and Ag. The dressing plant contemplates being able to recover a copper concentrate containing 15% Cu and 6.6% Zn; and a zinc concentrate containing 47% Zn and 5% Cu. It is planned to market the zinc concentrate to the Kamioka mine or some other zinc smelter, and to process the 15% Cu concentrate to 98% Cu at the mine, utilizing the existing obsolete and inefficient equipment. Government mining officials state that if Ogoya effects this plan they will probably lose less money, but profits will not be realized until copper prices are raised to ¥180,000 per ton, or the mine finds workable deposits containing 5% or more Cu.

c. The Ishikawa prefectural government reports that 300 tons of coking coal are being mined monthly at a relatively new development in the south eastern section of the prefecture. Mining section officials of the Mining section of the Kanazawa Branch of the Nagoya ITI Bureau contend, however, that the deposits, which occur only as very thin layers on the surface, contain 30 to 40% ash and would have to be pulverized and washed in order to get a satisfactory coking coal. The mining section is advocating that the area be prospected in order to determine the extent and quality of reserves which may exist since they feel that all steps should be taken to provide Japan with as much domestically produced coking coal as possible.

4. Production of Precious Metals.

a. Kamioka Mine: The Kamioka Mine reported production of gold and silver as follows:

	Au	Ag
March	4,000 grams	1,646,029.5 grams
April	783.5 grams	1,522,479.0 grams
May	6,752.7 grams	1,805,001.0 grams
Total	11,536.2 grams	4,973,509.5 grams

The Osaka Mint reported having received 11,536.2 grams of gold averaging 99.56% Au and 4,972,479.0 grams of silver.

b. Tsugu Mine: The Tsugu mine reported production of the following gold-silver concentrates which were shipped to the Hitachi mine, Ibaraki prefecture:

Month	Tons	Au (gr/ton)	Ag (gr/ton)
March	44.684	29.2	178.5
April	38.558	46.5	85.8
May	40.944	29.9	180.6

BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 30 June 1950

PRICE AND DISTRIBUTION

1. Economics Investigation Agency.

a. The Investigation Division of the Regional Economic Bureau (the former Regional EIA) is continuing in its efforts directed mainly toward the autonomous police, to achieve a higher degree of efficiency in the enforcement of the Restaurant Control law, but still without spectacular results. The police, on the other hand, are able to show rather impressive totals of rice confiscated by means of their transportation controls. Some representatives of the police have been outspoken enough to say that with their shortage of personnel, they believe it to be more efficient administration to concentrate on the control of the larger scale illegal movements of rice than to go after the usually inconsequential amounts found in the restaurants. Spokesmen for the Regional Economic Bureau, both in their special meetings with the police, and in the prefectural coordination committee meetings, have consistently and firmly held out for strict enforcement of the law as it stands, the discontinuance of warnings by police, and the holding of not less than two restaurant control public hearings per month. Members from this section have attended four regional conferences, five special prefectural coordination conferences and six regularly scheduled prefectural meetings to encourage greater efforts in program enforcement.

b. The Regional Economic Bureau, on the other hand, apparently has been deficient in its coordination with the police in other matters. As the Chief of the Nagoya Municiple Police pointed out at a recent meeting, the EB had been investigating illegal sources and distribution of gasoline im this area for at least two months, without informing him of their findings, while he in another connection was required to undertake a similar investigation and finally developed the same information through his department.

c. The current investigations being made under national direction are being carried out, some of the interim reports of which are referred to under "Incentive Goods and Fertilizer Distribution" and "Staple Food Rationing" in this report.

2. Restaurant Control.

a. Surveillance over Restaurant Control by Autonomous and National Rural police appeared to be desultory and generally ineffective. With the exception of Aichi prefecture it was found that reports by police to prefectural food sections were being unnecessarily delayed. In Fukui, for example, police had failed to report five violators apprehanded in March until the middle of June. Also in Fukui, Mie, Gifu and Ishikawa,

police were found to be reverting to the practice of warning violators themselves without referring them to the prefectural food section.

b. Results of open hearings are as follows:

Prefecture	Licenses Suspended	Licenses Revoked	Rest. Sealed	Warnings (June)	Hearings (June)	Cumulative Hearings
Aichi**	1	0	2	1	2	14
Gifu	0	0	0	3	1	3
Mie	2	0	1	1	1	3
Fukui	4	0	0	1	1	3
Ishikawa	2	0	1	1	1	5
Toyama**	1	0	0	0	1	4
	10	0	4	7	7	32

** Aichi and Toyama reported several violators brought to public hearings who were subsequently found not guilty. Police claimed that the evidence was sufficient, but that the committees' findings were based upon extra-legal considerations. This tends to discourage police participation in this program.

3. Incentive Goods and Fertilizer Distribution.

a. Return of undesirable and slow moving incentive goods by cooperatives is almost completed, with the more popular items retained for future disposal. Price reductions of about 30% have been tentatively set pending final decisions on governmental subsidies. ¥340 million has been reported as already received with an additional ¥600 million expected to be appropriated in the next session of the Diet. This amount should cover tentative reductions but some officials contend that reductions up to 50% may be necessary to clear all stockpiles. Investigations by the Economic Investigation Agencies of the inventories reported by cooperatives upon which subsidies are to be based, showed considerable discrepancies in the figures submitted to local prefectural governments. Inventories included merchandise already returned to wholesalers for which credit had not been received, as of that date. Differences of from 10% to 30% were noted, and if this is a general condition, which has not as yet been determined, then the figures would be so distorted that the subsidies would be far more than necessary. Further investigations disclosed that no prefectures had made any spot checks to verify the amounts claimed.

b. Spot checks were conducted in 18 agricultural cooperatives in six prefectures to determine the general incentive goods situation. Without exception stockpiles were low. Goods currently on hand were

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very badly handled with respect to cleanliness, display and storage. Broken case lots were scattered about with insufficient protection from insects and rodents. Cases of canned and bottled goods in which some damage was evident had not been opened and sorted to prevent further deterioration. The Natural Resources section of this headquarters has been requested to encourage the guidance cooperatives to include a course on better storekeeping in their program.

c. The Fertilizer Kodan reports accounts receivable in the following amounts:

Aichi	¥91,800,000	Toyama	¥19,500,000
Mie	¥98,000,000	Ishikawa	¥15,000,000
Gifu	¥74,000,000	Fukui	¥19,600,000

d. It is expected that a large percentage of the above amounts will be collected following harvests of wheat and barley but due to the poor financial condition of some of the cooperatives it appears that more trouble may be experienced than the optimistic attitude of Kodan and government officials indicate. After dissolution of the Kodan in July, distribution of fertilizers in the future will be handled as indicated below.

Prefecture	Agriculture Coops	Private Dealers
Aichi	67%	33%
Mie	90%	10%
Gifu	60%	40%
Toyama	60%	40%
Ishikawa	90%	10%
Fukui	95%	5%

e. Following reports of the sale of ineffective and harmful fertilizers each prefectural government was advised to take effective steps to prevent sale and distribution of these items. Surveillance disclosed mounting sales through unauthorized dealers due primarily to the high cost of rationed fertilizers as compared with the inferior qualities, and the shortage of more desirable types in certain areas. Cases of an organic fertilizer (fish fertilizer) containing amino acid which has proven harmful because of excess salt has been reported as well as some cases of ammonium sulphate containing excess ammonia which causes the sulphate contents to evaporate and become ineffective.

4. Staple Food Rationing.

a. For the first time in 10 months commodity prices showed an upward trend. Living costs were estimated at two percent above May.

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Free market prices continued to rise, led by fruits and vegetables, while blackmarket prices of rice rose 10% to 15%. Only fresh fish showed a decline. Rice prices traditionally swing upward during the summer months but the general upward trend appears to be the result of price stabilization and a leveling off of commodity prices.

b. It appears certain that increased prices may lower the percentage of refused rations but not enough to make any appreciable difference. Using Toyama prefecture as representative, a survey into refused rations for both regular distribution and extra rations for laborers was conducted to include the period from 1 January to 31 May, 1950. During that period, 28,613,097 kgs. of foods were allocated for regular ration of which 2,887,934 kgs. or approximately 10% were refused. During the same period 1,998,010 kgs. were allocated for laborers extra rations of which 523,461 kgs. or 26% were refused. The Food section officials claim that the present money shortage as indicated by the refusal of rice rations, first started in March with 17,614 kgs. and continuing through April with 26,062 kgs. and May with 33,048 kgs., was the main factor contributing to the refusals. However, due consideration must be given to other factors such as: (1) the rice crop exceeded estimates and reports; (2) lowering of blackmarkets prices compared to official ones; (3) unpopularity of rice substitutes; (4) easing of certain staple food restrictions increased confidence and resulted in the release of hoarded stocks, including rice; and, (5) foods of better quality at comparable prices were available in the blackmarket. In view of the large amounts involved as well as deterioration, loss through excess handling and high transportation costs, a reduction in prefectural allocations might be considered as it appears that this condition will continue for some time.

c. Cross section opinions were taken on the advisability of transferring the present activities of Kodan distribution points to private ownership. The consensus favored the change provided certain restrictions were invoked. It was pointed out that before the war the rice merchants were so organized as to have a monopoly on rice sales to such an extent that they could dictate prices and quality to the detriment of consumers. All agreed that if sales could be handled on a purely competitive basis, the general public would benefit greatly both in prices and quality but all feared present monopoly laws were not strong enough to insure protection and too many loop-holes existed, for proper enforcement. Unless adequate protection of consumer interests were guaranteed, they preferred the present system.

5. Perishable Food.

a. Fish receipts in Nagoya Central Market have increased approximately 50% since decontrol. Receipts for the month amounted to 1,101,256 kan, a slight decrease from the May total of 1,136,426 kan. Consumption

amounted to approximately 25 momme, per capita, per day, while retail prices are slightly lower than heretofore. Fishermen in more remote districts complain of high transportation and packing costs and say that they are at a great disadvantage in competition with fishermen located nearer large consuming areas. Retailers, large consumers and the general public express satisfaction over the supply and vastly improved quality since decontrol. Three fish markets and five processing plants were inspected to observe sanitation. Officials of the prefectural government sanitation sections have been active, making on the spot recommendations for physical improvement.

b. Vegetables have continued plentiful but an increase in price over last month was noted. Since decontrol the number of push cart peddlers has noticeably increased in urban areas. Heretofore, most of the vegetables were handled through one central market in Nagoya while at present there have sprung up many small concentration points where farmers and retailers gather to do business. These points are usually located in vacant lots, apparently have no organizations and are merely a meeting place for sales or barter between farmers and retailers.

INDUSTRY

1. Production.

a. Textiles, some heavy industial equipment and the export ceramic industries of this region have comparatively a brighter out-look, while the production and sale of "sundry" items (watchs, clocks, bicycles, lacquerware, bamboo articles, paper, etc.) generally continued in the economic doldrums. Export declarations for June reached a 1950 "high" of $2,801,633, which was $219,466 over May, and represented an increase of 89.4% above January, the lowest month this year.

b. With increased imports of cotton proceeding smoothly, more electric power available, restrictions on spindles lifted, a heretofore unbalanced situation between cotton spinning and weaving capacity which resulted in excessive demand for cotton yarn, promises to be alleviated. In this region 130,000 idle spindles which were being prepared for the spinning of waste cotton into "garabo" can now be used for the spinning of cotton yarn. Demand is exceptionally good. The demand for woolen fabrics is reported to be good but financing difficulties from the sterling bloc (Australia) have retarded the rate of increase of raw wool imports. The problem is to get Australia to buy more Japanese goods. The production and spinning of synthetic fibres is also an area of expansion in the region and the early lifting of restrictions on the number of permitted spindles is being looked forward to with great anticipation.

c. Local papers in the Hokuriku area have been publishing items portraying the silk industry as rosy and booming. This is not true according to the Commerce and Industry officials and several of the large mill owners personally contacted by this section. On the surface there appears to be much activity but actual production is estimated at only 65% of capacity. Large owners realize that if the silk industry is to be kept alive that improved machinery and methods must be immediately established. To off-set increased electrical rates, higher wages and increased production costs, the mills are installing iron and steel looms to replace the old antiquated wooden machines which are being bought up by the smaller associations for dispersal to home industries. A great amount of the present activities center around this change in machinery rather than increased production although there has been evidence of more sales attributed to increased local prices and to the national government's announcement that large stockpiles would not be dumped on the markets indiciminately.

d. Among the heavy industries, the production of rolling stock for Siam, looms for the local silk industry and for India currently make iron and steel manufactured products appear comparatively prosperous. The Shin Aichi Kogyo KK in Aichi prefecture is currently producing a three wheeled, five-passenger, motor tricycle designed for taxi service. Over 100 of these small, fuel saving vehicles are in service in Nagoya and Osaka and are proving very popular. The company realizes a profit of ¥40,000 per unit and samples have been forwarded to New York City and India. The large Toyoda Company in Nagoya, manufacturers of trucks and busses, is still in very bad financial condition and continues to have labor troubles.

e. Makers of better grades of ceramic products appear to have passed the bottom of the depression experienced earlier in the spring, and at present are engaged in the fulfillment of contracts which will insure full production throughout the summer and into fall. Contract prices, too, are reported to be stabilizing at levels generally permitting fairer returns to the makers, than existed four months ago. The makers of domestic wares are not in such favorable circumstances.

f. The threat of a 24 hour strike by stevedores at Nagoya port on 30 June, which would have affected the exportation of, and payment on bills of lading for, about 4,500 tons of cargo was averted by a telephone report to Civil Affairs Section and the intercession of the Labor Division with the national headquarters of the union. Although Civil Affairs is not directly concerned, it has come unofficially to the attention of this section that some members of the Far East Freight Conference are disturbed by the competition offered by non-conference lines operating here.

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On the other hand, it is also heard that even among members of the conference there is a certain amount of rebating and "kicking back" going on. Permission for the Japanese to carry their exports in their own bottoms doubtless will end this internecine bickering.

g. Representatives of the silk growers association in Aichi prefecture called on this office to petition against the sale of 28,000 bales of cocoons. They claim that the release of such a quantity at this time would adversely affect the stability of the cocoon production industry.

h. There is a definite trend toward the establishment of cooperatives among aligned manufacturers primarily to guarantee credit and make available larger working capital to insure stability. The glass manufacturers in the Nagoya region have associated, with each member contributing ¥10,000 monthly toward the establishment of a central fund to guarantee loan payments and like expenses. Members of the Improving section of the city government will make periodic inspections of the plants to advise local banks as to the advisability of loans which will be given without collateral other than guarantee by the signators who are association members. It is hoped that by such association that larger loans may be secured than can be obtained by individual plants. The amounts heretofore available were not sufficient to allow an individual plant to make necessary alterations to materially improve efficiency and production. It is reported that steel loom manufacturers in Ishikawa prefecture have also formed such a cooperative but have gone further in that they are limiting the manufacture of such looms to 26 plants with the smaller members being given assistance in establishing the manufacture of other steel products currently in greater demand.

i. Mie prefectural Statistics section will begin next month a commerce survey in the seven larger cities and towns in the prefecture. Over 400 investigators will work on some 15,000 varied industries in an attempt to obtain vital information as to production, costs, expenses, wages, operating efficiency and other important matters concerned. This is the first such survey attempted there since the end of the war, and completion is expected by the end of August.

j. The Nagoya Chamber of Commerce and the City Government report increased exports for the month. Among orders received and now in production for future shipment are included china-ware for Indonesia; textiles for South Africa and Pakistan; machinery and equipment for Burma, India, Africa, France, Germany, Canada, America, Brazil and Argentina. The number of inquiries have increased greatly adding to the confidence of the manufactures in this region.

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2. Reparations.

a. During the past month this headquarters received numerous information copies of CPC memoranda releasing reparations equipment as meltdown scrap. A check revealed that as of the end of June most of the prefectural sections and Finance bureaus concerned had not yet received the originals of these memoranda. The sections and bureaus concerned were instructed to notify this office immediately upon receipt of these memoranda and to furnish a schedule for the destruction of the listed items. This office will keep a close check on the destruction and report progress in succeeding activity reports.

b. Reference CPC Memorandum to the Reparations Agency, dated 2 June 50, subject: "Reduction of Custodial Personnel at Reparations Plants", paragraph 8, Reports required were received from all six prefectural governments within this region by 24 June. Reports received were not approved by this office pending a decision by headquarters on the interpretation of paragraph 7c(1) (A question as to whether the 30% should be calculated by a physical count of equipment or by using the point system of the Japanese Government.) On 30 June Major Freeman, Civil Affairs Section, GHQ, SCAP, verbally authorized this office to utilize the Japanese Government point system to compute the critical 30% described in the above reference. Approved reports will be forwarded to the Civil Affairs Section, GHQ, SCAP, during the first week of July.

c. A total of 53 reparations plants were inspected, including those listed for corrective action by letters from Civil Affairs Section, GHQ, SCAP, dated 29 May, and 7 June, subjects: "Request for Corrective Action of Discrepancies in Reparations Plants in Aichi Prefecture", and "Request for Corrective Action of Discrepancies in Reparation Plants in Toyama and Fukui Prefectures", respectively. The reports required by the foregoing references are as follows:

(1) The reduction of the number of guards at all plants has been accomplished in accordance with CPC Memorandum to the Reparations Agency, dated 2 June 50, subject: "Reduction of Custodial Personnel at Reparations Plants."

(2) An inspection of 01-35 reveals no EX equipment within the reparations area of curtody. The Fuji Sangyo K.K. (Formerly Nakajima Aircraft) is operating only in released areas, using non-reparation equipment which does not need to be marked.

(3) Authorized use privileges of plant 01-40 have been withdrawn, and fire hazards have been removed.

(4) Pending receipt of necessary funds the Finance bureau is making plans to consolidate equipment at plant 01-55(b). Release of land and buildings will be accomplished immediately following consolidation.

(5) Equipment at plant 01-102 is being consolidated at plant 01-103, inasmuch as there is insufficient room at plant 01-83.

(6) No unmarked EX items could be found at plant 42-02.

(7) Inspection of plants 42-07 and 42-15 revealed satisfactory maintenance.

(8) The "unmarked pole transformer" at plant 42-16 was found to be marked on top, but additional marking for the sides were ordered by this office.

(9) Narrow gauge industrial trackage removed from plant 42-03 was not returned, inasmuch as it is presently in use in the company's main plant. The company was reprimanded for removing the trackage without the approval of this office, but inasmuch as such trackage in private plants is not presently listed as subject to reparations removal this office authorized its release from reparations custody. Verbal authorization from Major Freeman, GHQ, SCAP Civil Affairs Section was obtained for this action.

(10) Inasmuch as the unmarked substation at plant 06-05 appears not to have been used by the Mikuni Factory, and inasmuch as neither the inventory or the evaluation teams saw fit to mark it, this office following consultation with Major Freeman, Civil Affairs Section, GHQ, SCAP, has not issued any instructions for its marking.

