WAGES AND WORKING CONDITIONS: The Labor Standards Bill became a law on 5 April 1947 and established minimum working conditions to permit each worker to live a life worthy of a human being. Parts of this law were put into operation 1 September 1947. On 1 May 1948 all provisions of the law became effective. The law is enforced by the Labor Standards Bureau of the Japanese Labor Ministry. The bureau maintains Labor Standards Offices in each prefecture. The labor officer will exercise surveillance over the enforcement of this law and the efficient operation of the Labor Standards Offices by the following:

a. Constant surveillance of the functions of the Labor Standards Offices, paying particular attention to:

(1) Determining administrative delays, i.e. personnel, budget, physical facilities, transportation etc., that are hindering the efficient operation of these offices.

(2) Ascertaining if the staff is efficiently preforming its duties in the inspection of factory working conditions and if action is being taken to correct violations and/or prosecute the violators.

(3) Determining what adverse working conditions have been found to exist and what corrections are being made.

b. Surveillance of labor practices in factories, by determining if:

(1) Employers are informed of the provisions of the law and cooperating in the enforcement of it.

(2) Labor unions are informed of the provisions of the law and actively cooperating in its enforcement by reporting violations to the Labor Standards Offices;

(3) Workers have any complaints against any of the provisions of the law.

CAPS

Labor Education.

The mission is to encourage by means of a broad educational program designed to reach the employer, the employee, and governmental labor officials the development of democratic labor practices and organization in all fields of industry and agriculture. The following suggestions are offered to the labor officer in the conduct of his educational program:

a. ~~The labor officer should~~ Maintain contact with the Labor Relations Committee, Public Employment Security Office, ~~with the~~ Vocational Training Agency, ~~the~~ Labor Standards Office, as well as other local agencies of the national or prefectural government which are concerned with labor administration. Since these agencies differ in each prefecture, ~~the military government~~, the above officer should employ the services of the Prefecture Liaison Section in securing the proper people to contact. Determine the extent to which these agencies receive guidance and instruction from national sources; (1) ~~the extent to which their operations~~ (2) conform to national policy and standards in operation; ~~and the extent to which~~ (3) ~~they~~ need guidance and assistance from national sources. Where such guidance is needed and is not provided, a report should be forwarded to higher headquarters. At the same time the agency itself should be urged to apply to ~~their~~ its proper national headquarters for necessary instructions.

b. ~~Establish in the union should observe the educational program~~ Encourage the unions to institute educational programs for their members. Encourage the provision of ~~and~~ facilities for ~~their members~~ carrying out the same by urging the establishment of educational committees, discussion groups, and ~~in unions~~ labor libraries within union halls, ~~and discussion groups within unions~~. He should make himself available for personal

visits and lectures at ~~these~~ meetings whenever he is invited. At no time should he undertake to address a union assembly against the will of the union officials. He should stimulate a desire within the union to bring their disputes before the labor relations committee. By advocating this "recourse to law" he will be instructing the union in how to avoid strikes, lockouts and other work stoppages and still achieve their objectives.

C. By means of liaison with employer groups, associations, and Chambers of Commerce, ~~the labor officer should~~ encourage employers, to establish labor libraries, educational programs and discussion groups for their ~~personnel~~ workers. ~~Military Government can assist~~ assistance can be given employers by providing information as to available educational material and even lectures to employers' associations in order to instruct them on how to more effectively handle ~~their~~ labor relations problems and cope with demands by the unions.

D. ~~He should~~ Make available to ~~the Japanese~~ governmental agencies, unions, and management and employer associations information ~~on~~ concerning labor publications, film strips, "kamishibai", and other educational material available for purchase, the price, publishing house, etc. This information is supplied by higher headquarters in the form of "sample" ~~the Military Government Section, Headquarters Eighth Army and SCAP,~~ copies and mailed directly to each military government unit. He should encourage reproduction and dissemination of authorized material supplied by higher headquarters. ~~It is not intended that the Military Government Section, Headquarters Eighth Army, or any other~~ higher headquarters will not furnish extra copies of information to the labor officer for distribution to Japanese agencies.

2. ~~The Military Government Labor officer should~~ Work in close cooperation with the TEAM civil information officer and the civil education officer in planning ~~and~~, executing AND PUBLICISING the labor education program. Advise the civil information officer ~~concerning publication of~~ ON favorable copy concerning Labor Relations Committee decisions, good union contracts and settlement of labor disputes. Assist the civil information officer in preparing press and other PUBLICITY ~~media~~ releases concerning labor. ~~These releases are available through SCAP distribution.~~

f 3. ~~In the program of Military Government surveillance over the labor education programs of the various government agencies, union, management, and employers associations,~~ maintain informational data on the following pertinent points; ~~should be noted:~~

(1) Numbers and topics of labor lectures sponsored by unions, employer associations, governmental agencies, and political parties.

(2) Instances of demand for a permanent labor school.

(3) Demand compared to supply of labor books and pamphlets in union offices, prefectural libraries and CI&E reading rooms.

(4) Types of information currently most needed.

INCENTIVE GOODS. In order to insure maximum efforts in certain production programs which are vital to the economy of Japan, production goals or quotas are established by the central government. For meeting or exceeding these quotas ~~certain designated consumer goods which are nationally in short supply, are offered as rewards to the selected production group. Such goods are referred to as incentive goods. These goods are not issued free~~ the selected production group is extended the priviledge of purchasing at official prices certain designated consumer goods which are nationally in short supply. The goods used in this manner are referred to as incentive goods. To date the types of goods used have included:

Imported	Domestic	
Clothes	Sake (wine)	Tires and tubes
Cloth	Tobacco	Rubber
Cigarettes	cloth	Bedding
Sugar	Clothes	Tools
Candy	Bicycles	Utensils
	Boat Cars	Cosmetics

The major programs employing the incentive goods system are:

a. Fish production
b. Vegetable production
c. Staple food production
d. Coal production

The primary mission in this field is to exercise surveillance over the efficient distribution of incentive goods by Japanese officials. This surveillance will include wide dissemination of all available information on incentive goods programs.

