DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

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(3) Date: Feb. 1949 - Mar. 1949

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Yamaguchi

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
APO 248

1. ADJ
2. SMGO
3. RCI
4. LBR
5. LEG
6. ED
7. WELF
8. PH
9. [illegible]
10. D.CO
11. FILE

Kure, Honshu

CMGR 091.31 (A-Sn)

17 February 1949

SUBJECT: Japanese Economic Recovery

TO : Commanding Officer
Yamaguchi Military Government Team
APO 248

FEB 18 RECD

1. Attached herewith is a letter from the Commanding General, I Corps, which is self explanatory.

2. Implementing instructions will be issued in the immediate future by this headquarters. It is desired that you headquarters study this memorandum and pay particular attention to the provisions of the attached directive from SCAP. The groundwork should be set up in your team from the formation of Economic Recovery Commissions.

3. The Economic Recovery of Japan is the primary mission of the Occupation Forces and will be given every priority.

RUSSELL C. SNYDER
Colonel, FA
Commanding

1 Incl
Cy Ltr Hq I Corps, AG 014-BA, dtd 10 Feb 49.

4968

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO. [illegible]

HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
APO 245

Kure, Honshu

CMGR 091.31 (A-Sa) 17 February 1949

SUBJECT: Japanese Economic Recovery

TO : Commanding Officer
Yamaguchi Military Government Team
APO 245

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HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
APO 245

Kure, Honshu

CMGR 091.31 (A-Sm) 17 February 1949

SUBJECT: Japanese Economic Recovery

TO : Commanding Officer
Yamaguchi Military Government Team
APO 245

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Cy Ltr Hq I Corps, AG 014-
RA, dtd 10 Feb 49.

RUSSELL C. SNYDER
Colonel, FA
Commanding

4968

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO. [illegible]

COPY

HEADQUARTERS I CORPS
UNITED STATES ARMY
Office of the Commanding General

AG 014 - EA

Feb 10 1949

SUBJECT: Japanese Economic Recovery

TO : Commanding Officer
Chugoku Military Government Region
APO 317

1. The early economic recovery of Japan is today the prime objective of the occupation. All programs and activities of Military Government should support and have the achievement of this objective as a first priority. Military Government personnel should constantly be alert to opportunities to attain this objective, and must study and evaluate all military government and Japanese activities against the background of Japanese economic recovery.

2. The Supreme Commander for the Allied Powers recently issued an interim directive to the Japanese Government outlining ten measures necessary to achieve this objective (see inclosure 1). Many of these measures are programs in which Military Government at both regional and prefectural level have long been active; others have received implementation primarily at national level.

3. It is desired that Military Government regions and teams maintain close liaison with responsible Japanese officials and agencies to insure implementation by them of the provisions of the directive. Military Government personnel should advise and encourage the Japanese to set up on local, prefectural, and geographical bases, Economic Recovery Commissions. These should study ways and means, and prepare definite plans for attaining the objectives announced by the Supreme Commander. They should scrutinize all credit extensions and budgetary provisions to see that they are limited to those projects which contribute to the early economic recovery of Japan. They should establish priorities and insure coordination of plans and projects.

COPY

Incl 1

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COPY

4. Commanding Officers of Military Government Regions will submit a report prior to 31 March on what has been accomplished in carrying out the provisions of this letter. Thereafter information on the progress of this program will be included in the monthly activity report.

1 Incl:
As indicated.

/s/ JOHN B. COULTER
/t/ JOHN B. COULTER
Major General, USA
Commanding

COPY

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COPY

OBJECTIVES SET FORTH IN INTERIM DIRECTIVE OF THE UNITED STATES

1. To achieve a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures and maximum expansion in total governmental revenues, including such new revenue as may be necessary and appropriate.

2. To accelerate and strengthen the program of tax collection and insure prompt, widespread, and vigorous criminal prosecution of tax evaders.

3. To ensure that credit extension is vigorously limited to those projects contributing to economic recovery of Japan.

4. To establish an effective program to achieve wage stability.

5. To strengthen and, if necessary, expand the coverage of existing price control programs.

6. To improve the operation of foreign trade controls and tighten existing foreign exchange controls to the extent that such measures can appropriately be delegated to Japanese agencies.

7. To improve the effectiveness of the present allocation and rationing system particularly to the end of maximizing exports.

8. To increase production of all essential indigenous raw materials and manufactured products.

9. To improve efficiency of the food collection program.

10. To develop the above plans in order to pave the way for the early establishment of a single general exchange yen rate.

INCLOSURE #1

COPY

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

HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
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11. FILE

Kure, Honshu

21 March 1949

GMGR 004 (D-Do)

SUBJECT: Campaign Against Economic Recovery Program

TO : Commanding Officer, Hiroshima Military Government Team, APO 248
Commanding Officer, Yamaguchi Military Government Team, APO 248
Commanding Officer, Tottori Military Government Team, APO 248
Commanding Officer, Okayama Military Government Team, APO 248
Commanding Officer, Shimane Military Government Team, APO 248

MAR 24 RECD

5747

1. Contained herein are several observations made in connection with the current campaign of opposition against the Occupation's 9 point economic recovery program and some recommendations on what to do about them.

2. The Japanese Communist Party and radical left-wing elements in the trade union movement have prepared an opposition program which includes among other things the following points:

a. Opposition to any rationalization of industry involving the laying off of employees.

b. Opposition to any revision in the labor laws.

c. Abolishment of all taxes on the working classes.

d. Opposition to the 48 hour work week for government workers.

e. Opposition to the new budget, whatever it may be, for the new fiscal year.

f. Opposition to the revisions in the National Public Service Law.

g. Opposition to the ¥ 6307 base rate of pay for government workers.

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CMGR 004 (D-Do) dtd 21 March 1949
Subject: Campaign Against Economic Recovery Program

h. Opposition to any reduction-in-force of government workers.

3. Observations indicate that the above program is being supported by many of the conservative elements in the trade union movement and is being given at least lip-service by the top command of the Federal. Obviously these conservative elements are the dupes of the radicals and this is borne out when opportunity is presented for labor officers to discuss the matter with the conservative elements under the proper conditions.

4. It is recommended that Labor Relations Officers in this region be continuously alert to this condition and take counter measures to combat it whenever the opportunity arises.

BY ORDER OF COLONEL SNYDER:

JERRY H. TOM
1st Lt, USAF
Adjutant

YAMAGUCHI DISTRICT
PUBLIC PROSECUTORS' OFFICE

18 March 1949

Hon. Commanding Officer
U. S. M. G. T., Yamaguchi City
Through: Taxation Division &
Legal Section

Subject: Re Economic Stabilization Program

Sir,

I understand that there are at least two most important points we have to enforce in the Economic Stabilization Program: (1) to accelerate and strengthen the program of Tax collection and insure prompt, widespread and vigorous criminal prosecution of tax evaders. (2) to strengthen and, if necessary, expand and coverage of existing price control programs.

