

Because old official prices did not reflect the cost of production only black-market street vendors sold these products. Reputable department stores which refused to buy and sell on black-market terms had no supply. In accordance with the new overall economic plan revised official prices were based on cost of production as determined by the new control prices of raw materials.

25. To provide impetus to production and to make available the raw materials of production at controlled prices the Japanese Government plans to distribute many raw materials to reliable producers. Such materials will be distributed directly from army and navy stocks, thereby minimizing the possibility of losing these materials in black-market channels.

26. The new plan included rationing of some goods which had previously been unrationed as shown in the following table:

RATIONED GOODS

<u>Item</u>	<u>Ration</u>	<u>Group Eligible</u>	<u>Ration Period</u>
Pots or pans	2 or 3	War victim family	Jan to Jun 1946
Buckets	1	War victim family	Jan to Jun 1946
Needles	10	Family	One year
Kettles	1	War victim family	Jan to Jun 1946
Electric globes	2	War victim family	One year
	1	Urban family	One year
Umbrellas	2	War victim family	Jan to Jun 1946
Leather shoes	1 pr	Middle & high school boys; traffic employees	Jan to Jun 1946
Student notebooks	4	Students	Jan to Jun 1946
Candles	5	War victim family	Jan to Jun 1946

SOURCE: Ministry of Commerce and Industry.

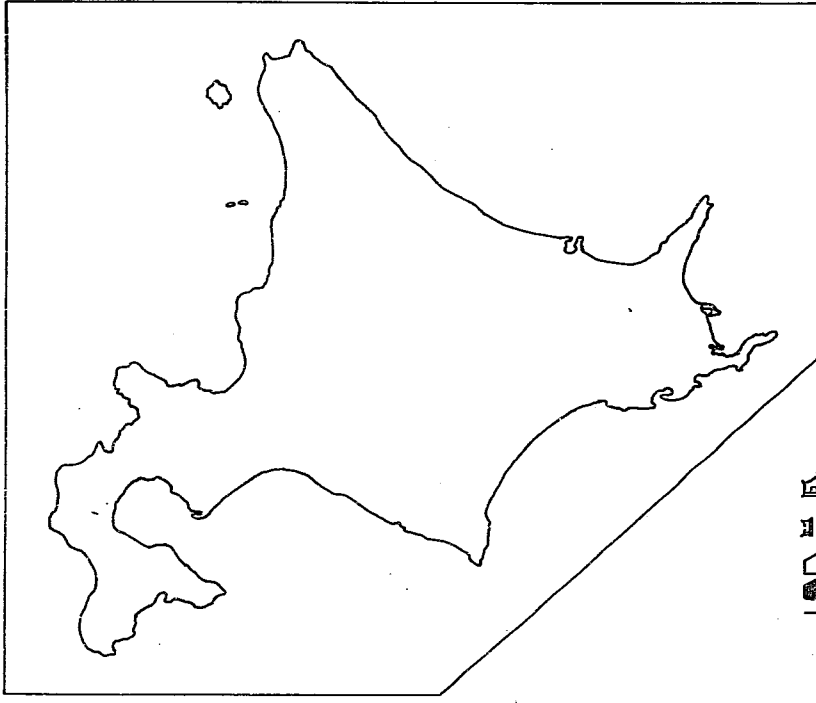
The new commodity prices of consumers' goods were published in Japanese newspapers and the plan in general was widely publicized to discourage consumers from making purchases at black-market prices.

27. Some consumers' goods are taxed under a commodity or sales tax, the burden of which is borne by the consumer. The Ministry of Commerce and Industry in conjunction with the Ministry of Finance is working to eliminate such taxes so that the actual amount paid by the consumer will be reduced.

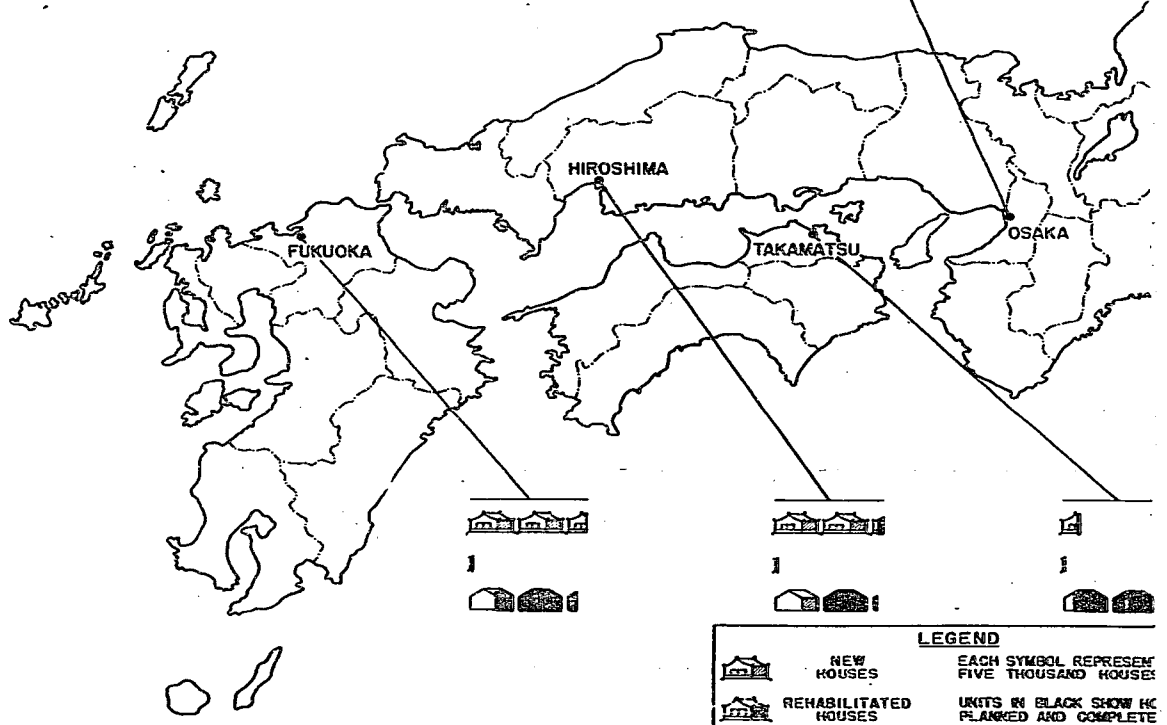
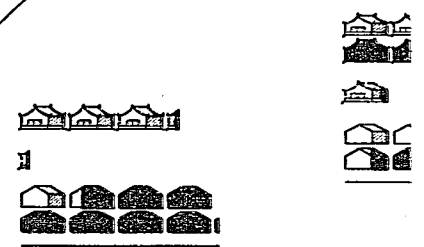
ENFORCEMENT

28. Since much of the black marketing in Japan is carried on by street vendors, the economic police have initiated a plan for control of these groups. Individual operators of street stalls will become members of trade associations which will limit the types and prices of articles offered for sale. All prices will be marked in English as well as Japanese.

Each street vendor will be licensed by the Police Section of the Home Ministry. Priority for licenses will be given to those persons who were street traders prior to the war, whose stalls were destroyed and who have no other means of livelihood. Although licenses issued by the police will not limit the sale of merchandise, the police will refrain from issuing licenses if the applicant states his intention of selling products on which there are distributional controls.



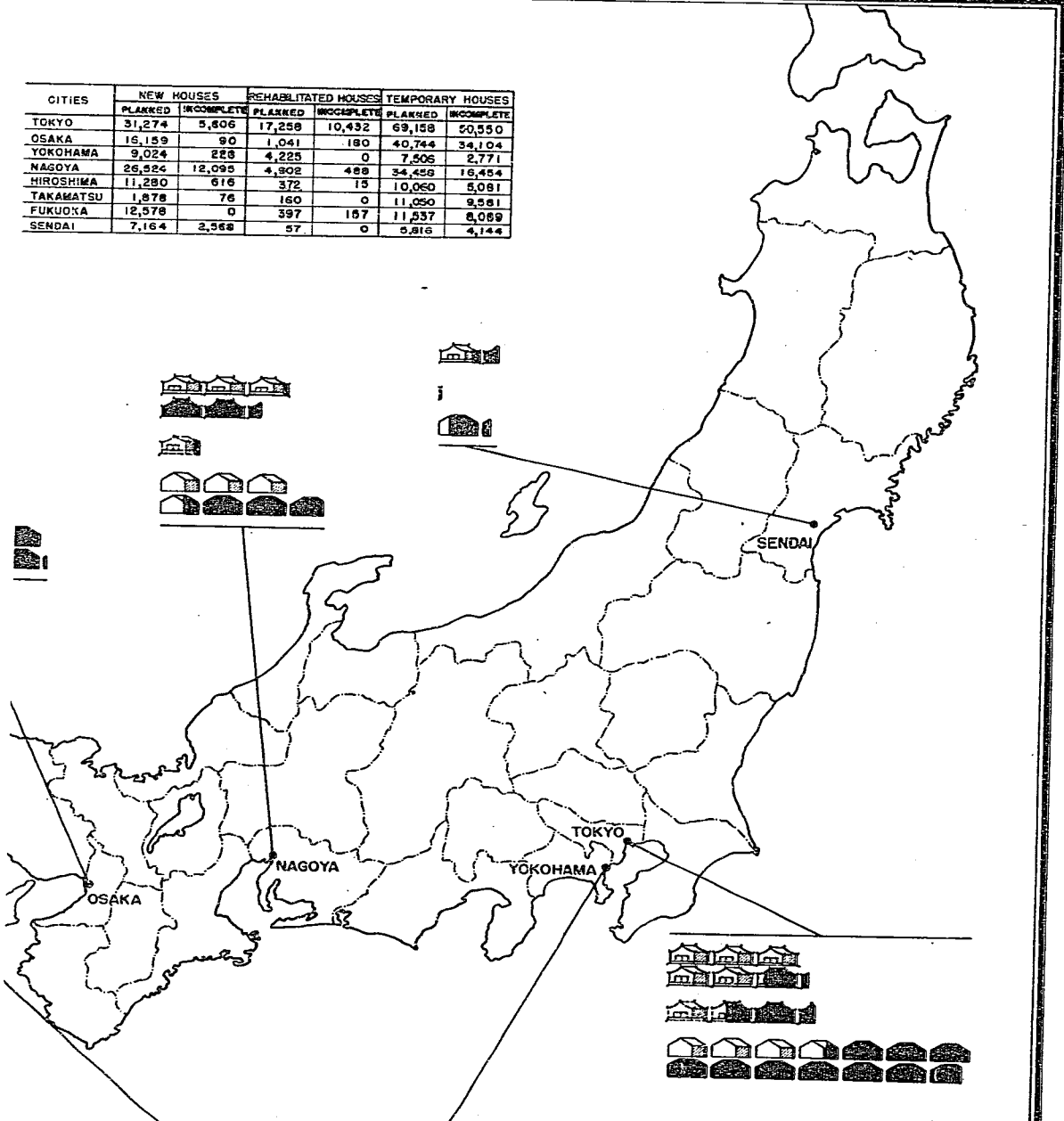
CITIES	NEW HOUSES	
	PLANNED	UNCOMPLETED
TOKYO	31,274	5,800
OSAKA	16,159	5
YOKOHAMA	9,024	22
NAGOYA	26,524	12,000
HIROSHIMA	11,280	61
TAKAMATSU	1,878	7
FUKUOKA	12,578	
SENDAI	7,164	2,56



NOTE: FIGURES FOR FISCAL YEAR INCLUDE ESTIMATES FOR DECEMBER JANUARY FEBRUARY AND MARCH
 SOURCE: MINISTRY OF HOME AFFAIRS, HOUSING CORPORATION

LEGEND	
	NEW HOUSES
	REHABILITATED HOUSES
	TEMPORARY HOUSES
EACH SYMBOL REPRESENTS FIVE THOUSAND HOUSES	
UNITS IN BLACK SHOW HOUSING PLANNED AND COMPLETE	
UNITS IN RED SHOW HOUSING NOT COMPLETE	

CITIES	NEW HOUSES		REHABILITATED HOUSES		TEMPORARY HOUSES	
	PLANNED	INCOMPLETE	PLANNED	INCOMPLETE	PLANNED	INCOMPLETE
TOKYO	31,274	5,406	17,258	10,432	69,158	20,550
OSAKA	16,159	90	1,041	180	40,744	34,104
YOKOHAMA	9,024	228	4,225	0	7,506	2,771
NAGOYA	26,324	12,095	4,302	488	34,458	16,454
HIROSHIMA	11,280	616	372	15	10,060	5,081
TAKAMATSU	1,878	76	160	0	11,050	9,581
FUKUOKA	12,578	0	397	167	11,537	8,089
SENDAI	7,164	2,562	57	0	5,816	4,144



LEGEND
 EACH SYMBOL REPRESENTS FIVE THOUSAND HOUSES
 UNITS IN BLACK SHOW HOUSES PLANNED AND COMPLETED
 UNITS IN RED SHOW HOUSES NOT COMPLETED

HOUSING CONSTRUCTION
 ACTUAL AND PLANNED CONSTRUCTION UNDER PROGRAM OF THE JAPANESE HOUSING CORPORATION
 FISCAL YEAR 1945-1946
 FEBRUARY 46 GHQ-SCAP NUMBER 47

0465 3/2

Street trading will be limited to designated areas and the licenses of operators conducting business outside of these areas will be revoked. Within the city of Tokyo 232 areas located at important traffic hubs were designated.

