

GHQ/SCAP Records(RG 331)
Description of contents

THE
NATIONAL ARCHIVES
OF THE
UNITED STATES

- (1) Box no. 2143
- (2) Folder title/number: (4)
Town & Village Assembly (Natioanl Association)

(3) Date: Feb. 1951 - Feb. 1952

(4) Subject :

Classification	Type of record
360	c, e

(5) Item description and comment :

(6) Reproduction: Yes No

(7) Film no. _____ Sheet no. _____

Dr. Catorne,

Kambe

National Association of Towns & Villages.

Feb. 5/.

TOWN & VILLAGE GROUP'S REACTION TO KAMBE REPORT

The report, we find, is not far out of the line we advocated in our primary suggestions offered to the central government and K Committee. In view of this fact, we, believing that the report when put into execution would contribute greatly for the establishment of true local autonomy, are very favourably impressed by the Report.

However, great is our expectation out of the report, equally great is our concern as to the degree of enthusiasm which will be shown by the government and the Houses, as well as measures which will be adopted by them for the execution of the report.

Under the circumstances, we are well aware that we have to pay a greatest attention to the destiny of this report for the pro and con would bring about a great influence on the future of our local autonomy.

POINTS DIFFICULTIES CAN BE EXPECTED IN THE EXECUTION OF REPORT

(a) re. outline of the report;

For long, the greatest obstruct that town and village administrations had to struggle with have always been an excess amount of mandated business by the state and the financial defect due to the scarcity of resources backing them.

Although towns and villages, as the basic administrative bodies, are given new financial resources by the setting up of unit of finance laws with the new Local Tax Law as its central figure, the town and village finances are still in a very strained circumstances.

Now, the problem of mandated business is at last adjusted by the report, a substantial new works, at the same time, are allocated to towns and villages as their proper affairs.

But unless the basic measure to grant new resources to local government to cover the expenses needed for those newly allocated business were effected not only would the execution of the report be very difficult the local governments would be plunged into much more serious financial situation than ever.

The Report, of course, do not forget to state that the Committee intends to continue to study and survey further and produce additional report in near future regarding some supplementary measures that would be necessary for the execution of recent report. This, we think, means that recommendation of financial measures would play a chief part in their next report. In the meantime, we are here to voice our opinions on a matter or two that we see here and there in the outline of the Report.

(1) It is to be hoped that some measures be taken to enlarge a scope of authority of L.A.A., for the purpose to prevent government demands to local bodies of excessive and unnecessary reports that may tend to become the premise of danger of intervention by the central government in the name of assistance or recommendation.

It is to be desired that the legislative step be taken that would necessitate deliberation beforehand with L.A.A. regarding substances and methods of assistance or recommendation by the central government so to prevent misuse of its right in the events of giving assistance or recommendation to local bodies as is seen in various places in the report; such as.....

Basic relation between the state and local public bodies.
(para'gh 2, Art 1 of Item II....."Relation between the state and local public body")

Under such name, there may be some possibility for the government to interfere unnecessary in the affairs of local bodies. Also in the event of government collect general reports from local body as the premise of giving advice or recommendation or direction as in.....

Government's participation in the affairs of local body.
(Para'gh 2, Art 2 of item II...."Relation between the state and local public body")

(2) It is to be hoped that the state should defray all the expenses necessary for the mandated business of the state. This, of course, is a matter of course and is clearly stated in the Report. However, hitherto the amount that the government granted to the local body used to be rather small compared to an actual amount needed. Therefore, we see the necessity of legal measure to set up a special committee of democratic structure to determine the calculation of a unit as well as total costs.

(3) It is to be hoped that the state should adopt some appropriate financial and other measures for the completion of training system of local public servants. With regards to the smooth management of affairs of enlarged local public offices, the Report say time after time about the necessity of efficient management of local administrative affairs. We are wholly in agreement with the report about that. However, under present circumstance, it is difficult to secure efficient local servants, especially for towns and villages because of the problem of salary. Besides, in the case of town and village we find it difficult to foster the capacity of efficient management of affairs as well as general culture because of the scarcity of training facilities.

Under

Under the circumstances, we are of opinion that at least the government should set up training facilities for local public servants, or in the case of local bodies setting up such institutions the government should grant financial and other aids.

(4) re, rationalization of scopes of local public body;

Regarding this problem, previous examples shows that amalgamation of town and village proved none too easy due to such aspects as geography, history, economic, executive and legislative as well as the popular sentiment, However, to expedite rationalization we are in agreement with the Report on the necessity to set up democratic committees to investigate and study practical methods in accord with the actual situation.

It is, we think, necessary for the authorities concerned to prepare a booklet for the benefit of inhabitants of town or village concerned clearly explaining the result which must expect out of the distribution of administrative affairs to be carried out in accordance with the Report.....particulars such as the administrative affairs and finances of town or village of certain scale, the extent of increase of economic burden as well as what result would those reforms produce when the rationalization of scale of town or village is effected.

REACTION TO EACH ITEM

(1) EDUCATIONAL ADMINISTRATION.

1. re, school education;

~~The conclusion has not been arrived at.~~ See Page 7.

2. re, social education;

In view of the fact that the setting up of public hall (Kocmin Kan) has a specially important significance on the democratization of farming villages the working expenses should be secured specially as an independent base, at the same time a favourable coefficient measure, we hope, will be effected for the farming village.

(2) WELFARE ADMINISTRATION

I, re, protection of livings;

1. Since the business of protection of livings is given to city, town and village, the execution of business will find it very difficult unless the premise of basis of

at

at least the state 8, prefecture 1, and city, town and village 1. as hitherto is ensured in the burden of expenses.

7. It is to be hoped that the welfare officers (minseiiin) be commissioned by city, town and village, also its number should be decided by city, town and village.

III. re social insurance;

4. With regards to work expense and allowance in the business of national health insurance, it is to be hoped that the total medical expense for T.B. be defraied by the state subsidy.

(5) AGRICULTURAL ADMINISTRATION

I. rel, Land improvement;

- 1, It is to be hoped that the sate should ensure measures of financial resources for the work of land improvement to be carried out by townsand villages.

(6) FOREST ADMINISTRATION

I. re, Forestry in general;

From the national standpoint of improvement of mountains and rivers, the forest administration should be included with the others such as river, land cultivation, sand defence etc, and in order to ensure execution of improvement works more synthetically, constructively and scientifically it seems necessary to avoid setting up fragmantary special laws of various kinds. Instead, law, perhaps called National Land Safeguarding Law with synthetic substances may be set up.

We think of the need to set up a national policy of drastic nature that would bring about the unification of administrative bureau as well as of expenditure, effecting, furthermore, the continuation of budget for many years to come.