Eliminate "forces" and make all this HQ's

This add D.

CROP COLLECTION. ~~SCAP~~ has inaugurated a surveillance program for all staple foods. Surveillance is twofold: firstly, to assure turn-in to official rationing channels of all foodstuffs in excess of the producer's needs; secondly, to assure that previously ascertained bonus money and incentive goods are made available to the producer for having fulfilled delivery. Agents to contact are the Governor of the Prefecture, Agriculture and Forestry Ministry officials and their sub-agents throughout the prefecture down to the actual producer. It should be determined that:

a. Producers are receiving equitable distribution of incentive goods and fertilizers. Possible hoarding, graft and maldistribution on the part of distribution organizations and public officials should be watched for and if found reported to Japanese officials for corrective action.

b. Accurate crop acreage is reported. Producers' acreage was in most instances accurately ascertained many years ago. Since then new ground has been brought into cultivation. However, it has not been reported, in order that quotas will not be increased.

c. Once quotas for a given crop are assigned a prefecture, every effort ~~is~~ BE made to quickly break this quota down to guns, villages and the individual producer. The danger of crops being sold in the blackmarket decreases in proportion to the speed used ~~to gather~~ in assigning the individual producer's quotas ~~to him.~~ and obtaining acceptance of the same.

d. Deadline dates on total collection are widely publicized. Schedules should be made by prefectural officials so that a certain percentage is collected by intermediate dates. This will facilitate complete

collections by the designated deadline.

e. Public officials and Japanese agencies concerned are cooperating in all specific enforcement drives so designated by military government.

f. The Japanese, in continued coordination and cooperation with the information section, are disseminating adequate information on crop collections and all associated programs.

g. Adequate storage facilities are maintained by Japanese officials to prevent loss of crops through spoilage, fire or theft.

h. Sufficient reports are required of prefectural officials to fully evaluate the progress of the crop collection program.

add (1)

The gravity of the world food situation makes it essential that all indigenous food supplies be collected by the central government and distributed equitably through official rationing channels in order that maximum use can be made of available food. The primary mission in this field is to exercise surveillance over staple food production to assure:

a. The turn-in to official channels of all foodstuffs in excess of authorized retentions.

b. Adequate and timely publicity for the crop collection program.

c. That previously designated bonus money and incentive goods are made available to the producer for completing delivery of the required crops.

In accomplishing this mission, action and duties will include the determination that:

a.

EMPLOYMENT: The destruction of many of the factories in Japan during the war, the closing down of war industries and the repatriation of Japanese to their homeland has caused a considerable unemployment problem. A problem of more concern is the surplus of labor employed in the average Japanese industry. Encouragement has been given and should continue to be given to industry to survey its labor needs and gradually reduce the numbers of employees to an economic level.

To cope with this problem the Employment Security Law was placed in effect 1 December 1947. The purpose of THE law is to provide public employment services which, in cooperation with other public and private agencies concerned, will provide people with opportunities to get suitable employment. ~~This~~ THE law is administered on the prefectural level through the ~~Prefectural~~ Public Employment Security Office~~s~~. ~~The Public Employment Security Office~~ THIS ~~is~~ are responsible for administering employment exchanges, the VOCATIONAL training program, the vocational guidance program, and the unemployment insurance program.

As ~~this~~ THESE programs progress~~es~~ the labor officer should ~~encourage and~~ maintain surveillance over: ~~the following:~~

a. The absorbtion of unemployment in the following:

(1) New developments in private industry.

(2) Public works.

(3) Vocational training.

(4) Other types of employment.

b. The labor boss activities by giving guidance and assistance to local Japanese Government agencies in the following:

(1) The conduct of full and complete investigations to locate and identify those who fall under the purview of the law.

(2) ~~Taking~~ Proper and adequate actions to require readjustments of personnel controlled by labor suppliers ~~with~~ which will result in the minimum amount of personal hardship to workers and the least interruption in production.

(3) Strictly ~~by enforcing penal~~ enforcement of penalty provisions of the law against those who attempt to evade or ignore it.

c. The unemployment insurance premium collection operations of the Prefectural Employment Security Office ~~aimed at~~ to assuring that all legally liable employers file reports and pay correct premiums.

add ①

FORESTRY. Due to the heavy demands for lumber during and since the war, and because of a misconception formed since the beginning of the occupation that all forest lands would be placed under a forest land reform program similar to the agricultural land reform program, reforestation in Japan has lagged far behind cutting. This heavy cutting, besides causing an ultimate loss of productive forest, magnifies the threat of flood and drought and endangers hydroelectric and irrigation projects. The primary mission of military government in the field of forestry is to encourage proper methods of reforestation, cutting, thinning and disease control. In accomplishing this mission the actions and duties of the economics officer will include the following:

add 1

~~FORESTRY~~

Primary mission of the economic section in Forestry is to stimulate and encourage private forest owners and forest associations to keep their forest land in the greatest possible production at all times. To accomplish this all forest ownerships are encouraged to participate in the five year reforestation program; initiate necessary control measures to prevent the spread of diseases and insect epidemics; and adhere to existing laws which provide for limited cutting of timber on protective forests. To accomplish this the following duties are required:

a. Encourage THE prefectural government to inaugurate ~~on a prefectural level of~~ a reforestation program, BASED ON THAT OF THE CENTRAL ~~national~~ government, IN ORDER TO ~~which will~~ maintain future forest productivity. ~~Prefectural officials are responsible for supervising the planning, financing~~ and implementation of the national program on prefectural, private, ~~community~~ and shrine lands. Reliance upon the national budget to defray planting costs ~~in~~ part should be minimized, as every effort is being made to decrease national expenditures.