29. The Tokyo Metropolitan Police interviewed a cross-section of 200 traders. Their backgrounds are indicated below:

<u>Background</u>	<u>Number</u>
Former laborers	65
Bombed out ex-retailers	45
Discharged servicemen	21
Engaging in business as a hobby	13
Persons having retail stores, but also engaging in street trading	12
Former salaried employees	9
Former government officials	5
Students	2
Not revealed	<u>27</u>
Total	200

When questioned concerning the future of their jobs 92 wished to discontinue present occupations for more suitable jobs, 89 wanted to continue their present occupations and 19 were uncertain.

SECTION 12

MONEY AND BANKING

C O N T E N T S

	Paragraph
Emergency Financial Measures.	2.
Financial Institutions.	8
Foreign Exchange.	20
Insurance	28
Liquidation	31
Property.	36

1. Money and banking activities were characterized by the issuance of new ordinances to curb inflation, changes in controls over imports of currency by Japanese repatriates, increase in loans by banks and increased trading in stocks.

EMERGENCY FINANCIAL MEASURES

2. In an attempt to check inflation the Japanese Government promulgated financial measures involving blocking of deposits and a currency conversion program.

Deposits

3. All deposits were blocked on 18 February and only limited withdrawals for living expenses and essential business expenses were permitted. On 25 February the conversion of old currency into new began. Banks, post offices, agricultural associations and urban credit associations acted as deposit agents for the Bank of Japan. Both old and new notes will be legal tender from 25 February to 2 March.

When old currency was presented for conversion, ¥ 100 per person was returned in new notes and the remainder placed in blocked accounts. From 2-7 March old notes will be legal tender only for purposes of deposit in blocked accounts.

Withdrawals

4. Withdrawals in cash or unrestricted checks not subject to this program are permitted only for specified purposes and are limited to ¥ 300 monthly for each head of family, ¥ 100 for each family member and ¥ 500 for the payment of salaries.

Withdrawals in limited amounts are also permitted for repatriates, incidental business expenses, purchase of essentials by war victims, medical bills, funeral and wedding expenses, education expenses, association expenses, political campaign expenses and emergency purposes that may be prescribed by the Ministry of Finance.

5. Withdrawals from blocked deposits by restricted checks valid only for deposit in another blocked account are permitted for payment of wages in excess of ¥ 500 per person per month; payment of rents; purchase of equipment, materials or services upon presentation of a certificate of essentiality; purchase of building

materials for repair or construction; purchase of materials, equipment and services required for peacetime production; payment of taxes; and for emergency purposes that may be prescribed by the Minister of Finance.

6. Government funds and the funds of financial institutions are exempted from blocking. Credit extension will be governed by the same restrictions placed upon deposit withdrawals.

Currency

7. Due to an inadequate supply of new currency the Japanese Government requested permission to use stamps placed upon the old currency as an emergency device. This procedure was permitted under condition that the printing of new currency will be rushed to completion and will replace stamped currency at an early date.

Since it is impractical to use stamped currency for payment of troops, the use of occupational currency type "B" was authorized.

FINANCIAL INSTITUTIONS

Note Issue

8. The note issue of the Bank of Japan continued its upward trend. Circulation as of selected dates in January and February is shown in the following table:

BANK OF JAPAN NOTE ISSUE
(millions of yen)

<u>Date</u>	<u>Note Issue</u>	<u>Net Change from Previous Report</u>
20 January 1946	56,064	+ 1,161
31 January 1946	58,565	+ 2,501
10 February 1946	59,006	+ 441
20 February 1946	61,450	+ 2,444

SOURCE: Bank of Japan.

The note issue of ¥ 61,450,000,000 on 20 February 1946 represented an increase of four percent from 10 February 1946, nine percent from 20 January 1946 and 265 percent from 20 February 1945.

Bank of Japan

9. The condensed statement of the Bank of Japan as of 20 January 1946 and 20 February 1946 follows:

BANK OF JAPAN
Condensed Statement
(millions of yen)

<u>Assets</u>	<u>20 January 1946</u>	<u>20 February 1946</u>
Cash and bullion	532	532
Govt bonds and securities	6,824	7,529
Advances to government	14,187	14,677
Loans	38,602	44,400
Agencies accounts	18,595	23,865
Miscellaneous accounts	1,181	870
Inter-office account	<u>173</u>	<u>143</u>
Total	80,094	92,016
 <u>Liabilities</u>		
Notes issued	56,064	61,450
Government deposits	18,349	24,168
Other deposits	3,725	4,612
Miscellaneous accounts	1,276	892
Net profit for current period	318	491
Capital and reserves	212	212
Inter-office items on govt account	<u>150</u>	<u>191</u>
Total	80,094	92,016

SOURCE: Bank of Japan.

The large increase in notes issued was due to continued extension of bank credit and withdrawals of deposits. The currency conversion and deposit freeze program is expected to result in a drastic reduction of the note issue of the Bank of Japan.

Special Banks

10. January trends in the nine special banks showed an increase in deposits. Loan accounts and securities accounts also increased slightly.

NINE SPECIAL BANKS
(millions of yen)

<u>Date</u>	<u>Deposits</u>	<u>Net Change from Prev- ious Month</u>	<u>Loans</u>	<u>Net Change from Prev- ious Month</u>	<u>Secur- ities</u>	<u>Net Change from Prev- ious Month</u>
30 Nov 45 a/	23,444	+	807	23,410	+	493
	14,702		1,014	15,227		525
31 Dec 45 a/	23,764	+	320	24,935	+	1,525
31 Jan 46	25,183	+	1,419	25,561	+	626
	15,307		80			

a/ Corrected figures.

SOURCE: Bank of Japan.

11. It was learned that the Yokohama Specie Bank had custody accounts with the Japanese Legation in Argentina which had not been reported to SCAP. Data obtained from this bank concerning its foreign trust accounts were radioed to the War Department. Selected records were impounded and are being examined for veracity and information regarding foreign exchange operations.

Ordinary Banks

12. Aggregate deposits in ordinary banks decreased during January by ¥ 1,527,000,000 or 1.4 percent. Loans continued to expand at a rapid rate despite the agreement of the banks to limit the extension of credit.

ALL ORDINARY BANKS (millions of yen)

<u>Item</u>	<u>31 Jan 46</u>	<u>Net change from 31 Dec 45</u>
Deposits	100,821	- 1,527
Loans	76,660	+ 4,956
Security holdings	42,923	+ 71

SOURCE: Bank of Japan.

Savings Banks

13. The gradual decline of deposits in saving banks which was characteristic of the last few months continued. Security holdings showed a slight decrease but loans increased moderately.

ALL SAVINGS BANKS (millions of yen)

<u>Item</u>	<u>31 Jan 46</u>	<u>31 Dec 45</u>
Deposits	7,151	7,432
Loans	874	772
Securities	8,568	8,634

SOURCE: Bank of Japan.

Merger of Financial Institutions

14. A directive was issued on 21 February forbidding further merger or consolidation of financial institutions or purchase of stocks or debentures of one financial institution by another without prior approval of SCAP.

These instructions will make it possible to check the further extension of financial control of Japan by a few large institutions, to prepare the way for establishing a more democratic financial system in Japan and to prevent institutions who have exhausted their holdings from acquiring collateral acceptable at the central bank from institutions in good condition.

Blocked Accounts

15. Blocked accounts increased ¥ 130,000 in January 1946 and rose higher in February because of the new financial measures. Release of accounts blocked previous to the deposit freeze and currency conversion program will be governed by the same rules as new blocked accounts, except that if prior requirements for release were more strict the limitations previously in force will apply.

Deposit Funds Management Bureau

16. Postal Savings deposits continued to increase during

January and at the end of the month totalled ¥ 42,389,000,000 as compared with ¥ 41,838,000,000 a month earlier and ¥ 26,923,000,000 at the end of December 1944. The currency conversion program is expected to cause a substantial increase in postal deposits which are subject to the blocking provisions of the Imperial Emergency Financial Ordinance.

Supervision by SCAP over the investment program of the Deposit Funds Bureau was continued. The investable surplus of this bureau is committed to the support of the current government deficit, but minor exceptions from this commitment are permitted.

17. A memorandum of 20 February permitted the Deposit Funds Bureau to act as agent for security purchases of specified types for accounts of postal savings depositors.

Security Exchanges

18. Brokers' committees and government officials completed discussions with SCAP on decentralization and denationalization of the securities exchanges of Japan. A plan was submitted to SCAP which attains decentralization, but does not propose a satisfactory procedure for denationalizing the securities markets of Japan.

19. Over-the-counter trading increased in volume prior to the conversion of the yen and prices remained firm. The stocks of Japan Mail Steamship Company and the Osaka Mercantile Marine were active at higher prices, apparently reflecting a more optimistic outlook for the future of Japan's shipping industry. Entertainment and merchandising stocks were among the most active issues at slightly higher prices.

The announcement of the new governmental yen conversion policy failed to produce any noticeable effects on stock prices. Government bonds remained firm.

FOREIGN EXCHANGE

Import and Export of Currency and Financial Instruments

20. Controls over the importation and exportation of currency and financial instruments were modified to allow repatriated Japanese prisoners of war to bring with them, in addition to ¥ 500 for officers and ¥ 200 for enlisted men, amounts of yen currency, yen exchange certificates or Japanese Government bonds equal to total pay due them for the period they were prisoners.

21. Repatriates returning from areas in which yen currency is not legal tender and where adequate supplies of yen currency are not available for conversion or payment purposes have been entering Japan with receipts expressed in non-yen currencies for pay due them or funds taken from them prior to embarkation for Japan.

These repatriates have included persons returning from areas controlled by the United States where dollar currency is used, from Australian and New Zealand areas where pounds of those respective countries are legal tender and from areas in Southeastern Asia where a variety of Japanese military currencies and local currencies are in circulation.

Payment against receipts carried by these repatriates has been made the responsibility of the Japanese Government with provision for later settlement with the government of the area concerned. The amount of yen received by repatriates for these receipts is limited by import controls to ¥ 1,000 for civilians and amounts specified above for military personnel.

22. Since the inception of controls over the importation of currency and financial instruments, Japanese repatriates have been allowed to bring with them certain non-negotiable financial instruments such as bank passbooks issued in Japan, Japanese insurance policies and postal savings passbooks.

Financial instruments and moneys now admitted if carried in by the owner, which were picked up abroad prior to the modification of controls, are being returned to Japan in bulk and distributed to the owners by agencies of the Japanese Government.

Financial Transactions

23. The Japanese Government was authorized to permit trust companies in Japan to pay to beneficiaries in Japan allowances under previous trust agreements between persons outside of Japan and such trust companies in Japan. These trust agreements were commonly made between Japanese firms with offices abroad and Japanese trust companies for the benefit of employees of the offices abroad.

24. Action on the property of former enemy nationals in Japan has been limited pending policy decisions with respect to such properties vested by decree in the Allied Control Council in Germany.