(11) Fire extinguishers have been installed at plant 06-02.

(12) Authorized use privileges have been cancelled at plants 42-02, 42-16, and 42-12. Plant 42-06 is not using any reparations machines. Plant 42-05 has definite plans

for use of its AU machinery in the near future, so that authorized use privileges have not been cancelled at this plant.

3. Release of Enemy Property.

a. The 347th Fighter AW, Nagoya Air Base, has advised that in accordance with OD 11 and on recommendation from this section that properties covered by JPNR 1425 and JPNR 2520 have been released to the Japanese Government.

b. The 25th Infantry Division advises that they are currently investigating the status of the following JPNR property and will notify this office later of the actions taken:

1868, 2236, 1869, 147, 1231, 1230, 1902, 3454, 3232, 1592, 1312, 1472, 1604, 4194, 1899, 1543, and certain other new dependent housing units in Toyama City consisting of four buildings including eight housing units (three buildings not in use).

4. Restricted Industry.

a. Explosives.

(1) Five pyrotechnic plants were inspected and all were in full operation manufacturing various types of fireworks for the many festivals scheduled during the summer months. However, no unauthorized production was found.

(2) On 14 June, four cases of dynamite containing 800 sticks were reported stolen from the Taketoyo Factory, Nihon Yushi Company in Aichi Prefecture. Plant officials said that the stolen dynamite was part of 10 cases temporarily stored in a warehouse in the plant, for shipment by rail the following day. When guards opened the warehouse the next morning only 6 boxes were found. Police at Taketoyo city were notified and investigations started immediately. The stolen dynamite has not been recovered and this headquarters has urged the police to make every effort to locate it.

b. Fertilizer.

(1) The decontrol of chemical fertiliser is the chief concern of producers at the present time. The production of

chemical fertilizer has been greatly encouraged by priority utilization of capital and materials plus the pegging of production cost by means of government subsidy and distribution by the fertilizer corporation. Producers feel that an abrupt stoppage of such measures will require tremendous efforts on their part to adjust themselves to the new change. Most plants are seeking reliable wholesalers that are financially strong enough to handle their products in the future.

(2) Small plants still favor control because they believe that they can receive more benefits while under control and will get paid regularly at premium prices. After decontrol it is felt that they cannot compete with large plants that will be producing much more than at present and consequently at lowered prices. Large plants with big capitalization realize that the only way to operate efficiently and to lower consumer prices is to be able to operate freely without any restrictions.

(3) During the month of June the Fertilizer Kodan purchased only a small amount of fertilizer produced and consequently plants have had to stockpile or cut production. Most of the plants have stockpiled their products but a few have had to curtail production. Shinetsu Chemical Industrial Co. of Fukui is an example. The company has warehouse facilities to store up to 50% of their monthly production. Having had some accumulated stock from the previous month, it has permitted this plant to produce only 700 metric tons in June whereas their planned production was 2,100 metric tons. Fertilizer Kodan officials have stated that funds from the Finance Ministry have not been received pending clarification of the decontrol of fertilizer.

c. Petroleum Storage.

(1) In compliance with letter from Civil Affairs Section, GHQ, SCAP, dated 26 June 50, subject: "Operation of Pacific Coast Refineries and Import of Crude Oil", the Yokkaichi plant of the Daikyo Oil Refinery was inspected 30 June. While this plant appeared to have exceeded their permitted capacity of 1,000 barrels per

day (SCAPIN-6985-A, 28 Nov 49) on a number of days during the month of June, a check of their books showed that the total production for the month did not exceed 28,000 barrels, which indicated adequate compliance with instructions from higher headquarters. The company at present is storing 94,000 barrels of oil in its 2nd Naval Fuel Depot facility and 45,000 barrels of oil in its own tanks for processing, indicating a little more than four months supply of raw materials at the present rate of processing.

(2) Reference letter from Civil Affairs Section, GHQ, SCAP, dated 26 June 50, subject: "Disposition of Former Military Stocks of Tetraethyl Lead". An inquiry by this office revealed that as of 30 June the Nagoya Bureau of International Trade and Industry had not received any word from their Tokyo Office regarding a report to be made on the allocation of tetraethl lead supplies.

d. Shipbuilding.

(1) Ten shipyards were inspected for compliance with OD 11 and no irregularities found.

(2) Shipyards in this region are currently faced with a shortage of contracts for new construction, reconversions and repairs. They have not been able to obtain contracts for the construction of ships for export as in other regions, and so have depended solely on contracts for domestic shipping, but the volume of domestic cargo for water transportation has decreased considerably in recent months which has created surplus bottoms in domestic shipping service. Consequently no new construction has been ordered. This situation is more aggravated in wooden than in steel shipbuilding. It is because the latter facilities can be adapted to other sideline business. The East Nippon Shipyard in Ishikawa Prefecture is diverting part of their plant to the manufacture of aluminum tanks for chemical plants. It also has applied to manufacture steel mud carriers. The Nagoya Shipyard in Aichi prefecture is repairing rolling stock to supplement their main work. Wooden shipbuilding facilities, however, cannot be extensively

employed in other production so these shipyards have to depend solely on new construction or repairs, which have become scarce.

(3) Shipyards are eagerly awaiting the restoration of the Japanese merchant fleet for service in overseas trade thus activating reconversion or building of new ships to replace the existing inefficient and obsolete vessels.

5. Construction.

a. Building:

(1) Construction of additional ferro-concrete apartment buildings is planned by all prefectures, but no new projects of this type are to be started until later in the year. This is attributed to the slowness with which the prefectures received their subsidies from the national government. The total construction costs (cost of building site excluded) for these apartment buildings, in the Hokuriku area average between ¥30,000 and ¥36,000 per tsubo, while the cost for the same type of building in the Tokai area averages between ¥25,000 and ¥30,000 per tsubo.

(2) Construction of buildings for the All Japan Sports Meet, to be held in Nagoya, and the construction of a baseball stadium in Toyama are the two largest government sponsored construction projects in progress at this time.

(3) Building construction, other than government sponsored projects is slow, especially in rural areas where the money shortage is reported to be severest. The majority of buildings of 100 tsubo and over that are now being constructed are being built by the larger industries or by banks. The majority of these structures are of wooden construction rather than of ferro-concrete.

b. Roads.

(1) Heavy rains during the first part of June caused some damage to roads throughout the Tokai area, especially in Gifu and Aichi prefectures. The Gifu Public Works section claimed several million yen damage, which

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included the destruction of five small bridges. Two bridges were partially destroyed in Aichi prefecture.

(2) The estimate of damage made by the prefectural officials is considered by this section, to be in excess of the actual damage incurred. The prefectural officials, in making an estimate of the damage do not consider depreciation or condition of the bridge at the time of destruction, and they also place the estimate high in an effort to obtain a larger subsidy from the central government. Much of the recent maintenance work on gravel roads was destroyed by the rains. All public works sections, however, are repairing the damage.

(3) Road improvement projects and other projects related to roads, which are classified as unemployment relief projects are costing the central and prefectural governments, in some cases as much as 1.4 times the cost of the work by contractors. The cost of these projects is attributed both to the attitude of the workers and the prefectural officials. Many of the workers feel that the project is a dole and do as little work as possible, while many of the prefectural officials regard the primary object to be to pay the workers, regardless of the amount of work accomplished. It was found that on some unemployment relief projects, that the workers were not required to work a full eight hours. It was also observed on other construction, that the officials did not use available equipment, because the project was considered for unemployment relief, therefore, all manual labor was used regardless of the cost. It has been found, that in all prefectures, with the exception of Fukui, that a Free or Casual Workers Labor Union (Ju Rodo Kumiai) has been formed, with the strongest organization being in the Nagoya City area. Spokesmen for these different organizations have, on various occasions, approached the officials in charge of relief employment and made complaints concerning the amount of work, the hours required, and the pay received by members of their organizations. It is not believed, however, that these organizations qualify as bona fide unions within the provisions of the Trade Union Law.

c. Public Works:

(1) Flood and erosion control projects are the most numerous of river projects being carried out by both the prefectures and the Construction Ministry. In the Hokuriku

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district erosion control is in the majority of cases being carried out by the branch of the Construction Ministry, while the prefectures concentrate on flood control and damage repair.

(2) The heavy rains in the first part of June caused some damage in Aichi and Gifu prefectures. Damage to dikes, displacement of rock mats in the rivers, and land slides were most prevalent. However, in all cases this damage was not extensive in any one area. Prefectural officials have made estimates of the damage incurred, and are now attempting to have the central government grant subsidies for repairs.

(3) Flood Fighting Associations are organized in villages throughout the region, but their efficiency, effectiveness, and usefulness, depends entirely upon the officials of the organization, which in the majority of the cases are the village officials. Some organizations have progressed to a point where they have repair materials (rock, sand, sacks, etc) placed at the danger points, and ready for use, while other organizations have done nothing. A suggestion was made, by the Fukui Public Works section, and is being followed by some villages, that the volunteer fire fighters of the villages be utilized as a nucleus for this organization. Some villages did not feel that this was practical, but further questioning revealed that their opposition was due almost entirely to political reasons.

6. Electric Power.

a. Continued rains throughout the month maintained a favoral electric power situation in this region. A check within the six prefectur indicated that equitable distribution was being accomplished. The present system, however, appears to result in a considerable waste of potential hydro power. This seems to stem from the contractural arrangements between Nippon Hassoden and the Haidens whereby the former corporation is not normally obligated to furnish more than a specified amount of power at the cheaper "hydro" rate, and any power furnished in excess of the quarterly contract amount is charged for at the "thermal" rate, whether or not it is actually thermally generated. The steeply increasing rates for additional power consumption, based as they are upon the higher costs of thermal production of power, therefore create two reactions: (1) general industrial production which could use more power at the basic rates is

not afforded an opportunity to do so (with a few exceptions), even though potential hydro power is available, and the non-use results in wastage of potential power; and (2) industries which require and can afford power in excess of their basic allocations are required to buy it at rates based upon thermal generation costs, when, as in the current calender year, there has been a very adequate streamflow, and much of the power charged for at thermal rates is believed to have been actually hydro generated. From all information obtainable at this level, this system appears to be insuring that the operations of Nippatsu are solidly in the black, at least this year. While the Nagoya Regional Bureau of ITI has suggested an increase in allocation, its recommendations have not consistently received consideration at the central level. Opinions have been heard to the effect that Nippatsu is opposed to increased allocations, and is influential to that end. The question of the special "off-peak" allocations is excluded from the foregoing discussion. The fact that the present year so far has been rather abnormally favorable with respect to streamflow is also borne in mind, a factor which doubtless is expected to average out Nippatsu's earnings over a series of years. Nevertheless, it would appear from observations since last December, that the new rate structure is high and that the allocation system is insufficiently flexible to permit the fullest utilization of hydro resources when they are available.

b. Considerable discussion is still heard throughout this region concerning the "9-Bloc" plan. The objections now are concerned with details of the plan rather than the overall plan. In the Chubu section of this region, exception is being taken to the designation for Kansai of certain generation facilities on the upper Hida river, while in the Hokuriku district dissatisfaction is being expressed over the proposed earmarking for Kansai of the newer generation equipment in Toyama and Fukui prefectures. Unofficially it is heard, however, that the proposal under consideration for presentation to the Diet will be acceptable.

CONTROL ASSOCIATIONS

1. In accordance with paragraph 4 of ESB Notification No. 678, dated 21 May 1950, reports from the six prefectural governments within the Tokai-Hokuriku Region were received by this office during the month of June.

2. Without exception the reports required by paragraph 4 a, b, c, were negative (Ref. above-mentioned ESB Notification). A regional summary of the interim report on dissolution and reorganization of reported control associations (Paragraph 4 d) follows:

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BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 30 June 1950

Pref	No. of Reported Organizations	Orgs. Dissolved	Orgs. Reorgan.	Orgs. to be Dissolved or Reorgan.	Orgs. Exempt (2a, ESB Not. 281)	Orgs. Exempt (2b, ESB Not. 281)	Balance
Aichi	294	97	32	4	159	1	1
Gifu	1188	307	58	27	796	0	0
Mie	1873	399	126	2	1257	1	88
Fukui	885	221	29	56	569	10	0
Ishikawa	1344	65	18	1	1258	2	0
Toyama	1244	405	5	10	823	1	0
Totals	6828	1494	268	100	4862	15	89

All of the foregoing statistics were checked against previously available information and discussed with prefectural officials. This office maintained that in light of paragraph 2 of ESB Notification #281 there should be no associations remaining in the category listed above as "Balance". Accordingly, Aichi and Mie prefectures were requested to explain their reasons for failing to comply. It is expected that this problem will be completely resolved during the coming month.

3. The Fair Trade Commission reported no unusual activity during the month of June.

LABOR

1. Labor Relations.

a. The Gifu Prefectural Local Labor Relations Commission is particularly disturbed by a decision they themselves made 12 June in a case involving the Ibigawa Denki Kogyo Company, with 1,400 employees, which is located at Ogaki City, Gifu Prefecture. The Commission ordered the company to reinstate Mr. Kazuyoshi Tsuchiya, a former union leader who was fired 23 December 1949 on account of inefficiency. It took the Commission approximately half a year to rule on this case. The fact that Tsuchiya himself, along with one of the company executives, is serving on the Commission, may have been one of the reasons for the delay. The Commission had been very silent about this case up until May with the hope that the concerned parties would be able to solve the case between themselves. Lack of action by the Commission drew criticism from various sources. This criticism finally forced the Commission to act on the case. Fearing repercussions which might have taken place had a clear-cut decision been made, the Commission first tried to get both parties together to accept a very foolish compromise, which recommended the company to reinstate this man, and pay him a gratuity of ¥500,000 after he voluntarily tendered his resignation within a certain period. The idea of giving such a man as

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Tsuchiya, with only 3 years service with the company, access to such an exhorbitant amount of money, was of course turned down by the company. This move evidently delighted Tsuchiya, who was quoted to have made open remarks that this amount was too small, and that he was duly entitled to ¥2,500,000 instead. When asked how he accounted for this figure, the Chairman explained that he estimated half of the money would be deducted for taxes, and the remainder would be necessary to subsist this man for a certain period until he would be successful in finding a new job. The Labor Officer advised the chairman to base their decision on facts and evidence and not on sympathy. The Commission then reduced this figure to ¥300,000. This also failed. Then the Commission went to work on the reinstatement order which was formally announced 15 June. A few days later, the Commission was surprised to bear that Tsuchiya had turned Communist, and joined the party immediately after the decision was made. The company has so far refused to comply with the order. The outcome of this case is now focusing attention from various circles.

b. Units of Zenkinzoku (All Japan Metal Workers' Union) and Zenjidosha (All Japan Automobile Workers' Union) held a general strike in Aichi and Mie prefectures on 3 June to "boost their morale for the House of Councillors election" which was held 4 June. Approximately 7,000 workers participated in a rally in Nagoya City to listen to radical speeches. A large number of workers besides the above, who did not take part in this rally, staged work stoppages ranging from 1 to 24 hours. The foolishness and dictatorship exerted in this strike, motivated the Japan Rolling Stock Union in Nagoya (3,500 employees) to withdraw from the Zenkinzoku 22 June. What effect this move is going to have on other unions, will be interesting to learn.

c. Tactics adopted by the Daido Steel Works Union in Nagoya invited police action several times during the month. The union with a total membership of approximately 3,000 employees, was pressing demands for:

(1) A ¥3,000 wage raise.

(2) Immediate payment of delayed wages which were 2 months behind.

(3) A Union contract.

Not being financially able to stage a full strike at this time, the union committed some of its members to work stoppages, directly interfering with the shipment of finished articles. Pickets lined at the gate, used force to prevent the entrance of trucks sent to the company to pick up the

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goods. The procurators denounced the union actions as a violation of the law, and as interfering with the normal operations of the company. Police were sent to the scene several times to afford proper protection to the truck drivers. The most serious of these incidents took place 16 June when the Nagoya City police sent 424 men to the plant to prevent violence. Fortunately no arrests took place, as the union just stood around watching the truck drivers carry out their duties. It seems that the union leaders adopted this type of tactics only to save face. About 80% of the membership is estimated to be irritated by such tactics. This case was settled at the end of the month when the union agreed to retract its demands for a wage raise, and concentrate its efforts on negotiations for a contract.

d. The dispute at the Toyoda Automobile Works, reached a settlement 10 June. The seriousness of this dispute and an ultimatum by the company that a shutdown would have to be effected, forced the union to be more reasonable in its negotiations. As originally scheduled, the union agreed on the company's rights to a reduction of 1,600 surplus employees, 60 known communists with 200 sympathizers were among those discharged.

e. As referred to under "Industry" above, a 24-hour strike of harbor workers at Nagoya Port, scheduled for 30 June, was averted on 29 June after Labor Division had been advised of the pending action.

2. Labor Education:

a. All prefectures devoted much of their time in printing educational materials and sponsoring lectures in accordance with the Labor Ministry's current program on "Labor Agreements". The lack of contracts has been a deterrent to sound labor-management relations. Labor does not want to give up its established rights, especially its privilege to have some "say so" in the operations of the company, while management does not want to repeat any hardships they faced in the past due to the poor contracts they signed in the early days of the occupation. Sufficient publicity has been given to this program, which is being well received. Although some objections have been raised from both labor and management against some of the points covered in the Ministry's program, both sides fully realize the main objective of this program and are willingly cooperating with it.

b. Any special efforts the central or local government could render to grant prefecture Labor Policy Offices a subsidy sufficient to procure film projectors, would be highly appreciated. Due to the wide demand and the limited number of projectors available at the prefectural Visual Aid section, labor educational officials are at a loss to circulate efficiently the films they have on hand. Even in the prefecture with the smallest number of unions, it would take a year to

show a film to each union, averaging one union per day. Fukui prefecture Labor Policy section is the only agency in this region which has been successful in procuring a machine.

3. Labor Standards:

a. Delayed wages still remains a serious problem. Some prefectures have introduced a revolving fund system to aid employers financially hard pressed to meet the workers wages. Aichi prefecture was the first in the region to initiate such a system in December 1949 with fair results. Working with a fund amounting to ¥7.5 million, the prefecture started another project in June. Due to the fact that some of the companies who were granted this special loan last December have not repaid the money within the prescribed 2 months period, the screening of applications is much stricter than it was last year. Some local municipalities have also introduced similar systems, but the fund is so small that they cannot meet the demands.

4. Workmen's Accident Insurance:

a. The lack of funds are hampering the payment of benefits. Some of the eligible recipients claim that they have been waiting a year for their payments. A check with the Labor Standards bureau always reveals the same excuse, lack of funds. Accidents on a whole, are on the decrease, but the local offices are very embarrassed to plead their excuses for non-payment to irritated claimants who have lost their patience from waiting for along time.