b. Assure that private forest owners are encouraged to develop forest tree nurseries. ~~They should be assured that, contrary to rumors, the Japanese Government does not have plans for putting into effect a forest land reform program.~~

c. Assure that adequate measures are taken to enforce laws and regulations which prohibit or limit the cutting of TIMBER IN private and community owned ~~timber or protection~~ forest. ~~Over~~

~~cutting of these forests causes floods, and damages to irrigation and hydro-electric projects~~. Proper coordination between lumber and pulp industries and government agents will assist in control of ~~lumber~~ TIMBER cutting.

d. Encourage prefectural and local government agencies, forest owners, and ~~citizens~~ CIVIC GROUPS to take necessary control measures to prevent the spread of THE bark beetle epidemic and ~~early survey of infestation areas~~ OTHER DISEASES. ~~Some control measures are felling and peeling infested trees, maximum salvage of infested trees and the providing of maximum transportation facilities for movement of salvaged timber into consumer channels.~~

e. Expedite ~~with proper agents and Kodans~~ the delivery of allotted ~~raw~~ materials to the concerns engaged in the production of forestry products.

f. Assure that government and private agents give prompt attention to factors which impede production of forest products.

g. Confer with transportation authorities and THE ESB coordinator to assure that ~~transportation for~~ forestry products receive proper TRANSPORTATION attention.

h. Assure that those government agents in charge of land reclamation make their plans with ~~the consent and~~ concurrence of those agents in charge of forest preservation and flood control, in order that land reclamation projects will not cause denuding of mountainous areas resulting in harmful erosion.

i. Assure that THE technical personnel ~~available in~~ of ~~the~~ government and private experimental stations are available

to advise private and community forest owners in carrying out disease, insect and fire control measures.

~~j. Encourage coordination between government and private industries engaged in production of forestry products and private and public research educational institutions for overall planning in forestry.~~

PETROLEUM.

BECAUSE OF THIS FACT

~~Since~~ Over 85% of all petroleum used in Japan is imported. The chief concern of military government IN THE FIELD OF ~~with~~ petroleum IS WITH ~~concerns~~ its DISTRIBUTION AND use. ~~Agents to contact are the Petroleum Distribution Kodan, which handles distribution, the local Motor Materiels Office which handles rationing of motor vehicles, and the appropriate offices of the regional and prefectural governments which handle allocation breakdowns within the industries. (The Central Government makes allocation by industry, such as mining, machinery manufacture, agriculture, etc.).~~ The actions and duties of the economics officer in ~~Surveillance should be exercised to~~ observing surveillance over this field will insure that:

a. Requirements ~~of~~ contractors working for Occupation Forces are being met.

b. Deliveries against allocations are being properly made, particularly to the fishing industry.

c. ~~The~~ Petroleum is being used for the purpose for which it was allo~~tted~~CATED.

d. Allocation breakdowns that are made on regional and prefectural levels are done equitably and go to the critical and essential users within the industry for which allocation was made.

e. Curtailment of blackmarket sale and illegal use of petroleum is eliminated or at least minimized.

f. Hoarded or ex-army and navy stocks are put into ration channels.

g. ~~That~~ Domestic production of petroleum is encouraged.

ELECTRIC POWER.

~~Of the~~ electric power in Japan, ~~is divided into~~ THERE ARE two types: hydro and thermal. The hydro capacities ~~in~~ OF Japan are approximately 55% developed. ~~Certain~~ MOST hydro electric projects which were started during the war stopped at the beginning of the occupation because of the shortage of materials. CERTAIN OF THESE have been NEW authorized for completion. AND ~~This~~ will supplement the hydro power to a certain extent. ~~However,~~ the hydro systems in Japan depend mostly on the flow of the streams and have little seasonal storage, so that there is wide fluctuation in power supply between the wet and dry seasons.

PRIOR TO THE END OF THE WAR, ~~In normal times~~ when there was adequate coal production, the thermal electric power plants provided approximately 20% of the total generated power. This of course fluctuated between the wet and dry seasons. During the dry season, when the hydro generation was lowest, the thermal plants could easily maintain the balance of requirements because of sufficient coal supply.

~~Since the occupation there has been insufficient coal supply to furnish the balance of requirements of electric power through the thermal electric system.~~ NOW, BECAUSE OF LACK OF COAL, ~~Therefore, the~~ Japan~~ese industries and communities have had~~ HAS to depend almost entirely on the power provided by hydro electric generation. The thermal systems have provided only from 3 to 5% of the total requirements. This has caused a critical shortage of electric power, especially during the dry season, and has necessitated ~~the~~ ITS rationing. ~~of electric power~~. The shortage ~~was~~ HAS BEEN further aggravated by the

increased tendency on the part of the Japanese ~~citizens and some industries~~ to convert to electric power use because of the shortage of charcoal for homes and coal for industries. ~~The peculiarity of the electric power has made rationing enforcement very difficult.~~ SURVEILLANCE IN THIS FIELD WILL ~~Military government surveillance should~~ include:

a. Conferences with THE regional bureau of commerce and industry power officials to insure thorough understanding of ELECTRIC POWER rationing regulations and to assure that they are taking adequate measures to enforce ~~electric power rationing~~ SAME.

b. Checking with the coal Kodan and thermal electric power plants to assure prompt delivery of allocated coal to steam power plants, and to assure that these plants are using the coal efficiently.

c. Maintaining close liaison with power distribution companies in order to encourage closer cooperation between them and the regional and prefectural bureaus of commerce and industry.

d. Checking with important industries to assure that rationing is equitable and favors priority industries (responbility of allocation is primarily with the regional bureau of commerce and industry, with only very large consumers (those over 500 KW) getting direct allocation from the central government).

e. Making occasional spot-checks to ascertain that electric power is used efficiently and that its use for non-essential purposes is minimized.

f. Encouraging a spirit of power conservation among the citizens through voluntary civic organizations ~~of civic groups~~.