(9) TRANSPORT ADMINISTRATION

3. re, Road Transportation Deliberation Committee and Prefectural Land Transportation Office;

1. We believe that the representatives of city, town and village should be included in the personnel structure of Road Transportation Deliberation Committee.

(10) PUBLIC ENGINEERING ADMINISTRATION

re, Safeguarding work of seashore;

We notice that this particular work is not mentioned directly in the item of public engineering administration. But for the island country like ours the adoption of measures to prevent coastal erosion as well as damage by waves etc. is very important in order to safeguard our land, people's lives and properties.

In view of this fact, we are of opinion that consideration should be given in thereport regarding distribution of safeguarding work of our coast as well as financial measure for it.

(11) THE OTHERS

1.2. re, re Statistic and election;

In the event of investigating work of designated statistic is **mandated** to city, town and village, also a part of national election affair is mandated to the Election Supervising Committee of local public body the necessary expenses should be allocated to town and village in view of previous facts.

3. re, Registration of census and temporary domicile:

In the event of execution of "Registration System of Inhabitants and Families", its object, it is to be hoped, will not be limited to the extent of clarification of inhabitant's address, census or rationing work.

Instead, for the purpose to increase efficiency and rationalize works of public office this particular registration should be given further faculty to use as the roll of electors.

Furthermore, when the demand to supply census registration is made by the government offices, it should be made that fee be chargeable as is the case with general public.

IV. The methods to diffuse and propagate the substances of the report to general public.

The following methods may be useful to diffuse the substance of the report to general public.

- I. The parts that government authorities and local bodies namely Governor's, City Mayor's, Town and Village Associations may play;
 - A. Successive publication of easily understandable explanation of the report in the press or magazines all over the country. Also, opinions of government officials, Diet members, learnt and experienced as well as general public may be collected and printed in the press or magazines.
 - B. Use of radio and film.
 - C. Lecture.
 - D. Print and publish a small booklet, easily understandable explanatory booklet especially on the problem of redistribution and appropriate scale of town and village.
- II. The parts provincial groups....provincial associations of towns and villages as well as chairmen's associations....may play.

First of all, people of local town or village offices and assembly members should learn the substances of the report, then lecture should be held for the benefit of general public, as well as distribute booklets.

While the diffusion and propaganda of the principle of the report is very important, materialization of the report is still more important.

We have to conclude by adding that it is vitally necessary for the government, Diet as well as the political parties to show enthusiasm and do all they can to put the principle of the report into practice.

(I) EDUCATIONAL ADMINISTRATION

1. School education;

3. re, Elementary and middle school education;

According to the Report, it states that the state should consider methods to maintain minimum necessary standard of compulsory education.

Towns and villages of the country which have always had such a great trouble through the lack of resources hereby request the realization of followings;

- (a) "Various allowances of teachers" should be treated as equilibration fund and should be granted without any interference to the amount.
- (b) The building expenses of 6-3 educational system should be borne by the national treasury.
- (c) The subsidy basis per student should be lifted to 0.7 tsubo.

4. re re, Education Committee of city, town and village;

Especially, education committee of town and village should be made into Gun unit.
Further, we are against establishment of "school Area" as well as "Education Tax".

5 February 1952

My dear Mr. Saito:

Although prior commitments prevent my acceptance of your kind invitation to attend in person, I am honored to have this opportunity through you to greet the members of your Association on the occasion of its Regular General Meeting on 6 February 1952. Having observed with keen interest the constructive efforts of your Association toward the vigorous development of healthy local government administration under the principle of local autonomy, I am happy to extend on this occasion my sincere wishes for your success.

Cordial regards.

Sincerely yours,

FRANK RIZZO
Chief, Government Section

Mr. Kunio Saito, President
National Association of Town
& Village Assembly Chairmen
35 Nishikubo Tomo-cho, Minato-ku
Tokyo, Japan

GS FILES

NATIONAL ASSOCIATION
OF TOWN & VILLAGE ASSEMBLY CHAIRMEN.

35. Nishikubo Tomoecho,
Minato-Ku, Tokyo.

4th Feb, 1952.

TO.....Mr. Frank Rizzo
Chief, Government Section, GHQ., SCAP.

Subject.....Invitation to Regular General Meeting of
National Association of Town and Village
Assembly Chairmen.

Dear Sir,

We should be much obliged to you if you would be so kind as to honor us with your presence and a few words of encouragement at our Regular General Meeting to be held at above address on Wednesday February the 6th at 10 a.m.

We are well aware how busy you always are with your official duties. We believe you are particularly demanded for at this very important moment. Should you be unable to come to the meeting may we hope to have a few words of message to be given to representatives from all over the country.

In conclusion, we have to ask your forgiveness for this very short notice due to very unfortunate misunderstanding on our parts.

Thanking you, in advance, for your kind consideration.

We are, Dear Sir,

Yours faithful servants.

K. Saito
Kunio, Saito (president)

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21 January 1952

SUBJECT: Invitation to Extraordinary General Meeting of the National Municipal Speakers Association.

TO :

FROM : Yokoi, Tsunejiro, President of the National City Assembly Speakers' Association

Dear Sir:

Welcoming the brilliant new year with burning desire for independence, we deeply feel the need for new measures to be dealt with by the local public entities. Above all, it is not difficult to foresee the complicated and troublesome course ahead in fulfilling an important role by the municipal administrations which constitutes the core of the local culture and economy, internally as well as externally, in harmony with the national administration.

On this important occasion, the Association has decided to contribute to the establishment of honorable Japan by the realization of various measures based upon the concept of a democratic country, by resorting to the best method in cooperation with the National Government through the conference of city assembly speakers of 269 cities throughout the country under the program listed below.

We realize that we are imposing upon you at the time you are exceedingly busy, however, we cordially extend our invitation with the hope that you will honor us with your presence and give us some guidance.

Your presence to enlighten us in the subject will be greatly appreciated.

Truly yours,

PROGRAM

1. Name: The 21st National City Assembly Speakers' Extraordinary General Meeting.
2. Time: 1000hours, 31 January 1952
3. Place: Hibiya Public Hall
4. Participants: About 700 city assembly speakers and others throughout the country.

Mr. Frank Rizzo

Chief of Government Section,

GHQ., SCAP.

Tokyo, Japan
November 8, 1951

My dear Mr. Saito,

I regret my inability, because of prior commitments, to attend the meeting of your Association on 9 November 1951 but I am honored to accept your invitation to send to the Convention a few words of greeting through Mr. Makoto Matsukata, my Special Assistant.

Your meeting today holds a double significance: first, it commemorates the Treaty of Peace; second, it is devoted to the safeguard of Local Autonomy. These two matters are intimately related. The Treaty, in its preamble, declares the intention of the Japanese people "to seek to create within Japan conditions of stability and well being as defined in Article 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation".