5. Women's and Minors' Bureau:

a. A regional conference of Women's and Minors' bureau officials was held in Gifu prefecture. The purpose of the conference (the first of its kind to be held in this region) was to discuss general problems and exchange ideas. The conference was considered highly successful and, if financially possible, similar conferences will be held in the future.

b. At present, officials of the Women's and Minors' Bureau are concentrating on answering requests from unions and management to hold consultations on dormitory government.

6. Employment:

a. Unemployment figures continue to rise. It was originally anticipated that unemployment disturbances which were on a downward trend during the last reporting period would curve upward following the

BASIC: ANNEX D to Civil Affairs Activities Report, Tokai-Hokuriku Civil Affairs Region for period ending 30 June 1950

House of Councillors election, (which absorbed most of the Communists' time) and the coming of the rainy season. However, no disturbances of such nature were reported during the month of June, probably due to the drastic actions the government may take against such expected incidents. It is most gratifying to note that some groups of casual laborers have divorced themselves from communistic influences. Gifu PESO reports that the "Gifu PESO Free Laborers Union" organized from workers registered at Gifu PESO, have split into three groups: leftist, rightist, and neutral. Although no incidents have occured so far, each of these groups is expected to attempt to oust the other factions, and coerce the PESO offices to give special favors to their own group in regard to work referrals. If this problem grows serious, some disturbances may occur in the near future.

b. The operation of PESO officials is still handicapped by the lack of personnel. An increase in personnel would be very helpful in handling the tremendous work load they have.

7. Mariners Law.

a. Ten inspectors spent 84 man/days in the field during the month in inspecting 116 vessels. 121 violations were discovered but none of them was serious enough to warrant judicial action.

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HEADQUARTERS
KINKI CIVIL AFFAIRS REGION
APO 25-1 (Osaka, Honshu)

ANNEX D

To Monthly Civil Affairs Activities Report
Period Ending 30 June 1950

ECONOMICS SUMMARY

Prepared by Joe C. Goldsby, DAC

1. Agriculture

a. Fertilizer Requirement

(1) Prefectural government, Fertilizer Kodan, Agricultural Purchasing Federation and Credit Federation officials in all six prefectures were visited. Farmers and local officials were interviewed in ten villages in Hyogo and eight villages in Shiga.

(2) Supply of nitrogenous fertilizer has reached 100% of demand except in Osaka and Nara, where officials claim they could use 18% more. Kyoto alone fears that some nitrogenous fertilizer on hand cannot be sold. It is believed by this headquarters, however, that fruit and tea growers can take the excess.

(3) Hyogo claims to need 14% more phosphate, Nara 22% more and Osaka 40% in addition to the supply on hand. Other prefectures have an adequate supply.

(4) All prefectures except Wakayama claimed to be from 20% to 60% short on potash.

(5) All fertilizer arrived and was distributed on time, some of it a month early. It is believed that farmers would not buy more fertilizer if it were made available. All prefectural federations plan to handle wholesaling of fertilizer through the Central Purchasing Federation. It is estimated that the cooperative system will handle from 60% to 70% of the fertilizer business except in Nara and Kyoto, where they expect to handle 95%. In this headquarters' opinion, the Nara and Kyoto exceptations are unrealistic.

(6) In typical fashion, the dealers in each prefecture have already started to form "cooperatives," and there is evidence that the prefectural governments have advised them to do so.

(7) No delay in distribution is anticipated from dissolution of the Fertilizer Kodan. Most quarters are happy about decontrol because it will enable the farmers to purchase fertilizer when they want it instead of when it arrives. The only difficulty anticipated is the price differential due to varying transportation costs in various localities.

b. Agricultural Reform

(1) Land Reform

(a) Kyoto Land Office of the Ministry of Agriculture and Forestry and all prefectural governments were visited. Farmers and local officials were interviewed in eight villages in Shiga and ten in Hyogo. A regional conference on reclamation was attended at the Kyoto Land Office.

(b) Hyogo and Wakayama have referred 100% of their cases to the registry office, but a small number of these have been returned for corrections. It is not expected now that the region will complete referral of all cases to the registry office before 30 September. Principal reason for delay is the surveying required in special cases.

(c) All prefectures claim they were told privately by an official of the Kyoto Land Office that there is no need to take any action on rental contracts. Only Wakayama has taken action as a prefectural government. Copies of contracts on 70% of rented land are on file there and 100% completion is expected by 31 August. In various communities, spontaneous movements to write contracts have arisen. In Hyogo prefecture, 5% of rented land is covered by such contracts.

(d) Illegal transactions in land, while they are known to be prevalent, are very difficult to find. One reason (and the remedy) was pointed out at Nara. There, a man bought a plot of farmland and built a house on it. He was tried, and fined 300 yen. The house is still on the land, and the man is living in it. In each prefecture, it was stated that the bulk of illegal transactions involved land on which houses were to be built, and that if the central government was sincere in its desire to halt such practices, provisions would be made for dismantling the houses and handling down appropriate sentences.

(2) Cooperatives

(a) Prefectural and Agricultural Cooperative Federation officials were visited in all six prefectures. Farmers and local officials were interviewed in eight villages in Shiga and ten in Hyogo.

(b) One additional local cooperative in Wakayama and one in Osaka have suspended payment on deposits. One Kyoto cooperative which had suspended deposits is now allowing limited withdrawals. Otherwise, there is no change in the financial situation.

(c) Advisory Councils established in each prefecture have been inspecting and advising those cooperatives which the prefectural governments have designated as needing guidance. The nature of the inspections and guidance has been virtually that which the prefectural governments should be giving. Numbers of inspections by the councils are:

Shiga	3	
Kyoto	2	
Osaka	4	
Hyogo	0	
Nara	11	
Wakayama	1	(Federation)

(d) The advice given by the council to the Wakayama Purchasing Federation seems far from pertinent. The federation was advised to call a meeting of all the local cooperatives and ask for volunteers to take unsold stock off the shelves of the federation. This headquarters pointed out that the purpose of the local cooperatives is to improve the economic condition of its members, not to compound the mistakes of higher echelons.

(e) Slow, steady progress continues on registration of the transfer of assets from Nogyokai to local cooperatives. The chief reason for delay was failure of the Sangyo Kumiai to register transfer of its assets to the Nogyokai. Most of these assets were mortgages on the farms of members, the mortgages actually having been lifted.

(f) Expected dates for 100% registration of assets transferred from local and prefectural Nogyokai are as follows:

	LOCAL	PREFECTURAL
Shiga	15 July	Complete
Kyoto	30 August	Complete
Osaka	31 July	Pending court decision
Hyogo	30 August	31 July
Nara	31 October	Pending court decision
Wakayama	31 July (except one, pending court decision)	22 July

(g) Following are plans for government-subsidized cooperative management schools in 1950:

	STUDENTS	HOURS	PREFECTURE BUDGET	JCG SUBSIDY
Shiga	39	588	¥ 150,000	¥ 150,000
Kyoto	58	1,200	691,000	150,000
Osaka	60	336	169,000	150,000
Hyogo	65	1,188	1,000,000	150,000
Nara	30	450	150,000	150,000
Wakayama	30	500	150,000	150,000

(h) It was found that Osaka and Hyogo prefectures have been subsidizing "worthy" cooperatives. Hyogo gave 1,000,000 yen to eleven cooperatives in 1949, and will give the same amount in 1950. Osaka gave 500,000 yen as prize money to outstanding cooperatives and 700,000 yen for rehabilitation of rural industry in 1949, and will give a total of 4,000,000 yen in 1950. These prefectures have been advised of the dangers of such subsidization.

c. Extension Reorganization

(1) Confusion exists in the extension section of Hyogo Prefecture over bloc responsibility. All sections except the extension section of Hyogo are considered Kinki Bloc. Reportedly due to the fact that the Chugoku-Shikoku National Experimental Station is located in Himeji (Hyogo prefecture) the MAF suggested that Hyogo Extension Section belong to Chugoku bloc. For Civil Affairs administration they belong to Kinki. It was suggested that the MAF be contacted for clarification.

(2) An investigation was made of performance of area extension committees in Shiga prefecture. They varied from good to bad, the worst being found in Hikone. The committee members were unaware of the fact that a home adviser existed (one is stationed in Hikone and this is not a reflection on her work) and had no idea that they had any connection with rural youth clubs. They met once in 1949 and once in 1950 but did not know what the 1950 budget was or how it was spent. This situation was brought to the attention of Hikone and Shiga officials.

(3) The Osaka Prefectural Agriculture Improvement Committee meets every other month and includes among its members one woman.

(4) A total of 3,300,000 yen has been appropriated by Osaka prefecture for the "Green Car," a mobile extension unit. It is already under construction and is expected to be in operation in August. It is to be equipped with a loud speaker, experimental apparatus, film projector, displays, demonstration equipment, and a farm library. All phases of the extension program will be disseminated and demonstrated in the farm villages and the unit will serve as a consultation center.

(5) Shiga prefecture is spending some of its 1950 budget for repairs to bicycles owned by farm advisors rather than buying a few new bicycles.

(6) Nara prefecture has only two subject matter specialists for the reason, they say, that they cannot find qualified people and have asked the MAF to recommend suitable personnel.

(7) The status of home advisors in Kinki Region is as follows:

	PRIOR TO 1 JULY	1 JULY	AFTER 1 JULY
Shiga	8	11	16
Kyoto	3	7	9
Osaka	1	2	5
Hyogo	1	1	30
Nara	3	3	8
Wakayama	3	3	11

(8) Hyogo prefecture has approved the hire of 30 home advisers but women are not available to fill these vacancies. Out of 24 who passed the qualifying examination, 15 indicated they would be willing to work. These are being screened at the present time and two (in addition to the one at present) will be selected to work in the prefecture office, the balance out in districts. An interim examination will be given 28-29 July to get additional qualified personnel. Attention is being drawn to the need for home advisers and a home improvement specialist by prefectural monthly magazine, public report going to every village, and announcements on bulletin boards of gun, city, town, and village offices.

(9) Wakayama will hire eight new home advisers and, inasmuch as they have many women qualified for the position, will hire as clerks several who are particularly interested in home improvement.

(10) The governor of Wakayama has approved a plan for setting up several model communities to accelerate by special study and instruction the improvement of home life. One home adviser will be assigned exclusively to each model and a home life improvement committee will be established.

(11) To date in Wakayama there are 21 "Home Improvement Friends Associations" and the first issue of their news magazine has been published. Similar organizations are numerous in Osaka prefecture.

(12) Home advisers in Wakayama were having difficulty with small travel expense and they invited prefectural assembly members with their wives, to a meeting where the work of the home advisers was explained and demonstrated, the result being an increased travel fund for the home advisers.

(13) In Takashima-gun, Shiga, the area extension committee requested that a second home adviser be employed rather than a farm adviser. This request has been granted and one of the new home advisers is assigned there.

(14) During the busy farming season, day nurseries were set up by a nurse and the home adviser or farm adviser in several villages.

(15) Contact was made with Mr. Voorhees, noted architect and founder of Omi-Hachiman Brotherhood, a self-supporting Christian mission in Shiga prefecture. His interest in home improvement has already been displayed in his remodelling of farm houses. He offered his architectural services free of charge for designing a model farm house or assistance in the program in any way that may be suggested. Shiga's extension section is being notified of Mr. Voorhees' offer.

(16) Both Nara University and Normal College have home economics courses, but none of the graduates have applied for the qualifying examination for home advisers because of the low salary offered.

(17) In western Funai-gun, Kyoto, there is an example of good home improvement. The area extension committee designated the home of their chairman as a model and his kitchen was remodelled and shown to many people. As a result, ten or more kitchens have been improved. Particular attention is being paid to improving bath and kitchen stoves so that there will be an economy of fuel.

(18) The extension section of Hyogo prefecture has a former newspaper man on its staff. He has established good liaison with the Kobe newspapers and the Kobe Shimbun now carries a 4-H Club news column twice weekly. The excellence of the prefecture-published 4-H Club magazine is attributed to this employee.

(19) Wakayama prefecture is working on plan to set up youth club promotional committees on the order of prefecture and area extension committees. There will be a Youth Club Administrative Committee at the prefectural level and in the areas a Youth Club Liaison Consultative Association and a Youth Club Area Education Committee.

(20) Youth clubs in Wakayama are carrying on projects which bring in cash. Some of the cash goes to the parents of the members but a portion is retained in the club treasury. Notable projects are the making of tofu and raising flowers for perfume. In Mukuni village the youth are breeding pigs and distributing them among the members. Now there are two pigs for each member.

In Higashi Tondamura they are raising chickens, now averaging three, with a goal of 20. Excess will be sold to cooperatives. In Minami-Hiromura, the members have been using dynamite to soften some reclaimed land which is now used as an orchard.

(21) Half of the Kyoto farm advisers were given leadership training for rural youth clubs during May and the balance will receive the same course in August. Osaka and Hyogo are having similar meetings in July.

(22) The Osaka Prefecture Experimental Station holds a meeting of farm advisers each month. Although the station has been established for about 30 years and they have room for 30 students, only 16 are now attending. Students pay only for their food, and are given a 300 yen monthly allowance. Posters are placed throughout the prefecture in an effort to recruit more students for the 1951 session.

d. Staple Food Crop Collection

(1) Prefectural and Food Office officials were visited in all six prefectures, and farmers and local officials were interviewed in eight villages in Shiga and ten in Hyogo.

(2) A conference called by Osaka Prefectural Government Food Section to hear requests from cities and guns for summer crop reduction was attended by representatives of this headquarters. One city official brought signed statements from 1650 of the 1900 delivering farmers in his area, claiming an average damage of 40%. (Crop Reporting Office estimated damage in this area at 20%). Prefectural officials at the conference did not accept them at face value but later submitted to the Ministry requests for reductions which very closely matched the requests submitted to them.

(3) Osaka prefecture requested a 40% reduction; the Crop Reporting Office estimates 15% damage. The difference is due to a staggering difference of 2,000 cho between prefecture and Sappo estimates of planted acreage. There is every reason to believe that the Sappo figures are reliable.

(4) Because, by Ministry order, the goals for potatoes were allocated to individual farmers with no provision for over-quota delivery, Wakayama, Nara, and Osaka believe that

only 30% or 40% of their goals will be met. Kyoto is more apprehensive of a surplus, and has appropriated 1,360,000 yen for handling charges to help the farmers. Hyogo believes they can meet the goal, and Shiga would make no prediction because everything depends upon the price of the potatoes. It is the opinion of this headquarters that if the Ministry is counting on the full amount of potatoes for ration distribution, individual allocations are unwise. If the only intention is to subsidize the farmer, individual allocation is the fair way. In any event, the method of allocation should have been left up to the prefecture.

(5) Rice preplanting allocations for 1950 have been completed except in two Osaka towns where Communists are practicing delaying tactics. In one of these towns, the delay is a direct result of the prosecution of one farmer for failure to deliver 1949 rice. The prefectural government officials are endeavoring to get these towns in line. If the farmers will not accept their quotas voluntarily, the Governor's alternative is to take the case to court, which would mean at least six months' delay.

2. Fisheries

a. Supplies

(1) Shimosho village, in Osaka prefecture, was visited and the following situations were noted:

(a) Four boats which drag for crab, shrimp, and prawn are burning light oil. Fuel for these boats is said to be sufficient. Value of their catch, 1-22 June, was 38,000 yen.

(b) Four of seven diesels are operating, and receive enough allocated fuel for seven days' fishing per month. When the boat owners have ready cash, they buy blackmarket oil from the regular distribution agency (presumably allocations turned back by trucking companies) at 2,500 yen per 200 liter drum, which is 600 yen over the official price. A little oil is kept in reserve at all times in readiness for the time a big school of fish is located. It was stated that enough seafood can always be caught to justify a trip, since shrimp spawn several times a year, and the supply is sufficient.

(c) Value of the fish caught on these four diesels from 1-22 June, was 35,000 yen. Indication is that about 85% of the power-boat catch is sold through the cooperative, and so reported to the Ministry.

(d) The power boats carry a 4 - 5 man crew, who farm or operate fixed nets when the power boats are not operating. The owner supplies all material, and takes about half of the catch for his share.

(e) Fixed nets accounted for 46,000 yen of various kinds of fish sold through the cooperative in the first three weeks of June, and draw nets caught 82,000 yen worth, mostly cuttlefish and horse mackerel. These figures represent about 95% of the fish caught by these methods.

(f) Line fishing brought 20,000 yen worth of octopus and sillago to the cooperative, about 50% of the actual catch.

(2) At Fuke (Osaka prefecture), the following conditions were found to prevail:

(a) Twenty-five of 38 light oil boats were operative, and had accounted for 1945 kan of shrimp, worth 583,500 yen, 1-27 June. Fuel was said to be sufficient. In the same period 31 of 36 diesels were working, and caught 3,598 kan of shrimp, valued at 1,070,800 yen. Allocation of oil for the month was 9,700 liters, 50 liters being used each trip. As in Shimosho, there is enough oil for one week, and an equal amount is bought in the blackmarket at about 2,500 yen.

(b) It was claimed, and not disproved, that 100% of the catch is sold through the cooperative and so reported.

(3) At Ozaki, also in Osaka prefecture, the following situation was found:

(a) On sixteen light oil and eleven diesel boats 1,529 kan of prawn, 2,947 of shrimp, 429 of crab and 769 of sculpin were caught 1-28 June.

BASIC: ANNEX D to Monthly Civil Affairs Activities Report, Kinki Civil Affairs Region, APO 25-1, period ending 30 June 1950, cont'd.

(6) All preparatory steps for implementing the exchange of fishing rights have been taken in all prefectures. There has been no apparent campaigning by candidates for Sea Area Commissions.

(7) Unreported catches were not included by any of the Kinki prefectures in the figures which will be used as a basis for compensation for fishing rights. Shiga and Wakayama prefectures in particular have realized now that they lost money in this operation, and Shiga has attempted to regain the lost ground by petitioning for 23 more fishing rights which are alleged to have been omitted from the original report. Wakayama believes that the original estimate was only about two-thirds of the actual figure, and the resultant loss to the Gyogyokai members is about 300,000,000 yen.

(8) Because of the short terms of the loans and the initial deposit required, little interest has been aroused in mutual aid.
Participation is as follows:

	TOTAL COOPERATIVES	PARTICIPATING COOPERATIVES
Shiga	61	14
Kyoto	58	3
Osaka	39	17
Hyogo	113	20
Nara	13	0
Wakayama	111	30

(9) Study of the books in three Osaka cooperatives indicated a disregard for proper accounting procedures and the purposes of the cooperatives. Donations to temples and police stations were regular expenditures. In eight months, out of 227,000 yen expenditure, one cooperative showed 77,000 yen spent for meetings, attended by directors only. A general membership meeting was held, and all members were assessed for its expense. No attempt was made anywhere to give dividends, set aside money for capital improvement, or allow general members to attend parties held by officials. One cooperative showed amounts owed to the cooperative by the members in the same column with amounts

owed the members by the cooperative, and explained that this was done to "balance the books."

