUARTERS
KANTO MILITARY GOVERNMENT REGION
APO 201

1 July 1948

SUBJECT: Surveillance of Coal Mining (QESS-08)

TO : CO, Chiba Mil Govt Team, APO 181
CO, Ibaraki Mil Govt Team, APO 181
CO, Saitama Mil Govt Team, APO 201
CO, Tochigi Mil Govt Team, APO 201

1. Per telephone instructions, Headquarters IX Corps the following report is not required after the submission of the May report:

a. Surveillance of Coal Mining (QESS-08)

BY ORDER OF LIEUTENANT COLONEL GMEINER:

Kenneth G. See
KENNETH G. SEE
1st Lt., QMC
Adjutant

8

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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ECONOMICS
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LAB
3 July 1948

copy

HEADQUARTERS IX CORPS
Office of the Commanding General
APO 309

AG 430 (D)

SUBJECT: Incentive Goods Distribution Plan for Coal Miners

TO : Commanding Officer, Hokkaido Mil Govt District, APO 468
Commanding Officer, Tohoku Mil Govt Region, APO 309
Commanding Officer, Kanto Mil Govt Region, APO 201

1. Forwarded for your information are the following documents published by ESS, Central Government:

a. "Plan for Incentive Goods Distribution to Coal Miners" (Inclosure 1).
b. "Revised Distribution System on NonOfood Items for Coal Miners" (Inclosure 2).
c. "Special Distribution of the Clothing Released by the U.S. Army for Coal Miners" (Inclosure 3).

2. Surveillance will be exercised in accordance with paragraph 8, Operational Directive number 16, Headquarters Eighth Army, dated 15 March 1948, subject: "Incentive Goods".

BY COMMAND OF MAJOR GENERAL RYDER:

/s S. P. Cariano
S. P. CARIANO
Capt AGD
Asst Adj Gen

3 Incls: As above

AG 430 (D)
x 430
(3 Jul 48)

1st Ind HVH/so

HEADQUARTERS KANTO MILITARY GOVERNMENT REGION, APO 201
13 July 1948

TO: See Distribution

1. Forwarded for your information.

2. Attention is directed to paragraph 2 of basic communication.

BY ORDER OF LIEUTENANT COLONEL CHEEVER:

KENNETH C. HER
1st Lt., C.M.C.
Adjutant

3 Incls:
n/c
Distribution:
"A"

✓ Chiba

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

COPY

PLAN FOR INCENTIVE GOODS DISTRIBUTION TO COAL MINERS

The plan for incentive goods distribution to coal miners outlined in the following has been evolved after considerable discussion within ESS between PC&R, Labor and Industry Divisions and with representatives of ESB, the Ministry of Commerce and Industry, and the Coal Board. It has further been discussed with representatives of coal mine management and with coal miners unions. Agreement on all essential phases of the plan has finally been achieved among the many agencies concerned.

ESS proposes to put the plan into operation on the first of April, the beginning of the fiscal year 1948, on a trial basis for a three months period in order to study its practicability and make necessary revisions.

1. Types and Quantities of Incentive Goods

The following types and quantities of goods have been allocated to coal miners as incentives for the first half of the fiscal year 1948 (March September) according to ESB:

Item	Unit	Quantity	Remarks
Work Clothes	pcs.	680,000	
Cotton Gloves	pair	790,000	
Socks	pair	100,000	distributed with rubber boots
Jikatabi	pair	1,162,000	
Rubber shoes and Boots		100,000	Mostly for Hokkaido
Gaiters & Caps	pair & pcs	213,000	
Towels	pcs	813,000	
Underwear	pcs	461,000	
Bedding	pcs	24,000	For dormitories
Soap	pcs	6,159,000	
Cigaretts (Jap)	pcs	40,500,000	
Cigarettes (US)	pcs	111,000,000	
Pipe tobacco	pckg (2 oz)	250,000	
Sake	Sho	2,430,000	
Sugar	kg	810,000	
Edible Oil	kg	135,000	
Caramels	kg	743,000	
Saccharine	kg	2,025	

The list of incentive goods represents an increase over previous allocations. Per capita square yards of allocated textile goods were 13.06 in 1947 while in 1948 the figure is 14.62 suare yards. Several special food items such as sugar, oil, and caremals have been added to the list which had not been included in earlier programs. In comparison with other groups receiving incentive goods, such as farmers and fishermen, the capita allocations for coal miners are substantially larger. It may be noted the textiles as well as the food items are in addtion to the general ration.