Two firms owned by German nationals in Japan which have no affiliations outside of Japan have been given limited licenses to pay salaries, wages and other remunerations to their employees and certain other miscellaneous expenses out of yen balances held in Japanese banks.

25. A license was granted to the Reader's Digest Association to publish a Japanese language edition in Japan. All funds received from the sale of this publication and all transactions connected therewith will be in yen and will not be converted to a foreign currency or remitted abroad.

26. A Japanese concern, Teikoku Asshuku Gasu K. K., was granted permission to pay dividends and rentals to the trustee in Japan of the firm's foreign stockholders. Payments were made into a blocked account from which withdrawals may be made only after approval by SCAP.

27. All use of gold, silver and other precious metals is subject to review and approval by SCAP. Gold, silver and platinum valued at approximately \$ 115,000 were authorized for use in the manufacture of communications equipment during the first quarter of 1946.

INSURANCE

28. Japanese insurance companies are forming a non-life insurance association to assume certain activities of the government-operated Central Insurance Corporation.

29. During the war classifications of life insurance policies were reduced to seven high-premium contracts. Plans are being prepared for the resumption of whole life and term insurance which are more suitable in the present economy.

30. Noticeable factors in the insurance business of Japan were a decrease in lapsed policies and an increase in income sufficient to provide a margin for investment. Several companies reported gains over the previous month in new business.

LIQUIDATION

31. The Bank of Japan as liquidator of the branches in Japan of the Bank of Chosen was ordered to commence repayment of depositors' accounts and to liquidate some demand liabilities.

32. The branches in Japan of the Bank of Taiwan are not in a position to meet depositors' claims without prompt liquidation of substantial portions of their loan and bill portfolios. The Bank of Japan will attempt to expedite liquidation of these accounts in sufficient quantity to meet the deficiency, preferably by transferring loans to other financial institutions in order to minimize repercussions of an overall liquidation.

33. The Bank of Japan reported collections of ¥ 526,012,191.15 for accounts of institutions they are liquidating and collections of ¥ 198,796,551.29 for accounts of closed institutions for which they are acting as fiscal agent.

34. An ordinance of the Japanese Government establishing the Committee of Conservators for Closed Institutions and a list of the members appointed have been prepared subject to approval by SCAP.

35. A memorandum of 6 February directed the closing of the offices in Japan of the Commercial and Industrial Bank of Taiwan and the Bank of Kanan. Properties will be turned over to the Committee of Conservators for examination and liquidation under the supervision of SCAP.

PROPERTY

36. Arrangements are being made to refine all gold and silver scrap held in custody. Since refining facilities are limited this scrap is being released in quantities which may be readily processed by the refineries. On the completion of the refining process the gold and silver bars will be marked for identification, weight and fineness and returned to the vaults in the Bank of Japan in custody of SCAP.

37. A quantity of precious metals owned by the Japanese Government was discovered stored in warehouses at the Sendai railroad yards. Investigation disclosed that these metals had been shipped from Tokyo in the latter part of August 1945 and were not reported by the government. The Japanese Government was ordered to make a full report on these metals and to explain why no report had been submitted.

38. Complete reports of Allied and Axis property in Japan were submitted by Japanese officials.

0493-2.

SECTION 13

PUBLIC FINANCE

C O N T E N T S

	Paragraph
National Government Budget, Expenditures and Borrowing.	3
Special Accounts.	9
Taxation and Revenue.	10
National Debt	12
Local Government Finances	13
Imperial Household.	14
Zaibatsu.	16

1. Public finance activities of the Japanese Government were characterized by the adoption of measures to reduce expenditures and to clarify the budget. Laws to increase revenues were analyzed.

2. Holding companies, restricted concerns and Japanese laws hindering free enterprise were examined.

NATIONAL GOVERNMENT BUDGET, EXPENDITURES AND BORROWING

3. Analysis of the 1946-47 General Account original budget continued.

4. The Japanese Government's emergency economic and financial measures are expected to have the following budgetary consequences:

- (1) Government expenditures for salaries, wages and commodities will increase because of higher price levels.
- (2) Government subsidies will be made to stabilize prices of a few key commodities.
- (3) Tax revenues from income and commodity taxes should increase in proportion to the rise in wage and price levels.

5. The Special Account for War Expenses was abolished as directed by SCAP. Military repatriation and demobilization costs needed for the remainder of the 1945-46 fiscal year, estimated at ¥ 700,000,000, were planned.

6. An emergency financial measure totalling ¥ 500,000,000 was submitted. It included expenses for repatriation of civilians, subsidy for merchant shipping and maintenance of certain facilities intended for repatriation.

7. A plan of total government expenditures for the last quarter of the fiscal year 1945-46 was prepared. Approval by SCAP is required because these expenditures exceed ¥ 2,000,000,000 per month.

8. Permission was granted for government borrowing of ¥ 1,000,000,000 by long-term bonds and ¥ 500,000,000 in treasury

notes to provide a treasury balance.

SPECIAL ACCOUNTS

9. Emergency expenditures necessitated by rising prices and labor demands were proposed by the Imperial Railways and Board of Communications for the last quarter of the 1945-46 fiscal year. These expenditures, totalling ¥ 325,447,054 for the Board of Communications and ¥ 815,371,000 for the Imperial Railways, are shown in the following table:

EMERGENCY EXPENDITURES January - March 1946 (thousands of yen)

	<u>Imperial Railways</u>	<u>Board of Communications</u>
Expenditures		
Increased material costs	328,898	—
Living-cost allowances	435,035	271,270
Severance pay	<u>51,438</u>	<u>54,177</u>
Total	815,371	325,447
Method of financing		
Ordinary operating revenue	70,371	136,153
Temporary borrowing	<u>745,000</u>	<u>189,314</u>
Total	815,371	325,447

SOURCE: Imperial Railways and Board of Communications.

The above cutlays were approved by SCAP with the provision that both organizations should pay all operating expenditures and amortize all borrowing, including new loans for capital construction, from operating revenue.

TAXATION AND REVENUE

10. In order to administer the proposed Capital Levy Law, the War Profits Tax on Corporations and the Increased Property Tax on Individuals, all now being analyzed by SCAP, the Japanese Government required that all individuals file certain information relating to the amount of money, bank accounts and securities owned on 3 March 1946.

11. Because of the proposed changes in price and wage structures officials of SCAP conferred with representatives of the Ministry of Finance regarding changes in exemptions and rates in the ordinary tax laws.

NATIONAL DEBT

12. Status of the national debt as of 31 January 1946 showed a change from that of 31 December 1945 with the addition of ¥ 500,000,000 in treasury notes and a further increase in temporary loans from banks caused by the current government operating deficit.

LOCAL GOVERNMENT FINANCES

13. Because reports received from local governments on 15 February revealed a shifting of financial expenditures, the breakdown by purpose of a previously approved bond issue of ¥ 1,500,000,000 was changed as indicated below:

BORROWING PROGRAM FOR LOCAL GOVERNMENTS
Fiscal Year 1945-46
(millions of yen)

<u>Purpose</u>	<u>Original Approved Amount</u>	<u>Amount of Change</u>	<u>Amended Approved Amount</u>	<u>Reason</u>
Education	5	+ 25	30	Allied directives speeded restoration of schools.
Sanitation	20	+ 8	28	Allied directives stress sanitation and water works restoration.
Industry	50	0	50	
Public works (calamities)	120	+ 96	216	Damages by calamities exceeded previous estimates.
Public works (ordinary)	100	+ 20	120	Program accelerated by SCAP.
Electricity & gas	10	- 5	5	Few repairs and lack of material.
Measures to prevent property damage	350	-106	244	End of war reduced costs.
Rehabilitation	250	- 38	212	Delay in planning and difficulty in obtaining materials.
Budgetary deficit	557	0	557	
Miscellaneous	<u>38</u>	0	<u>38</u>	
Total	1,500		1,500	

SOURCE: Ministry of Finance.

The shift in local expenditures was due primarily to the effect of Allied directives and unforeseen natural calamities on local education, sanitation and public works. Shortage of materials caused corresponding decreases in amounts pertaining to electricity and gas and reconstruction.

IMPERIAL HOUSEHOLD

14. A report on the assets of the Imperial Household was completed and is summarized below:

ASSETS OF THE IMPERIAL HOUSEHOLD ^a
(1 Sep 1945)

<u>Type of Asset</u>	<u>Appraised Value</u>	<u>Percent of Total</u>
Cash	¥ 33,045,960	2
Bonds, stocks & debentures	311,098,337	19
Land	393,974,680	23
Standing timber	592,865,000	35
Buildings & structures	312,208,475	19
Miscellaneous property	<u>32,074,621</u>	<u>2</u>
Total	¥ 1,675,267,073	100

^a Does not include art objects owned by the Emperor.

15. A request was made by the Imperial Household Department to endow the Peers and Peeresses School with ¥ 2,500,000.

ZAIBATSU

Holding Companies

16. Holding companies and their subsidiaries were further examined to determine whether additional concerns should be included in the Schedule of Restricted Concerns.

Zaibatsu Holdings

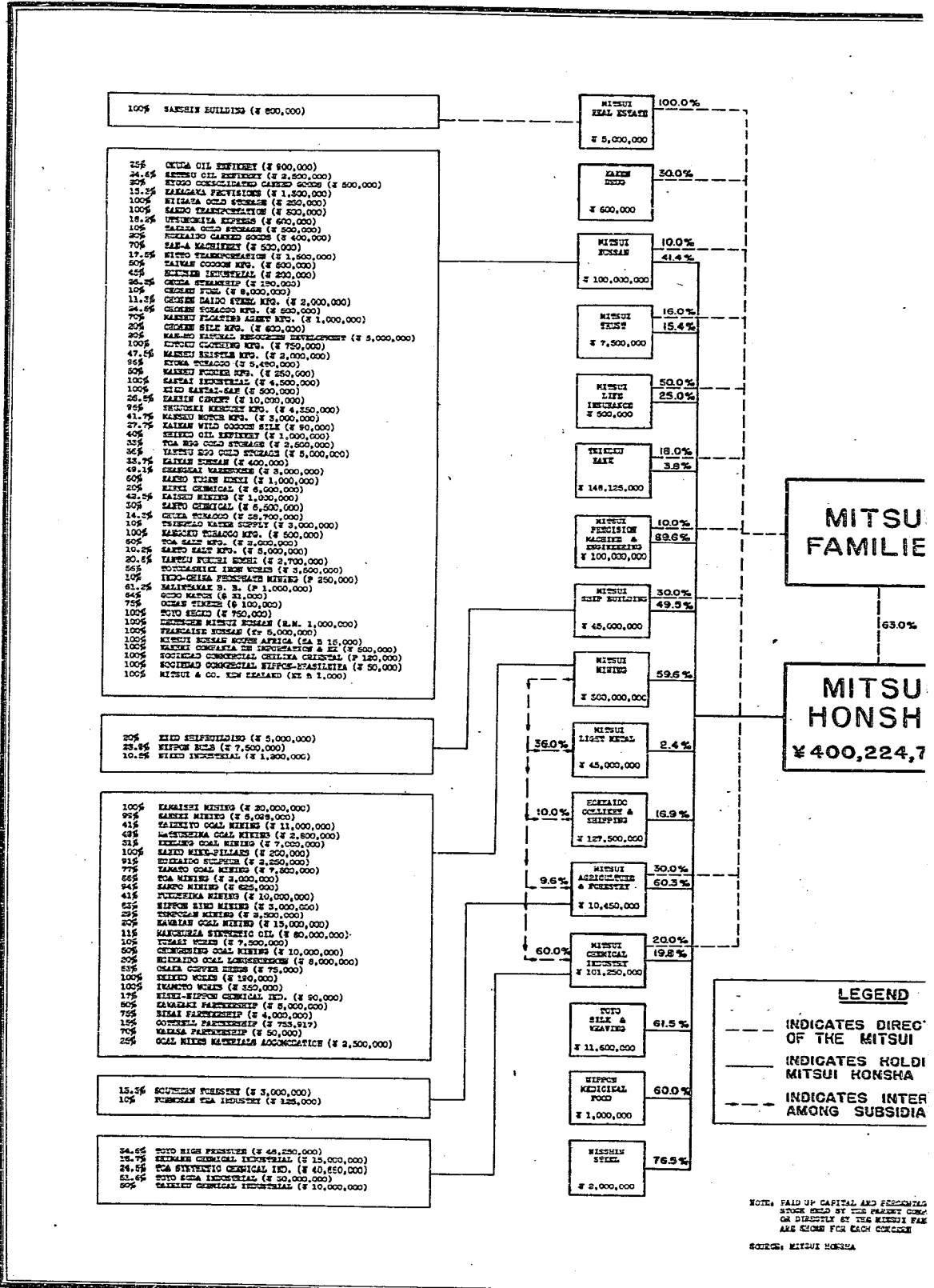
17. The magnitude of monopolistic control of the "Big Four" Zaibatsu holding companies, Mitsui Honsha, Mitsubishi Honsha, Sumitomo Honsha and Yasuda Honsha, and the respective families controlling these holding companies are shown in Charts 48, 49, 50 and 51. They set forth substantially all businesses controlled directly or indirectly by the "Big Four" holding companies to the extent of 10 percent or more.