(10) Osaka prefectural government conducted a three-day school in bookkeeping for cooperative clerks late in June.

(11) Hyogo has established a separate Marine Products Department in the prefectural government, with a Fishery Administration Section and a Fishery Production Section.

3. Forestry

a. Osaka Branch of the National Forestry Bureau, and all six prefectural governments were visited. Lumbermen and officials were interviewed at five villages in Kyoto, five in Shiga and four in Hyogo.

b. Seedlings required for 1950 and their expected sources are given as follows:

	REQUIREMENT (1,000)	SOURCE (1,000)	
Shiga		Prefectural nursery	310
		Private nursery	5,057
		Private nursery, other prefecture	27
	5,934		5,394
Kyoto		Prefectural nursery	1,720
		Private nursery	5,680
		Private nursery, other prefecture	500
	7,900		7,900
Osaka		Prefectural nursery	1,590
		Forestry Association	1,056
		Private nursery	3,210
	5,853		5,856
Hyogo		Prefectural nursery	474
		Forestry Association	15,330
		Private nursery	22,508
		Private nursery, other prefecture	14
		School	20
	38,346		38,346

Nara		Prefectural nursery	270
		Forestry Association	2,920
		Private nursery	7,957
		Private nursery, other prefecture	5,639
		National Forest	14
	16,800		16,800
Wakayama		Prefectural nursery	287
		Forestry Association	4,289
		Private nursery	21,861
		School	71
	25,680		26,508

c. There appears to be very little inclination on the part of the prefectures to use National Forest seedling production, or for the Forest Bureau to make it available. There is a lack of confidence by all parties in the intention of the Ministry to continue its budget for seedling production. Moreover, it is repeatedly said, in the villages as well as the prefectural offices, that there is a high mortality on seedlings from other than the established sources. It is believed at this headquarters that political pressure of the private nurseries is the prevailing factor.

d. No pine bark beetle has been treated in this region since the new law was promulgated on 1 April. This, it should be noted, is the season when the beetles swarm to infest new areas. Detailed instructions on the new law were not received until early in May, and the budget for treatment has not yet been made known. Since the owner cannot be reimbursed unless he treats infested trees under government order, and since the prefectural governments do not know how much money they will have to spend on treatment, there has been no treatment.

e. Chestnut-ball bee (Kuritama-bachi) which has been endemic in Okayama for about 50 years, has spread with alarming rapidity since 1948 through Hyogo and into Osaka and Kyoto. Damage is reported as follows:

Hyogo	825,000 trees
Osaka	66,000 "
Kyoto	1,021,063 "

f. Only known method of treatment is to destroy the tree and plant varieties resistant to the insect (Kawakita, Ginyose). To save three to five years' growing time, the young trees are grafted onto the stumps of the destroyed trees. This costs 20 yen per tree. Because of

the total expense involved, and hoping to find some panacea, tree owners have hesitated to cut their infested trees.

g. At Shimotojo village in Hyogo prefecture, a school applied to the Himeji branch of the National Forestry Bureau to plant 18 cho in seedlings. The Bureau refused, on the ground that the most a school could take care of is 3 cho.

4. Mining

a. Nakase antimony mine of the Nippon Seiko Company, Ltd., was inspected at Sekinomiya, Hyogo prefecture.

(1) This mine produces 78% of Japan's antimony and 17% of her gold. Ore production is 3,333 tons per month; in 1945 it was 236 tons per month.

(2) Three veins, 15 to 70 cm in width, are being mined, and five more, including a copper and arsenic vein, are being prospected. Reserves are 509,085 tons certain and 730,080 tons estimated.

(3) Mining is by the shrinkage method. Storage battery cars are used for offbearing.

(4) On 21 April 1950, Mr. Kidd, Dr. Page, and Mr. Lee of NRS/SCAP visited the mine and made the following recommendations:

(a) Increase of metallurgical plant operating efficiency.

(b) Retention of metallurgical staff.

(5) Compliance with the first recommendation will mean complete alteration of the dressing plant at an expense of 30,000,000 yen. Experiments to this end are being conducted at the Omiya Laboratory of the Mitsubishi Company.

(6) Regarding the second recommendation, there is no laboratory at present, but installation of one is being considered.

(7) Average monthly income has been about 14,000,000 yen and expenses 13,000,000 yen, allocated as follows:

Prospecting	21%
Mining	43%
Concentrating	24%
Transportation	1%
Miscellaneous	11%
	100%

(8) About 6,000,000 yen remains due on the 28,000,000 yen borrowed for construction of the refinery.

(9) Patrol inspections are carried out daily by seven technical bosses. Maintenance diary revealed that no inspections are made on Sundays or holidays, a violation of Article 31 of the Mining Regulations. This was called to the attention of the management.

(10) The electric transformer shed was of wood, and was close to the shaft. The waste pool was filled to overflowing with settlings. There were no signs showing directions, danger spots or the first aid station. These discropancies were also pointed out to the management.

(11) One unexploded charge was found. The underground boss claimed that less than one percent of this brand of explosive proved defective.

(12) Checks of the minutes of the Mine Safety Committee showed that no meetings were held in January, February or March. The manager explained that this period was devoted to study of the Mine Safety Regulations. These regulations were sent out from the Osaka Mine Safety Division on 25 May 1950.

(13) The last accident occurred on 20 March. One miner was injured by a truck.

b. Mine Safety

(1) On 22 June, representatives of 14 mines presented their plans for Mine Safety Week (1 - 7 July) to the Osaka Mine Safety and Inspection Division. One lignite and two metal mines, and one metal and one lignite miner will receive commendations.

(2) Four accidents were reported in June

(a) At the Ikuno Mine in Hyogo, three were killed and one injured by the delayed explosion of an electrically activated charge.

(b) At the Akenobe Mine in Hyogo, one man was killed when he was caught between an ore car and the tripple.

(c) At the Komori Mine in Kyoto, one man was seriously injured in a rock slide.

(d) At the Nakase Mine in Hyogo, a charcoal shed was destroyed by fire spreading from a nearby house.

(3) Twenty-eight mines were inspected during the month by nine inspectors.

(4) A newly developed electrically activated bundle fuse has been tested successfully at the Ikuno Mine.

(5) The Osaka Mine Safety Division approved a 540 meter aerial tramway at the Myoho Mine, Wakayama prefecture, and rejected an application by the Nakase Mine (Hyogo) to increase height of the settling pond bank five meters.

5. Price and Distribution

a. Economic Investigation Agency

(1) During June representatives of this headquarters attended six prefectural EIB conferences, one conference of the Regional Economic Bureau, one coordination conference between the Osaka and Nagoya Regional Economic Bureaus, and ten special committee conference covering staple food and restaurant control, and the revision of the EIA Law.

(2) In last month's report it was mentioned that EIA action on the investigation of the illegal receipt of staple food (PD Enforcemtn Memo No. 15) was not taken until late in the one month period the investigation was to have been made. The REB informed this headquarters that the period of investigation was extended an additional month by the Central EIB. Further reference to this investigation is made in paragraph 5 c below.

(3) It is the opinion of this headquarters that the prestige of EIA has dropped considerably over the past few months, during which the future of EIA was very much in doubt. Even after the new EIA law was passed, the Osaka REB was hampered by the fact that the former chief of the Price Board was temporarily appointed chief of the REB. He has taken no interest in EIA activities, and swift appointment of a permanent chief is imperative. Meetings of coordination committees have been poor recently, with a high rate of absenteeism, and with many principals represented by proxies who are merely clerks. There has been little discussion, meetings generally consisting of the reading of a few reports by EIB officials.

(4) During the month the REB made administrative inspections on power distribution, delivery of iron and steel products, Textile Foreign Trade Kodan stocks, and incentive goods stocks. Prefectural EIA's made inspections and investigations of soda deliveries, and fishing supplies, illegal receipt of staple food ration, inventory of stocks of the Oils and Fats Distribution Kodan, restaurant control, petroleum allocation tickets, staple food ration refusals, and price trends on decontrolled products.

b. Restaurant Control

(1) Representatives of this headquarters attended ten coordination conferences sponsored by EIB's, and including NRF and municipal police and prefectural officials. Meetings for the most part consisted of discussion of the recent amendment to the Restaurant Control Law, and enforcement plans for the future. The general opinion appeared to be that proof of violation of the law in regard to the serving of staples other than rice would be extremely difficult.

(2) Extensive publicity programs were carried on by each EIB to explain the provisions of the law as amended. Newspaper reports during the time the amendment was being discussed in Tokyo, and immediately after its passage, gave the general public the impression that controls on the sale of wheat products were being lifted completely.

(3) Osaka REB considers restaurant control exercised by police of Osaka, Kobe, and Kyoto to be adequate, but enforcement in other areas poor. Hot spring and summer resorts are virtually free of any kind of control, because of the political power of restaurant owners and the fear of prefectural and local officials that loss of taxes will be considerable. Observations of this headquarters indicate control is poor everywhere.

(4) Osaka City has approximately a thousand street vendors selling noodles or similar dishes made from staple food from wagons or pushcarts. In the opinion of this headquarters, these vendors meet the definition of restaurants in Article 2 of the Restaurant Business Control Law, but police do not concur. No action against them is possible under any other food law, since under the Food Control Law, cooked noodles are not considered to be staple food. This is similar to the difficulty previously encountered and reported in controlling sushi processing shops. The numerous loopholes in food laws might be an indication of a lack of sincerity on the part of the Japanese Government to ensure proper enforcement.

(5) The following table shows the number of hearings and the number of cases heard in each prefecture during the month:

	OPEN HEARINGS	NUMBER OF CASES
Shiga	0	0
Kyoto	2	3
Osaka	1	20
Hyogo	1	18
Nara	2	13
Wakayama	2	13

(6) The following talbe shows the number of licenses issued and decisions handed down during the month:

	LICENSES ISSUED	SUSPENSION	REVOCATION
Shiga	46	0	0
Kyoto	69	2	0
Osaka	513	12	1
Hyogo	213	16	0
Nara	40	7	0
Wakayama	28	3	0

c. Staple Food Rationing

(1) Following instructions from central EIB, Osaka REB and prefectural EIB's continued investigation of the illegal receipt of staple food until the end of this month. A total of 364 cases were investigated by the EIB and 62 by the NRP. The EIB found 96 violations of which one was indicted, 73 warned and 22 are still under investigation. NRP found 45 violations and sent all cases to the procurators office. EIB cases involved illegal receipt of 217.6 kgs of staple foods. NRP cases involved receipt of 18,429 kgs.

(2) All prefectures of this region except Kyoto have made plans for the distribution of the first release of staple foods for free commercial sale. Kyoto prefecture has also received an allocation, but has not made definite plans for distribution to date. The allocation to prefectures in this region follows:

Shiga	68,380	kgs
Kyoto	530,000	"
Osaka	1,481,000	"
Hyogo	570,000	"
Nara	80,000	"
Wakayama	150,000	"

Releases staples are wheat flour, buckwheat, noodles and some miscellaneous cereals.

(3) Distribution has been planned for institutional messes, government project field messes, hotels, meal coupon restaurants, noodle coupon restaurants, railroad station lunchrooms, dining cars, light restaurants and tea rooms. Institutional, government or welfare type messes have first priority, hotels, station lunchrooms, dining cars and meal coupon or noodle coupon restaurants second priority, and tea rooms and light restaurants are classified third priority. Wheat flour is most popular and will be rpimarily rationed to first priority receivers. Noodles are unpopular and have to be allocated primarily to third priority receivers. There is a possibility that a large quantity of the noodles may not be purchased.

(4) There was a slight increase in the amount of staple food confiscated during the month of May. A total of 334,939 kgs was confiscated, compared to 220,341 kgs in April. The total for the month of May consisted of 252,057 kgs of rice, 44,676 kgs of wheat, 15,356 kgs of soybeans and 22,850 kgs of miscellaneous staples. Police methods of control remain about the same as during previous months.

(5) There has been an increase in the price of blackmarket staple foods during this period. The average prices for the region for the months of May and June follow:

	May 1950	June 1950
Rice (sho)	¥ 140	¥ 160
Barley (sho)	80	70
Wheat flour (kan)	200	250

The increase in price is attributed to the normal seasonal trend, although it is claimed that elections and the war in Korea also exerted considerable influence.

(6) Hyogo prefecture remains the heaviest source of illegally procured and transported staple food in this region. The Hyogo NRP reports the following tendencies during this month.

(a) Because of the planting season, fewer farmers are bringing rice into the cities.

(b) Illegal carriers are of two classes, consumers who travel to the country to purchase cheaply, and professionals who make a living carrying food.

(c) Consumer carriers have decreased considerably during this year.

(d) Professional carriers have become more clever, stronger and more specialized in their activities.

(e) All professional carriers have their own agents or buyers in the producing areas.

(f) All phases of illegal procurement, transportation and sale have become highly specialized.

BASIC: ANNEX D to Monthly Civil Affairs Activities Report, Kinki Civil Affairs Region, APO 251, period ending 30 June 1950, cont'd.

(7) Hyogo EIA reports that this year there has been a 50% decrease in the number of persons arrested and a 30% decrease in the number of persons referred to the procurators office in comparison to the same months of last year. There has, however, been an increase of 0.5% in the quantity of staple food confiscated. The following reasons are offered for the difference:

(a) The total number of carriers has decreased.

(b) The quantity carried per person has increased.

(c) The number of packages abandoned during raids has increased.

(8) During the investigation of illegal receipt of staple food ration, Osaka EIA uncovered violations in receipt of laborers' rations by the Public Health and Sanitation sections of Fuse, Kishiwada and Suita cities. The Fuse City Public Health Section was found to have illegally received a total of 181.2 kgs of staple foods representing 699 man days of 27 persons. Kishiwada received 112.6 kgs representing 734 man days of 29 persons. Suita City received 49 kgs representing 397 man days of 3 persons. To date seven city halls have been investigated and two more are presently under investigation. Six squads of two men each are conducting the investigations. The three cities mentioned above are the only major violators uncovered to date. The Osaka EIA realizes the seriousness of political graft and the misuse of official positions and has referred the cases to the procurators office requesting prompt action.

(9) The refusal of staple food continues to be prominent in this region. Following is a list of the quantities in brown rice tons of staple foods refused by prefectures for the month of May:

	DOMESTIC	IMPORTED	TOTAL
Shiga	244	3	247
Kyoto	36	2,368	2,404
Osaka	8	4,086	4,094
Hyogo	558	2,674	3,232
Nara	331	57	388
Wakayama	1,134	281	1,415

(10) Following is a list showing the percentage for the month of May of the total amount of the staple food ration that was refused:

	PERCENTAGE OF RATION REFUSED
Shiga	5 %
Kyoto	13.5%
Osaka	10 %
Hyogo	10.8%
Nara	6.9%
Wakayama	18 %

The total percentage refused for Kinki Region for the months of January 1950 until May 1950 is as follows:

January	1.9%
February	3.9%
March	3.9%
April	8.9%
May	11 %

(11) Checks by EIA after the outbreak of war in Korea indicated that ration refusals have stopped completely.

6. Industry

a. Production.

(1) Survey of small and medium industrial enterprises

(a) Financial problems confronting small and medium industrial producers were studied so as to become familiar with the situation and to determine what action is being taken to provide relief.

(b) It was learned that the prefectural and municipal governments and the MITI are recommending that federations of medium and small enterprisers cooperative associations be formed to engage in loan guarantee activities. Small and medium enterprisers in Osaka and Hyogo prefectures who were interviewed favorably regarded the recommendation. In Hyogo prefecture, a federation of approximately 76 trade cooperative associations, with the primary purpose of providing financing for its members, has already been approved for formation, but has not received final approval from the Ministry

of Finance. Similar federations are reported to be under consideration in the other prefectures in the region.

b. Reparations

(1) Plant inspections

(a) Of the 206 inspection targets in the region 27 were inspected. Eighteen of the inspections were conducted by a representative of CPC/Rep and the remainder by personnel of this headquarters. Discrepancies reported by the CPC/Rep inspector were of a minor nature. The inspections by this headquarters were in follow-up of previously encountered discrepancies and indicated satisfactory corrective action.

(b) In compliance with letter, SCAP/CAS, file 387.6 (29 May 1950) CAS-EM, subject: " Request for Corrective Action of Discrepancies in Reparations Plants in Hyogo Prefecture," 5 June 1950, action was taken to correct discrepancies cited in Inclosure #1 therewith as follows:

1. Authorized use status of 39 machines at Plant Code No. 13-28: 25 of the items were removed from authorized use classification. Continued authorized use of the remaining 14 was permitted due to need for the items to support current production operations.

2. Discontinuance of Japanese Government custody funds for Plant Code No. 13-20: The governor of Hyogo prefecture was informed by letter dated 14 June 1950 that use of Japanese Government custody funds for the operating Hokuban plant of 13-20 listing should be discontinued, but that the dispersed non-operating Yashiro plant of the same listing is eligible for government paid guards under the provisions of paragraph 7c(4) of memorandum for Reparations Agency, Japanese Government, from the Civil Property Custodian, subject: "Reduction of

Custodial Personnel at Reparations Plants," 2 June 1950. Hyogo prefectural government subsequently reported that payment of custody funds to the Hokuban plant has been discontinued.

(2) A conference was held with the Japanese Government agencies responsible for the custody and maintenance of the various types of reparations plants in the region. Reparations section chiefs of prefectural governments, Kinki Finance Bureau, Kinki Maritime Bureau, and Kobe Maritime Bureau attended. The purpose of the meeting was to inform the officials that inspections by this headquarters indicated that the agencies were not exercising surveillance by plant inspections to assure custody and maintenance of equipment in accordance with existing directives. Numerous discrepancies encountered by this headquarters in the course of plant inspections were cited. The officials were reminded that preservation and protection of reparations equipment is the responsibility of the Japanese Government, and can be satisfactorily accomplished only through periodic plant inspections. Maintenance of adequate custodial inventories and records at each plant was further cited as a prime requirement. As a means of determining extent of surveillance exercised by the agencies, each was requested to submit periodic reports to this headquarters indicating plants inspected in the reported period, discrepancies encountered, action taken to correct discrepancies, and follow-up inspections made regarding discrepancies. The reports will be checked in the course of plant inspections by this headquarters.

c. Restricted Industry

(1) Shipbuilding

Information obtained in the course of inspections of shipyards under the jurisdiction of the Kinki Maritime Bureau indicated that the Bureau is not inspecting the installations in connection with surveillance of ship construction and conversion operations. The matter was discussed with the Bureau Chief, who stated that

the Bureau is required to inspect shipyards periodically to assure that construction and conversion operations are in accordance with authorizations, and admitted that the inspections were not being made. He cited shortage of personnel as the reason. He stated that he will rearrange his personnel work schedules immediately to provide for bi-monthly inspections of each steel shipyard under the jurisdiction of his Bureau.

d. Construction

(1) Roads

(a) The Five Year Road Program was surveyed in Osaka, Hyogo, Kyoto, and Shiga prefectures. Surveillance included conferences with responsible officials and inspection of specific projects. The situation, which was found to be uniform in the prefectures visited, is summarized as follows:

1. Progress of the 1950-51 FY programs to date is satisfactory based on funds appropriated by central government. However, less than 50% of the programs planned for the year by the prefectural governments will be completed due to inadequacy of the appropriations, which were from 40% to 45% of the amounts applied for. Based on progress to date, completion of the overall five year programs is not foreseen until 1957.