With the reassumption of full sovereignty, the preservation and strengthening of democratic tendencies in Japan will become the full responsibility of the Japanese people and Government. In the discharge of this responsibility a key factor is the vigorous exercise of the principle of Local Autonomy, i.e., the management of local affairs by locally elected administrations responsible to the citizens of the respective local public entities.

May the efforts of your Association toward this end prove eminently successful.

Sincerely yours,

FRANK RIZZO
Chief, Government Section

Mr. Kunio Saito, President
National Association of Town & Village Assembly Chairmen
35 Nishikubo Tomoe-Cho
Shiba, Minato-Ku, Tokyo, Japan

500 pages

Government Section File

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NATIONAL ASSOCIATION
OF TOWN AND VILLAGE ASSEMBLY CHAIRMEN

35. Nishikubo Tomoe-Che,
Shiba, Minato-Ku, Tokyo

7th November 1951

TO.....Mr Frank Rizzo
Chief, Government Section, GHQ., SCAP.

Subject.....Invitation to Convention to Safe-Guard Local
Autonomy in commemoration of Peace Treaty.

Dear Sir,

The association is holding a Convention to Safe-Guard Local Autonomy in commemoration of Peace Treaty on Friday the 9th inst, at 1 p.m. at Chu-Rooi-Kaikan, NO 1. 6 Goochi, Shiba Park, Minato-Ku, Tokyo in order to deliberate now confronting various important problems concerning the functioning of local autonomy as well as a friendly discussion with government quarters afterwards concerning same.

We are well aware how busy you always are with your official duties but we should be much obliged to you if you would be so kind as to honor the meeting with your presence and a few words of greeting.

We are, Dear Sir,

Yours faithful servants.

/s/K. Saito
Kunio, SAITO (president)

NATIONAL ASSOCIATION OF TOWN & VILLAGE ASSEMBLY CHAIRMEN

REGULATIONS

Established.....Nov. 9th, 1949
Regulation revised.....Jul. 25th, 1951

- Art. I. This association shall be called National Association of Town and Village Assembly Chairmen (Zenkoku Chosongikai Gichokai) and shall be organized with Prefectural Associations of Town and Village Assembly Chairmen.
- Art. II. The office of this association shall be located at the premises of National Association of Town and Villages at No. 35, Nishikubo Tomoe-cho, Minato-ku, Tokyo.
- Art. III. The objectives of this association are to improve the connection and collaboration between Prefectural Associations of Town and Village Assembly Chairmen and to contribute to the smooth functioning of local assemblies as well as to the encouragement and development of local self-government.
- Art. IV. This association shall carry out the following items with a view to attaining above-mentioned objectives;
- (1) Convening conferences of various kinds necessary for the liaison with Prefectural Associations of Town and Village Assembly Chairmen.

- (2) Making researches and investigations pertaining to the functioning of town and village assemblies, also encouragement and development of local autonomy.
- (3) Cooperation with autonomous organs relating to local affairs.
- (4) Liaison and coordination with central government quarters concerned.
- (5) Other matters necessary for attaining its objectives.

Art. V. The conferences of this Association shall be general meeting, Council meeting and the Board of Directors meeting. General meeting shall have the ordinary and extraordinary ones. The former shall be convened once a year in February, the latter and the Council as well as the Board of Directors meetings shall be convened at the time when the president deems them necessary.

Art. VI. The president shall convene general meeting, the council and the board of directors meeting. The president shall convene meetings in case the members of more than one fourth of the quorum presenting subjects for discussion request to convene an extraordinary general meeting or the council meeting.

Art. VII. The quorum of representatives of each Prefectural Association of Town and Village Assembly Chairmen to

be

be present at the general meeting shall be three, one of them shall be the person holding a post of said association.

Art.VIII. The chairmanship in the general meeting, the council and board of directors meetings shall be conducted by the president. In case the president be unable to conduct his duty, the vice-president shall assume chairmanship and if both president and vice-president were unable to discharge their duties a provisional chairman shall be elected from among members present at the meeting and let him conduct duties of the chairmen.

Art. IX. General convention, shall not meet and vote unless more than half the constituents be present. The proceeding of the above convention shall be decided by a majority of members present. The council and directors meetings shall be convened and make decision when more than half the members are present. In case of tie, the chairman shall have the casting vote. In above case, the chairman shall not exercise the right of voting as one of the constituents.

Art. X. This association shall have one president, four vice-presidents, eleven directors, four auditors and forty-six councils. The president and vice-presidents shall be elected from among the presidents of Prefectural

Association

Association of Town and Village Assembly Chairmen and auditors shall be elected from among the councils of National Association of Town and Village Assembly Chairmen both at the general convention. The post of director shall be filled by men mutually elected from among the presidents of Prefectural Association of Town and Village Assembly Chairmen in each region shown in the attachment, however, two directors each shall represent Kanto and Kyushu. All the other regions shall be represented by one member each only. The post of council shall be filled by all presidents of Prefectural Association of Town and Village Assembly Chairmen, however, Hokkaido shall be represented by vice-president of its association in the council.

Art. XI. The president shall preside over general affairs of the association and represent the same. The vice-presidents shall assist the president and act for him in case the president be unable to discharge his duties. The councils shall deliberate in the council meeting proposals to be submitted to the general convention, also reply to inquiries by president on important matters. The directors shall partake in the affairs of the association at all time. Auditors shall supervise the accounts of the association and shall be empowered to express opinions at the Council and Directors meetings.

Art. XII. The terms of office of president, vice-president, council,

director

director and auditor shall be two years. The above terms shall be counted from the date of election. In case the election takes place prior to the termination of the predecessor's term, the above term shall be counted from the following day of the predecessor's termination date. In case the election takes place after the termination of predecessor's term, the predecessor shall remain in part until the accession of the successor.

The term of office of the person appointed by the supplementary election, the president, vice-president, director and auditor shall stay in part not exceeding the terms of the predecessors.

Art.XIII. All executives shall serve gratuitously, in case of necessity, an actual expense may be paid.

Art. XIV. This association shall have one chief of secretariat, secretaries and clerks to be appointed or dismissed by the president.

The chief of the secretariat shall manage the affairs of the office in compliance of the direction of the president. The secretaries shall administer their business in compliance with the direction of chief of the secretariat. The clerks shall be engaged in the general affairs of the office under the direction of their superiors.

Art. XV. This association shall have the committee to carry out research

director and auditor shall be two years. The above terms shall be counted from the date of election. In case the election takes place prior to the termination of the predecessor's term, the above term shall be counted from the following day of the predecessor's termination date. In case the election takes place after the termination of predecessor's term, the predecessor shall remain in part until the accession of the successor.