As soon as we received this directive, I instructed to all of the officials under my command in this jurisdiction to be faithful in every way to insure the program by performing their duties in accordance with the directive.

A. As for the prosecution against the tax evadors, we are working together with tax officers in charge of the Taxation Offices in the jurisdiction of the Hiroshima Financial Bureau, National Tax Census Dept. since January. As our previous report to you shows, we have taken up three cases on direct Tax evasions: two have been indicted, one is under investigations. Concerning other Tax evasions, we are disposing the cases thoroughly and promptly with a close cooperation of the Taxation Offices.

Regarding the Local Taxes of towns in this Pref., we are now under considerations how to dispose them legally, in view of the status quo of the local finance.

However, we are ready to cooperate in every way with them in case the CHIHO-CHO wishes us to do so.

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B. In view of the importance of the present price control upon the stabilization of the peoples' economic living, we have already disposed the greater part of 16,479 cases which were sent by the Police Stations and the Economic Investigation Office (KEIZAI CHOSA-CHO). We are doing our best in disposing of cases on this line too, according to the principles of the program.

Respectfully yours,

Kaoru Inoue

MK/RS

K. Inouye, Chief Prosecutor

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 1[illegible]

TO: Commanding Officer,
Yamaguchi Military Government Team.

Opinion on Nine Points Economic
Stabilization Programme

In order to maintain the independent profit of our enterprise, we need to secure the allotment (share) of the capital goods (productive material) which enables production in every enterprise for a coming year at least, but as far as the electric power is concerned, due to the great influence of the seasonal change and the difficulty of forecast of weather as well as the time-limitation of load, the effective utilization of electricity is being much disturbed.

For this counter-measures firstly, it is the urgent matter to establish or strengthen the electric power stations such as reservoir power plants and coal-power stations throughout the prefecture at the same time to improve the organization of the enterprise or the system of the charge to be considered for electric power, and it is desired that the electrical enterprisers may take the clear responsibility in their supply of electricity.

Methink it is an one-sided judgement that the existing control is being enforced only against the demanders who have excessively consumed electric power on the ground of the allotment system of electricity.

Secondly, in my opinion which have their own coal-power-plants should operate their plants as much as possible at the time of electric dearth.

If we compare the charge of the electricity supplied from outward with the cost price of the home-made electricity.

Specified industry (Soda, fertilizer etc.)
two - four times.

General industry (Fibre, paper-pulp)
five - ten times.

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The home-mede electricity becomes very high, therefore, it is desirable to reduce the price of the bad coal and then raise up the rate of working efficiency the factories which consume the bad coal, and check up their influence upon the cost price of the production and at the same time to absorb the Ube coal into the factories in this prefecture, and stabilize the want of the consumers.

Akira TAWARADA,
Chief of the
Electric Conference in
Yamaguchi Prefecture.

No. 846-2, Tsuichi,
Ogori, Yamaguchi City.

MY/t

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

YAMAGUCHI-KEN UNITED LADIES ASSOCIATION

March 18, 1949.

Nine Points of Economic Stabilization Program.

It is almost needless to say that the economic construction is one of the most important keys to the much-looked-for reconstruction of this country. It is with great pleasure that we, the people of this country, receive the nine points of economic stabilization program - the fundamental policy to hasten the economical self-support of Japan - pertinently instructed by SCAP to our government in last December.

However, any splendid idea will be mere castles in the air, if not practised to produce effects. This also can be said about the nine points in question. It is well known that this country has suffered various bottlenecks after the war, finding it very hard to realize any ideas or plans.

How to go through these bottlenecks. First of all, the government's good administration and the people's profound understanding of both the purport and the contents of the nine points are absolute requisites. In other words, they should cooperate willingly with the government to achieve the economic stabilization and the everlasting happiness. I firmly believe that we should spare no efforts to respond to SCAP's goodwill and to recover the international credit.

What items of the nine points this committee prefers to take up at first.

Each of the nine points is of great importance, but it is feared that between two stools we might fall to the ground, if we take up the points all at once. So I hereby propose to adopt the following two items with one increasing purpose for the time being.

Two items proposed

1. Strengthening of the tax collecting plan.

2. Strict enforcement of the present price control.

The reason of my proposition

1. Strengthening of the tax collecting plan.

Today's bad disheartening results of collection of taxes, the foundation of the national and the local finance, can be attributed to the people's weakened will to pay taxes caused by distress and uneasiness of their everyday's life as a result of the defeat; and, according to the public opinion, the following two may be counted among its causes.

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(1) The taxation is very unfair and unreasonable.

(2) No fair and just explanation is not given as to how taxes of blood and tears are spent, always leaving some room for doubt.

If this problem be left unsolved for ever, an appalling economic havoc will probably ensue. So I believe that we should try to solve the matter most successfully as soon as possible.

2. Strict enforcement of the present price control.

Now that there is shortage of absolute quantity of necessaries for life today it is most urgent that the presant price control should be strengthened and the inflation checked so that we may be able to regain security in our national life by means of full production.

Our policy to cope with the situation.

1. Re strengthening of the tax collecting plan.

(1) Payment of tax is one of the people's honourable duties all over the world and, especially in this country of today, we have to bear a considerable share of tax, though staggering under the heavy burdens of life. All the people should awake to this fact.

(2) A good explanation shall be given about the contents, etc. of taxes so that all tax-payers may pay their fair and just taxes willingly.

(3) Every effort shall be made to enforce official disciplines, to cut down the expenditure national and local, to publish clearly how the expenditure is made and finally to be worthy of the people's confidence.

(4) Encouraging the people to pay tax and to save money.

(5) Any worst tax-dodgers shall be strictly punished, if tax-evasion cannot be stopped even in this way.

Remarks:- In the light of great importance of taxation, Yamaguchi-ken United Ladies' Association, in close touch with the prefectural authorities, is playing its part in the full-payment-of-tax drive in accordance with the actual circumstances of each district.

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2. Re strict enforcement of the present price control.

(1) Every effort shall be made to sweep away any blackmarketeering actions quickly by strict observance of the controlled prices by the women's associations whose membership is house-wives chiefly responsible for consumers' economy and by a good scientific plan of forbearance living.

In this respect, it is desirable that the minimum quantity of everyday life's materials should be distributed without delay.

(2) It is the avowed mission of all Ladies' association to help the house-wives' store achieve their end since they have been established all over this country under the auspices of or in cooperation with the Military Government Team as well as the prefectural and the municipal authorities. As a means of management of these stores, a Committee on House-wives' Stores is suggested to keep good watch, to give advice, to consult with and to investigate the public opinion, always keeping close liaison between merchants and consumers and trying to make a contribution to the reduction of prices and the check of inflation.

Remarks:- The Ladies' Association of Yamaguchi City is making preparatory arrangements to launch such a drive before long.