Incl: #1.

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2. The System of Distribution from Manufacturer to the Mine

Distribution of incentive goods to coal miners is the responsibility of the Ministry of Commerce and Industry. The Ministry, respectively the Coal Borad, prepares the regional allocations for distribution from the ESB TOALS ON THE BAsis of number of mine workers and notifies the Regional Bureaus of the Ministry of Commerce and Industry. The Regional Bureaus make the allocation to the individual mines (also on the basis of number of miners) and notify the prefectural governments which make the allocations known to the mines and issue the purchasing certificates.

Concurrently with the distribution allocation the central office of the Ministry of Commerce and Industry makes the production allocation to the manufacturers and issues the shipments orders.

In the past the actual purchase of the goods by the mines was handled for them by the regional Coal Associations. Since these organizations are being dissolved in March this year, the mines are forming Purchasing Associations in the different prefectures to do the purchasing for them. This is essential in the case of small mines. As these newly formed organizations will not be permitted to function as wholesalers, that is to buy directly from manufacturers, they are set up as retailers associations.

It should be noted that in the system of allocation of incentive goods to the mines and in the process of purchasing the goods through the purchasing associations no coupons for individual miners are involved. Each mine will receive a purchasing certificate which it turns over to the purchasing association which finally submits it to the wholesalers.

Previous schemes, whereby individual miners coupons were issued by the Prefectural Governments upon presentation of workers lists, proved sumbersome and resulted in unnecessary delays.

3. The System of Distribution Inside of the Mine

Distribution of incentive goods inside of the mines is carried out through a commissary or mine store and is controlled by a distribution committee consisting of 13 workers and 2 representatives of management. The operations of these committees should be checked periodically by representatives of the regional bureau of the Ministry of Commerce and Industry.

The foods to be distributed are divided into 2 classes (a) goods which are daily necessities, such as articles of clothing, towels and soap and (b) goods of the luxury type, such as cigarettes, sake and sugar.

For the first class of goods there is no need to afford a

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choice because the demand for exceeds the limited supply. Therefore their distribution is based on the number of full work days and no point system is employed. However, for the second group a point system is used in order to permit a choice.

It is intended that only such workers will receive points as put in a full normal work day. A full normal work day is usually considered to be an 8 hour day. On the basis of reports from the Kyushu coal team it has been proposed to direct the incentive system to the achievement of a full working day rather than ove time and to the achievement of a s many working days per month as possible. The idea of basing distribution of incentive goods on overquota production by mines has been adendoned because of the undertainties surrounding the establishement of production quotas. However as a concessing to the wishes of ESB 1/3 of U.S. cigarettes and sugar has been earmarked as special reward for overproduction.

In the distribution of these goods distination is made between the different types of mine workers, higher rewards being given to underground workers than to surface workers. The following classes or workers are distinguished:

Class A. Regular pit workers, such as diggers, backfillers and timbermen

Class B. Other underground workers, such as transport-workers and dressers and electricians

Class C. (a) Heavy surface workers, such as transport workers and carpentors

(b) Other surface workers, such as electricians

Details of classification are left to the mines which will submit them to the regional bureau of the Ministry of Commerce and Industry for approval.

No distribution of incentive goods to office works is provided for in the plan.

Daily necessities (first group of goods) are distributed to groups, A, B, and C on the basis of need and on the basis of the life of each of the different goods. The number of full working days necessary to obtain one unit is as follows:

	A	B	C
Working Clothes	66	95	156
Cotton Gloves	57	96	156
	Diggers 33		
Jikatabi or Rubber Boots	33	57	156
of shoes for Hokkaido only	digger 26		
Socks	Because of limited supply, distribution is left to mines. One pair given to those workers who receive rubber boots and shoes.		

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Towels	diggers	80	66	144	312
Underwear	diggers	96	5.5	144	312

Soap
Puttees (Gaiters) Because of limited supply, distribution is left to mines.