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Art. XV. This association shall have the committee to carry out research

research on political affairs. The matters concerning the construction and management of the above committee shall be decided by the president after the conclusion of the council meeting.

Art. XVI. This association may have permanent or temporary technical expert. The appointment shall be made by the president from among the learned and experienced, duties being research work of necessary matters entrusted by the president.

Art. XVII. This association may have advisers, consultants and councillors (Sanyo). The adviser and consultant shall be entrusted by the recommendation of the president through the conclusion of the general convention. The councillor shall be entrusted by the recommendation of the president through the conclusion of the council meeting.

Art. XVIII. The expenditure of the association shall be met with fees, subsidies, contributions etc. The Prefectural Associations shall pay the fees, the amount and the method of allocation shall be determined by the yearly budget.

Art. XIX. The president shall draft the yearly budget which shall be reported, prior to the fiscal year, to the general convention by him after the decision taken at the council meeting. The fiscal year of this association shall be dependant upon that of the government.

Art. XX.

Art. XX. The settlement of account shall be reported to the general convention by the president with the approval of the council meeting.

Art. XXI. The regulations of this association shall not be altered without the decision of the general convention which, however, can entrust the council meeting for alteration.

Art. XXII. Necessary matters concerning the enforcement of this regulations shall be decided separately after obtaining the decision of the council meeting.

Supplementary regulation.

The above regulations shall be enforced on and from
Nov. 9th, 1949.

DETAIL OF REGION

<u>REGION</u>	<u>PREFECTURE</u>
Kanto	Tokyo, Kanagawa, Yamanashi, Gunma, Tochigi, Chiba, Ibaragi, Saitama.
Tokai	Miye, Aichi, Gifu, Shizuoka.
Tohoku	Aomori, Miyagi, Fukushima, Akita, Yamagata, Iwate.
Kinki	Osaka, Kyoto, Wakayama, Hyogo, Nara, Shiga.
Hokushin	Niigata, Nagano, Fukui, Toyama, Ishikawa.
Chukoku	Tottori, Shimane, Hiroshima, Okayama, Yamaguchi.
Shikoku	Tokushima, Kagawa, Ehime, Koochi.
Kyushu	Fukuoka, Ohita, Miyazaki, Nagasaki, Kumamoto, Saga, Kagoshima.
Hokkaido	Hokkaido.

REPORT ON ACTIVITIES OF NATIONAL ASSOCIATION OF
TOWN AND VILLAGE ASSEMBLY CHAIRMEN

(Established on Nov. 11th, 1949.)

The followings are the main activities engaged by the association since the day of establishment and close cooperation has been maintained with the National Association of Towns and Villages.

- 1) The rational realization of the recommendation advanced by the Shoup Mission.
 - 2) Defrayment out of the national treasury for the completion of 6-3 educational system.
 - 3) Speedy completion of recovery work from disasters and establishment of counter measures against disaster.
 - 4) Rationalization of delivery of foodstuffs and establishment of self-sufficiency of foodstuff.
 - 5) Amalgamation of small towns and villages and establishment of autonomy within.
 - 6) Transfer of some of authorities from the state to local government)
 - 7) Partial revision of Laws concerning Local Autonomy.
 - 8) Campaign to expedite complete payment of taxes.
 - 9) Improvement of mountains and rivers, execution of land reform.
 - 10) Reform of autonomous police system.
 - 11) Early conclusion of peace treaty.
 - 12) Strengthening of national health insurance system.
 - 13) Speedy repatriation of Japanese Nationals from overseas.
 - 14) Increased payment of Equilibration Fund, and enlargement of frame of local bond.
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NATIONAL ASSOCIATION OF TOWN & VILLAGE ASSEMBLYCHAIRMENBudget for the year 1951Revenue

Item	Budget, 1951	Budget, 1950	Increase or decrease
1. Membership fees	5.065.000	5.078.000	- 13.000
(Total no of towns & villages 10.130. Fee average ¥500 per town or village)			
2. Balance brought over	1.000	1.000	-----
3. Transaction fees (asso's budget, books)	250.000	250.000	-----
4. Miscellaneous revenues	2.000	2.000	-----
a) Deposit interest	1.000	1.000	-----
b) Misce's revenues	1.000	1.000	-----
5. Contribution	1.000	1.000	-----
	<u>5.319.000</u>	<u>5.332.000</u>	<u>13.000</u>

Expenditure

1. Conference expense	1.084.000	1.348.000	-284.000
a) General meeting	110.000	110.000	-----
b) Council meeting	70.000	70.000	-----
c) Prefectural presidents meeting	70.000	70.000	-----
d) Directors meeting	562.000	888.000	-326.000
e) Auditors meeting	212.000	60.000	+152.000
f) Prefectural chief- secretary's meeting	60.000	50.000	+ 10.000
g) Miscellaneous expenses	-----	100.000	-100.000
2. Office expenditure	2.718.000	1.862.000	+854.000
a) Office expense	1.304.000	1.308.000	- 4.000
b) Salaries & allowance	1.414.000	554.000	+860.000
3. Work expenditure	1.417.000	2.022.000	-605.000
a) Research expenses	373.000	526.000	-153.000
b) Publicity "	524.000	600.000	- 76.000
c) Campaign "	320.000	820.000	-500.000
d) Commendation "	150.000	-----	+150.000
e) Miscellaneous "	50.000	76.000	- 26.000
4. Reserve	100.000	100.000	-----
	<u>5.319.000</u>	<u>5.332.000</u>	<u>- 13.000</u>

THE LIST OF EXECUTIVES OF NATIONAL
ASSOCIATION OF TOWN & VILLAGE ASSEMBLY CHAIRMEN

July 30th, 1951

President Kunio, SAITO *
Chairman of Fujikawa-machi, Shizuoka-Pref.

Vice-president Masajiro, YOSHIMURA
Chairman of Toyodashita-mura, Yamaguchi-Pref.

" " Ryutaro, Tsuji *
Chairman of Ishikiri-machi, Osaka-fu.

" " Katsui, HISATA
Chairman of Kogane-machi, Chiba-Pref.

" " Junshin, OSANAI
Chairman of Toyada-mura, Aomori-Pref.

Director Komei, OGAWA *
Chairman of Sagami-hara-machi, Kanagawa-Pref.

" Fujio, OBI
Chairman of Kabuto-mura, Yamanashi-Pref.

" Kinjiro, SUGIYAMA
Chairman of Kasamatsu-machi, Gifu-Pref.

" Noboru, OHBA
Chairman of Yoneya-mura, Miyagi-Pref.

" Ryozo, KATO *
Chairman of Moriyama-machi, Shiga-Pref.