(3) House-wives' stores shall be legally protected by such means as exerting good offices to find capital for them, preferential distribution of commodities, reasonable tax, etc.

√ (4) To our surprise, we often find some commodities on the market, whose blackmarketeering prices are more or less cheaper than the official prices. If the price control be strengthened, it is desirable that the official prices are always cheaper than those blackmarketeered, though being of better quality.

Fuji Tokutomi,
President,
Yamaguchi-ken United
Ladies' Association.

U:hm

DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

COMMERCE AND INDUSTRY SECTION
YAMAGUCHI PREFECTURAL GOVERNMENT

28 March 1949

SUBJECT: Management of Yamaguchi Prefectural Economic Reconstruction Committee.

TO: Commanding Officer, Yamaguchi Military Government Team.

I have the pleasure to submit the managing principles of this commission as the result of the consultation at the first Yamaguchi prefectural economic reconstruction committee meeting held at the governor's residence on 18 March 10:00 a.m. as mentioned in the attached papers.

Yours respectfully,

for

T. Tanaka.

Tatsuo TANAKA
Governor of Yamaguchi Prefecture

MY/fn

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MANAGEMENT OF YAMAGUCHI PREFECTURAL
ECONOMIC RECONSTRUCTION COMMITTEE

1. Yamaguchi prefectural economic reconstruction committee (it is called the committee onward) looks forward to the perfect enforcement of the nine points economic stabilization program, especially consults and decides the local principles about the concrete items in Yamaguchi prefecture and expresses the opinions and answers to the consultation in relation to the enforcement.

(Explanation)

This committee is an organization to express the opinions and for the consultation but not an organization for the enforcement. In other words, they express their opinions and offer their desire in accordance to the local self-government to the central government. Of course, they observe the central decision but from the standpoint of the specialities of this prefecture they assert the adaptation of the local economic reconstruction and make the lower circumstances known to the above, and in such a way of communication, contribute to the reconstruction and stabilization of the Japanese economy. In the same way, they contribute to the policy of the prefectural government by answering to the consultation and expressing their opinions to the prefectural authorities.

2. This committee has no sub-organizations in the cities and counties of this prefecture.

(Explanation)

This committee is not an executive organization, therefore, they need not have their sub-organizations to administrate. If the cities or counties establish their economic reconstruction committee of the same character, their establishment would be based on their own standpoints and are not in the subordinate relationship with this committee.

3. This committee has no department committee.

(Explanation)

This committee being consisted of 21 committeemen, its aim is to make each committee go back to their

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classes of trade and their fields, work as an individual person and express his opinion freely at this committee, so that it is to be avoided to increase its member by establishing the department committee, and restrain their activity by making its organization much larger, but may add the member if necessary.

4. Each committeeman is not an official representative of his class of trade and his field to which he belongs but a selected committeeman as an individual person.

(Explanation)

Each committeeman is the leading person or in the important position of his class of trade and his field to which he belongs, but he is not an officially selected representative of his comrade, therefore, his utterance at the committee meeting is considered as his individual opinion from the view point of his class of trade or his field to which he belongs and the activity of the class of trade or the field to which he belongs may not be restrained officially by the resolution of this committee.

5. In case each committeeman agree to the resolution of this committee, he ought to exert his effort as an individual person in the propagation, encouragement and advising of the purport of the resolution and try to realize it in the field and the class of trade to which he belongs in accordance to the resolution.

6. The chairman of this committee shall be the governor of this prefecture as a rule.

7. The management of this committee shall be decided autonomously by the committee themselves.

(Explanation)

The Japanese Government and the prefectural government are responsible in the enforcement of the nine points economic stabilization program. The committee shall be managed autonomously as the democratic organization to express the opinion and communicate the lower circumstances to the above. Moreover, we hope Yamaguchi military government authorities would kindly assist this committee as an observer.

8. This committee put its business office in the commerce and industry department of the prefectural government.

9. The regular committee conference shall be opened on the third Friday of every month.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO. [illegible]

My Opinion on the 9-point Economic Principles

Isamu Fujita,
Director, Yamaguchi Revenue Office.

(1) The definite objectives of the 9-point Economic Principles lie in the establishment of the planned economy, which the present chaotic financial conditions need for speedy stabilization. However, it principally depends upon the sincerity and effectiveness with which the Japanese Government and the Japanese people meet the difficult problems arising therefrom.

With regard to the fulfilment of the No. 1 and No. 2 items which concern our office most, i.e. the establishment of the balance of budget and judicious taxation, I opine that the above sincerity and effectiveness are specially called for.

(2) The 1st paragraph of the No. 2 item lays special stress on the retrenchment of the budgetary expenditure. It goes without saying that the unberable burden on the national economy shall not only hamper the compound expansion reproduction but also the single reproduction. Therefore, the definite retrenchment of the budgetary expenditure is asked.

None the less, the effective appropriation of the budgetary expenditure, it may be pointed out, needs no less attention.

(3) The 2nd paragraph of the 3rd item refers to the strict enforcement of the tax collection program through the instrumentality of criminal procedure law. It is scarcely necessary to mention that the absolute necessity of securing the revenue calls for it. However, it must be taken into consideration that the tax collection program shall be laid out in such way that both the tax-payers and tax-collectors be benefited by the program. To wit, while the tax-collectors shall give out the well-balanced program at the beginning of the fiscal year, the tax-payers shall be

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advised to accumulate the tax-funds. Furthermore, the tax collection program shall not omit the repletion of the revenue offices with competent manning in terms of ability and number. The revenue offices must be provided with more manoeuvering facilities in terms of cycles.

At last, but not in the least, the foregoing criminal policy shall be conducted in the warning-off system, i.e. to warn the wicked delinquents at the expense of a few scapegoats being punished.

Further comments on the 4th items and so on shall be omitted, as they matter very little with the functions of the revenue offices.

March 18, 1949

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

Transaltion

Subject : My opinion on the 9-point E.onomic Stabilization Programme which had lately been issued by the Governmet.

By Nitta Toshimitsu
Chief of the Yamaguchi Branch,
The Monopoly Bureau.

I). Drastic retrenchment of such expenditure that are low in the degree of necessity should be carried out, and careful study should be done how to reduce or abolish subsidy:

2). In order to reduce expenditures, business should boldly be simplified:

3). In order to carry out just im posement of taxes and to make sure of the annual revenue , necessary preparation of battle formation of officials concerned for tax_collection should be made as they can up check of the tax-evaders.

4). Such steps should be taken that any eligible person or incorporation for accomodationof loanthat is engaging in an important business or enterprise will be given fund in accordance with the priority policy, and also the economic derangement which may be caused bythe illegal money_marketing will be checked.

5). An stabilized wage system on the basis of the efficiency pay should be established after adjusting the roughness of the basic wagesin accordance with the minimum cost of liveng:

6). The price Control ordinance should, excepting such case as it is applied for basic materials and indispensably important materials for production, be abolished, and it should be simplified and strengthened.
Rise in price of materials excepting controlled materials should be checked under the strict control of profiteering.