The Mitsui, Iwasaki (Mitsubishi), Sumitomo and Yasuda families influence and control more than 600 companies with widely diversified activities ranging from heavy industry to agriculture. Many subsidiaries of these holding companies are in themselves holding companies of unusual size inasmuch as they control numerous subsidiary companies.

Companies on the Schedule of Restricted Concerns

18. A SCAP directive of 23 February required each company on the Schedule of Restricted Concerns to furnish the following information:

- (1) Total amount of war damage claims paid by the Japanese Government since 1 July 1945.
- (2) Total amount of war damage claims filed and not paid.



0478 1/2

MITSUI FAMILIES

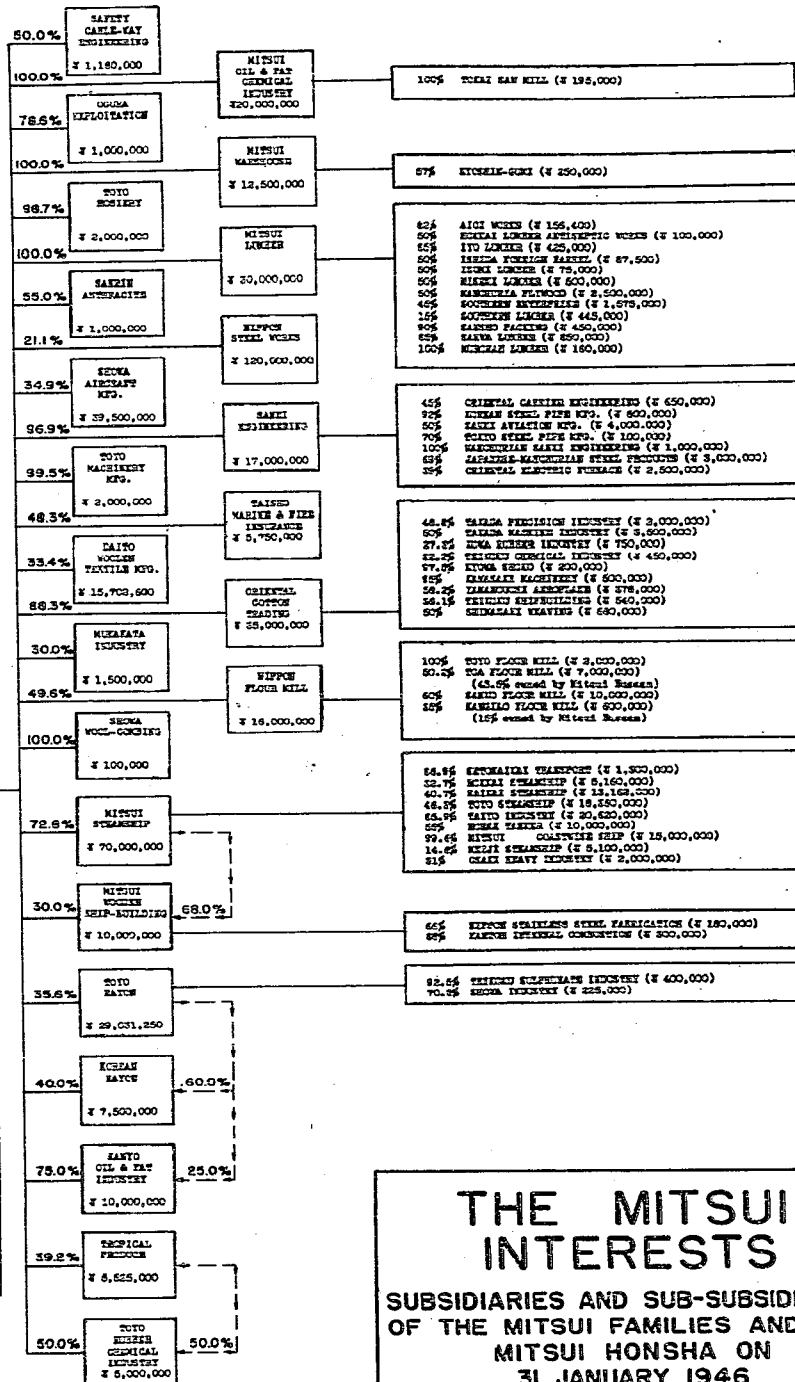
MITSUI HONSHA
¥ 400,224,750

LEGEND

- INDICATES DIRECT HOLDINGS OF THE MITSUI FAMILIES
- INDICATES HOLDINGS OF THE MITSUI HONSHA
- - - INDICATES INTERLOCKINGS AMONG SUBSIDIARIES

NOTE: PAID UP CAPITAL AND PERCENTAGE OF STOCK HELD BY THE FAMILY COMPANY OR DIRECTLY BY THE MITSUI FAMILIES ARE SHOWN FOR EACH COMPANY

SOURCE: MITSUI HONSHA



THE MITSUI INTERESTS
SUBSIDIARIES AND SUB-SUBSIDIARIES OF THE MITSUI FAMILIES AND THE MITSUI HONSHA ON 31 JANUARY 1946
JAPAN
FEBRUARY 46 ENG-SCAP NUMBER 43

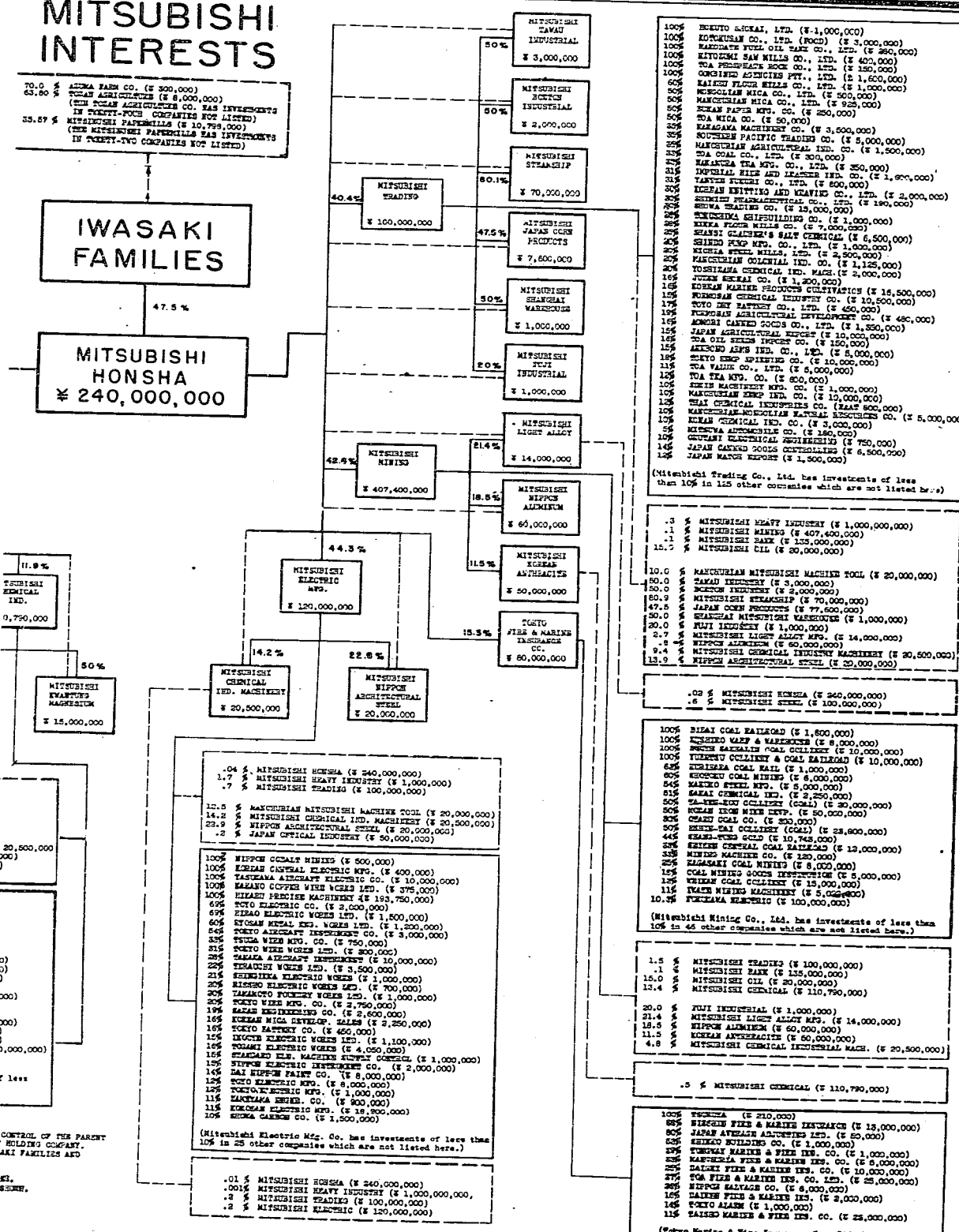
0478 2/2

MITSUBISHI INTERESTS

73.0 % ASHKA FARM CO. (¥ 300,000)
 63.00 % TOKAI AGRICULTURE (¥ 8,000,000)
 (SEE TOKAI AGRICULTURE CO. SHARES INVESTMENTS
 IN FORTY-FIVE COMPANIES NOT LISTED)
 55.67 % MITSUBISHI PAPER MILLS (¥ 10,798,000)
 (SEE MITSUBISHI PAPER MILLS SHARES INVESTMENTS
 IN FORTY-TWO COMPANIES NOT LISTED)

IWASAKI FAMILIES

MITSUBISHI HONSHA
 ¥ 240,000,000



BY CONTROL OF THE PARENT
 SET HOLDING COMPANY,
 IWASAKI FAMILIES AND

OTHERS
 OF WHICH

1/2

0479 1/2

JMITOMO INTERESTS

SUMITOMO FAMILIES

SUMITOMO HONSHA 300,000,000

MINING (\$ 2,000,000)
 A GOLD MINING (\$ 1,700,000)
 I (\$ 2,500,000)
 MINING CO. (\$ 5,000,000)
 COMPRESSED GAS (\$ *)
 I (\$ 2,500,000)
 LIGHT METAL ALLOY INDUSTRIES (\$ 54,000,000)
 METAL INDUSTRY OF MARCHUGA (\$ 30,000,000)
 IC INSURANCE CO. (\$ 30,000,000)
 WIRELESS INDUSTRIAL (\$ *)

\$0,000

5% SUMITOMO COOPERATIVE ELECTRIC POWER (\$ 20,000,000)
 10% SUMITOMO METAL INDUSTRIES OF MARCHUGA (\$ 30,000,000)

42% HASHIZAMA ROCK CO., LTD. (\$ 1,500,000)
 49% YAMAZAKI PAPER WORKS, LTD. (\$ 1,000,000)
 65% TOKUSHIMA MACHINERY WORKS, LTD. (\$ 600,000)
 65% OSAKA INDUSTRIAL TECHNOLOGY WORKS, LTD. (\$ 100,000)
 41% NISSAN CHINA MACHINERY INDUSTRIAL, LTD. (\$ 13,000,000)
 16% TATSUKAWA ELECTRIC MACHINERY WORKS, LTD. (\$ 15,000,000)
 25% MATSUDA GRAY INDUSTRIES, LTD. (\$ 1,500,000)