" Heishiro, NISHIYAMA
Chairman of Hirao-mura, Nagano-Pref.

" Motoo, INOUE
Chairman of Shiya-mura, Hiroshima-Pref.

" Tokusaburo, KAWAMATA
Chairman of Kamoshima-machi, Tokushima-Pref.

" Kensaku, OHMORI
Chairman of Yamashika-machi, Kumamoto-Pref.

" Hideo, IGUCHI
Chairman of Takaoka-machi, Miyazaki-Pref.

" Takio, ISHIMARU
Chairman of Nayoro-machi, Hokkaido.

Auditor Daijiro, ASAKA
Chairman of Ishido-machi, Toyama-Pref.

" Kataro, OHNISHI
Chairman of Utatsu-machi, Kagawa-Pref.

" Shigeo, KAKU
Chairman of Nakama-machi, Fukuoka-Pref.

" Masayuki, MAKABE X
Chairman of Fukagawa-machi, Hokkaido.

Remarks * Re-elected
Election held on 25th July 1951.
Term Two years
All of them are the president of Prefectural
Association of Town & Village Assembly
Chairmen in their respective prefecture.
X Vice-president of Hokkaido T.V.A.C.

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Convention.....Extraordinary General Meeting of National Association of Town & Village Assembly Chairmen.

Place and date.....N.A.T.V.building Minato-Ku, Tokyo. July 25th.

Attendance.....250 representatives of assembly chairmen from all over the country.

Guest.....Vice-chief cabinet secretary Kennoki (rep Prime minister)
Minister Okano (L.A.A.)
" Noda (Construction)
Parliamentary under secretary Nishikawa (rep Finance minister Ikeda)
Chairman Nomura (Local Finance Comm)
Dept Chief Maekawa (rep Education Minister Amano)
Ohizumi M.D. (rep Mr Maeo, Chairman of Local Gov Comm House of Representative)
Saigo M of House of Councillors
Yoshitake, M.D. (Chief of Policy Investigation Comm, Liberal Party)
Mizutani, (M of House of Representatives Socialist Party)
Fujita, M.D. (Local Gov Comm, House of Representatives) Democrat Party.

Information.....N.H.K., Kyodo.

1. Opening speech by acting president T.Imayoshi (gist)

Even though the financial part has been inadequate, the town and village autonomy has made an excellent progress during this past four years. With the conclusion of Peace Treaty near at hand, the government has set up a committee to reexamine administrative affairs faithful to the Ridgway statement, also Friendly Discussion on Taxation (Zei-sei Kondankai) is at work under the Prime Minister.

When viewed calmly and carefully over the proceedings of those committees there are quite a lot of discussions taking place among them which seems to reverse the direction that our local autonomy has been progressing until to-day

The Committee that is deliberating the reformation of structures and simplification of administrative affairs does not seem to possess much confidences in cities, towns and villages....though not so in prefecture....and so far we can see that the committee members have no intention of taking up the problem of redistribution of administrative affairs.

As for Zei-Sei Kondankai, it is specially taking up the difficult financial circumstance of prefecture giving a deep fear to us towns and villages no sooner than we were granted some degrees of stability by the tax reform of last year. Recently the Finance Ministry submitted their views to this committee stating that there are financial surplus

in cities, towns and villages. This statement of Shuzei (主税局) Kyoku is being deliberated in the sub committee at present. No decision has been arrived at but according to this plan one third of Fixed Property Tax will be diverted to prefecture.

Honestly we have been thinking and expecting that local autonomy would be....as it has been until now... marching towards the development of autonomy still further. But now it has tendency to reverse. It will be unbearable to us who are striving to set up democratic country to see the reappearance of the state in which the people are swayed left and right at the command from the centre as in war-time. For the present, we cannot help feeling as though we are standing at the cross road, wandering whether is it to be centralization or decentralization, whether is it possible to set up towns and villages which are basically democratic.

It is my firm opinion that the fruit we obtained up till now should be kept with us at all cost. There may not sufficient financial sources for some affairs but what we obtained we should keep to ourselves and not give back. I am confident that for that purpose we have to stand firm and try our best to obtain an increase of Equilibration Fund and enlargement of frame of local bonds.

As at present and in future, no organization save Town and Village Association, Assembly Chairmen Association and City Mayors Association will be working for the development of local autonomy. Our responsibilities are greater than ever.

2. Report on the affairs of the association.

(Printed matters have been distributed to all the members present, and no question was raised)

3. Selection of temporary chairman of the convention.

(President of Yamaguchi Prefectural Association of T.V. Assembly Chairmen Mr. Yoshimura was nominated and agreed upon unanimously as the temporary chairman as the oldest member present. Chairman Yoshimura took the chair after a short speech)

4. Declaration (gist)

It is to be greatly regreted that the government has so far been showing no enthusiasm to adopt Recommendation of Kanbe Comm which is the bases of establishment of local autonomy.

We must do our utmost for the true local autonomy and democratization of our country by bravely solving such problems as;

1. Rational limitation of scopes of towns and vilages.
2. Increase of Equilibration Fund.

3. Enlargement of frame of Local Bonds.
 4. Completion of 6-3 Educational System.
 5. Setting up of development measures for farming mountain and fishing villages as well as for small and medium industries.
 6. Immediate establishment of relief measures for war-victims.
 7. Firm establishment of National Health Insurance Enterprises.
 8. Drustic measure to strengthen rivers and mountains.
- etc etc.

(Above Declaration was enthusiastically carried)

5. Proceedings

- a. A part revision of prospectus of the Association.
 1. Increase one more vice-president, making four in all.
 2. Increase director to two in each Kanto and Kyushu bloc, making the number of director to eleven in all.

(Unanimously carried)

- b. Election of president, vice-presidents and treasures.
The result is as follows;

1. President of NATVAC.....SAITO, Kunio (Shizuoka)
2. Vice-president of "YOSHIMURA, Masataro (Yamaguchi)
3. " " "TSUJI, Ryutaro (Osaka)
4. " " "HISATA, Katsui (Chiba)
5. " " "OSANAI, Junshin (Aomori)
6. Treasurer of "ASAKA, Daijiro (Toyama)
7. " " "OHNISHI, Kataro (Kagawa)
8. " " "KAKU, Shigeo (Fukuoka)
9. " " "MANABE, Masayuki (Hokkaido)

(Greeted with cheers)

A short speech was delivered by the newly elected president Mr. Saito as he took the place of the chairman of the convention. "I have to tell you, he said, that recent two meetings of Local Autonomous Comm I attended I noticed with great regret a thick atmospher which seems to predict a sorry end for the Kanbe Recommendation.