7). The Order of circulation of materials should be established and it should strictly be forced as various materials will smoothly be circulated:

8). In order to accelerate an increasing production, the efficiency wage system may be established under the condition that the quality and quantity of products snould responsibly be maintained.

9). A drastic measure should be taken to eliminate a general feeling of unrest on currency and stimulate people as they save up a portion of their income for saving.

IO). In order to carry out the allocation of the delivery of rice reasonably, mpre study should be carried out to grasp the real conditio n of individual farmer.

II). Adrastic medsure should be taken so as farmers may be able to reduce their expenses,

I2). One sided prosperity and spotty depression in the economical world

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in Japan should speedily adjusted.

I3). Forcasting on the economic restoration of Japan in the future must be shown for the people, and make them gradly co-operate it at the sacrifices of their living.

MY OPINION

TO THE NINE ECONOMIC OBJECTIVES

It is needless to mention that we must establish firmly self-suport situation in order to reconstruct Japan quickly after war-end.

Of course Japan, has a little resources, is needful to enter in the national economic circle. However if it has not a premise to establish self-support situation, our desire will not be able to realize. And till this time the reconstruction policy by Japanese government was so inability, and obscurity that the activity of the health economic constructure was pressed and development of the black-marketic economy was promoted.

This is certificated clearly that our life without black-marcket completly is not exist from all view-points of our individural life. From this view-point, if we don't plan radical economic policy and don't self-support, Japan has no way to have fortune of self-ruin according to the stoppage of the foreign assistance.

The nine economic objectives, from this point, give expression frankly to the natural matter, so there is no opinion against it radically.

However, as the Japanese Diet is occupied by more than half of members, conservative and reactionary party power, the nine economic objectives have many possibilities to be used as the tools of the reconstruction of the Japanese capitalism which is taken advantage of these objectives.

This problem is very importance by seeing and hearing next concrete facts, national control of coal mine, Showa Denko affair, textile problem, etc..

If these nine economic objectives put on practise one-sidely from the capitalistic standpoint, from judging about each item we believe we shall have great many unemployees.

It is nonsensical to plan self-support economy let alone many starved people. In order to succeed these nine economic objectives, both progressed manager and labor who have truthfull earnestness to the production rehabilitation, must keep production body under the spirit of the service to the society respecting each standpoint. If there is a man who don't keep this way consciously we must reject him under the name of " people ".

The matter which we are very anxiousing now is that the present government, as the first step of the practise of mine economicobjectives, started the readjustment of the administration

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and enterprise foreseeing the outbreak of many unemployees,
and takes vrry negative measures only to this.
So Yes or No to support widely to the nine economic objectives
by our labor is depend upon the appearance of the government
that is trusted by the labor.
However, if it will be change only in parties between extreme right
power and extreme left power, the practise of the nine economic
objectives will be introduce great confusion.
As the result, we agree to these nine economic objectives,
but the government which presents to the concrete policy to
these objectives will be decide complete or not to these objectives.

Yoshio Kashiwamura

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

WHAT IS TO BE DONE TO MANAGE THE BUSINESS MOST SMOOTHLY UNDER THE NINE-POINTS ECONOMY STABILIZATION PROGRAM.

Herewith, I will show my opinion concerning your proposal - 'Nine-Points Economy Stabilization Program.'

First, I'd like to consider upon the reasons from which this program might appear before us. One of the reasons - there are, I think, two reasons - must be the U.S.'s economic policy toward occupied Japan. The other must be such Japanese economic situation as demands an appearance of something of the rigid economic stabilization plan like the program.

Standing upon the above basis, I'm going to present my opinion regarding the relation between the innermost aspects of Japan's economy and the program.

It seemed that in 1948 we could get some bright hope in stabilization of economic chaos which have been continuing in this country from just at the moment of surrender.

At present it can be said that Japan stands on the crossroad of economic situation. If she can trace after the right path, her economic situation can be stabilized, but if she tread on the other, there is nothing but a vital abyss for her.

Where can these opinions come from? I'll explain it as follows:-

1) Currency issued was amounted 218,000,000,000 yen in January 1948 and it swelled up to 355,200,000,000 yen in the last month of the year. The rate of increase was 62% which was under half of that of 1947 that reached to 134%.

On the other hand, the rate of circulation of currency in 1948 showed two times as high as that of 1947.

2) When we cast a glance at the rate of increase of commodities' price, in 1948 it seemed to be only little over one-thirds of 1947's.

3) When we roughly look upon the problem of real wages there may be many views but in fact it has been improved considerably, I think.

4) Conditions of industry and mining seem to show its favor in tendency toward stabilization. If we take a production index from 1930-1934 as 100, in January 1948 is 42.5%, in June 1948 is 52.9% and in December of the same year is 62.1%.

This means that the production was rising constantly and the rate of increase production has smoothly proceeded.

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During 1948 Japan's economic condition showed tendency toward stabilization. But when this problem is left alone, it is very doubtful that this trend is automatically go on because there are two important factors at the bottom of our economy which accelerates it toward anti-stabilization. One of them is in the fact that Japan's economic stability depends upon a large import from foreign countries - in other words, upon the merciful aids from foreign countries, especially the satisfactorily proceeded aids from the United States. This is the main factor.

The second factor is that our enterprises stand on a very fragile and unsound base, because we must mention the following.

a) Depreciation in any enterprise is done only to so unsatisfactory extent that it can be depreciated only in one-thirtieth of the amount of pre-war day.

This cannot support the mainenance of the sound reproductivity in every enterprises - it is to be said that almost all enterprises are crippling along by cutting off their legs just as like an octopus does.

b) Accumulated red figures after red figures are in any enterprise. Of course, somewhere we can find out a little black management but it can but hardly. A huge debt is threatening every enterprises in this country.

c) The proportion of expenditure for wages in comparison with expenses in an enterprise is too big.

In the coal mining, the majority of the enterprises must pay over 60% of the whole expenses as wages.

Even if in the chemical industry, it is risen to 30% - 20%.

I explained the outline of the view on the Japan's economy and reconsidered the reasons from which the Nine-Points Economy Stabilization Program appeared in the above. Now I'm going to show my opinion on how to promote this program.

First, it needs to penetrate the spirit of the SCAP's letter to the Japanese Government into every minds of the people. It is regrettable that the general public hasn't a fast understanding of the letter.

Secondly, we must make every effort to recognize the general public the real situations of the National economy and to stimulate and to educate and to lead the people to the brilliant goal of the program.

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Here can be pointed out many practical plansfor completing the responsibility of management for this program, but whatever it may be, it must be proceeded with thorough scientific investigation and planning, and with persistent enthusiasm.