12% TEIKOKU COMPRESSED GAS *
 11% SAIGON PROMOTION (\$ 180,000,000)
 5% AMAGASA MINING (\$ 6,000,000)
 5% SUMITOMO ELECTRIC INDUSTRIES (\$ 120,000,000)

39% TOKAI METAL INDUSTRIES, LTD. (\$ 10,000,000)
 37% TOTO COMMUNICATION APPARATUS CO., LTD. (\$ 15,000,000)
 48% KEIKICHI ELECTRIC CO., LTD. (\$ 10,000,000)
 80% NIPPON COMMUNICATION APPARATUS CO., LTD. (\$ 6,000,000)
 80% NIPPON ELECTRIC CO., LTD. (\$ 2,500,000)
 22% NIPPON ELECTRIC MARE CO., LTD. (\$ 189,000)
 53% NIPPON ELECTRIC ARMS CO., LTD. (\$ 12,000,000)
 49% NIPPON COMMUNICATION INDUSTRIES, LTD. (\$ 10,000,000)
 25% NIPPON AERIAL ELECTRIC INDUSTRIES CO., LTD. (\$ 10,000,000)
 30% KINCHIKI WIRELESS MACHINES FIF. CO., LTD. (\$ 700,000)
 25% ELECTRIC MACHINES INDUSTRIES, LTD. (\$ 2,000,000)
 60% NIPPON ELECTRIC GLASS CO., LTD. (\$ 3,000,000)
 56% SHIGEKI GINSEI CO., LTD. (\$ 700,000)
 75% NATIONAL DEFENSE APPARATUS RES. CO. LTD. (\$ 400,000)
 37% NIPPON MANUFACTURING CO., LTD. (\$ 1,000,000)
 59% AICHI ELECTRIC CO., LTD. (\$ 2,000,000)
 45% YAMAGUCHI MANUFACTURING CO., LTD. (\$ 1,000,000)
 45% NIKKEN INDUSTRIAL CO., LTD. (\$ 750,000)
 30% NIPPON ELECTRIC PEAR INSURANCE CO., LTD. (\$ 180,000)
 14% CMI ELECTRIC CO., LTD. (\$ 60,000,000)
 15% TEIKOKU COMMUNICATION INDUSTRIES, LTD. (\$ 15,000,000)
 14% NIPPON ELECTRIC EQUIPMENT CO., LTD. (\$ 7,500,000)
 30% NIPPON ELECTRIC INDUSTRIES, LTD. (\$ 1,500,000)
 12% SHIBATA INDUSTRIES, LTD. (\$ 1,000,000)
 16% NIPPON ALLOYED CO., LTD. (\$ 1,000,000)
 10% TOKYO PERMANENT RESIN CO., LTD. (\$ 500,000)
 22% OKAYAMA PLASTIC COMMERICAL WIRELESS CO., LTD. (\$ *)

NOT CONTROL OF THE FAMILY
 KEIKI INDUSTRIES COMPANY,
 SUMITOMO BANK OF JPN

KEIKI INDUSTRIES LISTED
 BY THE SUMITOMO FAMILIES,
 10% OWNERS.

80% SUMITOMO
 PLASTIC CO.,
 LTD. (\$ 2,500,000)
 1% SUMITOMO
 TRUST CO.,
 LTD. (\$ 20,000,000)
 17% SUMITOMO
 SYNTHETIC
 RESIN
 CO., LTD. (\$ 20,000,000)
 40% GOSSEN
 SUMITOMO
 LIGHT METAL
 CO., LTD. (\$ 20,000,000)
 17% GOSSEN-SUMITOMO
 MARINE & FIRE
 INSURANCE CO.,
 LTD. (\$ 24,000,000)
 28% SUMITOMO
 MINING CO.,
 LTD. (\$ 80,000,000)
 17% SUMITOMO
 GENERAL
 LTD. (\$ 110,000,000)
 24% SUMITOMO
 BANK
 LTD. (\$ 73,875,000)
 17% SUMITOMO
 COMMUNICATION
 INDUSTRIES
 LTD. (\$ 150,000,000)
 21% SUMITOMO
 MACHINERY
 WORKS, LTD. (\$ 40,000,000)

10% NIPPON INVESTMENT TRUST CO., LTD. (\$ *)
 35% SUMITOMO MINING (\$ 80,000,000)
 5% SUMITOMO BANK (\$ 73,875,000)
 15% SUMITOMO ALUMINUM INDUSTRY (\$ 20,000,000)
 15% SUMITOMO MACHINERY WORKS (\$ 40,000,000)
 7% SUMITOMO CHEMICAL (\$ 110,000,000)
 3% SUMITOMO ELECTRIC INDUSTRIES (\$ 120,000,000)
 1% SUMITOMO METAL INDUSTRIES (\$ 418,750,000)
 4% SUMITOMO COOPERATIVE ELECTRIC POWER (\$ 20,000,000)

100% TOA SYNTHETIC CHEMICAL IND., LTD. (\$ *)
 10% TOKOJO SAWWOOD WORKS, LTD. (\$ *)
 25% NIPPON SYNTHETIC RESIN WORKS, LTD. (\$ *)
 30% NIPPON METAL MOLD WORKS, LTD. (\$ *)

30% NISSAN POTTERY INDUSTRIAL CO., LTD. (\$ *)
 25% GINSEI KINSEI PAPER CO., LTD. (\$ *)

10% TOA FIRE & MARINE RE-INSURANCE CO., LTD. (\$ 25,000,000)
 20% NIPPON SALVAGE CO., LTD. (\$ 7,500,000)

1% TOTO COMMUNICATION APPARATUS (\$ 15,000,000)
 15% KEIKICHI ELECTRIC (\$ 10,000,000)
 3% NIPPON COMMUNICATION INDUSTRIES (\$ 10,000,000)
 3% SUMITOMO MINING (\$ 80,000,000)
 1% SUMITOMO COOPERATIVE ELECTRIC POWER (\$ 20,000,000)

35% HASHIZAMA ROCK CO. (\$ 1,500,000)
 5% SAHARA METAL INDUSTRIAL (\$ 3,000,000)
 31% SUMITOMO MACHINERY WORKS (\$ 40,000,000)
 17% SUMITOMO CO-OPERATIVE ELECTRIC POWER (\$ 20,000,000)

5% JINJI FURUKAWA MINING CO., LTD. (\$ 2,000,000)
 5% KINSEI CHINA MOLD WORKS CO., LTD. (\$ 1,700,000)
 39% NMI MINING CO., LTD. (\$ 2,500,000)
 30% DAISEN MINING CO., LTD. (\$ 5,000,000)
 100% SAHARA MINING CO., LTD. (\$ 1,500,000)
 20% KEIKI CHINA MOLD WORKS CO., LTD. (\$ 2,500,000)
 100% KAWAYATANI MINING CO., LTD. (\$ 3,000,000)
 30% SAITO MINING CO., LTD. (\$ 1,000,000)
 100% IYU COMMERICAL CO., LTD. (\$ 300,000)
 18% MATSUDA MINING CO., LTD. (\$ 10,000,000)
 41% CENTRAL SHIPPING CO., LTD. (\$ 5,000,000)
 61% SHIBATA STEEL BUILDING WORKS, LTD. (\$ *)
 43% HOKKAIDO COLLIERY ASSOCIATION CO., LTD. (\$ 150,000)
 30% OKAYAMA TRANSPORTATION CO., LTD. (\$ *)
 30% WILKINA SHIPPING COMPANY CO., LTD. (\$ *)
 22% GINSEI COLLIERY CO., LTD. (\$ *)

42% SUMITOMO PAINT CHEMICAL CO., LTD. (\$ 12,000,000)
 40% SHIHO PAINT CO., LTD. (\$ 2,750,000)
 67% SPECIAL GLASS & OPTICAL INDUSTRIES CO., LTD. (\$ 800,000)
 50% NIPPON GLASS INDUSTRIAL CO., LTD. (\$ 15,000,000)
 65% NIPPON SHIHO PAINT CO., LTD. (\$ *)
 50% CENTRAL NIPPON INDUSTRIAL CO., LTD. (\$ *)
 11% NIPPON ORGANIC PRODUCTS CO., LTD. (\$ *)
 11% NIPPON SYNTHETIC & HYDRO ACID COMPANY CO., LTD. (\$ *)

12% TEIKOKU COMPRESSED GAS (\$ *)
 9% CENTRAL SHIPPING (\$ 5,000,000)
 5% MATSUDA MINING (\$ 10,000,000)
 60% JINJI FURUKAWA MINING (\$ 2,000,000)
 4% SHIGEKI GINSEI (\$ 2,500,000)

15% SUMITOMO COOPERATIVE ELECTRIC POWER (\$ 20,000,000)
 3% SUMITOMO MACHINERY WORKS (\$ 40,000,000)
 15% AICHI LIGHT METAL (\$ 200,000,000)
 3% SUMITOMO SYNTHETIC RESIN (\$ 20,000,000)
 1% GOSSEN SUMITOMO LIGHT METAL (\$ 20,000,000)
 17% SUMITOMO ALUMINUM INDUSTRY (\$ 20,000,000)

7% SUMITOMO MINING (\$ 80,000,000)
 30% SUMITOMO MACHINERY WORKS (\$ 15,000,000)
 7% SUMITOMO METAL MOLD (\$ 41,500,000)
 40% SUMITOMO TRUST (\$ 20,000,000)
 61% SUMITOMO ALUMINUM INDUSTRY CO. (\$ 20,000,000)
 3% SUMITOMO MACHINERY WORKS (\$ 20,000,000)
 2% SUMITOMO METAL INDUSTRIES (\$ 120,000,000)
 4% SUMITOMO METAL INDUSTRIES (\$ 418,750,000)
 4% NIPPON SALVAGE (\$ 7,500,000)
 3% SUMITOMO COOPERATIVE ELECTRIC (\$ 20,000,000)

90% SAGA STEEL & STEEL PIPE, LTD. (\$ *)
 30% NIPPON BANK, LTD. (\$ 2,500,000)
 90% SUMITOMO BANK OF HAWAII (\$ *)
 90% SUMITOMO BANK OF CALIFORNIA (\$ *)
 80% NIPPON INDUSTRIAL CO., LTD. (\$ *)
 90% NIPPON INDUSTRIAL CO., LTD. (\$ *)
 90% NIPPON INDUSTRIAL CO., LTD. (\$ *)
 54% NIPPON METAL AID FINANCING CO., LTD. (\$ 2,330,000)
 100% YAMAZAKI MANUFACTURING CO., LTD. (\$ *)
 90% SUMITOMO BANK OF HAWAII (\$ *)
 20% OSAKA WOOLLEN TEXTILE CO., LTD. (\$ *)
 10% TOA TRUST ASSOCIATION, LTD. (\$ *)

0480 2/2

INDUSTRIAL HOLDINGS

Y
FA

INVESTMENTS

HO
¥ 3

25.0%	10.0%	10.0%	39.1%	12.8%	12.5%	14.7%	30.0%	12.0%
SEIWA AIR PAPER	JAPAN PULP	JAPAN CHEMICAL INDUSTRIAL	JAPAN PAPER	YEA KUREI WOOL	KUREI INDUSTRY	OCI ELECTRIC	OSUO SOCK	AMALGAMA INDUSTRY
¥7,000,000	¥3,000,000	¥9,000,000	¥3,000,000	¥13,500,000	¥3,000,000	¥50,000,000	¥10,000,000	¥1,000,000

INDUSTRIAL SUBSIDIARIES

88.0%	100.0%	12.0%	10.0%	22.8%	7.0%	48.0%	12.0%	8.9%	9.7%
YASUDA WAREHOUSE	OSUO ELECTRIC	SPECIAL TEXTILE	OSUO KUMI ESTATE	OSUO RAILWAY	SPECIAL FISHING SHIPS	SHIPPON PAPER	OSUO ENLIGHTEN	OSUO STEELWORKS	YASUDA IRON WORKS
¥10,000,000	¥2,500,000	¥100,000,000	¥5,000,000	¥4,700,000	¥3,000,000	¥7,000,000	¥25,575,000	¥20,000,000	¥5,000,000

19.9%	79.3%	12.5%
OSUO WAREHOUSE	YASUDA DOCKYARD	YASUDA DOCKYARD
¥20,000,000	¥3,000,000	¥1,200,000

78.0%	100%	100%	32.0%	44.0%	15.0%
SHIPPON PAPER	OCI SOCKS	SACHIMIZI AIRCRAFT	OSUO PAPER	OSUO PAPER	SHIMIZU SEEDS
¥2,500,000	¥125,000	¥1,000,000	¥150,000	¥250,000	¥190,000

51.0%	75.0%	51.0%	75.0%	50.0%	45.0%	50.0%	30.0%	50%	51.0%
SHIMIZU SEEDS	OSUO TRADING	OSUO LINES	OSUO IRON WORKS	OSUO SPINNING	OCI TRADING	KATSUMI HORIKYU	JAPAN PAPER MANUFACTURING	SHIPPON CHEMICAL INDUSTRIAL	OSUO SEEDS
¥125,000	¥100,000	¥155,000	¥300,000	¥1,000,000	¥548,000	¥210,900	¥500,000	¥2,000,000	¥125,000

LEGEND

- INDICATE DIRECT CONTROL
- - - INDICATE SHAREHOLDING WITHOUT CONTROL
- · - · - INDICATE INTROLOCKING RELATION AMONG MAIN SUBSIDIARIES.

