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Readjustment of Local Offices of the
National Government.

Gov't Section

D/CS

2 Jun 1948

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1. The present problem arises in connection with a proposed plan of the Japanese Government to readjust the system of local offices of the various ministries and other agencies of the national government in order to:

a. Permit prefectural governments to exercise the functions allocated to them by the Local Autonomy Law enacted by the National Diet on 17 April 1947.

b. Eliminate existing overlapping functions and activities between local offices of national bodies and prefectural governments.

c. Eliminate unnecessary expenditures of public monies for superfluous offices and personnel.

2. The Prime Minister of Japan in his letter of 17 May 1948, to General Whitney states that:

a. The question is one of long standing to which a solution is long overdue.

b. Readjustment of the system has the unanimous support of the prefectural governors and influential support in the National Diet.

c. Of late the matter has become a political issue.

d. The Prime Minister and his ministers, after careful study, have agreed on the proposed plan as "the absolute minimum to meet the generally expressed opinions".

e. "The execution of economic controls and other activities will not be hampered in any way by the transfer of the task to the governors or streamlining the existing offices as proposed in the plan."

3. Of the objections raised by the various interested staff sections of General Headquarters some are predicated on the belief that prefectural performance of national programs would be less efficient than direct execution by field agencies of the central government. Even if this proposition were true, which Government Section does not believe, it would be irrelevant, for the efficiency of the Japanese governmental administration is not per se a concern of the Occupation. The only objections which have any semblance of merit are those predicated on the alleged danger to the execution of SCAP's economic control programs. It is alleged that local authorities would fail to carry out national programs in their communities because, first, they are less capable and efficient than agencies of the central government, and, second, because they would yield more readily to local pressures. These statements disclose a serious misconception of the nature of the readjustment proposed in the Japanese Government's plan, a lack of understanding of the status of prefectural governors under the Local Autonomy Law and a disregard of events of the last

two years under the Occupation.

4. The plan does not propose complete delegation of national control programs to the prefectural governments. National policies would, as at present, continue to be determined at the national level in conformity with SCAP policy directives. Quotas and allocations would still be determined by the national bodies. Only the execution of these programs within the kens would be turned over to the ken governments. Prefectural governors, although locally elected and responsible to the local communities for the execution of regulations governing local matters, are still, under the law, national officials responsible to the national government for the execution of national laws and policies, and failure to carry out such national policies renders them subject to disciplinary action upon the initiative of the national government. That this national responsibility of prefectural governors is real and not theoretical is illustrated by the rice collection program which although subject to allocations at the national level is executed entirely by the ken governments. The allegation in paragraph 4 of the RSS memorandum (27 May 45) that the success of the national rice collection program "was made possible only by the determined effort of the National Ministry" is therefore entirely misleading. In the last two years the most notorious failure of governmental agencies to perform their duty was the wave of so-called tax strikes under which tax collection offices not only failed to collect taxes, but employees of these offices engaged in what amounted to virtual sabotage of a vital governmental function, including absenteeism and public display of notices encouraging tax evasion. These acts occurred in field offices of the Ministry of Finance and followed a pattern established within the Central Ministry itself, the employees concerned belonged to the bureaucracy of the central government. They returned to their jobs and resumed the performance of their duties only after the Military Government Teams assumed actual supervision of their operations. During this same period local tax offices of prefectural and municipal governments displayed no such disgraceful disregard of their public duty but continued to collect the local taxes.

5. Reports from the Military Government Teams indicate that the branch offices of national agencies in their areas, in many cases, represent not only a duplication of the work and efforts of the ken governments, but are actually a source of obstructionism. It should be remembered that a major part of these offices have been established during the past year, while the Japanese Government has been considering administrative reductions in its central government machinery and numerous bureaucrats have been encouraged to leave Tokyo and take up positions in the field agencies in order that they might avoid the axe. In Fukui ken alone there are 3368 employees of the central government. Of these, only 713 do work of a national character. The remaining 2655 perform functions which duplicate those of the ken government. It is this sort of condition that the Japanese Government is trying to correct.

6. The question is thus clearly one of Japanese internal governmental administration, policy and politics which should be left to the Japanese to resolve on their own initiative and responsibility free of SCAP interference or influence, unless it can be convincingly shown that some objective of policy of the Occupation would be jeopardized by the proposed Japanese solution. This has not been shown. The Japanese Prime Minister has already stated that

the execution of economic controls and other activities required to implement SCAP policies will not be hampered in any way by adoption of the proposed plan. Unless the Supreme Commander is willing to assume the responsibility for ordering the internal administrative affairs of the Japanese Government, this statement by the Prime Minister should be accepted at full face value.

7. Recommend that the plan be cleared as unobjectionable to the Supreme Commander and that judgment by SCAP upon its merits await its implementation.