2. Appropriated funds are received promptly on a quarterly basis.

3. Supply of road construction materials and road building equipment, short supply of which impaired the program a year ago, has vastly improved and is currently considered as satisfactory. Asphalt, concrete and good quality indigenous road building equipment of recent manufacture were reported to be available in nearly unlimited amounts.

4. All of the prefectures are using 40% PESO labor as required by central government regulations. It was the unanimous opinion among the officials interviewed that the PESO labor is very unsatisfactory, usually being lazy and inefficient. The official stated that the progress and quality of the work would improve if they could screen the PESO labor and not be held to the 40% requirement.

5. The quality of work on the projects observed appeared to be very good, and is considered to be reflective of the improved quality of materials used in the past six months. A year ago, excessive pit damage was observed on repair work less than three months old. Roads which were resurfaced as long as six months ago with the newer materials bear no evidence of pit damage.

6. Another factor resulting in improved road repair operations is that contractors are carefully screened before they are permitted to bid on projects. Contractors who failed to satisfactorily complete projects in the past are excluded from the list of contractors invited to bid on subsequent projects.

(2) Public Works

Public works operations were observed concurrently with the road survey reported in subparagraph (1) above. Secondary to the road programs, housing construction receives priority attention in each prefecture. Review of programs indicated that only approved projects are in operation. Spot checks of projects in work indicated economical, business-like operations. Projects included in the prefectural programs are considered to be for the benefit of the respective localities.

(3) A conference was held with the Kinki Construction Bureau, regional agency of the Construction Ministry, regarding central government public works projects in the region. Top priority projects are flood prevention and control work on the Yodo River, improvement of Osaka Harbor and repair of specified national highways. The 1950-51 FY program is progressing satisfactorily and is estimated for completion as per schedule, with the exception of

steel bridge construction is not expected to be completed due to anticipated rise in steel prices on 1 July due to discontinuance of government subsidies to the steel producers. If the price rise materializes as appears certain, the 1950-51 FY budget will not be adequate to procure the required amounts of steel.

c. Disposition of Gold.

(1) Representatives of the Osaka International Trade and Industry Bureau and the Osaka Mint, Ministry of Finance, were interviewed regarding the purchase of newly refined gold. Neither the MITI nor the Ministry of Finance makes any checks to insure that all newly refined gold is offered to the government. They state, however, that they are certain no newly refined gold goes into black-market channels for the following reasons:

(a) There is practically no difference between the government price of gold and the price at which blackmarket transactions in old gold are taking place. The government price is 401 yen per gram, about 1,500 yen per momme, while the blackmarket price is about 1,700 yen per momme.

(b) Refinery managements are considered by these officials to be honest. Gold is only a by-product of the principal refineries, and any profits made in blackmarket transactions in newly refined gold would be inconsequential and not worth the risk.

The present price situation has existed since about the first of this year, but even when the margin between legal and blackmarket prices was greater, it is the opinion of the officials interviewed that there were no illegal transactions in newly refined gold.

(2) The Osaka Mint sends its representatives to five refineries in Japan, at the time the gold is made into ingot form. At that time purity tests are made, and the the ingots are weighted. An identifying mark is made on each ingot, and delivery is made by the refinery to the Mint at some later date. The refineries visited by Mint representatives are located at Gifu, Osaka, Okayama, Ehime, and Oita prefectures.

7. Control Association

a. Prefectural officials continued to take steps toward the final elimination of control associations during the month as required by ESB Notification No. 281. Continued investigation of associations believed subject to dissolution by order of the responsible governor has revealed that many associations have already dissolved without reporting to the prefectural governments. The remaining number requiring action as of 30 June was 30, as compared with 163 reported last month. Of the total of 30 in Kinki Region, 22 are in Nara prefecture, which was slow in beginning its investigation but now has sufficient personnel assigned to finish within a few days.

b. Since the reports on control associations submitted by military government teams in 1948 were never corrected to eliminate associations reported which should have been exempt, and others were omitted, some problems have arisen. Prefectural governors will exempt from dissolution those which should not have been reported. The omissions present more of a problem. In Osaka prefecture, in one particular field, there are companies organized in violation of Items 9 and 13 of Article 5 of the Trade Association Law. Some were reported and others were not, and although the same action should be taken in regard to all of them, it appears that the prefectural governor has authority to order the dissolution of only those which were reported in 1948. This matter has been reported by telephone to the Civil Affairs Section, and the Regional Economic Bureau has requested instructions from the ESB.

8. Labor

a. Labor Relations

(1) Trend

(a) Trade unions continue to resist personnel reduction programs in many industries in this region, countering discharge notices by management with demands for higher retirement allowances and increases in base wages. The most significant trend during the past month is the resurgence of anti-communist sentiment among rank and file in many unions hitherto dominated by active C.P. minorities. Mindo elements in Densan have launched an offensive against communist control of locals in Hyogo, Osaka, Kyoto, and Wakayama prefectures. This movement is discussed in more detail elsewhere in this report. Mindo forces have penetrated the All Japan Metal Workers Union locals in this region challenging the influence of the leftist dominated Central

Committee. Taking full advantage of the recent purging of communist leaders by government and SCAP action, the democratic union leaders have moved quickly, carrying the fight against C.P. influence to the rank and file in the steel, light metals, ship-building, drugs, electric and port and harbor industries. Where possible, the Mindo and anti-communist factions have attempted to wrest control of locals from the communists through action within the scope of existing union constitutions, but where the union regulations are obviously so constituted as to protect the C.P. minority control of key committees, the anti-communists have withdrawn from the C.P. dominated locals and have set up new democratic unions. These new groups are making substantial increases in membership and should result in an ultimate isolation of the communists in many key industries in this area.

(b) Three out of five cases of production control in this region reported last month, have been settled during June. In all three of the disputes, the settlement represented a setback and defeat of the communists who had led their unions into illegal occupancy of company installations, carrying on uncontrolled production in some instances, stealing equipment and finished products and selling them in the open markets retaining the funds for personal or union disbursement, inflicting bodily injury on management and anti-communist union workers and maintaining control of their own rank and file through the use of disciplined "youth action corps" who slugged or intimidated wayward or backsliding members back into line. A review of these cases will clearly indicate the decisiveness of the communist defeats and a smashing of their control by an outraged, fed-up rank and file. The following facts speak for themselves:

1. The Otani Case

The complicated long drawn-out dispute at the Otani Heavy industry Company, Amagasaki plant, which was punctuated by violence, intimidation, coercion, and all the other standard tools of

communist action came to a sudden and dramatic end on 26 June when the rank and file of the first union (which had illegally taken over and occupied the factory buildings for several weeks and then thwarted all attempts to resume operations under a court order), threw out their communist leadership. They quickly negotiated a settlement with the Otani Company through the good offices of four non-communist chairmen of steel unions in the Hyogo area affiliated with the All Japan Metal Workers Union, of which the Otani first union was a local affiliate. This settlement was a complete capitulation by the first union, with every demand of the C.P. leadership repudiated, the union members asking only for a chance to return to their jobs. This revolt against the communist cell, which had controlled the union was encouraged by elements of the second union (backed by Shin-Sanbetsu) and spearheaded by the more moderate family men in the first union in unison with anti-communist leaders among local steel unions in the Amagasaki area. The first union held a general membership meeting 27 June and elected a full slate of non-communist officials forcing the written resignation of twenty communist officials. It is quite possible that both the first and second unions will eventually merge since both are now controlled by anti-communist memberships. The Otani plant, after almost three months of strife and lost production, is once again operating at full capacity with both unions working harmoniously side by side and the communists utterly defeated in their desperate bid for absolute control of Otani operations. This stunning setback for the communists in Amagasaki, which they have considered their stronghold in the Osaka-Hyogo industrial area, is already having significant repercussions. This settlement encourages other anti-communist factions to challenge C.P. leadership in steel, drugs, machinery, shipbuilding and other key industries in the area. This case was finally settled in spite of the pitifully weak enforcement action by the Kobe Court bailiffs and Amagasaki police.

BASIC: ANNEX D to Monthly Civil Affairs Activities Report, Kinki Civil Affairs Region, APO 25-1, period ending 30 June 1950, cont'd.

2. The Wako Junyaku Case

a. Another serious case of production control in the Amagasaki area plagued the Wako Junyaku subsidiary of Takeda Pharmaceutical Company where a communist-dominated local seized the company facilities, threw out the management and proceeded to produce various drug products in sporadic production without management direction. Three leaders of this union were arrested for stealing company drugs and selling them, using the funds illegally to reemburse the union members for alleged "back pay" claimed by the union. These men have been "examined" by the local Procurator's Office but remain free pending further disposition of the case.

b. Again, as in the Otani case, the rank and file suddenly got tired of communist tactics in this dispute and forced their leaders to settle with the company on 19 June, in what amounts to another defeat for the communist party in Amagasaki, Although the company agrees temporarily to withdraw dismissal orders for some 49 workers including the union leaders, the union's demands for increased pay and other working concessions were droppped. They received no pay for the period of the strike but management will give them a small "livelihood allowance" to carry them until next regularlpay day. The court issued an injunction 6 June ordering the plant cleared of all workers. Production was resumed 21 June.

3. The Terasaka Farm Implement Case

Production control, engaged in by elements of a split union, ended 23 June when the majority of the workers deserted the communist-controlled first union and joined the ranks of the second union affiliated with Shin-Sanbetsu.

This dispute, which grew out of the financial stringency of the firm resulting in wage delinquency and a personnel cutback, was ended by a settlement which brought a back-pay adjustment and required the "voluntary retirement" of the remnants of the first union. Once again, a communist inspired union strategy backfired, with the C.P. minority finally isolated, and then eliminated by its own excesses. Workers in unions such as this are learning through bitter experience that the will-o-the-wisp of communist leadership winds up in a blind alley of disillusionment, broken pledges, fear and lost jobs. The second union was organized on 24 April, and is now the sole bargaining agent for the workers. Labor Policy officials have arranged for a 400 thousand yen loan to the company from the Osaka Prefectural Revolving Fund which was created to aid small enterprises who require financial assistance to meet payroll delinquency. This money is being used for backpay due the workers in this plant.

4. The Awaji Industrial Co. Case

Although the company announced the closing of the plant last month and offered to pay off all workers, the union defiantly remains within the factory buildings attempting to engage in production, even though electric power had been shut off by the Kansai Haiden Power Distribution Company. Three of the communist leaders of this metal workers union have been arrested by the police on a charge of larceny of company tin ingots as noted in our May activities report this headquarters. The union appealed to the Kobe Court against the discharge of some 40 workers, claiming this was an unfair labor practice. The court on 27 May issued a decision in favor of the union and ordered the company to pay full wages to all workers involved, to cover the entire period up until the Awaji Co. closed down completely on 15 May. The company was ordered to pay the discharged workers at the new basic wage rage retroactive to 21 March established at the "collective bargaining" session 5 May when the company officials were man-handled,

bullied and coerced into signing an agreement for a wage increase. The company immediately appealed the decision and hearings are presently underway with both management and the union presenting briefs.

5. The Osaka Glass Co. Case

a. Production control of this glass plant, which was initiated 15 May by the company union, continued during the month of June. The union has managed to pay the balance of May wages as of 30 June with only the period 1 - 15 June still in arrears. Creditors are still anxious about some 27 million yen due but have withheld forceful action toward attachment of company assets for two reasons, namely, a) the local government tax office has a priority lien on the Osaka Glass Co. assets for delinquent taxes, b) the creditors feel that perhaps the union may restore some degree of financial solvency to the firm. Union plans still call for return to management control when all backpay has been taken care of.

b. A state-side dollar account was settled soon after 15 May when a balance of 115 cases of stemware, out of 300 cases contracted for, were delivered to the Swanson Co., foreign trade company, representing the American firm purchasing the glassware. There are no communists directing this local, which is affiliated with Sodomei.

6. The Japan Aluminum Co. Case

a. Japan Aluminum Co. of Osaka City, with some 1,200 workers in the local, affiliated with the leftist All Japan Metal Workers Union (Sanbetsu), announced a personnel layoff of 430 workers on 15 June. The union members, agitated by two communist

members of the bargaining committee, held a general meeting 15 June and elected a strife committee of 20 with seven communists and the rest C.P. sympathizers. On the same day, the newly elected C.P. struggle committee, backed by 600 demonstrating members and their "friends" from outside plants forced their way into the office of the company president, Mr. Kishiro HIRAKAWA, looked him up for four and a half hours and then assaulted him as he attempted to leave the building. Mr. OTANI, chief of the Labor Section of this firm was also beaten requiring medical attention for face injuries. A police squad was dispatched to restore order and a warrant of arrest was issued for Yoshitaro OKUNO (Dai Kagaku), a communist, who headed the Sanbetsu outside delegation, which was backing up the company union struggle committee. He was charged with assault and illegal intrusion.. Chairman of the company struggle committee was one Ichiro NOSE, a communist. Both OKUNO and NOSE were ordered arrested, but OKUNO disappeared and has not been located by the police. On 20 June, the union walked out on a 24-hour strike.

b. On 21 June, the union held a rally with outside supporting unions represented, in the factory compound which was broken up by police from the Juso Station, Osaka, who moved into enforce the government ban on labor demonstrations. Several workers and policemen were reportedly injured slightly in this clash.

c. The union, following the latest communist tactics, filed a suit against Chief NAGATOMO of the Juso Police Station charging him with "abuse of authority and inflicting wounds." The chief replied, "I do not recognize the claim that our police committed assault in this case; it is an absolute frame-up to state that anyone was seriously wounded." Thus, representatives of law and order talk back to the communists in the Osaka area in refreshing contrast to their reluctant brothers in Amagasaki.

d. Again, the extremism of the communist fraction boomeranged when some 250 workers voluntarily resigned, leaving only 182 workers to be discharged to complete the announced goal of 430. The company published a list of 182 employers to be discharged which included 14 of the 20 members of the C.P. controlled strife committee. Out of this group, 100 workers applied for voluntary restorement isolating the C.P. leadership and a small group of 80.

e. An attempt by the strife committee to whip up some further resistance to the layoff collapsed on 26 June when only 100 workers attended a protest rally. The rank and file apparently have had quite enough of radical leadership and the Japan Aluminum Co. reports production is proceeding normally since 24 June.

7. The Densan Situation

a. Communist tactics in Densan took a new direction in June when two locals, one at the Minatogawa station of Kansai Haiden Co. located at Kobe City, Hyogo Prefecture, and the other at the Kumano station of the same company located at Shingu City, Wakayama Prefecture, diverted cash collections of company power accounts into bank accounts and postal savings accounts in the names of the union chairmen of these two locals. At Minatogawa, funds in excess of 102 million yen were deposited in the name of Mr. KAMADA, union Chairman, at two Kobe banks during the period 7 May through 13 June. Acting on the advise of this headquarters, Kansai Haiden appealed to the Kobe Court and secured a court order freezing the funds in the two banks until Kansai Haiden Co. can take further legal action to obtain custody of this money. The Kumano local deposited company funds in one local bank and two local post office at Shingu

City in excess of nine million yen in the name of Mr. YAMAMOTO, chairman of the local executive committee. Both of the union chairmen involved are known communists.

b. Kansai Haiden Co. promptly filed charges at local Procurator's Office charging these men with breach of trust and embezzlement. Although both men have been called to the Procurator's Offices for examination, while investigation of the charges was underway, neither one of them have been arrested as yet. In the Kumano case, the union, apparantly frightened by developments in Kobe, voted to return all of the company funds and they have been restored to the Kansai Haiden account at Shingu City. The blocked funds in the Kobe banks still remain frozen. Kansai Haiden Co. notified this headquarters that they will press charges against other union officials if investigation by the Procurator's Office involve them. Both YAMAMOTO and KAWADA have been discharged by the company.

c. As a result of the collapse of the Densan national convention in Nara on 2 June in the face of communist-led demonstrations and other harassing tactics at that meeting, Mindo leaders held a post-convention meeting and decided to have a showdown fight with the communists within the Densan union. Mindo leaders report that a new national convention may be called in late August or September at which time they hope to eliminate all C.P. influence through action by the convention delegates. In the meantime, Mindo factions in the Kansai area, where the local federation executive committee is entirely dominated by the communists, established a Mindo Liaison office in Nara prefecture which will maintain contact between the Mindo factions in Kinki Region and the Mindo controlled national headquarters.

d. Mindo has carried the fight against communists into all the locals which are presently dominated by the leftists in Hyogo, Osaka, Kyoto and Wakayama prefectures. They report that a split developed in a number of these locals with the Mindo factions ignoring the Kansai Federation and withholding all dues to this C.P. dominated Kansai Federation, sending their dues direct to the national headquarters in a drive to out-flank and isolate the Kansai Federation.

e. In Osaka prefecture, eight out of 16 chapters are controlled by Mindo elements with approximately three thousand out of total eight thousand membership in the Mindo column. Hyogo prefecture with 24 chapters and a total membership of 7,500 has 13 chapters now under Mindo control with approximately 3,500 workers. Kyoto prefecture has 12 chapters with a total of three thousand members, of which four are now controlled by Mindo with some 1,500 workers. In Wakayama, with six chapters and a total of 1,600 members, four chapters with approximately 800 members are controlled by Mindo elements. In Nara and Shiga prefectures, with a total of eight chapters and 2,500 members, all eight chapters are under full Mindo control. It is quite obvious that the Kansai Federation C.P. dominated executive committee is very much alarmed over the Mindo drive now underway in this area. If the trend continues, communist control of key chapters will probably fall apart in the course of the next few months. There is very effective liaison between the Densan national headquarters and the Mindo leaders in this region and this headquarters is "discreetly" furnishing encouragement and advice in furthering the Mindo drive for full control of the Kansai Densan organization. This is

basicly a Japanese intra-union struggle and this headquarters will not directly intervene in it but will maintain careful surveillance of further developments in this region.