NOTE: FIGURES SHOW % OF CAPITAL STOCK OR FIGURES WITHIN A

SOURCE: YASUDA HOZENSUHA.

YASUDA FAMILIES

YASUDA HOZENSHA
¥ 30,000,000

BANKING HOLDINGS

INVESTMENTS

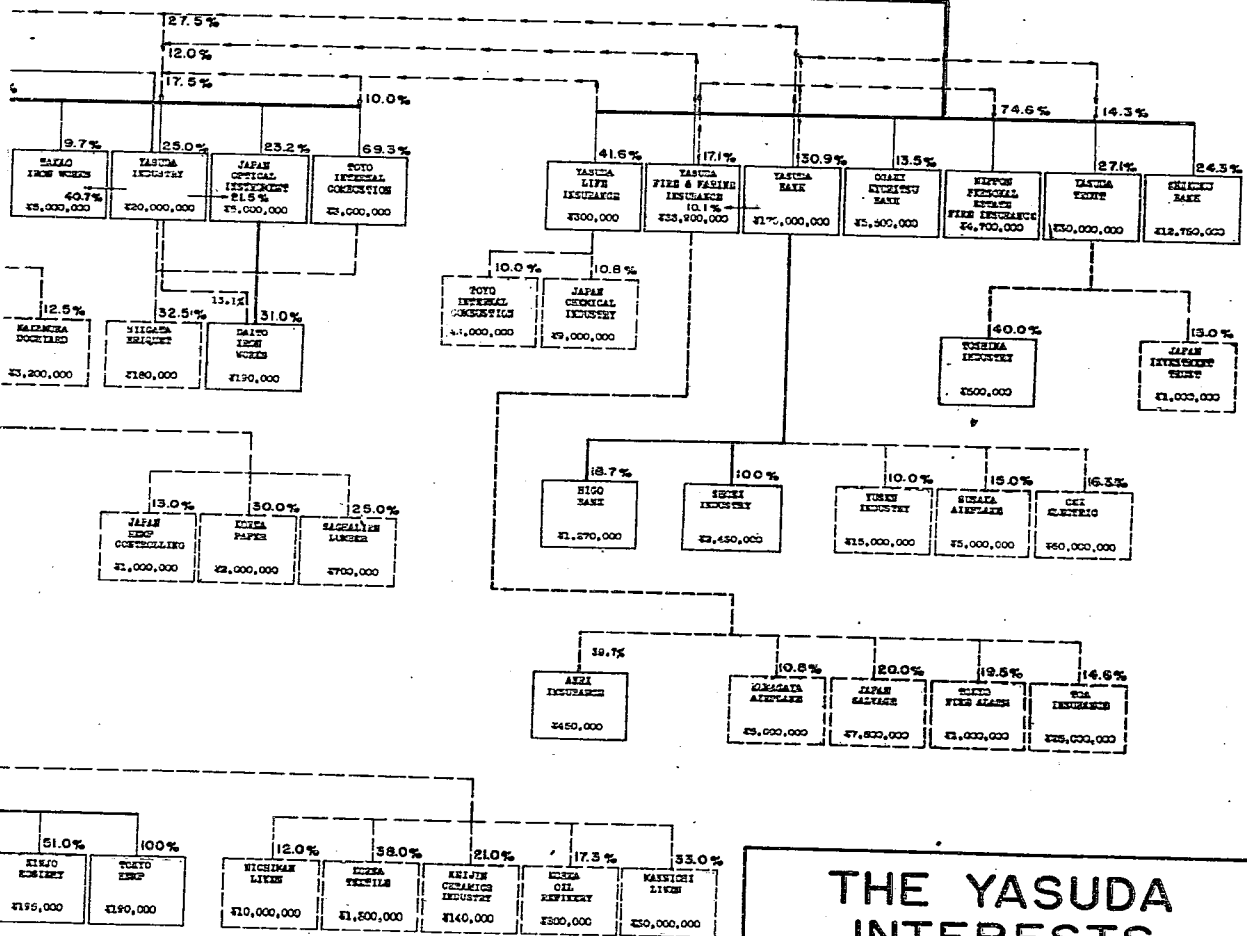
12.0%
MICHIO
¥1,000,000

22.9%
FUJUKA
¥25,000,000

21.0%
JAPAN
¥71,017,500

INDUSTRIES

BANKING SUBSIDIARIES



NOTE: FIGURES SHOWN ON TOP OF BOXES GIVE THE PERCENTAGE OF CAPITAL STOCK HELD BY THE FAMILY OR SUBSIDIARY COMPANY. FIGURES WITHIN BOXES GIVE THE AUTHORIZED CAPITAL OF THE COMPANY.

THE YASUDA INTERESTS
SUBSIDIARIES, SUB-SUBSIDIARIES AND INVESTMENTS OF THE YASUDA HOZENSHA ON DECEMBER 31 1945
JAPAN
FEBRUARY 46 GHO-SCAP NUMBER 51

1/2

0481 1/2

- (3) Estimate by the company of the total amount of the war damage claims not yet filed which it expects to file or is in the process of filing.
- (4) Total amount of any other form of government indemnity resulting from war contracts paid since 1 July 1945.
- (5) Total amount of any other form of government indemnity claims resulting from war contracts filed and not paid.
- (6) Estimate by the company of the total amount of any other form of government indemnity claims resulting from war contracts not yet filed which it expects to file or is in the process of filing.

International Cartels and Restrictive International Contracts

19. On 14 February the Japanese Government was directed to enact, promulgate and enforce legislation prohibiting the participation of individuals and concerns in international cartels and the execution of restrictive international contracts or agreements.

The legislation will provide certain reporting requirements and will direct that all individuals and business concerns which are participating in any international cartel or are parties to any restrictive international agreement will withdraw from such cartel and cancel any such restrictive agreement within 30 days after the promulgation of this legislation.

Holding Company Liquidation Commission

20. As a result of meetings between SCAP and Japanese officials the latter submitted a revised draft of the Imperial Ordinance creating the Holding Company Liquidation Commission. Revision of authority was made to give this commission independent status subject to supervision by the Prime Minister and a special committee of the House of Representatives.

In order to obtain a representative commission numerous Japanese nationals with different political and economic opinions were interviewed concerning the type of commission required and its membership.

Legislation

21. A directive of 28 February required the Japanese Government to furnish certain lists of laws, ordinances and regulations which tend to hamper free enterprise.

Japanese officials conferred with SCAP representatives concerning repeal of undesirable industrial laws and preparation of legislation against monopolies and trade restraints.

Control Association

22. A directive of 11 February to the Japanese Government offered no objection to the dissolution of the Iron and Steel Control Association (Tosei Kai) and the organization of the Japan Iron and Steel Council. The Raw Material Distribution Company for Iron and Steel and the Distribution Company for Finished Products are continued. All these organizations will be fitted into a temporary rationing and allocation system designed to aid reconversion to a peacetime economy.

23. Conferences were held between SCAP and Japanese officials for the purpose of developing channels for imports and exports through Japanese industry to insure the fulfillment of commitments abroad and adequate imports of raw materials.

24. Discussions were conducted by SCAP representatives with groups of business representatives in order to develop manufacturing associations that are practical, efficient, representative and responsible. Organizations are being developed for such industries as the agricultural implement makers, wire and cable manufacturers, textile manufacturers, cotton spinners, machine tool industry, leather goods manufacturers, radio manufacturers and silk industry.

Governmental checks to prevent these business associations from exploiting scarcities for greater profits are being developed in coordination with other anti-monopoly programs.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 5

February 1946

PART IV
SOCIAL - JAPAN

TABLE OF CONTENTS

	Page
Section 1. Public Health and Welfare	249
Section 2. Education, Religion and Media of Expression . .	267

SECTION 1
PUBLIC HEALTH AND WELFARE

C O N T E N T S

	Paragraph
Public Welfare.	1
Administration of Hospitals	10
Veterinary Affairs.	12
Dental Affairs.	25
Nursing Affairs	27
Supply	29
Legal	45
Preventive Medicine	48

PUBLIC WELFARE

Urban Population

1. The Japanese Government submitted to SCAP a plan to control and restrict unnecessary population movements from rural areas to urban centers of 100,000 or more population. Under the plan Japanese evacuees who are considered essential in re-establishing the minimum economy of Japan will be permitted to return to centers where their services are required. Transportation will be made available only to those persons who obtain travel permits following an investigation of circumstances which necessitate the move.

Welfare Administration

2. The Japanese Government submitted its welfare and relief plan as required by a memorandum from SCAP which directed that the relief of destitution be undertaken directly by the government. This plan was approved with modifications. It directs the establishment of a single, central government agency to supervise local governmental operation of relief. It requires that the needs of all indigent persons be met adequately regardless of the cause of dependency; thus, preferential treatment for Japanese ex-servicemen will be eliminated.

The administration of relief is a national problem with variations in local needs which require flexible administration. The Japanese Government is required to integrate all public welfare administration and to cancel its subsidy program which had resulted in the shifting of responsibility to non-governmental agencies. Within the amount necessary to prevent hardship, no limitation will be placed on the amount of relief furnished.

3. The Japanese Government will submit to SCAP copies of all legislation and instructions implementing the program outlined above. Monthly reports will be rendered stating the number of families and individuals granted assistance and the amount of funds expended by the government.

Relief

4. A preliminary status report of Japanese Army and Navy stocks as of 31 December 1945 was received from the Home Ministry. The Japanese Government has been directed to place funds from the sale of such goods in a central account to be used for welfare and relief. Occupation Forces have transferred 111,457 metric tons of rice, wheat, barley and other cereals to the Home Ministry. The Home Ministry transferred 83,725 tons of these supplies to the Foodstuff Control Corporation which has distributed 22,750 tons to consumers. Figures to indicate money received from these sales are not available.

5. In a relief reserve of Japanese Army and Navy stocks which the Occupation Forces returned to the Home Ministry, there are approximately 430,000 blankets, 150,000 overcoats, 200,000 suits of underwear and 200,000 uniforms available for distribution. A memorandum to the Japanese Government directed that previously approved distribution machinery be improved and that these supplies be issued to needy persons.

Social Insurance

6. Social insurance activities for 1945 are summarized in a report from the Social Insurance Bureau of the Ministry of Health and Welfare. The number of individuals covered, contributions received, benefits paid, and the fund status as of 31 December are shown under each of the five social insurance laws. The following is from the report:

SOCIAL INSURANCE 1945

<u>Type</u>	<u>Benefits Paid</u>		<u>Fund Balance 31 Dec 1945 (thousands of yen)</u>
	<u>Individuals Receiving (thousands)</u>	<u>Amounts (thousands of yen)</u>	
Sickness			
State Management	8,591	103,837	205,027
Association Management	8,114	68,491	43,266
National Health	41,430	281,752	6,528
Workers Liability	83	6,889	23,000
Seamens			53,986
Short Term Benefits <u>a/</u>	124	6,794	
Long Term Benefits <u>b/</u>	20	20,761	
Pensions	254	36,072	1,498,805

a/ Medical, sickness and funeral

b/ Incapacity and death

SOURCE: Ministry of Health and Welfare, Social Insurance Bureau.