This, I firmly believe, is a matter of grave concern. At those two occasions I asked the government officials concerned bluntly as to what is the intention of the government and each time I received an obscure answer to my questions. This association cannot and must not just hold hands and wait and see how it will turn out. We must strengthen 180,000 assemblymen's unity and have the voice of the province strongly and speedily reflected in the centre. This I believe to be the duty our association must discharge. (Cheers)

c. Deliberation of various problems submitted to the Convention by Prefectural Associations of Town & Village Assembly Chairmen.

(Printed matters were distributed to all the representatives and those problems mentioned in the papers was agreed upon by the Convention to be reexamined by the Policy Investigation Comm of the Association and to be taken up later with the central government by the said Committee)

The main items submitted to the Convention are as follows;

- a. Increase of Equilibration Fund.
- b. Enlargement of frame of Local Bonds.
- c. Speedy materialization of redistribution of administrative affairs.
- d. Opposition to the hike of electric rate.
- e. State defrayment for the recovery from disasters.
- f. Speedy completion of 6-3 Educational System.
- g. Revision of Election Laws.
- h. Strengthening of National Health Insurance System.
- i. Revision of a part of Tax Law.
- J. Speedy repatriation of Japanese nationals from overseas.
- k. Relief measures for the war-victims.
- l. Promotion of agricultural policies.
- m. Relief measures for unemployed.
- n. Establishment of institution to train town and village employees.

etc etc

An urgent motion was tabled at this stage by Kanagawa representative on behalf of the others, strongly opposing the prospect of diversion of a part of Fixed Property Tax to the prefecture.

Such a proposition, he said, can only come out of an ignorance on the parts of bureaucrats and others regarding actual states of towns and villages. Should it be materialized it will mean the reverse of wheels which not long ago was put on the right road. It may mean the destruction of democratic policy. It is quite obvious that the town and village finance would be badly crippled.

(Above motion was enthusiastically carried by all the members present and at once set up a special deputation to get in touch with the quarters concerned)

6. RESOLUTIONS

1. We expect speedy realization of re-distribution of administrative affairs and materialization of the financial measures to back it.
2. We expect an increase of Equilibration Fund, also an enlargement of the frame of local bonds.
3. We absolutely oppose the rise of electric rate of general and farming uses.
4. We expect an immediate setting up of drastic national policies pertaining to the improvement of mountain and rivers.
5. We expect a total defrayment out of the national treasury for 6-3 education and a complete execution of the system.
6. We expect a speedy establishment of measures for the development of farming, mountain and fishing villages as well as for small and medium industries.
- . We expect an immediate setting up of relief measure for war-victims.
7. We expect the strengthening of national health insurance enterprise as a part of social security system.

Above resolutions are unanimously passed by Extraordinary General Meeting of National Association of Town & Villages Assembly Chairman.

July 25th 1951.

Koochi pref.....With regards to the motion submitted by Akita pref pertaining to the strengthening of local police, we suggest that in view of the importance of the subject the Policy Investigation Comm should pay a special attention to it remembering carefully that an ultimate decision rests with local people.

(Akita Pref's motion regarding the strengthening of local police reads as follow.....In view of the necessity to strengthen police in order to attain further indep-

independence of local autonomous bodies, it is to be hoped that guidance be given not to abolish local police merely in order to save expenditures")

Shiga Pref.....We are in agreement with the suggestion made by Koochi pref. Since as Koochi Pref said that the decision rests with local people it does not seem to be right for this association to take up this question with government for petitioning. We suggest that this particular question be taken up separately.

(Upon consultation by the chairman Saito, the convention decided to adopt the motion advanced by Shiga pref)

(Luncheon interval)

6. Guests Greetings

- a. Prime minister (Read by vice-chief cabinet secretary Kennoki)

Gist.....In order to attain economic independence after the Peace Treaty the government intends to go forward with policies of 1. Simplification of administration structures, 2. Exploitation of the internal resources, 3. Rationalization of industry etc.

- b. Chief of Government Section, G.H.Q., SCAP.
(Read by T.Imayoshi and the copies in English and Japanese were distributed to every representative)

- c. Speaker of House of Representatives Mr. J.Hayashi.
(Read by the official of the House)

Gist.....It is a regrettable state to see towns and villages being obstructed in their efforts to develop autonomy through financial difficulties due to added administrative affairs as well as loads of state mandated business.

The government must not spare guidance and assistance to towns and villages in their attempt to promote administrative affairs. But Towns and villages should try to built up by their own efforts instead of leaning on the state.

- d. State minister Okano (LAA) *Read in Person.*

Gist.....In accordance with the Ridgway Statement, the government has set up a committee for the purpose to study drastic reform by adjustment and reduction of administrative affairs, simplification of structures etc etc. With this objective in view we wish to effect necessary reforms in the system of local government.

Apart from those basic problems, local bodies, especially towns and villages, are facing many difficult problems, such as finance among others,

The government intends to do all it can to satisfy your wishes. (a short speech)
left in conclusion.

- e. Finance minister Ikeda (Read by Diet under secretary of finance Mr. Nishikawa.)

Gist.....Most urgent business in the establishment of local autonomy is to give it a sound financial backing, but so great has been the expenditure for democratization of many systems, previous policies, we admit, have not been sufficient to meet the situation. However, the government is keenly deliberating now on the questions such as the just allocation of Equilibration F, the revision of local tax system in order to solve difficult problems now confronting local government.

There are a few points for which we would like you to pay special attentions;

1. Sweep away arrearage of previous local taxes.
2. We think there are quite a lot of spaces to reexamine in the functioning of local administrative affairs. We hope that local bodies should try to save as much as possible by effecting the simplification of administrative affairs as the state is trying.
3. Simplification of structures and reduction of personnel. An increase of personnel in local bodies is surprising. A drastic reform of structure and reduction of personnel is advisable.

- f. Mr Maeno, chairman, local government Comm, House of representative (Read by Mr Ohijumi, Mem of H.R.)

Gist. (Nothing of note to mention)

- g. Mr Nomura, Chairman, Local Finance Comm.

Gist.....Due mainly to the change of economic situation, frequency of disasters, reform and abolition of laws and ordinances increase of administrative affairs due have added financial demands still further recently to local bodies. These difficulties have to be met by proper administrations through the state as well as local bodies, also the economic policies of the central government.

Our Committee, as the protector of local finance, intend speedly to obtain an increase of Equilibration Fund to enable local bodies to discharge the state mandated business, also for the enlargement of fram of local bonds.

There is a limit to what the state can do for local bodies. The local bodies on their own parts should try to save as much as possible so to lighten the burden off the people.

- h. Minister of Construction Mr Noda.

Gist.....It is no easy matter to accomplish the heavy work

heavy work of reconstruction under reduced financial restriction both state and local governments. However, originality and contrivance would, together with the profitable use of science and technic, help to obtain good result.