2. Special Conference

In view of U. S. active intervention in the Korean war and the possibility of some overt action by communists or North Korean elements to interfere with operations of heavy industries, the Labor Officer, this headquarters, held a special conference 30 June with chiefs of all Labor Divisions and Labor Policy Sections in Kinki Region. At this meeting, Japanese officials were advised to intensify their surveillance of shipyards, transportation, ports and harbors, steel, electric, foods processing, drugs and medical supplies industries because of the major importance of these and similar type industries to the Japanese economy in the light of present condition in the Far East. All responsible officials concerned agreed to exercise careful day by day scrutiny of these industries and will report all incipient or active labor disputes, strikes, sabotage, slow-downs, walkouts or any other labor action which affect operations or production.

(3) Conferences

This headquarters held a total of 36 conferences during the month with prefectural officials, management and union representatives in connection with labor relation cases discussed in this report.

b. Labor Education

This headquarters reviewed plans for summer labor schools with each prefecture government during the period. The following observations were made:

(1) The response and cooperation expected of unions seems lacking. It appears that all prefectures will have a difficult time in filling their quotas of attendants. (Approximately 100 students can be accommodated in

each prefecture but in some prefectures less than half that number have applied to date.)

(2) Programs appear loosely organized with practically no trace of originality or vitality. It is hard to realize that complete staffs of supposedly competent officials, whose only duty is labor education, exist on government payrolls in each prefecture.

(3) Despite advice by this headquarters against the practice, school programs contain a number of speakers who will talk on abstract subjects of little interest or concern to workers. One prefecture has scheduled a college professor to talk for three hours on the subject of "international money and its relation to unions in Japan." Apparently, labor school officials are hard pressed to fill their time quotas and, therefore, utilize subject matter such as this as "fillers."

c. Labor Standards

(1) On 15 June, Labor Standards Bureau, Kyoto prefecture, filed a complaint at the Procurator's Office against the municipality of Maizuru charging violation of the Labor Standards Law in connection with municipal public works projects. Labor Standards Bureau claims there was lack of adequate safety equipment for workers plus illegal hiring of female workers for hazardous jobs. The charges against Maizuru were issued as a result of two serious accidents occurring February last and again on 12 May when a total of two deaths and four serious injuries occurred on municipal projects. One female worker was killed on 12 May when a sand bank collapsed on a group of workers. The case is now under investigation by the Procurator's Office and represents one of the first instances where a municipality is being charged with violation of the Labor Standards Law by a government agency. Inspection Section of Kyoto Labor Standards Bureau reports a continuing trend of improvement in working conditions and adherence to Labor Standards Law in the former trouble area of the Nishijin district of Kyoto City and the Tango area of northern Kyoto prefecture. No serious offenses developed during the month.

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(2) Shiga Labor Standards Bureau reports a drive is underway to stamp out feudalistic practices in the Nagahama area among employers in the velveteen weaving industry. One of the chronic violations of the Labor Standards Law in this area is that covering overtime.

(3) Labor Standards Bureau, Nara prefecture, reports a 10 percent increase in wage delinquency cases over the previous month, but corrective action by the employers will probably make further legal action by the Labor Standards Bureau unnecessary. No violations of Labor Standards Law requiring action by the Procurator's Office were reported during June.

e. Employment and Unemployment

(1) Although there has been some increase in the number of unemployed day laborers registering at the various prefectural PESO offices, there has been a marked decrease in the number of demonstrations and rallies by the communist agitated day labor groups in this region during the past month. There seems little doubt that the communists were fomenting disorder and demonstrations as a "build-up" to attract public attention prior to the recent Diet elections. All prefectures report that representatives of day labor groups that visited the prefectural offices during the month were in most instances, represented by small delegations averaging five or six persons who adopted a very moderate manner in their approach, in sharp contrast to the violence, mob action and storming of prefectural and PESO offices, which has been the pattern of day laborer behavior during past months. Such unnaturally good behavior indicates a new shift in communist tactics and PESO officials have been advised to be on the alert for further developments.

(2) Day laboers in Nara prefecture are demanding full employment rather than the present rotation system presently in effect. They are insisting that additional funds to cover full employment of day laborers be taken out of fiscal budgets and have graciously offered to go to Tokyo with PESO officials to appeal to the Central Government for supplementary funds in the event the prefectural funds for work relief run out. Needless to say, the Nara officials are paying little attention to this demand. A similar demand for full employment was made this month by the day laborers union at Tanabe in Wakayama prefecture.

BASIC: ANNEX D to Monthly Civil Affairs Activities Report, Kinki Civil Affairs Region, APO 25-1, period ending 30 June 1950, cont'd.

(3) Osaka Prefectural Assembly is preparing to take action during July on an emergency counter-measure calling for an appropriation of 100 million yen for work relief projects. Osaka City is about to assign another 50 million yen for the same purpose. The situation concerning unemployed day laborers in Osaka prefecture has become increasingly serious with a total of 39,620 registered during June at PESO offices, indicating an average increase of some 1,500 during the past several months. Although some 22,000 day laborers report each day to PESO offices, only an average of 16,900 per day are assigned under the present budget. The increase in work relief funds by prefectural and Osaka City action will make it possible to substantially increase the number of daily assignments.

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HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
APO 182

ANNEX D
ECONOMICS SUMMARY
By Mr. Henry C. Keisel

1. FIELD TRIPS were made by members of the Economics Section as follows:

Activity	Number of Conferences or Visits	Prefectures Covered	Japanese Participants	Purpose
Fertilizer Distribution	4	All five (5) Prefectures	Pref officials, Fertilizer Kodan Branch officials, Experimental Station specialists	To determine whether price of commercial fertilizers will prevent most farmers from buying sufficient quantities to assure maximum production.
Land Reform	3	Tottori Okayama	Land Bureau Chief, Pref and local officials	To give advice and guidance on reclamation. Inspect land consolidation project.
Agricultural Cooperative	5	All five (5) Prefectures	Co-op officials, Federation chiefs	To encourage more efficient management. To evaluate financial condition of Co-ops.
Agricultural Extension	12	All five (5) Prefectures	Pref officials, Extension advisors Home Improvement specialists, 4-H Club supervisors, Village and municipal Agricultural Improvement Committees	To continue evaluation of all Extension activities, especially coordination between pref govt, Experimental Stations and Agents to aid production of crops.

Agricultural Research	8	All five (5) Prefectures	Pref officials Pref and MAF Experimental Station staffs	To evaluate reports of early damage to new rice crop from plant diseases and insects.
Crop Production and Collection	19	All five (5) Prefectures	MAF Food Office, Pref Food officials, Farmers	To estimate 1950 mugi crop, expedite 1950 rice quota breakdown.
Aquatic Production	7	Hiroshima Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	To ascertain unreported fish landings and production trends.
Fishing Rights	10	Hiroshima Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	To discuss current status and problems.
Fishery Co-ops	10	Hiroshima Okayama Yamaguchi Tottori	Co-ops and Pref Fisheries officials	Progress in organization of Co-ops and liquidation of Fishing Associations.
Fishing Boat Insurance	10	Hiroshima Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	Acceptance and participation.
Fisheries Financing	10	Hiroshim Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	To ascertain financial and credit problems of fishermen.
Facilities	8	Hiroshim Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	To ascertain effect of material shortages on production.
Effect of Occupation Gunnery Ranges	1	Tottori	Pref Fisheries officials	To ascertain effect of gunnery ranges on production.

Information and Education Materials for Fishermen	10	Hiroshima Okayama Yamaguchi Tottori	Co-op and Pref Fisheries officials	To ascertain extent Central Govt information material is reaching the fishermen and pref participation in the program.
Forestry Associations	34	All five (5) Prefectures	Forestry Ass'n officials, Forest owners, Pref officials	To determine advisability of compulsory membership in Forestry Association.
Pine Bark Beetle Control	5	All five (5) Prefectures	Pref officials, Forestry Ass'n	To evaluate progress in combating damage to forests by beetles.
Forestry Extension	5	All five (5) Prefectures	Pref officials District Extension staff	To evaluate progress in establishment of new Forestry Extension program.
Mine Rehabilitation	12	All five (5) Prefectures	Mine operators and workers	Utilization of machinery and equipment.
Mine Safety (Coal)	3	Yamaguchi	Bureau officials, Mine operators and workers	Mine Safety practices and problems.
Mine Safety (Other than Coal)	9	All five (5) Prefectures	Bureau officials, Mine operators and workers	Mine Safety practices and problems.
EIB	3	Regional & Yamaguchi Prefecture	EIB officials	Stimulation of activities.
Restaurant Control	10	Hiroshima Yamaguchi	MRP, City Police, EIB, Pref Govt officials	Stimulation of enforcement and administrative disposal.

Staple Food Rationing	11	Okayama Yamaguchi Hiroshima	City, town, village officials, NRP, City Police, EIB	Elimination of ghost population and investigation of large scale blackmarketing cases.
Perishable Foods	1	Hiroshima	Fish Market operators	Investigation of distribution procedures.
Industry	50	All five (5) Prefectures	Regional & Pref construction, civil engineer, commerce & industry officials & industrial leaders	To stimulate industry and construction. Surveillance of restricted industry.
Control Associations	2	All five (5) Prefectures	Regional ESB	Discussion of administrative procedure.
Labor Relations	21	All five (5) Prefectures	Trade union, management, Pref and local labor officials	Surveillance over implementation of SCAP Labor Program.
Labor Education	14	"	"	"
Labor Standards	16	"	"	"
Workmen's Compensation	2	"	"	"
Womens' & Minors'	3	"	"	"
Employment	12	"	"	"

2. AGRICULTURE

a. Fertilizer Requirements:

Farmers throughout the Region are expected to curtail purchases of commerical fertilizer early this fall because of the Central Government's announced policy to cancel subsidies to fertilizer manufacturers in August.

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Surveys are in progress in the five (5) prefectures in which this Headquarters maintains surveillance to determine how much August and September fertilizer sales will decrease as a result of price increases. Tottori Prefecture, one of the first to submit a report, states that unless the economic condition of most farmers improves rapidly, fertilizer sales for the first part of autumn will be only half of what they were in 1949.

Economic personnel of this organization have suggested to prefectural Agrucultural Extension officials that new studies be started immediately to determine that quantities of non-commercial fertilizer can be efficiently used for rice and "mugi" crops. Indications are that the majority of farmers will use compost and similar fertilizer in increasing amounts.

Farmers and fertilizer specialists in experimental stations believe that the decontrol of fertilizer will prove helpful to agriculture, especially if several local outlets are avilable for purchasing this commodity. Co-operative stores generally are expected to take the lead in delivering fertilizer promptly to member.

b. Land Reform:

An inspection of the Hiokidani land consolidation experiment in Tottori Prefecture provided this Headquarters with a clear picture of the magnitude and complexity of land consolidation. This project is the largest and most advanced in the Chugoku Region, and its present status might well be the basis for a prognosis.

The Hiokidani project was begun in 1948, is now seventy percent (70%) complete and will be finished in 1951. The main work consists of squaring off the plots, adjusting paddy levels to insure a constant and equitable water supply and construction of roads so that access to all fields may be gained by truck or hand cart. Every bit of arable land in the village is involved in the project as well as every farming family. The banefits derived from a project of this nature are fabulous in terms of existing farm operating methods. Farmers can produce the same amount of food by the expenditure of just over half of the time and labor they now spend. Quota breakdown will be a matter of minutes instead of days. Productivity of a unit farm is measurably increased by the farmer's capacity to engage in livestock, dairy and pomiculture operations using his newly gained time and freedom for these enterprises. Moreover, with the adjustment of the area into large rectangular areas tractor-powered farm machinery can be used. However, and herein lies the snag, if the results of this project are fabulous, the cost is fantastic; over one hundred thousand yen (¥100,000) per cho.

This experiment was subsidized by the Central Government up until the middle of last year when it was suddenly cut off. The people in the village have tried to carry on but work has slowed down to almost nothing. It is virtually impossible for a farming community to finance a project of this nature without help. Since the condition of the land was typical, not difficult and not easy to alter, the cost per cho could be considered average. At this rate the cost of completing a land consolidation program in Chugoku Region would be ¥35,994,000,000. Land consolidation is definitely a needed and valuable reform. However, more study should be given to find a cheaper way to do it. The present cost of "engineered consolidation" makes completion a nice idea to dream about but futile to hope for.

c. Land Reclamation:

During the report period, conferences were held with the Okayama Land Bureau of the MAF for the purpose of establishing the responsibility for two (2) large, costly and inexcusable errors in the designation of areas for reclamation in Hiroshima and Yamaguchi and to make recommendations for remedial action. When queried on the extent of investigation by experts of proposed reclamation projects prior to approval, the Bureau officials sheepishly admitted that it was done only on request and was disgracefully close to nil. The definition, status and release procedures for former military lands was reviewed for their benefit by Economics personnel in order to preclude future errors similar to the one in Yamaguchi Prefecture where several hundred cho of military land was reclaimed before the Japanese Government cleared it's title to the land. Bureau officials were advised to make double checks on their legal rights to former military lands prior to beginning reclamation, and if they were still in doubt to consult Civil Affairs.

On the latter of reclaiming forest lands for agricultural purposes, another agreement was reached as a result of the conferences. In the future all proposed reclamation projects involving forests will be investigated by the hydrologist assigned to the bureau prior to approval by that office. This should do much to curtail the practice among prefectural land sections of hacking down the forests in order to meet reclamation quotas without regard for the flood hazards and erosion problems they create thereby.

d. Agricultural Co-operatives:

Meetings were held with co-operative officials in all prefectures and the only significant condition noted was that there has been virtually no change in the situation since last month. In Okayama, where conditions are the worst, a conference was held with the heads of all co-operative federations in Okayama Prefecture, at which time the following points were stressed:

(1) to a large degree on the leadership they get.

(2) Co-operatives constitute the basic unit in the agrarian economy and, therefore, c annot be allowed to falter.

(3) The practice of refusing to get rid of incompetent personnel because of the face-losing factor is dragging the co-operatives further down. Personnel reductions and changes can and must be made. The farmers pocket book and livelihood are many more times important than any officials face.

(4) A conference was held with newspaper and radio representatives for the purpose of explaining to them the effect of negative publicity on the over-all financial stability of co-operatives. Newspaper accounts of co-operatives limiting or stopping withdrawals have been marked with sensationslism and have been instrumental in creating panic and subsequent "runs" on co-operatives where no real danger existed. No suggestion or implication was made to refrain from printing news of co-operative failures. However, it was recommended that equal news coverage be given to cases where a cooperative emerges from a financial crisis and resumes normal operation. This conference was sponsored jointly by the Economics Section and Civil Information Section of this Headquarters.

e. Extension Reorganization:

(1) Improved Rural Living:

Economic personnel of this Headquarters have initiated studies which, when finished, will aid home improvement subject matter specialists in the five (5) prefectures of the Region to do better planning for improving the economic security and social status of farmers and their families.

These surveys, based on daily living habits of Japan's rural population, will show whether single - crop farmers, and others whose economic security is marginal and sometimes even more discouraging, are able to derive the largest amount of their annual income from agricultural or forestry pursuits.

Until more farm families have improved their economic status, the SCAP-MAF program to better home life and make Japanese farming more like it's counterpart in America and other parts of the world will make slow progress. However several of the prefectures are nevertheless making excellent contributions to the home improvement phase of agricultural extension.

Shimane has four (4) projects underway to stimulate home making and cultural habits of one hundred fifteen (115) rural families. Tottori started a two-part nutritional survey late this month at Agei to determine the calorie amount of food eaten by all members of five (5) households during the busy rice planting season. A similar study will be made by the Prefecture in February, 1951, to ascertain the difference in nutritional content of food consumed in the two (2) periods.

A special survey made by economic personnel of this organization recently disclosed that some prefectures have no suitable pre-service course for prospective home improvement advisors. Tottori University has no university course of this type at present. Shimane Prefectural officials state that they also have no higher institution of learning where young women can receive a technical background for the better rural living program.

Yamaguchi has a Prefectural Women's Junior College where two (2) year domestic science course is available.

Hiroshima National University offers both a four (4) year Domestic Science Course and a two (2) year Homemaking Course but the curriculum for the latter is still not completed.

The Educational Science Department of Okayama University has both a four (4) year and a two (2) year course in Housekeeping, but both courses are primarily preparation for the teaching profession rather than training for extension work.

(2) Experimental Station Consolidation:

Agricultural research activities in Chugoku Region are progressing smoothly despite several delays in completing the consolidation of experimental stations recommended by NRS SCAP and the MAF almost two (2) years ago.

Economic personnel of this Headquarters have made numerous on-the-spot inspections of research establishments which as yet have not either complied with the 1948 recommendations or have had a new status given them by the MAF and prefectural officials concerned. Further visits to these institutions are planned this fall to make both administrative and research checks on their current programs in an effort to obtain additional background data on these stations before the 1941 budget requests are submitted to the MAF or the prefectural assemblies concerned.

The merger of prefectural and national research establishments appears to be the biggest problem in the Region at present. Three (3) Prefectures, (Hiroshima, Okayama and Shimane) as yet have not combined the prefectural and national experimental stations administratively as recommended by the MAF and NRS SCAP on 27 December 1948.

The Prefectures concerned have appealed to the MAF for an extension, usually one (1) year, in which to obtain additional research funds from their respective assemblies to assume most of the cost of these stations as the plan stipulates. All three (3) prefectures are hopeful that the reorganization of the prefectural and national stations can be finished not later than 1 May 1951.

As yet, Prefectural Agricultural Improvement Section officials in Hiroshima, Okayama and Shimane have not indicated which type of experimental and research work they will emphasize when the merger of establishments concerned is completed. Staple food crops are expected to receive the major share of attention but other farming activities will also likely be emphasized as diversification of agricultural pursuits is rapidly coming to the fore in post-war Japan.

For the present, the Seihaku Branch Prefectural Station in Tottori Prefecture, scheduled to be closed on 1 April 1950, is continuing operation following a conference between prefectural officials and the MAF.

Continuation of the Seihaku Branch establishment was strongly recommended by the former Tottori Military Government Team. The Region asked Higher Headquarters to send a Japanese Central Government inspection team to make a detailed study of the future status of the Seihaku Station.

Information has not been received by this Headquarters on the recommendations made by the Central Government team if such personnel visited the Seihaku Station. However, the report of the former Tottori Military Government Team is believed to have been a decisive factor in the continuation of the station. It pointed out that Seihaku conducts special research in sandy-loam soils of which there are approximately 4,756 cho in Tottori alone.

The Tottori Military Government Team report further stressed the fact that Seihaku Station, according to the most reliable information available, is the only experimental farm of this type in the Region. Due to the SCAP and MAF policy to maximize food production throughout Japan, several other prefectures in the Region are depending more and more on research information and guidance, as a considerable number of famrers throughout the Region grow some crops on sandy-loam soils.

The only remaining station in the Region which has not yet been closed is the Kisa Branch Prefectural Station in Hiroshima Prefecture. For the present, Kisa is expected to continue operation, probably until early in 1951 when prefectural officials have promised the MAF that they will establish a High Altitude Branch establishment elsewhere in the Prefecture. Hiroshima officials are considering a site in Oasa-machi for the proposed new station.