~~g. Spot-checking with certain industries to determine that the rationing and allocation laws are not violated~~.

g. ~~h.~~ Encouraging the rehabilitation of power facilities within the limits of allocated materials in order to provide more efficient generation of electric power.

h. ~~i.~~ Encouraging rehabilitation of the power distribution systems in order to reduce power losses.

j. Spot-checking of new APPROVED power projects to see that ~~if approved for completion,~~ their construction is progressing SATISFACTORILY.

AGRICULTURE.

The primary mission of ~~the Economics Section~~ MILITARY GOVERNMENT IN THE FIELD OF agriculture is TO stimulate efficient use of land agricultural supplies in order to insure a maximum production of food, and to insure the Japanese compliance with certain reforms instituted by the Japanese Government. ~~under direction of SCAP.~~ To accomplish this MISSION SURVEILLANCE WILL BE MAINTAINED OVER; ~~the following duties are required~~:

a. Food Production;

(1) Insure equitable distribution of farm implements, incentive goods and fertilizer within the prefecture. Cases of hoarding and graft on the part of distribution organizations and government officials will be turned over to the proper governmental authority for correction. ~~Matters of fertilizer can be handled through the prefectural, local and branch offices of the fertilizer kodan. Other agricultural problems can be referred to the prefectural farm land department.~~

(2) Maintain records of acreage under cultivation and yield of staple food crops. ~~(Prefectural totals should be checked by the Economics officer).~~

(3) Insure that crop diseases receive immediate attention of the government officials in order to be brought under control by the distribution of proper insecticides. Information, knowledge and assistance of technical personnel with the extension service of the prefectural governments should be made available to the farmers in bringing these diseases under control.

(4) Insure that fertilizer has been made available to the farmers by crop planting time and that acreage is devoted principally to food crops. Non-food crops should not be stressed ~~by military government~~ unless given specific instructions by higher headquarters. This a creage should be only

that necessary to fill minimum export and domestic requirements.

(5) Be familiar with the functioning of governmental offices and organizations concerned with agriculture. This can be done only through frequent personal contacts with responsible officials and through field observations of the work and influence of these agencies.

b. Land Reform:

(1) Assure that all farm land available for purchase is bought by the government and resold to eligible tenants. ~~Agents to contact are individual classes of farmers (tenants, non-operators, landlords), city, town, village and prefectural land commissions and land department of the prefectural government.~~

(2) ~~Liaison should be~~ Maintained with the regional bureaus of finance and agriculture to expedite the transfer of lands taken for taxes and of former military lands.

~~(3) Regular schedules of visits to all these agents should be maintained.~~

(3) ~~(4)~~ Records of total prefectural purchases and resales. ~~should be maintained~~.

c. Dissolution of Nogyo-Kai and Formation of Independent Cooperatives:

(1) Determine that activities of all agriculture associations have ceased and that their dissolution has been completely effected within eight months after effective dates of the law (by August 15, 1948).

(2) Make frequent field trips to ascertain the extent of the dissolution of the Nogyo-Kai and of the knowledge of individual farmers regarding the opportunity to form voluntary cooperatives.

(3) Make inspections of new farm cooperatives to insure that they

are organized and functioning according to the law and that control does not fall into the hands of minority non-farmer groups.

(4) MAINTAIN Records of the names and locations of new cooperatives ~~should be kept~~ and checks ~~made on~~ as many as possible.

(5) Place emphasis not on the forming of cooperatives, but on the understanding by all farmers of their right to form such voluntary groups free from government control.

(6) Through information programs and other means, insure that newly formed cooperatives know of, and benefit from, the rights of transfer or purchase of assets from Nogyo-Kai and that no assets are transferred without government approval.

d. Extension Service:

(1) ~~To~~ Insure that THE prefectural government ~~have~~ HAS established a coordinated agricultural extension program ~~which~~ TO replaces the ~~two~~ nationally supported experimental farms, THIS PROGRAM TO PROVIDE! ~~(approximately 75 are excepted).~~

(a) Information on improved methods of farming and farm living.

(b) Practical demonstration for farmers on improved methods which they themselves have developed on their own land.

(c) ~~Administration by the prefecture with~~ National government guidance and coordination, WITH PREFECTURAL ADMINISTRATION.

(2) ~~Economic officers should check on~~ INSPECT the APPROVED reorganized experimental institutions ~~(75 nationally approved)~~ to ascertain that they are properly established and have the necessary facilities and technically trained personnel.

(3) Insure that area extension workers are on the job observing

agricultural conditions and advising farmers on farming methods and farm living problems. These extension workers to be hired by the government and the farm community cooperatively.

(4) Advise MEMBERS ~~farmers~~ of newly organized agricultural cooperatives that the new extension system will fill all ordinary needs for technical advice and that they should examine their needs closely before accepting the responsibility for paying for agricultural technicians through their cooperatives.

e. Land Reclamation:

(1) Insure that government officials in charge of land reclamation are performing their work and that the money appropriated is being properly used.

(2) Determine that draft animals, tools and fertilizer are made available to the settlers whenever ~~available~~ PRACTICABLE.

(3) Insure that RECLAIMED ~~virgin~~ land is re-registered as agriculture land in order that it be included in the area under cultivation and thus be subject to the crop collection program.

(4) Ascertain that farm units are large enough to provide a livelihood to farmers.

(5) Determine that land so made available IS PLACED ~~comes~~ under the land reform program and THAT the retention of the land by settlers conforms with the provisions of the land reform program.

(6) Insure that PLANS FOR areas to be reclaimed HAVE been studied carefully by expert foresters to eliminate wasteful denuding of mountainous areas which would cause erosion.

ELIMINATION OF CONTROL ASSOCIATIONS.