Luxury type goods (second group) are distributed by means of a point system. Different point values are given to the three classes of workers for each working day as follows:

	A	B	C
From 10 to 20 work days for underground workers From 10 to 23 workdays for surface workers	4	3	2
Above 20 work days for underground workers Above 23 work days for surface workers	7	5	3

The possible total number of points which can be earned by all workers can be estimated roughly on the basis of number of workers in the different classes and the average number of work days, which are as follows:

Class	No. of workers	Average No. of work days
A	202,500 (Diggers 104,000)	22
B	67,500	24
C	180,000	26

By using the points indicated above, a total number of points of 210,000,000 for the 6 months period or 35,000,000 for one month is calculated.

The next step is to allocate points to quantities of luxury goods contained in the incentive lists. This is done in the following table. In assigning the points to the different items the relative importance, the black market price and the available quantity has been considered. In order to prevent undue concentration of demand on any one item, it is felt that ceilings have to set on quantities one worker can get. The ceilings are included in the table.

Item	Points	Ceilings	Ceilings for miners and female workers
Sake	25 per sho	1.2 sho	
cigarettes (Jap)	2 per 10 pieces	2 pckg. (10)	per month
Cigarettes (US)	12 per 20 pieces	2 pckg.(20)	per month
Pipe tobacco	10 per 2 oz pckg	no ceiling	
Sugar	6 per 100 gram	100 grams	per month 500 gram
Edible oil	6 per 50 gram	50 grams	per month 50 gram

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Caramels	5 per 100 gram	200 grams per month
Saccharine	2 per 1 gram	No distribution to male workers

The total number of points represented by the list of luxury goods is obtained by multiplying the point values above with the quantities of goods. A total of 210,000,000 is obtained for the 6 months period. This corresponds to the estimate of possible total number of points which can be earned by the workers.

Revised Distributive System on
Non-food items for Coal-Miners

26 April 1948
Linked Goods office
E.S.D.

In compliance with the paragraph 5 of the "Distribution Procedure on Non-food items for Coal-miners" approved by the Cabinet on 27, March 1948, the detailed distribution procedure shall be revised as follows :

1. The Control commodity supply Ministries, after being notified of the quarterly allocation of items for coal-miners to be set up by ESB, shall lay down the allocation as classified by prefecture in conjunction with the coal Board. The coal Board shall notify the Regional Coal Bureau of the above allocation. The supply Ministries, on the other hand, shallissue without delay shipping orders to the regional or local commidity supply government offices, Kodans and other distribution agencies concerned.

2. Upon receiving the allocation as classified by prefecture the Coal Bureau shall decide the allocations as classified by the prefectural purchasing associations as well as by coal-mine, then notify prefectural purchasing associations and coal mines respectively of the above mentioned allocations.

3. After receiving the above notification, a prefectural purchasing association representing the coal mines asks the Regional Commerce and Industry Bureau through Coal Bureau to issue the purchasing certificates.

4. Then the regional or local commodity supply government offices shall issue the purchasing certificates as classified by coal mine which are handed over enbloc by the Coal Bureau to a prefectural purchasing association. The regional or local commodity supply government offices shall simultaneously issued shipping orders to the Kodans or other local distribution agencies located within the jurisdiction of the above offices.

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5. The prefectural purchasing association shall purchased the goods from distribution agencies in exchange for the purchasing certificates the distribute them to a purchasing agencies in each mine.

6. The purchasing agency shall distribute the goods to a coal miner in exchange for an individual coupon. An individual coupon shall be issued to a coal miner by the responsible office worker concerned a mine (for example the chief of welfare section).

7. As for the daily necessities type items, artificial sweetening stuff and caramels, central commodity supply ministries shall issue sale and shipping orders to wholesalers or manufactures by designating quality, a kind and quantity of the item and consigees.

8. With a view to streamlining the goods-receiving system in a coal mine and enabling this procedure to function smoothly, it is recommended to establish a consumer's cooperative society in a mine and a koint association of the societies on the regional basis.

Specific financial measure shall be taken to carry out the consumer's cooperative society satisfactorily.

In a district where a consumer's cooperative society has not been set up, a purchasing agency or its prefectural association shall be utilized temporarily in place of a consumer's cooperative society or its prefectural association. Negociation has been made through the goods offices of the government to make a loan to a purchasing agency or its prefectural association from the Bank of Japan.

9. The regional or local commodity supply government offices or the Coal Bureau shall examine such distributive matters in a mine under their jurisdiction as the receipts, rationing and stocks conditions of the items for coal miners, and the issuance of an individual purchasing coupon etc.