Foreign Nationals

7. The EIGHTH Army has organized the distribution of supplies to needy foreign nationals other than enemy nationals as authorized

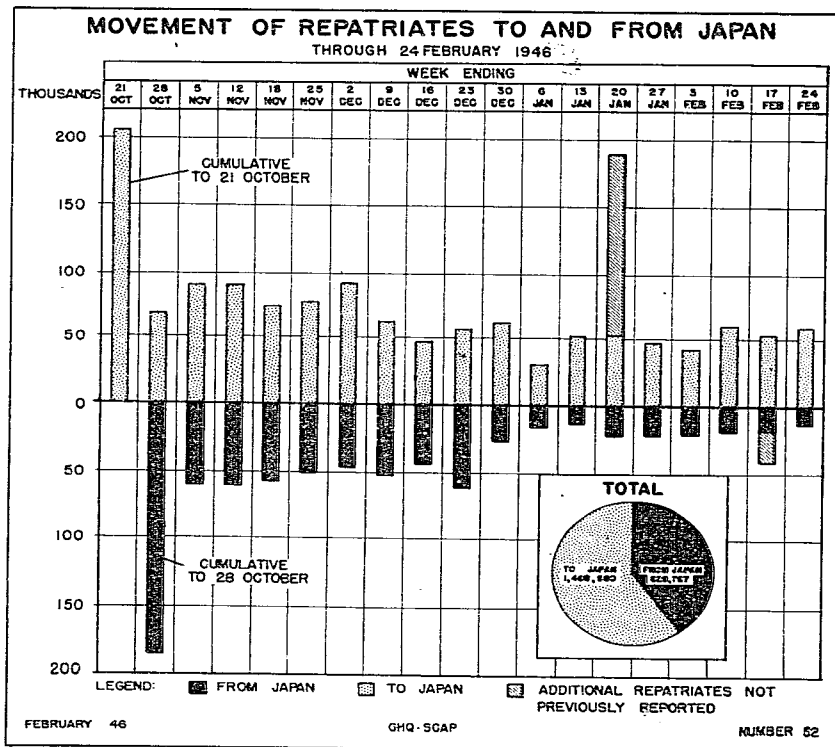
by SCAP. An International Relief Committee composed of representatives from each of the foreign groups has been organized to distribute supplies, maintain proper records and submit necessary reports, under Occupation Forces' supervision.

Twenty-seven thousand items of Red Cross clothing shipped to Japan from the Philippines will be made available to needy foreign nationals through the Committee.

Repatriation

8. SCAP has directed the Japanese Government to register all Koreans, Chinese, Ryukyans and Formosans by 18 March 1946. At the time of registration each person will make a statement of desire concerning repatriation. If the person registers as not desiring repatriation, or if he fails to register, he will forfeit all repatriation privileges. Information obtained will be used in scheduling repatriation shipping.

9. By 24 February 1946, 768,209 Koreans, 18,532 Formosans, 30,695 Chinese and 12,187 Ryukyans had been repatriated. On the same date 1,465,980 Japanese ex-servicemen and civilians had been returned to Japan. Chart 52 shows the number of repatriates moved to and from Japan by weeks through the period ending 24 February 1946.



ADMINISTRATION OF HOSPITALS

Japanese National Hospitals

10. Former army and navy hospitals have an abundance of medical supplies due to the reserves that were held at the end of the war. An inspection of the Tachikawa National Hospital by SCAP representatives showed that there was some irregularity in the storage, recording and safeguarding of narcotics. On-the-spot action resulted in the correction of these irregularities.

Japanese Civilian Hospitals

11. Chart 53 shows by prefecture the hospital bed capacity, occupied beds, out-patients and total patients. For all Japan there are 280 beds per 100,000 population.

VETERINARY AFFAIRS

Field Surveys

12. Inspection of veterinary affairs in southern Honshu and Kyushu was made by SCAP representatives. The dairy industry is negligible in the areas visited and the cattle are practically all of a draft type. Native breeds are used for this purpose. All dairy herds were found free from tuberculosis.

13. Beef slaughter consists almost entirely of surplus draft cattle. Ante and post mortem inspection of meat at the time of slaughter is performed satisfactorily. Careless handling after slaughter results in needless contamination. Sanitation in slaughter houses, butcher shops and cold storage plants was found to be substandard.

14. Horses are a mixture of Norman, Thoroughbred, Percheron and native stock with Thoroughbred characteristics predominating.

15. No animal disease epidemics exist in the areas visited. Many animals are not in good condition due to a shortage of roughage. Rice hay is the only kind available at the present time.

16. Prefectural officials appear to be aware of their responsibilities but have not attained pre-war efficiency.

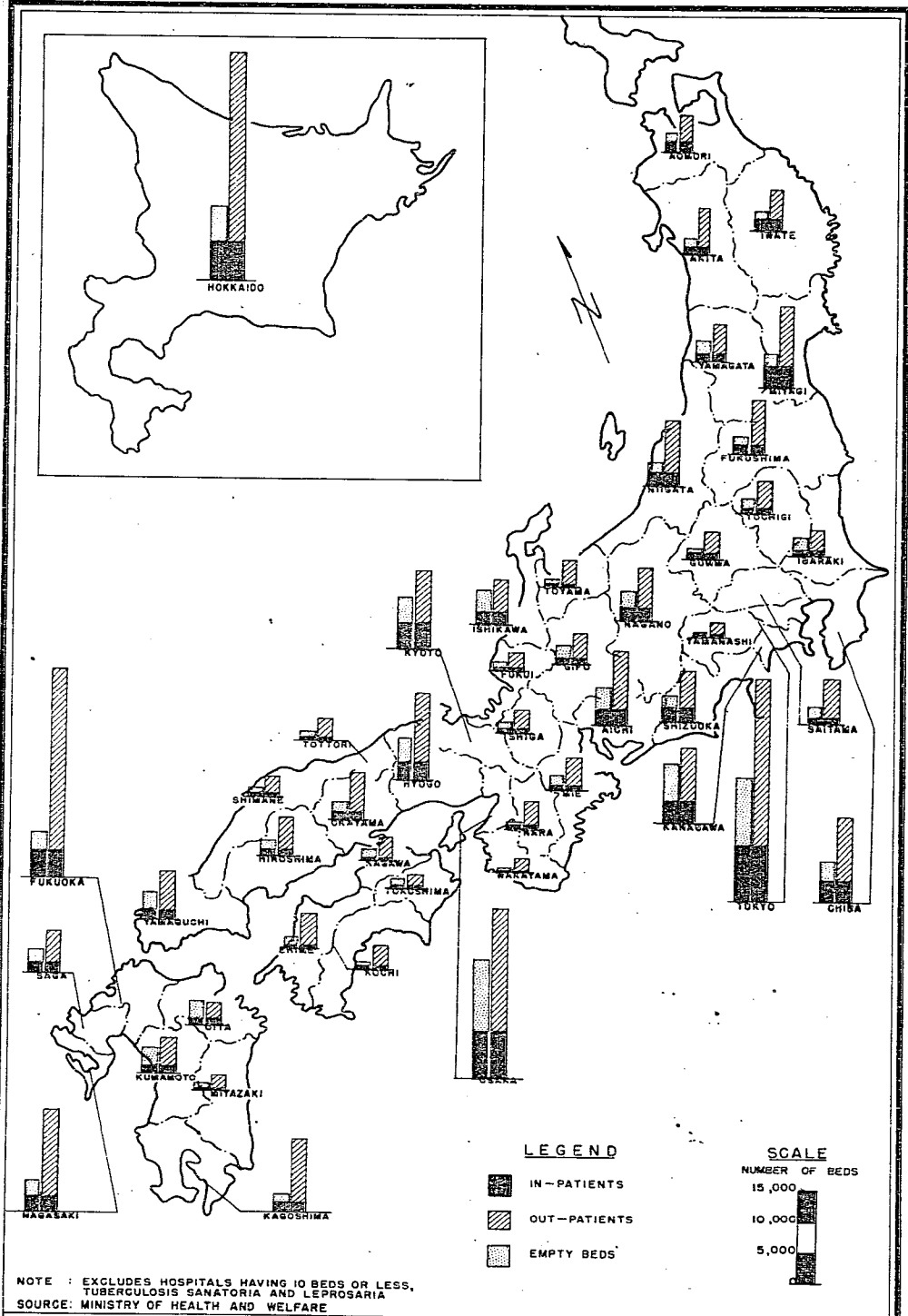
Veterinary Schools

17. A survey of the Japanese army veterinary school showed that it had acquired a leading position in the field of veterinary education and research. Its purposes were education of newly commissioned veterinary officers, education of veterinary non-commissioned officers, manufacture of biologicals and medicines, research and compilation of records.

18. The Tokyo Veterinary College is a private institution with 600 students. The faculty is composed of 20 full-time and 20 part-time instructors. Compared with American veterinary schools the instructional equipment and facilities are inadequate and the quality of instruction substandard.

Japanese Army Veterinary Service

19. The following information was obtained concerning the veterinary service of the Japanese Army. There were 5,024 veterinarians in the service. The chief functions were animal disease control, veterinary supply and education of veterinary personnel. Horseshoeing was emphasized. Food inspection was not a function of



CIVILIAN HOSPITALS
CAPACITY, IN-PATIENTS AND OUT-PATIENTS
BY PREFECTURES FOR WEEK ENDING 15 FEBRUARY 1946
JAPAN
 GHQ · SCAP

FEBRUARY 46

NUMBER 53

0489

the veterinary service.

The records of disease among army horses were destroyed by fire, but strangles and infectious anemia in Japan and surro and glanders in China were considered to have been the most important infectious diseases. The efficiency of the veterinary service decreased as difficulties of supply to areas outside Japan increased.

Meat and Dairy Inspection

20. The Veterinary Hygiene Section, Sanitary Bureau, Ministry of Health and Welfare, has submitted the following meat and dairy inspection report:

MEAT INSPECTION REPORT - 39 PREFECTURES INCLUDED
November 1945

	<u>Cattle</u>	<u>Calves</u>	<u>Sheep</u>	<u>Swine</u>	<u>Horses</u>
Slaughtered	3,866	563	15	1,076	6,311
Totally condemned	5	1	0	0	9
Partially condemned	169	5	0	12	309
Viscera condemned	699	43	0	177	816

December 1945

Slaughtered	11,461	542	64	1,935	4,567
Totally condemned	8	3	0	0	15
Partially condemned	284	9	0	12	358
Viscera condemned	1,601	46	0	371	474

MILK INSPECTION REPORT - ALL PREFECTURES
November 1945

Results of Laboratory Examinations

Milk samples examined	958
Over bacterial standard (2,000,000 per cc)	33
Under butterfat standard (3%)	135

Dairy Farm Inspections 610

The above data are not exactly comparable to those presented in previous summations. These were compiled in accordance with a SCAP directive of 30 October 1945, while the older data were taken from existing Japanese records.

Animal Disease Control

21. The Ministry of Agriculture and Forestry, Animal Disease Section, reported the following outbreaks of communicable animal disease during February 1946:

<u>Prefecture</u>	<u>Disease</u>	<u>Cases</u>
Kagoshima	Anthrax (equine)	1
Hokkaido	Anthrax (bovine)	1

22. The Ministry of Agriculture and Forestry's summary of animal disease incidence for January 1946 is:

<u>Disease</u>	<u>Outbreak</u>	<u>Cases</u>
Anthrax (bovine)	2	3
Anthrax (equine)	1	1
Infectious abortion of cattle	7	92
Texas fever	1	9
Swine erysipelas	1	1
Scabies	1	3
Infectious anemia of horses	1	1
Strangles	2	80
White diarrhea of chickens	14	10,700

The animal disease incidence shows no marked change from previous reports. Control measures appear to be effective.

23. The following summary of animal disease incidence in 1945 has been compiled from the Ministry of Agriculture and Forestry's monthly reports.