~~Some of the~~ Control associations in Japan were first organized during the Meiji era when Japan was building up her industries. Japan had drawn up a constitution patterned after the German constitution. Then ~~Likewise~~ her cartel systems and corporate devices were patterned after the German system. Laws were passed, ~~which~~ permitting associations to be formed which controlled industries. Many of which ~~these laws~~ dated ~~back~~ prior to 1900. Most of the controls at that time concerned ~~were~~ production and prices, which were well regulated through this system and the monopolies of the Zaibatsu to compete in foreign markets. At the beginning and during the war with China and when Japan entered war with the U.S. in 1941, Japan was faced with an ever increasing shortage of critical raw materials. At that time the central government passed additional laws strengthening ~~the~~ control by private and semi-government associations and delegated to them the authority to control the rationing and distribution of ~~these~~ raw materials. Thus private associations had complete power over their industries, and companies could not exist without belonging to the associations. (add ① from next Page) ~~The policy towards~~ The primary mission in this field is to effect the dissolution of all control associations and control companies ~~is to dissolve them~~ and eliminate all private control of industry, and place the control temporarily in the hands of the government with the eventual aim of eliminating controls and establishing free trade practices. ~~SCAPIN 1108, dated 6 August 1946, ordered the dissolution of all control associations. The task of replacing these associations has been enormous and the~~

process is slow. In many cases they possessed the only trained personnel who could handle the job of grading materials and of handling distribution. Generally by February 16, 1948 only the top level of control associations had been eliminated. The prefectural and local associations continued to exist in various forms and under changed names.

add D The control companies were complete monopolistic companies which were organized under special laws, and in some cases were partially owned by the government. These laws gave them complete monopoly of distribution and control of certain raw materials. Examples were the Japan Coal Company and the Petroleum Distribution Company. These were ordered dissolved by SCAP in SCAPIN 1394, dated 11 Dec 1946. In order to place their function in the hands of the government, government corporations (Kodans) were created to temporarily handle the job. These Kodans will exist for the duration of the Temporary Demand and Supply Adjustment Act, or until SCAP orders their dissolution. The ultimate aim is to put the sale of raw materials on the open market for free competition, when the economy becomes sufficiently stabilized to eliminate central control.

c. Additional programs for carrying out the dissolution of control associations were inaugurated by SCAPIN 1860, 16 February 1948. The Japanese Government has passed one law concerning organizations which operate in restraint of trade. This law is the Anti-Trust Law, Public Law No.54, 14 July 1947. An additional law will be passed specifically governing the activities of future trade associations.

~~a. Military government teams should be familiar with all directives of higher headquarters, and laws, such as mentioned above, passed by the Japanese Governments.~~ In exercising surveillance over the elimination of control associations, ~~the following procedure will be applicable:~~ the duties and actions of the Economics Officer will include:

a. (a) To become familiar with control associations that existed during the war.

b. (b) Determine what has happened to these associations.

c. (c) If they have reorganized for the purpose of carrying on non-control trade association functions, determine that they are adhering to these practices and are not operating again as control organizations. Typical control features to look for are:

(1) Forced membership. This is usually caused by an economic factor which compels the companies to join the association, as, for example, to obtain raw materials or market their finished products. However, membership was compulsory by law in a great many cases.

(2) Regulations of prices and control of the volume of goods produced.

(3) Adhere to a given set of rules of trade, such as regulation of type of products manufactured.

(4) Exclusive right of purchase or sale. This may be the exclusive right to purchase certain parts to make a completed item, or it may be the exclusive right to sell finished products

to certain consumers.

(5) Mandatory inspection. Frequently, this only amounts to the products bearing the stamp of the association without any actual inspection being done. The control feature is that no products can be sold which do not have the association stamp. This protection may be afforded by local or prefectural laws or by cartel systems.

(6) Extension of credit and credit guarantees to its members. Frequently, companies cannot get loans without a guarantee from the association.

Q. ~~In order to discover control functions (the associations will usually attempt to conceal these control features), the best approach is~~ To obtain the names of companies who are members of ~~the~~ EXISTING associations and interview these companies in order to determine existance of control functions.

Q. ~~Another approach is~~ To interview the companies in related industries to determine the effect of ~~the~~ EXISTING associations on the business of these companies.

Q. Since some associations perform useful functions, these ~~functions~~ should be determined. Typical features that are desirable in associations and which are recognized under the Anti-Trust Law as fair trade practices and which will be permitted in the trade association law are:

(1) Promotion of scientific development within the industry.

(2) Interchange of technical information.

(3) Collection of statistics and data.

(4) Public educational programs.

The program for decentralization is designed to break up monopolies and reorganize these industries on the basis of many small competitive firms. Until the program takes effect the companies concerned are on a restricted basis. When proper laws are passed by the Japanese government to make the program effective, ~~military government teams should:~~ the actions and duties of the economics officer will be to:

a. Become familiar with the laws to implement the program.

b. Have a thorough knowledge of the companies ~~engaged in natural resources~~ that are to be affected by the decentralization program.

~~(3) Become familiar with the laws to implement the program.~~

c. Study the problems encountered in the new operations and see that proper assistance is given by governmental authorities WHERE NECESSARY.

d. Report TO HIGHER HEADQUARTERS on those problems that are unusual or that are causing an undue hardship on the companies or an unusual effect on the local economy.

e. Observe for non-compliance with ~~the~~ EXISTING laws and if local corrective measures cannot be taken, report to higher headquarters.

BLACKMARKET. ~~As a direct result of~~ the shortage of food, raw materials and manufactured articles in Japan today, together with an oversupply of indigenous currency, offers a natural setting for the creation and operation of blackmarket activities. If Japan is to be placed on a sound economic basis such existing activities and ~~must be eliminated and as many as possible of the~~ the factors contributing to their existence must be eliminated. In helping to eliminate the blackmarket, the actions and duties of the economics officer will include:

a. Surveillance of the operation of all prefecture, central and local public offices and officials related with or handling economic affairs.

b. Surveillance over and cooperation with autonomous and rural police insofar as their activities pertain to enforcement of laws or directives relating to economic matters.

c. Reports to higher headquarters of public officials who should be removed from office for inefficiency or maladministration. These reports to include specific and definite evidence upon which to base proper action.

d. Requiring ~~strict observance of~~ the immediate, ~~&~~ impartial apprehension and prosecution of violators of public laws and directives which pertain to the ~~economic~~ production, collection, distribution, allocation, sale or holding of food, raw materials or manufactured items.