Other changes noted in the survey are as follows: Shimane Prefecture - the Chugoku-Shikoku Agricultural Experimental Farm at Kawai, with land totaling two hundred ten (210) cho, has been discontinued by the National Government; the MAF has recently established the Chugoku Livestock Breeding Farm at the same site (the former station was slated to be continued); Yamaguchi Prefecture - The Bofu MAF

Drought Research Station has been operated by the National Government for all types of drought research throughout Japan since 1947 (in the original SCAP-MAF recommendations, this station was listed as a Prefectural Branch Station and was to be continued under prefectural management).

f. Staple Food Crop Collection:

This summer, for the first time in many years, a crop will be harvested while some of the previous year's crop remains undistributed. Consequently, a problem of food storage has arisen which never existed before. The problem is particularly accute in Okayama where storage space is still not assured for thirty percent (30%) of the estimated wheat and barley yield. Only sixty percent (60%) of the warehouses used for rice storage are suitable for the storage of "mugi". Wheat and barley must be gas-treated during storage to avoid rodent and insect damage, and this requires special facilities not readily available in all areas. This condition exists only in the southern prefectures of Chugoku where most of the wheat and barley is produced. As for the crop itself, no difficulties in collection are anticipated. Shimane will definitely exceed the present quota if it is not revised up and Tottori may exceed it by a substantial margin.

The 1950 rice quota is still not broken down to farmer level in one (1) village in Okayama, one (1) in Tottori, one (1) in Shimane, eight (8) in Yamaguchi and six (6) in Hiroshima. In answer to exhortations by this Headquarters to complete the breakdown without further delay, prefectural officials claim that further pressure on their part now will make collection in the fall proportionately more difficult. Past experience in crop collection justifies this attitude to a certain degree but is no excuse for apthy on the part of food officials. They were so informed. Any further action by this Headquarters would be questionable in terms of existing policy on Civil Affairs participation in staple food collection.

3. FISHERIES: Economics Section personnel conducted spot checks in ten (10) fishing villages and accompanied NRS personnel on inspections in Okayama and Hiroshima Prefectures.

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a. Okayama Prefecture:

Conferences were held and visits made to two (2) fishing cooperative associations, the Okayama Cooperative Federation, the Fisheries Agency Inland Sea Fisheries Research Institute and the Prefectural Government Marine Products Section. Findings are summarized under the following appropriate headings.

(1) Ushimado Cooperative:

Membership - three hundered twenty (320) (fifty percent (50%) are part-time farmers). Capital stock - ¥425,100 (one-half paid); each share - three hundred yen (¥300). Number of boats - one hundred eighty (180) powered one hundred ten (110) non-powered; average size 1-2 tons. Fishermen's deposits ¥2,800,000 as of 31 May 50, interest - 4.5% on long term deposits over six (6) months, three percent (3%) on short term deposits six (6) months or less. Loans to fishermen - ¥900,000 as of 31 May 50. Average income per fishermen from fishing - seventy thousand yen (¥70,000) to eighty thousand yen (¥80,000) per year.

Since formation the cooperative has borrowed ¥658,000 from the Central Agricultural and Forestry Bank for boat repairs and re-loaning to fishermen. The catch from 18 June 1949 (date of organization) to 31 March 1950 - 113,000 kan valued at ¥27,000,000. The catch is sixty percent (60%) to retailers registered with the cooperative forty percent (40%) to the Prefectural Federation in Okayama City. Aprpoximately five percent (5%) of the catch is not reported through official channels. All assets, except fisheries rights, have been transferred from the old fishing association. This cooperative has twelve (12) clerical employees and ten (10) elected officials, one (1) of which was an official of the old association. Types of fishing carried on by members of this cooperative include: Sail boat trawlers (licensed as sail boats but were converted to motor-drive), small set nets, gill nets, long line and single line.

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(2) Okayama Prefecture Cooperative Federation:

Membership - sixty-two (62) Cooperative Associations. Date of organization - 10 September 1949. Capital Stock - six million yen (¥6,000,000), (one-half paid) Member's deposits - None. Borrowed from the Central Agricultural and Forestry Bank ¥1,790,000 to be repaid by December 1950. Loans to members - None. Assets of the old prefectural association valued at ¥3,400,000 and debts of ¥3,500,000 have not been transferred as yet.

Fish handled by the Federation for the period September 1949 - March 1950 - 79,640 kan. Fishing materials handled for the same period amounted to ¥5,950,000. A five percent (5%) commission is charged for handling both fish and materials.

An attempt is being made to carry out an information program but because of lack of funds, the federation is hindered in what they can do.

The Federation has thirty-seven (37) employees, one (1) manager, and twenty (20) elected officials, of which eight (8) were former officials of the old association.

(3) Ushimura Cooperative, Kono Island:

Membership - five hundred ninety-six (596). Date of organization - 25 August 1949. Capital stock - one million yen (¥1,000,000) (¥211,000 paid in as of 31 March 1950). Each share - five hundred yen (¥500). Fishermen's deposits - ¥1,975,000; long term, ¥775,000; short term, - ¥1,200,000. Fish catch money is deposited in each fisherman's account. Loans to fishermen amount to ¥183,000 at an interest rate of 10.5%. All assets of the old association except fisheries rights have been transferred. Fish catch handled by the cooperative from August 1949 to 31 March 1949 was 13,578 kan valued at ¥2,174,000.

Fishing material handled by the Co-operatives for the same period amounted to ¥2,360,000. Commissions charged for fish was five percent (5%) and material up to ten percent (10%) depending on the item.

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Approximately seventy percent (70%) of the total catch is sold by the Co-op and thirty percent (30%) sold directly to the market by the fishermen. Fishing activities engaged in by the members of the Co-operatives are small fixed net, shell fish culture and small trawling (motor driven and sail boats).

The Co-operative has seventeen (17) employees, one (1) manager and nine (9) elected officials, of which three (3) were former officials of the old associations.

Fishing rights controlled by this cooperative are one (1) Exclusive Right (jointly operated by ten (10) cooperatives), one (1) Exclusive Right (jointly operated by six (6) cooperatives), eighty four (84) Fixed Net Rights, fifty-five (55) Demarcated Rights and sixteen (16) Common-of-Piscary Rights (none of which are individually owned). Number of boats - one hundred thirty-four (134) powered (total gross tonnage - one hundred eighty-four (184), two hundred five (205) non-powered.

Under the fishing rights reform program, two hundred thirty-three (233) members of this Cooperative are eligible to vote in the election for the Sea Areas Fisheries Adjustment Committee to be held 15 August. There are ten (10) other cooperatives in this sea with an estimated voter eligibility of 1,300. Registration of voters has not been completed and there has been no change made by the Governor in voter eligibility. The Cooperative Chief feels that this area is being over-fished and recommended that the number of demarcated rights be increased to conserve aquatic resources.

(4) <u>The Fisheries Agency Inland Sea Fisheries Research Institute, Yoko Island:</u>

The main project of this installation is the study of a specific shellfish, the seed of which is obtained from Nakanoumi, a large lake between Shimane and Tottori Prefectures. Seeds are abundant in the aforementioned area and according to the head of this station, can be cultured profitably on Yoko island.

The only bad factor is that the shellfish cannot reproduce in these waters because of the high salt content. The seeds are gathered when they are approximately six (6) months old and then transplanted into salt water where it takes an additional fourteen (14) to sixteen (16) months to reach maturity.

b. Hiroshima Prefecture:

Conferences were held with Prefectural Marine Product Section officials, and visits made to the Prefectural Fisheries Experimental Station and the Kusatsu Branch of the Hiroshima Cooperative.

(1) Prefectural Fisheries Experimental Station:

Large number of oysters have been dying during recent years due to unknown reasons. Research is underway to ascertain the causes. This station appeared to be very well equipped and staffed.

(2) Kusatsu Branch of the Hiroshima City Cooperative:

Membership - nine hundred sixty-four (964). Date of organization - November 1949. Capital Stock - three hundred thousand yen (¥300,000) (all paid). Each share - three hundred yen (¥300). Fishermen's deposits - None. Loans to fishermen - None. Average monthly income - three yen (¥3) to seven thousand yen (¥7,000). This cooperative borrowed six million yen (¥6,000,000) from the Central Agriculture and Forestry Bank last year for land reclamation and harbor improvement. Approximately five hundred thousand (500,000) kan of fish were caught by members of the Cooperative during the 1949 fiscal year. Production has decreased to one-third that of 1940, even though there are twice as many fishermen in the area. Fishing gear handled totalled two million yen (¥2,000,000), which earned a commission of three to five percent (3-5%). Other revenue included three hundred thousand (¥300,000) in fees for the use of fishing rights. All rights are individually operated by members of the Cooperative.

Assets of the old association have not been transferred as yet. Types of fishing activities engaged in are: oyster culture, seaweed culture, sail-boat trawling (for sardines), long line, trawling (general) and hook-and-line. Number of boats - two hundred (200) power, seven hundred (700) non-powered. Oil shortages are remedied on the black-market at prices over two hundred percent (200%) above the official price. This Cooperative has eighteen (18) elected officials, two (2) of which are non-fishermen and six (6) of which were officials of the former association, and two (2) employees. The liquidation of old fishing associations and the formation of cooperatives is progressing satisfactorily. These shortages of fuel oil and supplies could not be legally justified since the shortage was caused by sail-boat trawlers originally licensed as boats without motors requiring no fuel, that were illegally converted to motor craft and are still not entitled to fuel allocations. No significant fluctuation in cooperative membership was found.

(3) Conference with Prefectural Officials:

A conference was held with the chief of the Marine Products Section and with officials in charge of Fishing Rights Reform and Fisheries Cooperative Associations. Discussion will be found under the following headings.

(a) Cooperatives:

As compared with the former fifty-seven (57) fishing associations one hundred seven (107) new cooperatives have been formed through June, including seven (7) special types. Twenty-eight (28) or fifty percent (50%) of the former fishing associations have transferred their assets and liabilities to new cooperatives. Prefectural officials are encouraging the completion of this phase of the program with a deadline date of 31 August 1950. Six (6) clerks of the Marine Products Section are spending full time in traveling to the offices of former associations to give guidance and assistance in the disposal of assets and liabilities.

This results in prefectural clerks doing most of the paper work for the fishing associations. Fixed assets are being used by the cooperative, and since no rent is charged, neither cooperatives or fishing associations are in any particular hurry to transfer assets (even less for liabilities). Because of the voluminous paper work involved and because fishing associations do not have sufficient personnel to expedite the transfer, progress is slow. No major disputes between cooperatives as to the share of the old association assets to which each is entitled have been reported.

Two (2) rival prefectural cooperative federations were formed on 1 June 1950. Each is backed by a group of political factions in the prefectural assembly with one (1) member of each group acting as chairman of each federation. The chief of the Marine Products Section is of the opinion that no action should be taken at present to amalgamate the two (2) federations because of the touchy situation and because previous attempts to reconcile the two (2) groups have been futile. The two (2) political groups are as follows:

*Democratic Liberal Party
Prefectural Administrative
Deliberating Committee
Socialist Party
*Green Breeze Party
Farm-Labor Party
*indicates the party of the chairman of each federation.

(b) Fishing Rights Reform:

Prefectural officials have held numerous meetings with cooperatives officials to explain sea area boundaries and provisions of the Fisheries Law. This information has reportedly been passed on by cooperative officials to all fishermen cooperative members. Information materials provided by the Fisheries Agency are promptly disseminated to lower echelons.

Numerous spot announcements have been made over the local radio station and a well planned and integrated information program is in progress. Three sea areas have been designated with the number of voters estimated at 30,000 for the coming Sea Area Adjustment Committee elections. Areas are listed below:

Area	Number of rights
Western	2498
Central	387
Eastern	613
Total	3498

Listed below are the types, number and ownership of rights in Hiroshima prefecture:

Type	Number	Ownership	Number
Exclusive Rights	171	Individual	1,228
Demarcated Rights	1,394	Fishing Association	2,251
Special Rights	1,048	City, town or village	15
Fixed Net Rights	885	1 Textile Factory	4 (Demarcated)
Total	3,498	Total	3,498

Entry Rights - 176 (not included in total)

No changes in the qualification for voter eligibility have been made by the Governor and there is little indications that any changes will be made. Hiroshima people are agitating for the establishment of the Seto Inland Sea United Sea Area Fisheries Adjustment Committee office in Hiroshima City rather than Kobe.

(c) Fishing Boat Insurance:

The prefectural Fishing Boat Insurance Association is physically a part of the prefecture Marine Products Section and is very weak financially.

Designated agents in fishing areas can be almost any person or persons who may or may not receive compensation. These agents are one of the weakest links in the program. Cooperatives are not interested as acting as insurance agents because of the troublesome paper work and the feeling that the benefits will not justify the efforts.

The Hiroshima Prefectural Assembly has appropriated ¥270,000 for the JFY 1950 to publicize and encourage the program (reportedly the first prefecture in Japan to offer such financial support). Of a total of 4,835 power boats in the prefecture only two hundred fifty-eight (258) or 5.33% are insured. During June, 19 boats were insured for ¥1,333,600 with premiums amounting to ¥39,157.65.

c. Yamaguchi prefecture: Economic Section personnel made two field trips to Shimonoseki City and conferred with local officials.

(a) Taiyo Fishing Company, Shimonoseki Branch:

This branch operates seventy-two (72)two-boat trawlers, twenty-one (21) other trawlers, eight (8) steel fish carriers (5,873.32 gross tons) and eight-seven (87) wooden fish carriers (5,004.76 gross tons). All trawlers of this branch are operating west of 130° East Longitude. All two-boat trawlers are insured with private insurance companies and all other trawlers are insured with the Fishing Boat Insurance Association.

In accordance with SCAP recommendations, this company is planning a twenty-five percent (25%) reduction in the trawler fleet operating west of 130° East Longitude. This branch plans to reduce two-boat trawlers to fifty (50) boats and other trawlers to sixteen (16) boats in two (2) phases; the first in July 1950, and the second in December 1950. It is estimated that approximately five hundred fifty (550) seamen will be discharged. Company officials reported the Central Government would pay ¥1,500,000 for each trawler retired.

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It was reported that many of these boats will be converted but no definite plans could be presented.

The trawlers are currently operating three (3) weeks per month. The catch during 1949 was 35,398 tons of fish. Reduction of the fleet will cause an estimated of twenty-five percent (25%) of last years catch; however, if sufficient fuel can be made available to operate the boats, twenty-five (25) or twenty-six (26) days per month, only a ten percent (10%) catch reduction is expected.

This company operates the following facilities in Shimonoseki:

Two (2) Ice Manufacturing Freezing and Cold Storage Plants.

One (1) Processing Plant.

One (1) Fish-box Manufacturing Plant.

One (1) Net Manufacturing Plant.

One (1) Oil and Fat Refinery.

One (1) Canning Factory (contracted.

(Taiyo Company is controlling shareholder)

Inspection of the docking area and processing plant revealed many insanitary conditions. No fish was being unloaded at the docking area at the time of inspection, but conveyors had not been cleaned for some time and the concrete floor was pitted and broken, allowing pools of water to collect. Both bunker-type and ordinary-type freight cars are being used, which are shuttled to the dock area on a rail spur. Reportedly sufficient ice is being used. Approximately thirty percent (30%) of the catch is transported by fish carriers which have adequate refrigeration and/or cold storage facilities. In the processing plant, concrete floors were also broken, temporarily idle processing machines were rusty and dirty flies were rampant.

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The freezer and cold storage plant presented an entirely different picture. An atmosphere of cleanliness was prevalent. Duck-boards were used throughout and were clean. Temperatures in the quick-freeze rooms ranged from -20°C. to -28°C.

A vigorous campaign to obtain signatures on a petition to SCAP for extension of the MacArthur line is being initiated by the Taiyo Fishing Company. The following statistics submitted by the company show the effects of decontrol on trawler fishing from a financial point of view:

Two-boat trawlers

(Partial Control)

	Catch (Kan)	Sales	Operating Expenses	Balance
Jan 1950	484,511	¥61,360.271	¥62,058,929	¥ 698,658
Feb 1950	378,141	39,329,614	46,424,498	- 7,094,884
Mar 1950	581.123	50,743,693	57,264,229	- 6,520,536
(Control lifted)				
Apr 1950	511,997	37,383,480	49,517,097	-12,133,617
May 1950	595,830	44,123,349	56,882,941	-12,759,592

Other trawlers

(Partial Control)

Jan 1950	233,820	34,758,827	37,223,041	- 2,464,214
Feb 1950	188,764	30,190,148	34,151,308	- 3,961,160
Mar 1950	275,249	27,637,042	34,862,833	- 7,225,791
(Control lifted)				
Apr 1950	254,241	17,114,126	35,265,804	-18,089,678
May 1950	288,282	19,152,617	39,428,575	-20,275,958

(b) Conference with local officials:

Fishermen's Cooperatives - Ten ordinary Fishermen's Cooperatives have been organized in this city.

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There was formerly one (1) Fishing Association with seven (7) branches. All assets other than fisheries rights have been transferred to the cooperatives. No difficulties were reported.

Financial Condition of Cooperatives and Fishermen - Made the common complaint that price of fishing gear is too high and prices of fish are too low. Fishermen are not using the Fisheries Bill System in this area but are borrowing from local loan sharks. No data as to amount of interest rates could be given.. None of the cooperatives have had to freeze fishermen's deposits. Fishermen are reportedly in arrears in tax payments, but boats and gear are not being attached by the local tax office.

Fisheries Rights Reform - Three (3) meetings have been held with fishermen to explain the new laws and procedures to be taken. Numerous conferences have been conducted with City and cooperative officials giving instructions. The Fisheries Rights Management Committee was elected on 4 May, with ninety percent (90%) of eligible voters voting. A potential detriment to the reform program was reported. The reform is basically for the small scale coastal fishermen of which there are only 1,412 in this area; however, there are approximately fifty thousand (50,000) deep sea fishermen that are eligible to vote in the election of the Sea Area Fisheries Adjustment Committee. Because of this, the coastal fishermen are afraid that the deep sea fishermen representatives may dominate the committee.

d. Tottori Prefecture: Section personnel conferred with prefectural and local officials and conducted spot checks in two fishing villages; a visit was made to the Prefectural Credit Federation.

(1) Conference with prefectural officials:

(a) Cooperatives:

Fifty-one (51) new cooperatives have been informed, replacing the thirty-seven (37) former fishing association; two (2) production and two (2) processing cooperatives are included in this figure.