1. President of National association of Towns and Villages
Mr Shiratori (Read by mr Matsumoto, vice-president)

Gist.....A good result on the difficult problems confronting local bodies can only be obtained by a close cooperation between legislative and executive organs.

Friendly discussions between guests and members present

Q Aomori pref)

Our prefecture has badly suffered from flood recently. What is the government intending to do about it ?

A. Mr Yoshitake (Chief of Policy Investigation Comm, Liberal P)

Patching up here and there would get no good result. basic measures must adopted. But it will need a tremendous expense. For recent flood the government intend to allocate Y600 millions but we are deliberating at present to bring out a basic measure of improvement of rivers and mountains in the next year's budget.

Since I have to attend two other meetings this aft, I should like to make a few statement of my own. First, I notice your demand of immediate execution of redistribution of administrative affairs. We are holding a weekly meeting in the cabinet to deliberate the question of local tax system. We are almost coming to conclusion on this subject.

We are well aware that towns and villages are having very hard time due to the lack of sufficient expenditure. A great deal is due to have to carry out the state mandated business. The prime minister, who is particularly keen on the simplification of administration and reform of structures has given us a strict order to effect improvement and we are giving it a serious attention.

We would like to curtail the amount of state mandated business and save as much as 50 billions. We expect a very close cooperation from local bodies regarding this especially since we have to carry on by our own efforts once we regain independence for ourselves and cannot count on the relief from United State. Then we intend to carry out a drastic step of redistribution of affairs.

What is due to the state, the state intends to bear the burden. For instance, you expect a complete execution of 6-3 educational system and a total defrayment by the state.

The state payment for the school house would be difficult but perhaps some parts of teachers expense may come to be borne by the state so to lighten the burden off towns and villages.

You also expect an increase of Equilibration Fund. We hope to reduce the amount of the Fund by effecting the simplification of administrative affairs and structures. For that we will take state mandated business off you.

With regards to the enlargement of frame of local bond, we are hoping to effect a small enlargement soon.

Pertaining to the hike of electric rate, as you perhaps know that our party believe in some raise knowing well that the most important question now confronting us is the development of electrical resources. We are, however, not thinking to feed the expenses needed for developing by the rate. We hope to meet this expense with capitals of foreign and of internal. The minimum rate that will supplement deficiency cannot be helped. Our party think that about 15% raise would be suitable.

Q. (Kanagawa) ^{is not affected. at} If the diversion of one third of Fixed Property Tax to prefecture would cripple town and village finance. What is the responsible answer of Liberal Party to it?

A. Yoshitake,

No conclusion has arrived at, though only this morning we deliberated at the meeting of Chihoei Singikai. Present deficiency in local finance is mainly due to prefecture. If we leave it as it is we have to set up prefectural inhabitants tax or some other means to relieve prefecture. If one third of it is taken away from you, you will find yourself with a big hole. that is why we are thinking of relieving you by the state payment for some of educational expenses and rationalization of Equilibration Fund. Even if we take one third of it away from you, be assured that we will not neglect to fill up the hole.

Q. What do you think about the abolition of local agencies ?
(Akita-Pref)

A. Mr. Yoshitake,

As a former Naimu bureaucrat with twenty years service behind me I honestly think that prefectural office (governor) has expanded greatly since the wars end. We are intending to effect a drastic reduction to it and naturally the local agencies would be carefully considered. For the present the fate of local agencies is still in the air.

(Mr Yoshitake left to attend ^{meeting} elsewhere)

Chairman Saito

Member of House of Representatives Mr Fujita (Democrat) is here. He being the director of Local Government Comm in the House could give us some valuable informations.

Mr Y. Fujita,

An excellent recommendation of Prof Shoup stands on five pillars, namely 1. a new Local Tax Law, 2. the Equilibration Fund, 3. a fixed limit of local bond, 4. the establishment of law to pay out of national treasury in case of disaster, 5. redistribution of administrative affairs.

He made recommendation to establish a firm local finance on those five pillars. They are tottering now, I am sorry to see. Take for instance the local tax. The amount collected didnt come up to no more than 78 to 79% in the prefectures while in city, town and village it registered only 65% in May this year. This is really surprisingly low. What is the good of having good tax laws if the collection system is not in order.

With regards to Equilibration Fund, we are well aware that Local Finance Comm has been fighting the battle of life against Finance Ministry. If you look at in the local budget of current year prepared by L.F.C. you will notice that the Comm estimates miscellaneous revenue of local bodies to be ~~1,800~~ millions whereas Finance Ministry estimates 18 billions. A mere difference of 16 billions, if you like. ~~1,800~~

I understand that L.F.C. is preparing to enlarge the frame of local bonds by further 20 billions and as for Equilibration Fund an increase of 20 billions, too. If with luck this were to materialize the local bodies would be able to go somehow this year.

The amount of local bond for this year is 40 billions as you know but you also know that 3 billions has already been spent during last year which means that you have only 37 billions for the current year. The total amount of local demand is 61.5 billions. The amount specified is 40 billions.

The strong pillar that was to support the total defrayment for the recovery from disasters out of national treasury has already collapsed by the revision of law and since this year the local bodies have to meet one third of the expense by themselves.

The Shoup Recommendation was made with faith that local autonomy and finance could be accomplished only so long as five pillars stand together at the same time. The redistribution of administrative affairs has not yet been taken up. Instead separate recommendation is being prepared now creating a lot of uneasiness among local people.

I understand that in certain quarters the proposition is made to the effect that the Fixed property Tax be diverted to prefecture and in return allocate Equilibration Fund to city, town and village. It is my opinion that the best policy is to re-institute wine and tobacco

consumption tax as is the decision of recent Governor's conference instead of an increase of the E.F.

With regards to Equilibration Fund, if something is not done now there would always be keen rivalry between Finance Ministry and Local Finance Comm. In bye-gone days a fixed frame was instituted in Local Allocation Tax automatically allocating 33.14% of Income and Corporation Taxes to local bodies. I believe it best to institute a fixed frame against national tax in Equilibration Fund.(cheers)

As for local bond, there, too, is rivalry between Finance Ministry and L.F.C. The procedures are very complicated resulting a lot of waste of time and energy. I think it is best to give whole power to L.F.C. who is, after all, your consultant. (cheers)

According to Kanbe Recommendation the minimum population of town or village ought to be no less than 8,000. It is my opinion that this is too small. At least 20,000 would be an appropriate figure.(cheers) Amalgamation of towns and villages would never be realized if it were left with the free choice of local legislative organs. The fixed basis should be specified in Local Autonomus Law.