BLACKMARKET.

a. Military government economics officer will observe and report illegal economic activities. He will require enforcement of those economic laws pertinent to the fulfillment of existing Eighth Army Operational Directives. Agents to contact will include the governor, chiefs of prefectural ministries concerned and other public officials as deemed necessary.

b. Operational Directives have been issued to require surveillance of the enforcement of economic laws which require:

(1) That fish and vegetables be collected by officially appointed agencies and distributed at official prices through official rationing channels.

(2) That certain restaurants be licensed to sell rationed food at official prices to coupon holders. (All other restaurants are considered non-essential and may not sell rationed food items).

(3) That ceiling rents be set for hotels, business establishments and private residences.

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FOOD DISTRIBUTION. Food production in Japan is not sufficient to meet the domestic demand. ~~To offset this internal shortage~~ The United States Government is importing sufficient foodstuffs into the country to provide a minimum ration standard. It is therefore imperative that full and equitable distribution of both indigenous and imported foods be made so that the minimum ration standard may be maintained throughout Japan for the maximum number of Japanese. The ~~actions and duties~~ responsibilities of the economics officer in this field will be to maintain surveillance over indigenous and imported foods to include:

~~a. Indigenous foods, to include:~~

a. Storage: (1) to prevent deterioration and loss from weather, fire, theft or non-rotation of stocks.

b. Transportation: (1) to assure fulfillment of the inter-prefectural foodstuffs shipment plans and food allocation plans (2) to minimize damage during loading, movement, unloading

(To offset prompt release of stocks in danger of spoiling.)

and distribution to consumers.

c. Distribution, to determine:

(1) The kind and amounts of food received by the consumer and the cost thereof.

(2) The kind and amount of food received and distributed by each echelon of the distribution ~~system~~, the amount of revenue received and the distribution thereof.

(3) Leakages of rationed food into illegal channels.

(4) The proper maintenance of ~~records~~ by each echelon of the distribution system.

(5) The proper posting on storefronts by retailers and others as required by law of:

(a) Prices.

(b) Food items received.

(c) Food items distributed.

(6) Accuracy of scales and cleanliness of retail outlets.

FOOD DISTRIBUTION.

a. Indigenous foods require surveillance to assure that transportation, storage and distribution are made according to central government plans. Agents to contact are the prefectural food officials, Eidan officials and retail distributors. Direct communication between military government teams is authorized to expedite transportation of foods from surplus to deficit prefectures.

b. Imported food requires surveillance to assure proper transportation, storage and distribution according to SCAP approved plans. Agents to be contacted are similar to those outlined above. Surveillance should be effected to insure the following:

(1) That foods are transported in such a way as to minimize damage during loading, transportation, unloading and distribution to consumers.

(2) That proper storage facilities are maintained to minimize loss from weather, fire or theft. Storage will be rotated so that oldest stocks move to consumers.

(3) That echelons of distribution maintain records of movement of foodstuffs.

(4) That retailers and others as required by law post conspicuously on storefronts:

(a) Prices.

(b) Food items received.

(c) Food items distributed.

(5) Accuracy of scales and recording devices and cleanliness of retail outlets.

Food Distribution - Cont'd.

(6) That foodstuffs in danger of spoiling when reported by Japanese officials are checked to determine authenticity and that the portion fit for human consumption is released to the Japanese for distribution. The remainder will be released to the Japanese for disposal through other means. Distribution plans drawn up by the Japanese will be checked and approved by local military government prior to actual distribution.

Add D

IMPORT - EXPORT. Imports into Japan at present are classified in three catagories in the following priorities:

a. to prevent disease and unrest
b. to accomplish the occupation mission
c. to sustain a minimum economy.

To date all imports have fallen under the first two priorities.

Exports from Japan at present are being made for the purpose of one or both of the following:

a. Obtain Dollar or sterling credits.
b. Exchange for raw materials and/or food.

The primary mission of military government in the Import-Export programs is to coordinate [redacted] activities in a. the preparation and delivery of cargoes for export, b. the receipt, transhipment and storage of import cargoes.

The actions and duties of the economics officer, in accomplishing this mission, will include:

ADD 1

IMPORTS. Listed below are specific points that should be covered to insure the smooth implementation of the Japanese import program as promulgated by SCAP and the expeditious forwarding of documents pertaining thereto.

a. Coordinate all cargo and shipping information received from this headquarters or any other source with the agencies of the Japanese government authorized to receive the cargo, the shipping agencies, the stevedore agencies, the port authorities and transportation agencies involved to insure that all incoming AND OUTGOING cargo is properly, expeditiously and efficiently handled. ~~according to current instructions.~~

b. FORWARD TO ~~Keep~~ higher headquarters ~~informed~~ of all cargo and shipping information received from local sources.

c. Maintain liaison with the proper agencies involved in order to implement orders and insure the expeditious gathering and dissemination of all cargo and shipping information.

d. Maintain surveillance over the LOADING AND/OR unloading of cargo to insure that it is handled as rapidly as possible, ~~and~~ that necessary safety precautions are observed, ~~and with~~ THAT a minimum of loss and damage IS SUSTAINED, and that storage is proper and in accordance with existing directives.

e. Report the progress of all LOADING AND/OR unloading operations to this headquarters. ~~in accordance with current directives.~~

f. Exercise surveillance of releases to the Japanese government of Allied army surplus subsistence, scrap and waste items in accordance with current instructions.

g. Report to this headquarters any non-compliance with orders that cannot be rectified at team level.