8. In the foregoing discussion Government Section has confined itself to an objective analysis of the immediate problem raised by the Prime Minister's communication. It refrains from comment on the obviously baseless, improper and irresponsible implications contained in the last two sub-paragraphs of the Memorandum of ESS dated 27 May 1948, subject, "Local Autonomy Law".

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

C O P Y

C O P Y

HGS/MWR/WCM/my

NR 710 (27 May 1948) P

Proposed Readjustment Plan of Local Offices
of the National Government

NR/P

DCS, SCAP

27 May 1948

1

1. Reference is made to verbal instructions received from Gen. Fox, in conference on 25 May, relative to the "Proposed Readjustment Plan of Local Offices of the National Government", (Inclosure 1). NR desires to submit the following comments on those parts of the plan which affect activities within the scope of its responsibility and interest.

2. With reference to paragraph 1, "6 Resident Offices of the Agricultural Administration Bureau", the operation of these offices involves problems of distribution and is therefore a primary responsibility of ESS rather than NR. However, this Section is definitely interested in any change which might adversely affect the distribution of critical materials needed by farmers to sustain and increase agricultural production. NR does not have sufficient information concerning the effectiveness of these agencies in the expeditious delivery of critical materials to the farmers to make comment at this time. Further information is being obtained from the Ministry of Agriculture and Forestry as to how the problem is being handled at present and what the consequences would be if the function was transferred to the prefectural governments.

3. With reference to paragraph 4 of the readjustment plan, NR requests further opportunity to review any proposed reorganization or consolidation of branch offices of Regional Commerce and Industry Bureaus. It is the opinion of NR that the following considerations should govern such actions:

a. The present critical shortage of supplies and equipment necessary for the support of the mining industry requires careful allocation and distribution of the available material. National control of distribution and allocation machinery is needed to insure equitable distribution. This is especially true in view of the existence of local mining industry associations formed by members of the mining industry in the various mining districts. Wartime control over allocation and distribution of supplies and equipment, which was exercised by local associations, operated to the distinct disadvantage of those mine operators who did not belong to an association. It is feared that without control from the national level, the tendency already noticeable on the part of the local associations to attempt to regain a portion of their former power will be reinforced.

b. The meager mineral resources available in Japan are insufficient to maintain her economy. The most efficient utilization of these resources is desirable both from the standpoint of the Japanese nation and of the United States during the occupation. Operation of the mining industry under a National Mining Law is needed to insure uniform and rational exploitation. Local branches of the Mining Bureau and of the Coal Board are needed to carry out the responsibilities of the national government with respect to this problem.

NR 710 (27 May 1948)P

Check
Note 1
contd.

c. A national Mine Safety Code has been written to bring about a reduction in accident rates in Japanese mines. The administration of the Code, and the mine inspection system established thereunder, must be on a national basis, supervised at the local level by branch offices of both the Mining Bureau and the Coal Board.

4. With reference to paragraph 5, "47 Charcoal Offices", NR does not believe that the present scale of organization can be revised and made smaller at this time.

a. Under the current distribution method, control of distribution of charcoal and fuelwood passes from the Ministry of Agriculture and Forestry through its local representative, the Charcoal Office, to the Wood Fuel Forest Products Association (Nenryo Rin San Kumiai), a local association of private dealers. The latter organization functions as the distributing agency to the consuming public. This system is under consideration for revision to conform with democratic principles.

b. In the contemplated reorganization of distribution, the monopolistic control of distribution by the Association will be eliminated and distribution to elected neighborhood dealers will be made directly from the local Charcoal Office. The physical handling of charcoal under the revised system apparently will require a larger staff in order to cater to the consuming public. This contemplated reorganization is one of democratization rather than of simplification of control to permit curtailment of the present organization.

i Incl
as indic above

-----H. G. S.-----

Agriculture _____
Fisheries _____
Forestry _____
M&C _____

COPY

FSB/WIO/PER/eh

Proposed Readjustment Plan of Local Offices
of National Government

Civil Transp. Sec.

Deputy Chief of Staff

27 May 1948

1. Reference is made to Japanese "Proposed Readjustment Plan of Local Offices of National Government" dated 17 May 1948.
2. CTS had no objection to that portion of the proposal which concerns the Ministry of Transportation.

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

Memo No. 90-A

FSB/WIO/PER/2h
27 May 1949

MEMORANDUM FOR RECORD:

1. Basic correspondence is "Proposed Readjustment Plan of Local Office of National Government" dated 17 May 1948 which was given informally to the various sections at Staff Meeting held by Chief of Staff, 24 May 1948, with request that check note giving position of individual sections be forwarded to Deputy Chief of Staff.
2. Instant check note to Deputy Chief of Staff advises that CTS has no objection to that portion of the proposal which concerns the Ministry of Transportation.
3. Position of CTS is in accordance with the spirit of the local Autonomy Law and the policy of SCAP to decentralize governmental functions.
4. Interest of USAFIK are not affected.
5. This closes action on 90-A. Initiated action on Civil Transportation Section.