At the beginning of the stage, rationalization and independency of enterprise is taken into the consideration. Broad-minded rationalization is the core at the first step and we must strive for increase production and efficiency by maintaining and improving our re-productivity.

Employers Council, which is an organization of employers in this prefecture, create, standing on such a view, several sections to research the readjustment of management and business accountant, the promotion of efficiency, and the problems for labor regulation, under the close cooperation of all enterprisers in the prefecture, and now it is trodding mighty steps to the end.

March 18, 1949.

K. Nakayasu.

(Kanichi NAKAYASU)
Chairman of the Yamaguchi
Prefecture Employers
Council.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

VIEWS ON NINE-POINT ECONOMIC STABILIZATION PROGRAMME

THE Nine-Point Economic Stabilization Programme is a highly ambitious programme covering the subjects of finance, banking, prices, wages, foreign exchange, foreign trade, production, and delivery. Every one of these as prescribed in the Programme needs speedy and vigorous materialization with a view to promoting stabilization and rehabilitation of our country's economy. These should have been materialized spontaneously by the Japanese Government without having bothered SCAP to issue instructions concerning it. However it is evident that the enforcement of Nine-Point Economic Stabilization Programme will cause an extremely serious and far-reaching effect on our country's economy. It is because our country's economy comprises too many irrationalities and inconsistencies. Once the Programme is applied to Japan's economy it is unavoidable that the nation have to meet with various difficulties and frictions. Moreover but for the speedy and strict enforcement of the Programme our country's economic stabilization and rehabilitation cannot be expected. It is therefore impossible to place our country's economy on an independent basis if we should fail in the programme. The success of the programme solely depends on the proper means or method which may assure the smooth operation of the programme. In my opinion it is highly important to take the following points into consideration.

1. Firstly, let the people fully understand that the entire nation have to endure difficulties and sacrifices brought about as a result of strict observance of 9-Point Economic Stabilization Programme for the independence of our country's economy, and let them be fully prepared to cope with the coming situation.

2. Secondly, it is necessary on the part of the Occupation Forces authorities to bring strict pressure on the Japanese Government to

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expedite the enforcement of the 9-Point Economic Stabilization Programme. This is clear when we call back the poor result attained of the 10-Point Economic Rehabilitation Plan which was suggested by GHQ last year.

3. It is necessary on the part of the people in general to exercise strict supervision on the matter of formation of measures based on the 9-Point Economic Stabilization Programme. The proper guidance of the Occupation Forces authorities in this connection is also desirable. It is because of the possible misinterpretation of the 9-Point Economic Stabilization Programme or ~~its~~ carrying it out to extreme by the Government, or of the possibility of formulating measures by which the Government might call for excessive sacrifices on a certain section of the people or protect only the interests of the other portion of the nation.

4. In my opinion this Programme comprises not only the measures to be chiefly formulated and carried out by the State but also those to be formulated and carried out by the local authorities in accordance with the purport of the Programme, and those whose enforcement has to be promoted chiefly on a local basis in line with the plan worked out by the State. However the propriety of the enforcement ofthe measures that come under the latter two has much to do with the enforcement of the 9-Point Economic Stabilization Programme. We hope that the MGTs in the localities concerned will extend guidance and assistance in this respect. At the same time activities along the positive lines of the present Committee is much to be expected.

Due to lack of time I am sorry that I have been unable to give a more detailed account of my views on the given subject, but I shall never fail to avail myself of every possible opportunity to express my views on things that have not been covered in this short report.

18 March , 1949

Hidezo Kikkawa

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

Yamaguchi, March 16, 1949.

TO: The Governor of Yamaguchi Prefecture.

FROM: Tadasuke Sasaki,
Member of Yamaguchi Prefectural
Economic Rehabilitation Committee.

Subject:- Opinions Regarding Materialization of SCAP-Directed 9-Point Economic Stabilization Program.

Regarding the materialization of the SCAP-directed 9-Point Economic Stabilization Program, my opinions as a member of Yamaguchi Prefectural Economic Rehabilitation Committee representing police authorities are as follows:

1. My opinion regarding the directed "Achieving a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures and maximum measures as may be necessary and appropriate".

In order to curtail expenditures as stringently as possible, it is desirable that actual states of incomes and expenditures be made public always. For this purpose, every government or public office should keep its budget-book in such a way that everyone can inspect it, and should show the actual state of incomes and expenditures by entering it in the book every or every second month. In this way such office can secure advices on enforcement of the budget from persons of more number.

2. My opinion regarding the directed "Accelarating and strengthening the program of tax collection and insuring prompt, widespread and vigorous criminal prosecution of tax evaders".

1. My opinion regarding the directed "Achieving a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures and maximum measures as may be necessary and appropriate":

In order to curtail expenditures as stringently as possible, it is desirable that actual states of incomes and expenditures be made public always. For this purpose, every government or public office should keep its budget-book in such a way that everyone can inspect it, and should show the actual state of incomes and expenditures by entering it in the book every or every second month. In this way such office can secure advices on enforcement of the budget from persons of more number.

2. My opinion regarding the directed "Accelarating and strengthening the program of tax collection and insuring prompt, widespread and vigorous criminal prosecution of tax evaders":

Regarding disposition of tax evaders, police authorities are ready to cooperate with revenue officers concerned. However, on the other hand, as corrupt practices by revenue officers are one of the factors lowering tax payers' will to fulfil their duties, punishment on such corruption should be strengthened.

3. My opinion regarding the directed "Assuring that credit extention is vigorously limited to those projects contributing to economic recovery of Japan":

Punishment of those officials of financial institutions making illegal loans should be strengthened. To prevent frauds which may occur in connection with activities of now-prevailing mutual-aid financing groups such as ones called "Tanomoshi-ko", a new regulation controlling such financing activities should be enforced. This will help increase of reflux of money to public financing institutions.

4. I have no particular opinion regarding the directed "Achieving an effective program to achieve wage stability."

5. My opinion regarding the directed "Strengthening and if necessary, expanding the coverage of existing price control program":

The existing situation that officially-set prices for certain items are higher than black-market prices for them is perplexing economic-control authorities. (Such items are fuel, some kinds of processed marine products, etc.) From this point of view, restudy of existing price structure and price-controlling systems is believed necessary. On the other hand, in view of the fact that some of

Cont.

financially hard pressed war-sufferers and repatriates are going so far as saying that they are compelled to commit thefts to earn their livings if they are not allowed to find their way in blackmarket transactions, it is desirable that control on such items that are not considered to necessitate control is removed in nearest possible future. However, control on essential items such as staple food should be strengthened. By these measures, economic control autholities can work on their duties with firm confidence. My opinion is that only economic control based on nationwidely-equal standard and giving confidence to authorities responsible can secure legal channel of supply and distribution.

6. My opinion regarding the directed "Improving the operation of foreign trade controls and tightening existing foreign exchange controls, to the extent that such measures can appropriately be delegated to Japanese agencies":

In order to tighten controls on smuggling, the operation of Maritime Security Board should be strengthened.