Imports - Cont'd.

h. Insure that sufficient transportation facilities ashore are available and so utilized as to most efficiently handle the cargo from ports in order to avoid congestion at ports.

TO AND/OR

i. Insure that Boeki Cho prepares receipts for imports and prepares or gathers other necessary documents pertaining to imports as per current instructions and submits them to military government team headquarters in the shortest possible time.

j. Forward all receipts and other documents to this headquarters direct by the most expeditious means.

EXPORTS. Listed below are specific points to be covered to insure the smooth implementation of the Japanese export program as promulgated by SCAP.

a. Coordinate all cargo and shipping information received from this headquarters or any other source with the agencies of the Japanese government authorized to receive the cargo, the shipping agencies, the stevedore agencies, the port authorities and transportation agencies involved to insure that all cargo going out of the area is properly, expeditiously and efficiently handled according to current instructions.

b. Keep higher headquarters informed of all cargo and shipping information received from local sources.

c. Maintain liaison with Boeki Cho, Kodans, Civilian Merchant Marine Committee, Japanese Marine Bureau, United States Maritime Commission and shipping agents as appropriate to implement his orders and insure the expeditious gathering and dissemination of all cargo and shipping information.

d. Maintain surveillance over loading of cargo to insure that it is handled as rapidly as possible, that necessary safety precautions are observed, that cargo is handled with a minimum of loss and damage and that it is properly stored in accordance with existing directives.

e. Report the progress of all loading operations to this headquarters in accordance with current directives.

f. Report to this headquarters any non-compliance with orders that cannot be rectified at team level.

g. Insure that sufficient transportation facilities ashore are available and used to efficiently move the cargo to ports without congestion.

Exports - Cont'd.

h. Upon request from Japanese for information regarding the manufacture of items for export, advise them to submit samples and applications for license to manufacture for export to Boeki Cho for proper processing.

add (1)

TRANSPORTATION. Japan's transportation system is composed of rail, water, ~~and~~ highway and municipal transportation, with the rail transportation being the most developed and carrying the major load at the present time. Water transportation, which handled the movement of ~~about half~~ the bulk of domestic cargo prior to the war, was virtually eliminated during the war. In addition, the present difference in rates ~~at present~~ between water and rail transportation practically forces shipment by rail of all goods except those having government subsidy. Highway transportation is severely limited due to poor development and maintenance of roads, shortage of materials, lack of vehicles and a limited supply of rubber and petroleum products. The same is true of municipal transportation systems. Rail transportation, while carrying the major portion of the transportation load, is ~~in a bad state of repair~~ hampered by insufficient reconstruction and repair of rail facilities and railroad rolling stocks, and the movement of non-critical goods. The entire transportation

as it exists today
system, is not sufficient to meet the needs of
a minimum economy.

The primary mission of military
government in this field is to encourage
and stimulate efficient planning and use
of existing transportation, repair and
reconstruction of available means of
transportation and planning and construction of
new means of transportation. In
accomplishing this mission the duties and
actions of the economics officer will
include:

a.

add (1)

TRANSPORTATION.

The systems of transportation in Japan are: railway, water, highway and municipal. Due to the damage and effects of the war on these systems, transportation in Japan is not sufficient nor adequately planned to meet the needs of a minimum economy. The railroads are in a bad state of repair and are overtaxed. Railroads handle a greater percentage of passenger traffic and freight haulage than does water transportation. This is due to shipping being virtually destroyed during the war. Prior to the war coastal shipping handled the bulk of movement of domestic cargo. During the war years and up to/including the present, the railroads have been overtaxed. In addition, there has been insufficient reconstruction and repair of rail facilities and railroad rolling stock. The movement of critical materials has been further hampered by interference with the movement of non-critical materials. This has been caused by poor field supervision, lack of coordination between industry and railroad officials on the division and lower levels, and black-marketeering.

Military government surveillance should be designed to:

a. Assure complete, efficient and essential use of ~~rail~~ transportation facilities ~~and railroad rolling stock in their respective divisions~~ by conferring with the ~~superintendents of the railroad divisions, heads of~~ heads of transportation agencies, private industry, civic and governmental leaders, ~~in conjunction with~~ under the leadership of the Economic Stabilization Board ~~transportation~~ coordinator, who has been given this particular job.

b. Give backing to the ESB ~~transportation~~ coordinator to assure cooperation with him by other government and private officials.

c. Expedite the prompt movement of critical materials and foodstuffs.

d. Discourage the movement of non-critical materials and items where they interfere with the movement of critical materials or items.

e. Eliminate the movement of black-market items and materials by ~~enforcement of the~~ requiring Japanese government officials ~~charged with the control of~~ to enforce transportation controls. ~~and movement of critical materials, which requires that a transportation certificate accompany all rationed foodstuffs and materials. This requires thorough knowledge on the part of military government officials of the laws and regulations concerning transportation control. Frequently, it will be necessary to explain these laws to officials.~~

f. ~~To~~ Encourage efficient use of facilities and raw materials in the manufacture of railroad rolling stock in order to achieve ~~a~~ maximum production OF THE SAME. Assure that government agencies and Kodans deliver materials promptly to these manufacturers, in order ~~to meet~~ THAT scheduled production quotas MAY BE MET.

FISHERIES.