P. E. R. 26-6002

COPY

SUPREME COMMANDER FOR THE ALLIED POWERS

CFS/CSM/nd

"Proposed Readjustment Plan of Local Offices
of National Government"

PHW

DC/S

25 May 1948.

1. Public Health and Welfare Section concurs in that portion of Para. 1b of "Proposed Readjustment Plan of Local Offices of National Government", dated 17 May 1948, as provides for the transfer of assignments and functions of the 46 Disease Prevention Officers to Local Prefectural Governors.

2. Public Health and Welfare Section does not concur in the proposal in Para. 3 to eliminate the establishment of National Park Administrative Offices under control of the Ministry of Welfare. The parks are National in scope and their geographical boundaries in several instances extend into two and three different prefectures. Regional offices, under a Central Office in the Ministry of Welfare, are therefore necessary for efficient administration of the National Parks.

-----C. F. S.-----

COPY

Proposed Readjustment Plan of Local
Offices of National Government.

Govt Sec

C/S

22 May 1948

1. I discussed the attached communication from the Prime Minister with General MacArthur last evening.

2. General MacArthur feels that whereas the proposals of the government are in keeping with our general policy in the decentralization of the functions of government, interested section chiefs should be given an opportunity to hear the same and express any specific views they have thereon. He wishes to avoid, however, any protracted delay in giving the government the green light to go ahead or suggestions as to modifications. To such end he expressed a desire that a meeting of interested section chiefs be called before General Fox for the purpose of having the attached communication read to them and discussed, thus avoiding the risk of the paper bogging down on working levels.

Incl: Ltr fm the Prime
Minister dtd
17 May 48

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

C O P Y

Confidential

May 17, 1948

Dear General Whitney,

I believe that long outstanding question before the Government of readjusting the present setup of central agencies active in local field has already attracted your attention. After making careful scrutiny and choice, Ministers came to an agreement with me as to the advisability at this juncture of enforcing the "Proposed Readjustment Plan of Local Offices of National Government" which I am sending you herewith enclosed for your sympathetic consideration.

I hope I shall be given a chance of seeing you one of these days, when I wish to discuss the plan personally.

Yours faithfully,

Hitoshi Ashida,

Prime Minister.

Brigadier-General Courtney Whitney,

Chief, Government Section, General Headquarters,

Supreme Commander for the Allied Powers.

C O P Y

ECONOMIC AND SCIENTIFIC SECTION
Industry Division

21 May 1948

MEMORANDUM FOR: Dr. S. M. Fine, Economic Advisor

SUBJECT: Proposed Readjustment Plan of Local Offices
of National Government

1. Reference letter from Prime Minister to General Marquat, Chief, ESS, dated 17 May 1948, concerning reorganization of the present system of local and field offices of the National Government and the inclosure entitled "Proposed Readjustment Plan of Local Offices of National Government".
2. Past experience with Ministry of Commerce and Industry and other Ministries concerned with industrial matters, public works and construction, allocations, distribution and use of industrial materials, has proven their representatives to be generally more active and more informed than representatives of the prefectural governments concerned with similar problems. It is true that some of the Ministry field men are inefficient, but experience has shown sufficient numbers are efficient to prove this system of Branch Offices the best means of collecting data, disseminating instructions and standardizing of policy in compliance with directives originating from ESS.
3. Furthermore, the advantages of having the central headquarters of a nation-wide network of Branch Offices of the Japanese Governmental Agencies here in Tokyo are quite obvious in terms of liaison, enforcement of policies and expeditious handling of important actions. For example in serious cases, usually it has been possible to accomplish SCAP objectives by calling in high officials of the Ministry of Commerce and Industry, and by this direct and immediate action achieve the required objectives effectively and expeditiously. Such a procedure would certainly be less successful if the Ministry was able to claim that it had no local control or information as a result of the loss of its Branch Offices, and practically impossible in similar instances if the prefectural governments were the only channels of procedure available for nation-wide actions.
4. Because of the above, it is the opinion of the Economic and Scientific Section that generally the Prefectural Branch Offices of the Ministries should remain, particularly those of the Ministry of Commerce and Industry and Construction Board. However, ESS is willing to review any proposal drafted in the interests of more economic and efficient operation of the present field organization of the Ministry of Commerce and Industry and Construction Board that the Japanese Government may care to present.
5. Probably, it will be advisable to review this situation once again at the time the various control measures and agencies such as the Temporary Demand & Supply Act, ESB and the Kodans are abolished. At that time, the general pressure of events should be somewhat relieved and some sacrifice of efficiency may be permissible which would allow a shifting of the functions of the Ministry of Commerce and Industry Branches to the local prefectural governments.

W. S. VAUGHN
Chief, Industry Division