7. My opinion regarding the directed "Improving the effectiveness of the present allocation and rationing system, particularly to the end of maximizing exports":

Although some items of silk wares such as neck-ties, mufflers etc. have been on free sale, strengthening of controls on silk goods is considered necessary in view of the position of silk in expert industry.

8. I have no particular opinion regarding the directed "Increasing production of all essential indeginious raw material and manufacured products".

9. My opinion regarding the directed "Improving efficiency of the food collection program":

It is desirable that "staple food delivery contract system" is established on the basis of the situations of respective community including actual accomplishments in food delivery in the past and increase of population, and crops of respective year.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

March 18, 1949

To: Mr. Lieutenant-colonel Eugene J. McNamara

Sir:

According to opening the meeting of Yamaguchi Prefecture Economic Rehabilitation Committe now, I was admitted to attend the meeting as a committe-man at your request.

And I am very glad to state, in spite of my ignorance, my brief opinion on 9-Pt. Economic Stabilization Program For Japan's Early Recovery as your instruction.

DECLASSIFIED E.O. 12065 Section 3-402/NNG No.

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And I am very glad to state, in spite of my ignorance, my brief opinion on 9-Pt. Economic Stabilization Program For Japan's Early Recovery as your instruction.

Yours truly,

The Yamaguchi Bank, Ltd.

Jiro Hirotsu

(Jiro Hirotsu)

President & Director

DECLASSIFIED E.O. 12065 Section 3-402/NNG No.

My Opinion On Nine-Point Economic Stabilization
Program For Japan's Early Recovery.

It depends upon the favored occupation policies by Hon. Gen. Douglas MacAthur, Supreme Commander for the Allied nations, especially America that we, eighty million Japanese people, who are living in only four islands, have been able to keep away from hunger and illness during three years after the end of the war. So that we, Japanese, are giving full-hearted thanks to him and them.

The industrial equipments damaged greatly by the war and the waste farms and the loss of territory which is Korea, Formosa, Saghalien and the loss of colonies which are Manchuria and etc., brought the want of living goods and the rising of monetary inflation was unavoidable.

But America helped Japan by sending foods and fertilizer and etc. for Government Account for Relief in Occupied Area Fund, and supplied the production materials for Economic Rehabilitation in Occupied Area Fund. And so Japan's economy is scarcely free from the economic collape as far as to-day.

But it imposes the heavy tax upon American people for the relief of Japan's economy that Japan depends upon Government Account for Relief in

loss of colonies which are Manchuria and etc., brought the want of living goods and the rising of monetary inflation was unavoidable.

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But it imposes the heavy tax upon American people for the relief of Japan's economy that Japan depends upon Government Account for Relief in Occupied Area Fund for a long time. In other words, we are owing moralogical duty to American people who are called upon to underwrite existing deficits in the indigenous resources required to sustain Japanese life.

On this view point, the United States State and Army Departments directed, to Japanese Government, to carry out 9-pt. economic stabilization program for Japan's early recovery which will be recognized as the fundamental conditions for Japan's economic stabilization.

We, Japanese, ought to recognize that carring out an effective economic stabilization program is the best benefit and a primary object to all of Japanese peaple.

We, Japanese, ought to be ashamed against the direction in accordance with the negligence of effort for taking measures to the program in spite of this program in the primary object for the prompt economic stabilization

of Japan, consequently, we must recognize that if we shall not exert our-selves, Amefica May give up to help us in any way.

In view of this, now we must go on the thorny road with the determination which will burns the bridge behind us. As the deserved result of the slow recovery of Japan's economy, carring out an effective measures to the program will be very difficult works and the difficulty will increase seriously more and more by the self-contradiction between the program each other, however the self-contradiction it-self will be the fundamental difficulty of the program. It is the absolute proposition that we must achieve the general success without disputing about the self-contradiction.

Also Gen. Douglas MacArthur said in his directive letter to Prime Minister Shigiru Yoshida that " I have faith in their ability, however stern the requirement and great the personal sacrifice, to achieve so worthy a national goal"; and said in the letter that "its impact upon individual life will be minimized if the burden is equalized among all of the people."

We, Japanese, ought to do best in order to secure peace, and to achieve the economic recovery. We feel keenly that the only way to repay the favored occupation policies of Gen. Douglas MacArthur and sympathy of American people.

I wish to describe my brief opinion of the counter-measures of the program as below.

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We, Japanese, ought to do best in order to secure peace, and to achieve the economic recovery. We feel keenly that the only way to repay the favored occupation policies of Gen. Douglas MacArthur and sympathy of American people.

I wish to describe my brief opinion of the counter-measures of the program as below.

1. The counter-measures to achieving a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures and maximum measures as may be necessary and appropriate.
   a) The fiscal outgo should be in the sphere of payable burden of national income which should be calculated scientifically.
   b) The method of compilation of budget should be that the annual expenditure is in the sphere of annual revenue fixed in precedence.
   c) Achieving the simplification of the administrative system and the administrative readjustment.
   d) Suppressing the supply between prices.
   e) Suppressing to transfer to the special account from the general account and adopting the self-supporting accounting system.
   f) Government selling of unnecesary national property.

g) Suppressing the new issue of the reconversion finance debentnre.

2. The counter-measures to accelerating and strengthening the program of tax collection and insuring prompt, widespread and vigorous criminal prosecution of tax evaders.

   a) The exhausive taxation of black market profiteers.

   b) Enforcing the disposition for failure to pay and the corporal punishment of the tax dodger.

   c) Elevating the standard of the revenne official.

   d) Enforcing the legal supervision of the counter-movement in tax collection

3. The counter-measures to assuring that credit extension is vigorously limited to those projects contributing to economic recovery of Japan.

   a) Suppressing the financing to deficit enterprises. (even if key industry)

   b) Suppressing the issue of the reconversion finance debenture accepted by the Bank of Japan.

   c) Suppressing the increase in note issue against the making of the financial program. (admitting the loan regulations in some bimits.)

   d) The financing to the medium and small-sized enterprises should be admitted only to the living necessities industry which should be necessary to the stabilization of wage and the export industry.

   e) Confirming the preciousness of capital.

   (for this purpose, the favorable measures of taxes on deposits and the

b) Suppressing the issue of the reconversion finance debenture accepted by the Bank of Japan.

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d) The financing to the medium and small-sized enterprises should be admitted only to the living necessities industry which should be necessary to the stabilization of wage and the export industry.

e) Confirming the preciousness of capital.
(for this purpose, the favorable measures of taxes on deposits and the elevating measures of tax exemption limit of deposits of savings association should be considered to increase the deposits and the accumulation of profits in enterprises should be considered to store up the sound funds.)