The ~~mission of the economics officer~~ PRIMARY MILITARY GOVERNMENT mission in THE FIELD OF FISHING ~~Fisheries~~ is to encourage and stimulate ~~Japanese fishermen in~~ the production of marine products to the ~~maximum~~ GREATEST extent possible, in order to provide the maximum amount of food for the Japanese. Fish and fish products are the major source of protein for the Japanese diet. ~~The~~ Fishing boundaries have been established SINCE THE BEGINNING OF THE OCCUPATION to provide the minimum fishing grounds NECESSARY to yield ~~these~~ THIS food requirements. There are ~~adequate~~ SUFFICIENT boats to support a fishing industry capable of furnishing the Japanese with adequate fish foods. The major obstacle to overcome ~~has been~~ is the shortage of fuel, equipment and supplies. In ~~carrying out~~ ACCOMPLISHING this mission, ~~Military Government~~ the actions and duties of the economics officer will include:

surveillance should be directed towards:

a. Assuring an equitable distribution of ice to prevent the spoilage of ~~indigenous~~ fishery products, ~~from the time they have been brought to the landing ports~~ PREFERABLY WHILE BEING CARRIED AT SEA, WHEN LANDED and while ~~being shipped~~ in transit to the various receiving agencies.

b. Assuring the distribution of incentive goods to the fishermen. ~~In many instances, fishermen are forced to buy through black market channels incentive goods which have been hoarded in warehouses and resold at four and five times the official price.~~

c. Encouraging and stimulating the interest of aqua-culturists in the development and production of miscellaneous marine products, such as agar agar, seaweeds, oysters, crabs, etc.

d. ~~Maintaining~~ CONDUCT periodic spot-checks at the various class A and class B landing ports, distributing agencies, AND fishing associations ~~and representative individual fishermen~~ to ascertain

the amounts of fishing materials and petroleum products received and the actual requirements necessary in order to maintain ~~equitable~~ fishing operations.

~~e.~~ ~~In~~ order to carry out the projects as listed in the above mentioned paragraphs, economic officers of military government teams should maintain close liaison with the various agents within their scope of operation, as follows:

(1) Personnel of the Fisheries Section of the prefectural government.

(2) Local fishing associations.

(3) Representative individual fishermen.

(4) Officially licensed agents at class A and class B landing ports.

(5) Materials adjustment office (distribution of fishing materials and link goods).

~~f.~~ d. Study~~ing~~ the pattern and types of ownership of fishing rights in order to be thoroughly familiar with these and their effect on the Japanese fishing industry, and in order to be prepared for any changes IN FISHING RIGHTS that might be ~~inaugurated~~ MADE by legislation.

f. Encourage & stimulate interest in fish breeding programs.

CONSTRUCTION.

Because of the scarcity of lumber, cement and other building materials and the stringent demands for reconstruction, all building construction ~~was~~ HAS BEEN placed under control by the Japanese Government. ~~All~~ ALL new construction requires a building permit. Prior to January 1947 the prefectural governor~~s~~ had the authority to issue THESE building permits. ~~However~~ AT THAT TIME, because of the political implications, complete control was placed ~~under~~ WITH the central government which delegated some of its authority and responsibility to local Boards of Reconstruction, operating under the direct supervision of the central government. The aim of this ~~program~~ CONTROL was to give priority to essential construction, such as dwelling houses, and reconstruction of industry, and TO prohibit non-essential construction, such as amusement houses, restaurants, ~~and~~ hotels, etc. By the first of June 1948, 850,000 dwelling units had been reconstructed. This represents 16% of the minimum housing requirements of Japan.

add ① → X ~~Surveillance by military government teams should include:~~

a. Conferences with the local boards of reconstruction to assure A thorough understanding of ~~complete~~ regulations and ~~the~~ laws CONCERNING CONSTRUCTION, and to assure that they are executing their duties efficiently and justly.

b. Inspections throughout ~~the cities and~~ the prefecture to observe the type of construction and reconstruction that is taking place, and TO determine whether the construction is for essential or non-essential purposes.

c. ~~Steps to assure~~ ASSURANCE that the local boards of reconstruction take proper action against non-essential construction and that they

do not issue permits for such non-essential construction.

d. Conferences with prefectural, city, town and village officials and private citizens to encourage the formation of civic groups for the purpose of planning and carrying out public housing projects.

e. Conferences with prefectural, city, town and village officials and private citizens and civic organizations to insure better city planning for fire protection, sanitation and public welfare.

add D

The primary mission of military government in this field is to exercise surveillance to determine that construction controls are enforced. In the accomplishment of this mission, the actions and duties of the economics officer will include:

a.

OCCUPATION FORCE NEEDS - RELEASE OF INSTALLATIONS. ~~The primary mission in the release of enemy installations is to insure the prompt return to the Japanese government of~~ all former Japanese army and navy installations and facilities not required for use by the Occupation Forces or held under custody by current directives. ~~are~~ to be released ~~to be used~~ for use by the Japanese for farming, ~~for~~ housing, industry ~~repatriates~~ or ~~for~~ other ~~some~~ essential peacetime use. Specific duties in the release of enemy installations ~~will~~ include the following:

a. ~~Petitions for~~ Recommend the release of former Japanese ~~Army or Navy airfields will be forwarded to higher headquarters with appropriate recommendations of the military government team commander.~~ installations which when not required for use by Occupation Forces.

b. Enemy installations will be released ~~as soon as use by Occupation Forces is no longer required.~~ Request for release will be forwarded through appropriate tactical units to higher headquarters.

(a) Maintaining a record of all former enemy installations within the prefecture and their status as to release or retention for occupation force use

(b) Recommend release to the appropriate tactical commander of unneeded installations not previously required for use by the occupation forces

(c) Release installations approved for release and forward receipts for accounting purposes as required by current directives

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PUBLIC WORKS. The ~~primary mission of the economics officer in this~~ aid in
field is to ~~call the attention of higher headquarters to various~~ in order to give priority to those
Japanese public works projects ~~which can be completed in less than~~
one year, which well as effectively contribute to the feeding, clothing, or housing
of the populace, ~~and which seem to be neglected by the Japanese~~ Government. Attention of higher headquarters also will be invited
to Projects which may take more than one year to complete but which
appear to be of unusual value to the future peacetime economy of
Japan are given a lower priority than those more
immediately ~~Japanese~~ of benefit. Specific duties include:

(a) Conference with Japanese officials on the planning and execution of public works projects

(b) Recommending additional projects ~~which~~.

(c) Reporting ~~to~~ higher headquarters ~~the~~ accomplishment of ~~the~~ satisfactory authorized projects.