Only fifteen (15) of the former associations have disposed of their assets and liabilities. Target date for completion is 31 August 1950. Clerks from the prefectural office are assisting associations with liquidation and disposition problems. The Prefectural Cooperative Federation was formed on 29 September 1949; a credit federation was organized on 25 February this year. During October 1949, a rival federation was formed in Yonago City to serve the entire western end of the Prefecture. However, because of financial difficulties and inability to carry out promises made to members, this federation was dissolved on 19 January, this year. All member cooperatives subsequently joined the Prefectural Federation. At the end of the 1949 JFY (31 March 1950), approximately fifty percent (50%) of the new cooperatives were operating at a loss. During July the Prefectural Federation plans to hold short courses for member cooperative officials in sound business management.

(b) Fishing Rights Reform:

Three (3) sea areas have been formed and fishermen have been fully informed concerning the boundaries designated for their respective areas. In addition there will be a special committee elected to handle disputes concerning fishing rights in the three (3) rivers and three (3) lakes of the Prefecture. An estimated twelve thousand (12,000 voters) will be eligible to vote for the four (4) committees. The Governor has made no changes in voter qualification. The following is a list of type, member and ownership of rights in the prefecture:

Type	Number	Ownership	Number
Exclusive	47	Individuals	62
Fixed net	73	Fishing Associations	73

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Type	Number	Ownership	Number
Demarcated	3	City, town or village	3
Special	15	Total	138
Total	138		

(c) Fishing Boat Insurance:

Insurance at the local level is administered exclusively by cooperatives. The Prefecture is offering a premium discount of approximately two percent (2%) and allowing premiums to be paid in installments by those cooperatives which have a one hundred percent (100%) boat insurance rate. Of 1,128 power boats (average size five (5) tons) and 4,290 non-powered boats (average size two to three (2-3) tons) in the prefecture, only four hundred eighteen (418) boats thirty-three (33) are over thirty (30) tons) are insured. Six (6) boats applied for damage compensation during the 1949 JFY; benefits paid totalled ¥265,546.

(d) Occupation Force Gunnery Range:

On 10 June, Tottori Prefecture was directed by the Fisheries Agency to make a survey of the damage caused during May and June 1949, by the Air Force Gunnery Range located in Miho Bay. The report was hurriedly and inaccurately compiled and submitted on 22 June. The report listed a production loss amounting to ¥1,110,000 during the period covered. The Fisheries Agency has asked the Prefectural Government to make a more complete and detailed survey, which is underway at the present time. During May and June the greatest amount of mackeral and small sardines are caught in this area.

(e) Prefecture Credit Federation:

Date organized - 25 February 1950. Membership - twenty-six (26) (cooperatives).

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Capital - one million yen (¥1,000,000) (all paid). Each share - five thousand yen (¥5,000). (Shares are limited to one hundred (100) per member cooperative).
Member's deposits - ¥17,305 (as of 31 May 50). Interest - 0.7 sen per one hundred yen (¥100) per day. Fixed term deposits - five percent (5%) per annum. Long term deposits - six percent (6%) per annum. Loans to members - ¥12,800,000 (as of 31 May 1950). Interest - 2.8 sen per one hundred yen (¥100) per day. The Federation has started a savings program which calls for five hundred thousand yen (¥500,000) deposits by 10 July 1950. This looks rather doubtful according to current deposits. Not many activities have been started due to the short time the Federation has been in operation and the critical shortage of qualified clerical employees. The current average income of fishermen in Tottori is three thousand yen (¥3,000) per month. Fish prices have decreased about thirty percent (30%) when compared with former official prices, and the price of manilla and nets has increased one hundred fifty (150%) and one hundred eighty percent (180%) respectively. Approximately forty percent (40%) of the fuel oil used is being purchased on the blackmarket at seventeen thousand yen (¥17,000) per kilo.

(f) Uradome-cho Fishery Cooperative:

Date of organization - 24 April 1949. Membership - one hundred seventy (170), only ten (10) members are full-time fishermen; the others are also part-time farmers. Membership in the old association in 1940 was one hundred two (102). Fifteen (15) associate members are not fishermen. Capital Stock - ¥235,000 (all paid). Each share - five hundred yen (¥500) (shares are limited to thirty (30) per member). Member's deposits - ¥850,000 (30 June 1950). Member's deposits - six hundred thousand yen (¥600,000) (30 June 1949). Interest - 4.5% per annum Loans to members - one million yen (¥1,000,000) (as of 30 June 1950). Interest - 4.5% per annum.

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Only two hundred thousand yen (¥200,000) was given out as actual loans; the remaining eight hundred thousand yen (¥800,000) is for unpaid supplies for which no interest is charged. Assets with a total value of ¥3,699,855.46 have been transferred to the Cooperative. The Cooperative has borrowed a total of six hundred thousand (¥600,000) from the following sources:

Local Banks - ¥350,000 @ three (3) sen per one hundred yen (¥100) per day.

Individuals - 100,000 @ 3.5 sen per one hundred yen (¥100) per day.

MAF Bank - 150,000 @ 2.7 sen per one hundred yen (¥100) per day

The following figures on fish catch were presented:

1 Jan - 31 Dec 49 - 95,000 kan valued at ¥5,620,000

1 Jan - 31 May 50 - 50,900 kan valued at ¥1,920,000

1 Jun - 31 May 49 - 75,500 kan valued at ¥4,000,000.

Approximately seven percent (7%) of the catch is unreported. An eight percent (8%) commission is charged on all fish and a two percent (2%) commission is charged on fishing gear. Of thirty-seven (37) powered and one hundred thirty-five (135) non-powered boats operated by members of this Cooperative, ten (10) powered boats are covered by insurance. The largest boat insured is nineteen (19) tons. Types of fisheries engaged in are Sardine Gill Net, Eastern Trawlers, Mackeral Gill Net, Flying Fish Gill Net, Beach Seine, Single Line and Fixed Net.

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Fisheries Rights used are two (2) Exclusive rights one (1) is currently shared with another cooperative) and one (1) Fixed Net right.
Meetings were held with fishermen in March and June 1950, to explain details of the new law. Approximately one hundred fifty (150) members of this cooperative are eligible to vote in the coming adjustment committee elections. Pamphlets, posters, etc., forwarded by the Prefectural Government, are being distributed to fishermen.

(g) Hagi-son Fishery Cooperative:

Date of organization - 30 August 1949. Membership - one hundred four (104) (no changes in membership since organization). Capital Stock - ¥31,200 (all paid). Each share three hundred yen - (¥300). (Limit of fifty (50) shares per member). No savings or loan programs are in effect. Assets of the old association have been transferred to the Cooperative also took over liabilities of the old association amounting to ¥40,601. The Cooperative has borrowed fifty thousand yen (¥50,000) from local banks for the purchase of fishing gear. At the end of the fiscal year (31 March 1950), a financial loss of ¥79,911.61 was registered; no reasons for such a loss could be given. A commission of eight percent (8%) is charged on all fish handled by the Cooperative, and no commission is charged on fishing gear. Production, from 1 January to 31 December 1949, totaled 26,867 kan as compared with sixteen thousand (16,000) kan in 1942. Approximately three percent (3%) of the total catch is unreported. Income of members of this cooperative is obtained from both fishing and farming. Fishing brings about forty percent (40%) of the total income and farming about sixty percent (60%). The average income from fishing is twenty thousand yen (¥20,000) per year per member. There are six (6) powered (average 4-1/2 tons) and forty-three (43) non-powered (average 1/4 ton) boats operated by members, none of which are insured.

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Principle types of fishing are Sardine Gill Net, Single Line, Beach Seine and Surrounding Net.

This Cooperative operates two (2) Exclusive Rights which are not individually owned. Fishermen appear to be interested in the Rights Reform Program. Pamphlets, etc., received from the Kencho, are discussed at general meetings. All supplies are reportedly sufficient.

e. Shimane prefecture: This headquarters again received a petition from the Governor of Shimane Prefecture asking that the use of the Air Force Range located off the coast of Nima and Anno Guns be discontinued. This petition will be forwarded to SCAP Civil Affairs Section. Unannounced air maneuvers conducted from 15 to 31 May 1950, caused an estimated production loss of eighteen thousand (18,000) kan worth ¥1,687,000 and further resulted in the loss of twenty (20) mackerel long lines.

4. FORESTRY CONSERVATION PROGRAM:

a. Forestry Extension:

The new field extension program to aid private forest owners and to assure better control of the pine bark beetle and the vital reforestation project will be inaugurated in Yamaguchi by early August.

Candidates for erosion control specialist and specialist for utilization of forest products are not too plentiful. Yamaguchi will have to hire three (3) technical workers elsewhere in Japan.

More than one hundred seventy (170) applicants took the test for forestry extension on 28 June. The twenty (20) outstanding members of this group will begin work in the Prefecture's district offices next month.

In Okayama efforts will be made to use other funds temporarily in the Forest Department to enable the Prefecture to employ nine (9) specialists and twenty-four (24) extension agents by 1 August 1950.

Until the new Tax Law is passed, many agriculture and forestry activities will either be delayed or have to be temporarily curtailed for lack of sufficient funds.

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b. Forestry Associations:

Conferences were held with prefectural forestry officials and forestry association officers in all prefectures during the month for the purpose of determining attitudes toward the proposed changes in legilation governing forestry operations. Reactions to this new law vary with the prefectures. In practically all prefectues, objections to two (2) separate organizations were raised. Forestry officials contend that two (2) separate associations will be unwieldy and hard to staff. Moreover, they hold that any organization where membership is optional is unstable as far as long range forestry planning is concerned. Whether these objections had real merit or whether they were motivated by a fear that forestry associations might loose the control they now have, was made the subject of a special investigation by Economics personnel of this Headquarters. Findings and recommendations were incorporated in a special report to Civil Affairs Section, GHQ SCAP, dated 29 June 1950 (Serial No. 080, subject: "Special Report on Forestry Associations").

The suggestion that agricultural co-operatives handle the forestry operations of the farmer-forester is definitely worthy of consideration. Approximately ninety percent (90%) of the forests in this Region are owned by small owners whose primary activity is farming and who use their forest as a source of firewood and fertilizer. They are not interested in large forest operations and would not particularly benefit from membership in a co-operative whose function would be the marketing of forest products, as would the large forest owners. However, forestry officials oppose this idea; perhaps again because they don't want to lose control.

5. MINING AND GEOLOGY:

a. Mine Safety:

Economics section personnel accompanied Mr Hardesting, Major Merriam and Mr Sakamoto NRS, SCAP, on a survey trip of safety conditions in the major mines, smelters and refineries of this Region. Findings are found under the following headings:

(1) Yanahara Pyrite Mine, Yamaguchi Prefecture:

A conference was held with the Mine Safety Committee which has ten (10) members two (2) were absent because they were in the mine). The Assistant Manager and Chief Engineer of the mine is Chairman of the Safety Committee.

Restricted

The committee held its organizational meeting during December 1949; nine (9) meetings have been held since then. Local mine safety rules have been prepared by the committee and were approved on 10 June by the Regional Mine Safety and Inspection Division. One hundred (100) copies of the local rules have been printed and distributed. It was suggested that each miner have his own copy, and that each new miner be given a copy along with an explanation by the Mine Safety Chief.

The Chairman of the Safety Committee stated that accidents in general and ~~the~~ lost-time rate in particular had decreased with production increases. The greatest number of accidents at Yanahara are caused by small, heavy pieces of rock at the loading chutes, and committee members feel that alterations in chute design will cut down the number of accidents. It was pointed out that better illumination around the chutes would probably help too. A comprehensive inspection of surface and underground safety hazards was made.

Because fifty-three percent (53%) of the total mine accidents in this Region, for mines other than coal, occur in the Yanahara Mine detailed statistics are reported as follows: (see next page)

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The Number of Accidents in 1949

	Underground				Surface					Total			
	No. of Injured Workers			Loss in Hours	No. of Injured Workers				Loss in Hours	No. of Injured Workers			Loss in Hours
	Heavy	Light	Total		Heavy	Light	Total			Heavy	Light	Total	
Jan.	14	24	38	1,688	Male 3 Female 0	3 0	6		160	17	27	44	1,848
Feb	16	30	46	3,840	Male 4 Female 0	1 0	5		800	20	31	51	4,640
Mar	6	33	39	3,336	Male 0 Female 1	3 1	5		208	7	37	44	3,544
Apr	15	29	44	3,584	Male 6 Female 0	4 0	10		976	21	33	54	4,560
May	20	45	65	4,520	Male 2 Female 0	4 0	6		564	22	49	71	5,088
Jun	11	14	25	2,704	Male 1 Female 0	0 0	1		176	12	14	26	2,880
Jul	25	69	94	6,632	Male 6 Female 0	4 0	10		992	31	73	104	7,624
Aug	2	56	58	2,858	Male 3 Female 1	10 2	16		1,176	6	68	74	4,034
Sep	7	69	76	4,592	Male 4 Female 0	15 0	19		1,354	11	84	95	5,946

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Annex D

The number of Accidents in 1949 (Cont'd)

Oct	9	57	66	4,136	Male	4	11	18	I,520	14	70	84	5,656
					Female	1	2						
Nov	7	71	78	4,672	Male	2	9	13	854	9	82	91	5,528
					Female	0	2						
Dec	8	38	46	3,392	Male	2	8	10	904	10	46	56	4,296
					Female	0	0						
TOTAL	140	535	675	45,954	Male	37	72	119	9,690	180	614	794	55,644
					Female	3	7						

The Number of Accidents in 1950

Jan	7	34	41	2,744	Male	1	4	5	416	8	38	46	3,160
					Female	0	0						
Feb	5	48	53	3,104	Male	2	8	10	784	7	56	63	3,888
					Female	0	0						
Mar	2	25	27	1,560	Male	0	3	4	192	2	29	31	1,752
					Female	0	1						
Apr	5	51	56	3,232	Male	1	4	5	384	6	55	61	3,616
					Female	0	0						
May	3	68	71	3,848	Male	0	3	4	184	3	72	73	4,032
					Female	0	1						
TOTAL	22	226	248	14;488	Male	4	22	28	1,960	26	250	276	16,448
					Female	0	2						
Monthly Average	4.4	45.2	49.6	2,897.6	Male	0.8	4.4	5.6	392	52	50	55.2	3,289.6
					Female	0.0	0.4						

The Number of Accidents Per 1,000 Tons in 1949 and 1950

	1949			1950		
	No. of Laborers	Ore Production In Metric Tons	No. of Accidents	No. of Laborers	Ore Production In Metric Tons	No. of Accidents
January	2,626	30,658.4	44	2,409	32.868.9	67
February	2,627	29,127.5	51	2,433	32,499.2	63
March	2,625	29,790.7	44	2,417	25,215.8	31
April	2,637	29,841.7	54	2,328	33,200.7	61
May	2,625	29,969.7	71	2,351	33,452.1	75
June	2,595	29,947.6	26			
July	2,512	30,104.6	104			
August	2,490	31,014.7	74			
September	2,483	31,495.6	95			
October	2,442	31,504.1	84			
November	2,427	31,689.2	91			
December	2,420	30,053.1	56			
TOTAL		365,191.8	794			

The Accident Rate Per 1,000 Man-shifts

1949	Underground			Surface			Total		
	Heavy	Light	Total	Heavy	Light	Total	Heavy	Light	Total
January	0.62	1.06	1.68	0.08	0.08	0.16	0.29	0.45	0.74
February	0.69	1.29	1.98	0.11	0.03	0.14	0.33	0.52	0.85
March	0.24	1.31	1.55	0.03	0.10	0.13	0.11	0.58	0.69
April	0.66	1.27	1.93	0.16	0.11	0.27	0.35	0.55	0.90
May	0.86	1.93	2.79	0.05	0.12	0.17	0.36	0.79	1.15
June	0.51	0.66	1.77	0.03	-	0.03	0.21	0.25	0.46
July	1.03	2.84	3.87	0.15	0.11	0.26	0.49	1.15	1.64
August	0.10	2.51	2.61	0.11	0.34	0.45	0.10	1.17	1.27
September	0.30	3.00	3.30	0.11	0.43	0.54	0.19	1.45	1.64
October	0.41	2.56	2.97	0.15	0.38	0.53	0.25	1.25	1.50
November	0.33	3.35	3.58	0.06	0.36	0.42	0.17	1.57	1.74
December	0.37	1.75	2.12	0.06	0.26	0.32	0.19	0.86	1.05
TOTAL	0.51	1.96	2.47	0.09	0.19	0.28	0.26	0.88	1.13

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The Accident Rate Per 1,000 Man-shifts

1950

	Underground			Surface			Total		
	Heavy	Light	Total	Heavy	Light	Total	Heavy	Light	Total
January	0.31	1.53	1.84	0.03	0.13	0.16	0.15	0.70	0.85
February	0.24	2.34	2.58	0.06	0.26	0.32	0.14	1.08	1.22
March	0.11	1.41	1.52	-	0.15	0.15	0.05	0.67	0.71
April	0.21	2.14	2.36	0.03	0.13	0.16	0.11	1.01	1.12
May	0.12	2.72	2.84	-	0.12	0.12	0.05	1.24	1.29
TOTAL	0.20	2.07	2.27	0.03	0.14	0.17	0.10	0.95	1.05

Underground Accident Rate by Labor Type per 1,000 Man-shifts

	Man-shift	Number of Accidents	Ratio 1,00:1	Remarks
Timber Man	30,303.1	62	2.05	
Driller	23,554.6	94	4.00	
Hauler	69,695.9	294	4.22	
Filler	38,839.0	156	4.02	

Hand-filler	4,637.6	14	3.02
Underground Odd-jobber	30,979.2	34	1.10
Underground Machine Driver	37,366.9	11	0.26
Others	37,761.6	10	0.26
TOTAL	273,137.9	679	2.47

Ore production reached 34,357 tons in June as compared with 33,000 tons during May

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(2) Hibi Copper Smelter, Okayama Prefecture:

The Safety Committee members consist of two (2) members representing management and two (2) representing labor. All suggestions are actually carried out by management section chiefs. The Committee discusses only major injury cases. The draft of the company safety rules has not been approved by the Safety Division and is under study at the present time in the safety section of the Tokyo head office of the Mitsui Mining Company.

This company is being inspected by and makes reports to both mine safety and labor standards people.

(3) Takehara Refinery:

A brief physical inspection was made of the plant. Conferences with management revealed that both the Mihara Labor Standards Office and the Hiroshima Mine Safety and Inspection Division had assumed administrative authority without joint responsibility.

(4) Hiroshima MITI:

Bureau personnel stressed that the construction of a national government railway line through the Kawayama Mine area would be of great help to future mine expansion and increased production as it would eliminate the present ore transportation problem. It was reported that one hundred eight (108) lignite, non metal and metal mines are now in operation throughout the Region. New mine inspection reports were received by the Mine Safety and Inspection Division at the end of May and used at Yanahara for the first time during June. Workmen compensation payments for mines in this region other than coal are not behind.

When asked for specific cases of conflict between the Labor Ministry and the MITI, Bureau personnel reported no conflict at their level but did admit that double standards for machinery, double inspections and reports were confusing and bothersome to smelter and refinery operators.

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