4. The counter-measures to establishing an effective program to achieve wage stability.

a) Suppressing the fiscal outgo in the sphere of payable burden of national income.

b) Enforcing the priority rationing to the wage-earners.

c) Requesting the self-concerning and cooperation of the wage-earners. (namely an armistice between capitalist and the wage-earbers)

d) Enforcing the indirect control in wages according to 3-pt. wage program.

e) Enforcing the authorized standard wage system, if occured the vices from the indirect control system in wages.

f) Reducting the income taxes of the wage-earners.

g) Securing the unemployment counter measures.

(enforcing the unemployment insurance and perfecting the Labor Stabilization Office.)

5. The counter-measures to strengthening and, if necessary, expanding the coverage of existing price control programs.

a) Keeping up the present wage level.

b) Raising the freight rates and the postage, but the raising limits should be the degree not effecting the cost of living.

c) Raising the production level of effeciency.

(the improvement of production facilities and concentrative production).

d) Supplying to the enerprises the raw materials at the official price.

6. The counter-measures to improving the operation of foreign trade contrl and tightening existing foreign exchange controls to the extent that such measures can appropriately be delegated to Japanese agencies.

a) Perfecting the committee for foreign exchange control.

7. The counter-measures to improving the effectiveness of the present allocation and rationing system, particularly to the end of maximizing exports.

a) Drafting scientifically the saple goods supply and demand program.

b) Supplying in priority the raw materials for the export industry and preventing the diversion of the goods in home.

6. The counter-measures to improving the operation of foreign trade contrl and tightening existing foreign exchange controls to the extent that such measures can appropriately be delegated to Japanese agencies.

a) Perfecting the committee for foreign exchange control.

7. The counter-measures to improving the effectiveness of the present allocation and rationing system, particularly to the end of maximizing exports.

a) Drafting scientifically the saple goods supply and demand program.

b) Supplying in priority the raw materials for the export industry and preventing the diversion of the goods in home.

c) Smoothing the financing for foreign trade.

d) Simplifying the administrative organization for production and for foreign trade.

e) Claiming the domestic consumption of the fundamental raw materials for Economic Rehabilitation in Occupied Area Fund.

f) Improving the Foreign Exchange Control Law and enforcing the introduction of foreign capital.

g) Settling the branch offices or sub-branch offices in the foreign markets.

h) Claiming the chartering of the foreign ships for the purpose of increasing the invisible trade income.

8. The counter-measures to increasing production of all essential indigenous raw materials and manufactured products.

a) Improving and repairing the hydro-electric supply enterprises.

9. The counter-measures to improving efficiency of the food collection program.

a) Enforcing the adance allocation of derivery quotas of the important foods.

b) Distributing rapidly the materials linked with the delivery.

c) Distributing the materials of reproduction.

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HEADQUARTERS
YAMAGUCHI MILITARY GOVERNMENT TEAM
YAMAGUCHI, HONSHU, JAPAN
APO 248

ECONOMICS DEPARTMENT

I. Current Program:

Coal production continues to be the most important single program for this department and at this period with crop collections over and new higher quotas established an attempt will be made to eliminate or reduce inefficiency and bottlenecks. The Coal Team has verified the suspicion that miners were not working a full day in the pits altho' meeting goals in most months. The increased quota will supply the necessary incentive to greater effort on their part if they are brought to understand that their output is the key to Japan's recovery. A program toward this end will be worked out with the LRO and Info. Officer and tied in with the 9-Point Economic Recovery Proram.

The Prefectural Economic Recovery Commission held its initial meeting on 18 March at which time it concluded its function would be ~~a~~ policy making and surveillance. In view of the ambiguity of the 9-Point Program, the initial job will be to apply the intent of the 9-Points to the local economy by individual industry or form of endeavour. We have suggested to the Commission that its initial effort be directed to educating the groups it represents in analyzing the 9-Points to see how they can apply them to their particular walk of life. At the moment, a program which would raise the per capita output of miners in Yamaguchi, already the highest in Japan, would contribute materially to the economic balance of the Prefecture. A ton or two per month production increase per capita would put most mines in the black and it is believed that if supplementary rations were linked to production, as is logical, instead of attendance, which invites loafing, this eminently desirable

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condition could be readily achieved. The Commission and the local Coal Bureau are forwarding recommendations on this matter to the Central Government.

II. Current Problems:

The forementioned programs currently occupy the limelight in the Occupation's plans and we will attempt to supply the initiative required to accomplish the intent in this prefecture. It is unfortunate, however, that there is no adequate legislative basis upon which to plan. Much time-consuming research must be conducted to determine current status and then we must depend upon psychology and prestige for the co-operation necessary to achieve results.

Concurrent with this visit we have been informed that vegetables have been removed from all controls. It is the considered opinion of the undersigned that this ill-advised move at this time will contribute materially to upsetting the none-too-stable wage-price equality that has existed these last few months. The alleged adequate supply, which does'nt exist at this period of the year, is due primarily to an adquate distribution system. Radio Tokyo reported on 1 April, price increases averaging 2.5 times former legal prices. A similar ratio now exists in Yamaguchi.

Eugene M. Ten Eyck
EUGENE M. TEN EYCK
DAC, CAF-9
Economics Officer

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9-Point Economic Program

The 9-Point Economic Stabilization Program for Japan, directed by the United States Government late last year, and General Douglas MacArthur's letter to Premier Yoshida in connection with this interim directive appear to have caused surprisingly widespread repercussions in Japan's economic circles.

The 9-Point Program provided for:

1. "Achieving a true balance in the consolidated budget at the earliest possible date by stringent curtailing of expenditures and maximum measures as may be necessary and appropriate.

2. "Accelerating and strengthening the program of tax collection and insuring prompt, widespread and vigorous criminal prosecution of tax evaders.

3. "Assuring that credit extension is vigorously limited to those projects contributing to economic recovery of Japan.

4. "Establishing an effective program to achieve wage stability.

5. "Strengthening and, if necessary, expanding the coverage of existing price control program.

6. "Improving the operation of foreign trade controls and tightening existing foreign exchange controls, to the extent that such measures can appropriately be delegated to Japanese agencies.

7. "Improving the effectiveness of the present allocation and rationing system, particularly to the end of maximizing exports.

8. "Increasing production of all essential indigenous raw material and manufactured products.

9. "Improving efficiency of the food collection program."

Actually, the 9-Points given as the objectives of the program are substantially what have already been covered by the Supreme Commander's directives and instructions - in July, 1948, when a 10-Point program for economic stabilization and five principles regarding the compilation of the National Budget were indicated, and since November, 1948, with the steps implementing the three principles for the stabilization

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(H) 091.3 ℓtℓ

Subject: Prefectural Economic Recovery Commission
To : Commanding Officer, Chugoku Mil. Region, APO #248

1. Reference CMGR 091.31, 25 Feb. '49, subj. "Japanese Economic Recovery."

2. In compliance with reference, initial meeting of the prefectural commission was held 18 March, composition of which is shown in Incl. 1, attached.