I believe it is a good idea to set up the Ministry of Interior as in U.S.A. with the amalgamation of L.F.C., Local Administration Investigation Conference National Fire Defence, National Election Supervision Comm and Ministry of reconstruction. I say this because local finance shall forever be trampled by Financial bureaucrats. unless something is done about it.

If local finance were to succeed inclusion of ministry of Reconstruction in it, it is quite obvious that a powerful politician would seek the post of the Minister of Interior. You cannot expect development of local autonomy and finance on a weak minister.

Mr. Chozaburo, MIZUTANI (Socialist party M.R) Gist.

As one of the members of the Diet Budget Comm I had occasions to travel provinces. Everywhere I went the same old stories of education, police, fire defence recovery from disaster expenses came up from local bodies, and all I could do was to apologize evrytime.

I believe recovery expense should be met by the state. For instance, Kyoto suffered to the amount of approximately 6.280 mlions but only 80 millions was allocated. Not enough to by neils. If drustic measure was not adopted the land would go to pieces.

I believe, so fa as local autonomy is concerned every party man whether he be liberal, democrat or socialist is more or less in the same opinion for its development as all of them has a place of birth and

and constituency somewhere.

Mr.K.Saigo (Chairman of Local Government Comm, H of Councillors)

When one look deep into the system of local autonomy one will find that it is not in asatisfactorily state.

With regards to Equilibration Fund, It is in the hand of Finance Ministry to decide the amount of total and not in the power of Local Finance Comm. There exist differences of opinion between the two pertaining to the allocation of the Fund as well as the frame of local bonds

I suppose that the fact that you are holding an Extraordinary general Meeting here to-day means that all is not well with local bodies, mainly because I think it is due to the ministerial reduction of 10,900 millions off the E Fund and 18,500 millions off the local bonds.

The Local Government Comm of H of Councillors is very much concerned over the financial state of local bodies and even this morning we held a meeting with officials of Finance Ministry in attendance. There are quite a difference of opinion between L.F.C. and Finance Ministry. The finance bureaucrats opined that there is money in the city, town and village and it is prefecture who is in difficulty.

It is to be regretted and surprised that when we as always repeated to them on what materials theirs are based upon, they could not as usual produce any. Even now the Finance Ministry is dealing local finance in the abstract.

Q. KoochiPref;

It is understood that the drastic revision of local tax law and local administration is being contemplated in certain quarters. We should be much obliged if the member of L.F.C. present could give us any light to it.

A. Mr Uyehara (Member of L.F.C. representing towns & villages)

There are three opinions voiced at present with regard to revision of local tax laws, namely the opinion of 1. ZEISEI KONDANKAI of the government, 2. of Finance Ministry, 3. The decision of Governors Association. The official statement of City mayor's Association and that of Town and Village Association have not been published yet, though their demands on some points are well-known to us.

The conclusion of these opinions is that local taxes are too heavy and that they must be reduced somehow also the local administration must be simplified.

The Governor's Association opines to reconstruct prefecture at the expenses of the state and not at the sacrifice of city, town and village finance. Governors

clearly stated that they are not in need of Fixed property Tax. On this particular statement of theirs we on purposely invited their representatives and questioned. They stated They do not want to tackle that very difficult job of collection at a large expense in order to get one third of that tax for prefecture. Better leave that as it is now, so they said.

Finance Ministry is of opinion that Fixed property Tax should be devided. so is the opinion of ZEISEI KONDAKAI. There are opinions in those two quarters to setup Tobacco and Wine Consumption Taxes or to return some parts of wine and tobacco taxes to consuming places.

As for Admission and Entertainment Taxes, prefecture would like to return to the state. Zisei Kondankai too think perhaps it is best to have the Entertainment Tax returned to the State. Against this it is closely watched how city, town and village would react.

A strong opinion to reduce city town and village inhabitant Tax ~~is~~ being heard but the reduction at this stage is none too easy and will create a very difficult situation. However, if the state tax were to reduce a large portion of Income Tax The local Inhabitant Tax will automatically be reduced in proportion.

Q. Nagano pref;

We cannot understand why is it that the various problems are being deliberated from the view point that there are money in city, town and village. We, towns and villages would like to see the proof that we are well-off.
(cheers)

A. Mr. Uyehara, L.F.Comm.

This is the line that came out from Finance Ministry at the meeting of Zeisei Kondankai. So far as L.F.Comm is concerned, we admit that deficiency on the part of prefecture is larger than city, town and village, but three last named, too, are suffering with deficiency and we are not saying that city, town and village have some to spare. Not at all.

At present, there is no proof at all to show justification of Finance Ministry's opinion. As Mr. Saigo stated previously we, too, have not seen any figure of Finance Ministry that justify their opinion. It is very regrettable that such ϕ irresponsible opinion is being spread by the responsible quarter.

Mr.T. Sata, Socialist member of House of Councillors;

The fact that Ministry of Finance think that there should be ,I think it said, 74 billions surplus originates to the statement by Prime Minister of last January when he stated in the House that Japan's economic condition has turn to very excellent state.

As you know the Economic Stabilization Board published a white paper a week ago. It tells that the production standard nowaday shows 141% compare to the pre-war level and that last year showed 30% increase.

As Mr Yoshida said, there is some truth in it. however, it is rather doubtful whether the prosperity has spread all four corners on the land. You know best in the province. And you know it is not so.

Finance Ministry must be thinking that business profit has greatly increased with the national income. As you know revenue from Corporation Tax was far more than it was expected. The actual figure of last three months also shows a marked progress, so much so that it makes one think that perhaps natural increase of 80 billions may be registered during this year. Certainly 1 or two big cities would have a tremendous natural increase, but it is decidedly wrong to figure that this prosperity spread all four corners of the country.

When one views Japan as a whole perhaps economic expansion may not be denied, but one must not forget the vast differences between city and province, especially farming villages.

Mr. Fujita Local Government Comm, H. of Representatives, Democrat.

The statement by Nagano representative is, I think, very important indeed. Recently a confrontation was taken place between the Chief secretary of L.F.Comm on one hand and Mr Shiraishi who is in charge of local finance in Finance Ministry on the other. On this occasion the ministry stated their source of opinion. According to him, when the revision of local tax law was effected local bodies had their revenue increased by 40 billions for the year 1950. Of this 30 billions went to city, town and village whereas prefecture got only 10 billions. Then for reason 2, he said in the allocation of Equilibration Fund 20 billion went to city town and village unjustifiably which makes those three bodies richer by 50 billions.

Above is their argument and if I am not mistaken the allocation of current Equilibration F may be very much favourable to prefecture. For your information I tell you this.

President Saito.

The time is getting late. I would like to have your permission to close the discussion.

(agreed unanimously)

The closing speech was made by vicepresident Yoshimura of N.A.T.V.A.C.