3. As this was the first assembly of the commission, a detailed, practical program has not yet evolved but a tentative organizational plan was proposed and is attached as Incl 2. Actually, the initial meeting indicated ~~that~~ the organization to be more democratic in nature than the proposed plan.

4. Each member of the commission was required to present his ideas for accomplishing the intent of the 9-points and these will be studied and pertinent points extracted as the basis for the commission's function.

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5. During the period before the next meeting of the commission, members of this Team will confer with their counterparts on the commission, with the Economics Officer acting as co-ordinator, in order to evolve a consolidated and comprehensive program. It is considered desirable that an agenda for activities be prepared by that time and priorities be established.

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2 Incl
as indicated

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YAMAGUCHI PREFECTURAL GOVERNMENT

March 10, 1949

SUBJECT: Opening of the Yamaguchi-ken Economic Recovery Commission

TO: Commanding Officer
Yamaguchi Military Government Team
Attn: Resources, Com. & Industry Section

In pursuance of your instructions of March 7th, I have the pleasure to inform you that the Yamaguchi-ken Economic Recovery Commission will meet on March 18th at 10:00 a.m. at the governor's official residence. You will please note that the following members are arranged to be present:

Taro Ozawa
Vice-Governor & Director of the Economic Dept.

Tsutomu Hironaga
Director, Commerce & Industry Dept.

Masayuki Hashimotc
Director, General Affairs Dept.

Koji Kishimoto
Director, Labor Dept.

Akira Harada
Police-Troop Commander.

Taro Yamashita
Mayor of Yamaguchi City & Chairman, Intermunicipal Autonomy Council.

Masao Furumi
Director, Yamaguchi-ken Economic Research Board.

Seiichi Arai
Director, Shimonoseki Railway Management Dept.

Isamu Fujita
Director, Yamaguchi Revenue Office.

Hidezo Kikkawa
Director, Yamaguchi Economic College.

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Kaoru Inouye
Chief Public Procurtor, Yamaguchi Local Court.

Tadasuke Sasaki
Chief, Municipal Police Station, Yamaguchi &
Representative of Municipal Police Stations.

Toshimitsu Nitta
Director, Yamaguchi Monopoly Bureau.

Yuji Iwase
Manager, Shimonoseki Branch of the Bank of Japan.

Akira Tawarada
Chairman, Yamaguchi-ken Power Council.

Fuji Tokutomi
Chairwoman, Yamaguchi-ken Women's Association.

Kanichi Nakayasu
Chairman, Yamaguchi-ken Industrial Operator's
Council.

Yoshio Kashiwamura
Representative, Yamaguchi-ken Federation of
Labor Unions

Jiro Hirotsu
President of Yamaguchi Bank.

Yours faithfully,

/s/ Tatsuo Tanaka
/t/ Tatsuo Tanaka
Governor
Yamaguchi Prefecture

SN/Is

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ECONOMIC REHABILITATION COMMISSION (B111)

(1) Object:

With a view to fulfill the nine-point economic stabilization program, the Economic Rehabilitation Commission shall adjust and coordinate all enterprises for the purpose.

(2) Structure:

(a) The Economic Rehabilitation Commission shall be set up in the Pref. Gov't office, municipal offices and Pref. District offices respectively.

(b) The Pref. Economic Rehabilitation Commission shall be provided with the following departments:

Finance Dept., Wage & Price Dept., Commerce & Industry Dept., Banking Dept., and Foodstuffs Dept.

Note: - In the municipal offices and pref. district offices, the above departments shall no more be provided than they need.

(c) The chairmanship of the Economic Rehabilitation Commission shall be assumed by the Governor, Mayor or the Chief of the Pref. District Office.

(d) The Commission shall consist of the government officials concerned, managing staff of the financial organizations, members on staff of labor unions, and the personages of scholarship, experience and technics. They shall be appointed by the Governor, Mayor of the Chief of Pref. District Office.

(e) Directors of the above departments shall be appointed by the chairman of the Commission.

(f) The Commission shall be provided with the office with the object to execute the business i.e. communication, coordination and prosecution. Executive officials shall be appointed by the Governor, Mayor of the Chief of the Pref. District Offices.

(3) Date:

The Pref. Economic Rehabilitation Commission shall be set up by March 10th. The Municiapl Economic Rehabilitation Board

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as well as Pref. District Economic Rehabilitation Board shall be set up by March 20th.

(4) Functions of the Economic Rehabilitation Commission.

(a) The Board shall take counsel to fulfill the nine-point economic stabilization program and make inquiries for the purpose.

(b) The budget of the Commission shall be considered apart from this program.

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Regulation of the Pref. Economic Rehabilitation
Commission - Yamaguchi-ken

Art. 1 The Pref. Economic Rehabilitation Commission, Yamaguchi-ken (hereafter he called the Commission) shall take counsel with the object to adjust and coordinate all enterprises so as to fulfill the nine-point economic stabilization program.

Art. 2 The Commission shall be set up in the Yamaguchi Pref. Gov't office.

Art. 3 The Commission shall consist of the Chairman and some necessary committeemen.

Art. 4 The Governor shall be the Chairman of the Commission. The Committeemen shall consist of the government officials concerned, managing staff of financial organization members on staff of labor unions and the personages of scholarship, experience and technics. They shall be appointed by the Governor.

Art. 5 The Commission shall be provided with the following departments with the functions mentioned for each.

Finance Dept. with the functions re

(a) Balance of budget
(b) Strict collection of taxes

Banking Dept. with the functions re

(a) Regulations of banking system
(b) Encouragement of savings

Wage & Price Dept. with the functions re

(a) Stabilization of wages
(b) Price control

Foodstuffs Dept. with the functions re

(a) More foodstuffs production
(b) Delivery of foodstuffs to state granary.

Commerce & Industry Dept. with the functions re

(a) Export trade
(b) More mine production

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Art. 6 Each department shall consist of the director and the subordinate officials. The Chairman of the Commission shall appoint the director and the subordinate officials from among the Committeemen.

Art. 7 The Chairman of the Commission shall convoke the Committeemen and assume the speakership. So shall the directors of the departments convoke the subordinate officials and assume the Chairmanship.

Art. 8 The directors shall directly report to the Chairman all the items decided at the departmental conferences. The Chairman, on receipt of the report, shall submit the important items thereof to the deliberation of the Commission without delay.

Art. 9 The Chairman shall not only directly report to the administrative organs concerned the decisions adopted either by the Commission or the Departmental Conferences, but also encourage the enforcement of the decisions.

Art. 10 The decisions of the Commission or the Departmental Conferences shall be made by the majority of the attendants. In case pros and cons divide in halves, the Chairman or the Director will vote for the decision.

Art. 11 The Commission shall be provided with the office with the object to execute the business concerned. The executive officials shall be appointed by the Governor from among the officials concerned.