<u>Disease</u>	<u>Cases</u>
Blackleg	34
Infectious abortion of cattle	542
Texas fever	169
Anthrax (equine)	4
Anthrax (bovine)	35
Rabies (bovine)	8
Scabies	8
Swine cholera	574
Swine plague	466
Swine erysipelas	71
Fowl pest	933
White diarrhea of chickens	30,836
Infectious anemia of horses (Hokkaido)	793
Osteomalacia of horses (Hokkaido)	9,295
Equine infectious abortion (Hokkaido, Aomori and Iwate - 1944-1945 breeding season)	331

24. The Ministry of Agriculture and Forestry, Animal Disease Section, has submitted a paper entitled "Equine Encephalitis in Japan". The last epidemic of this disease occurred in 1945, when 892 cases were officially reported with 45.9 percent mortality rate. The etiologic agent was claimed by some investigators to be the same virus responsible for the 1935 epidemic of human encephalitis. The relationship of this virus to that causing equine encephalomyelitis in the United States has not been demonstrated.

DENTAL AFFAIRS

Dental Supplies

25. The sales of 76 controlled dental items increased from ¥ 276,000 in December to ¥ 462,000 during January.

Dental Practitioners

26. To date, of the 5,932 dentists who were displaced due to bombing, 2,579 have been rehabilitated and have re-established their practices. Shortage of equipment prevents more rapid re-establishment of practice but the supply of dental equipment is steadily improving.

NURSING AFFAIRS

Public Health Nursing

27. A standard curriculum for public health nurses' training schools has been adopted by the Ministry of Health and Welfare. The curriculum which becomes effective 1 April, the beginning of the academic year, was developed by the ministry after consultation with Japanese physicians and directors of nurses schools.

The ultimate objective is a standard three-year course for girls who have graduated from high school, but due to the lack of facilities and text books, shorter courses have been approved for interim use. These are: a two year course for high school graduates; a one year course for women who are already licensed clinical nurses; and a one-and-one-half year course for licensed midwives.

The four courses are shown in detail in Chart 54.

28. An article on American nursing has been supplied to the Japanese Red Cross Magazine. It was written at the magazine's request and is scheduled for the April issue.

SUPPLY

Distribution of New Production

29. The distribution of newly manufactured medical supplies was satisfactory at the national level. During January manufacturers of controlled medicines delivered to the central controlling agency goods valued at ¥ 3,600,000 while distribution to the prefectural wholesalers from the central control company amounted to ¥ 3,100,000.

30. Both deliveries and distribution in January were markedly less than in December. The decreases do not represent a trend as the determining factors were of a temporary nature - a series of holidays at the first of the year and a shortage of packing materials.

31. Inspections indicate that delays in moving supplies through prefectural distributing groups to the consumers have not been eliminated.

32. Over 3,000,000 doses of smallpox vaccine were shipped from Japanese sources in February to areas where cases of smallpox had occurred. Plans have been made to distribute an additional 10,000,000 doses during March to continue the vaccination of Japanese civilians. Occupation Force units in the field will direct and supervise the use of the vaccine.

33. Action has been taken to control the distribution of penicillin. As it becomes commercially available, penicillin will be directed into channels that will assure maximum beneficial usage until sufficient quantities are available for medical uses.

Distribution of Japanese Military Medical Supplies

34. The distribution of Japanese military medical supplies continued as additional depots and dumps were inventoried.

Approximately 20 percent of all supplies have been distributed. Another 50 percent is to be distributed and the remainder of the stocks will be held as a reserve.

STANDARD CURRICULUM PUBLIC HEALTH NURSES' TRAINING SCHOOLS

For Academic Year Beginning 1 April 1946

Subjects	Course a/ in Hours b/				Remarks
	A-I	A-II	B	C	
Class Work					
Biology	20	10	10	10	Brief explanation Pathology includes causes of illness, inflammation and tumor. Laboratory work 10 hrs.
Anatomy, Physiology & Pathology	60	50	20	30	
Bacteriology	30	30	--	30	Includes diet therapy. Cook- ery A-I & A-II 50; B & C 40
Materia Medica & Drugs	20	20	--	10	
Sanitary Statistics	40	30	30	30	
Nutrition & Dietetics	100	100	70	80	
X-Ray Therapy	20	10	10	10	
Health Statistics for Nation	30	20	20	20	Demonstration and practice: A-I 100; A-II 50; C 30
Mental Hygiene	20	10	10	10	
Nursing--Principle & Practice	200	120	--	80	
Chief Diseases	40	30	10	20	
Obstetrics	50	50	30	--	Includes body mechanics Includes formulas, nutrition and parent education
Environmental Hygiene	20	20	20	20	
Preventive Medicine	30	20	20	20	
Prevention of Acute Communicable Diseases	20	20	10	20	
Prevention of Chronic Communi- cable Diseases	20	20	10	20	
Anti-Tuberculosis Work	30	30	20	30	
Health Supervision for Nation	30	30	20	20	
Maternal Hygiene	30	30	30	30	
Infant & Child Hygiene	80	70	40	40	
School Hygiene	30	20	20	20	
Personal Hygiene	30	30	20	20	
Industrial Hygiene	30	30	20	20	
Social Work & Social Politics	50	30	30	30	
Social Insurance	20	20	20	20	
Laws & Regulations of Sanitation	20	20	20	20	
Public Health Nursing-- Principles & Practice	150	100	50	80	
Physics & Chemistry	20	--	--	--	
Sociology	30	40	40	40	
Economics	30	--	--	--	
Pedagogy	40	30	30	30	Includes teaching procedure
Psychology	30	30	30	30	
Ethics	120	30	30	30	According to situation
Physical Training	120	50	30	40	
Music	100	50	30	40	
Special Lectures	100	50	50	50	
Japanese	70	--	--	--	
English	70	--	--	--	
Etiquette	50	--	--	--	
Total Class Work	2,000 (16 mo)	1,250 (10 mo)	800 (6 mo)	1,000 (8 mo)	
Practical Work					
Clinical Nursing in General Hospital	1,600 (8 mo)	1,200 (6 mo)	200 (1 mo)	500 (4 mo)	Bedside nursing including isolation beds
Practical Training in Maternal Hospital	400 (2 mo)	200 (1 mo)	200 (1 mo)	200 (1 mo)	
Field Practice for Public Health Nurses	600 (3 mo)	600 (3 mo)	600 (3 mo)	600 (3 mo)	Includes 1 month training in Health Center and rural work Field trips
Excursions	200 (1 mo)	--	--	--	
Total Practical Work	2,800 (14 mo)	2,000 (10 mo)	1,000 (5 mo)	1,600 (8 mo)	
Total Work	4,800 (30 mo) (3 yrs)	3,250 (20 mo) (2 yrs)	1,800 (11 mo) (1 yr)	2,600 (16 mo) (1½ yr)	

a/ A-I : Three year course for high school graduates.
A-II: Two year course for high school graduates.
B : One year course for licensed clinical nurses.
C : One and one-half year courses for licensed midwives.

b/ Class work is for 5 hours a day, 25 days a month, 10 months a year.
Practical work is for 8 hours a day, 25 days a month, 10 months a year.

SOURCE: Ministry of Health and Welfare.

It is necessary to transfer stocks of returned military supplies between prefectures to obtain equitable distribution. Military depots and supply dumps were not located according to population and as a result there are marked discrepancies between available supply and population.

Narcotics

35. Four hundred ninety cases of Narcopon, a proprietary morphine base drug, were found in the post office at Osaka. They were removed for safekeeping by Occupation Forces until released by SCAP for distribution under new regulations being drafted by the Japanese Government.

36. Wholesale drug firms in southern Honshu, Kyushu and Shikoku recommended by the Japanese Government as suitable storage and distribution agencies for Japanese military narcotic stocks were inspected by SCAP representatives. All medicine control companies, hospitals, doctors and pharmacies visited in these areas had sufficient narcotics on hand.

37. The Japanese Government issued final instructions to prefectural officials for confiscation of heroin, and instructed them to fix a date after which possession of this narcotic will result in prosecution.

38. Records of narcotic production, manufacture, importation, exportation and distribution in Japan from 1930 to 1945 are being examined.

Production

39. Progress was made in accelerating production of biologicals.

A plan prepared by the Ministry of Health and Welfare, which estimated production of individual doses of smallpox vaccine by weeks through the month of June, totalled 31,250,000 individual doses. The goal for February was 10,250,000 individual doses. Actual production during the month exceeded 20,000,000 doses. Ministry officials indicated that the greatest obstacle to the program was the difficulty of obtaining sufficient calves. Instruction by SCAP to the Japanese Government overcame this difficulty. 18

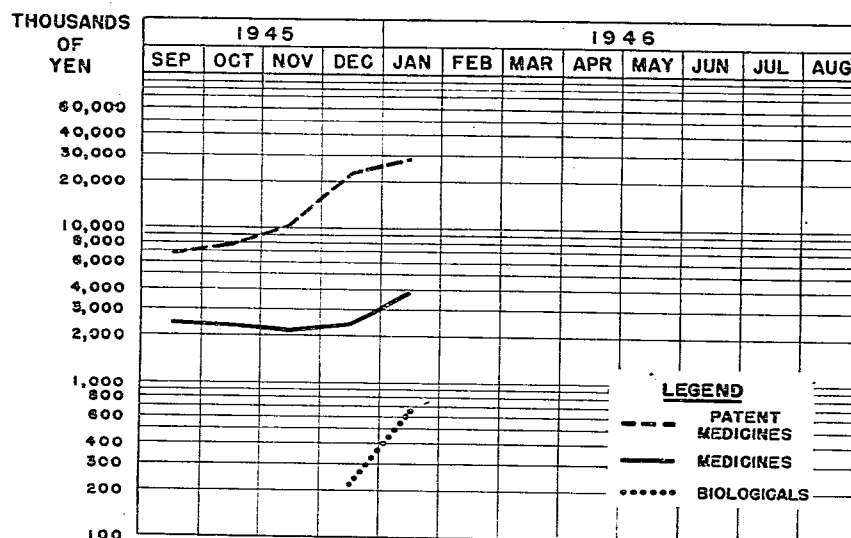
40. The overall production of medical supplies increased during January. Chart 55 indicates an accelerated trend in production.

41. The chart indicates that effort was expended to increase production. The increases in biologicals, X-ray films, dental materials, controlled medicines and sanitary materials are particularly noteworthy. The production of raw materials and action by Japanese officials to allot necessary raw materials for manufacture of medical supplies are the principal factors contributing to increased production.

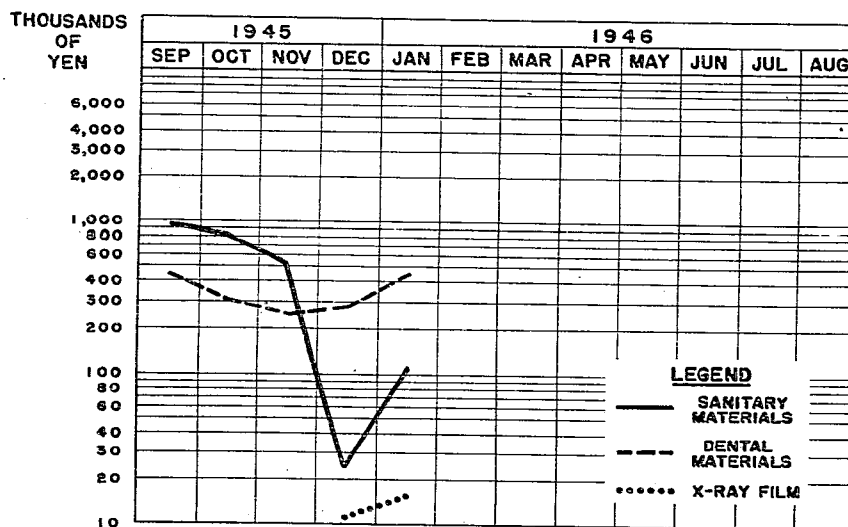
42. Total production despite the favorable trend is not yet sufficient to meet Japanese needs. Allocation of raw materials by the control companies and associations for medical supply manufacturing is not adequate in some items due partly to actual shortages of the raw materials.

43. A report received from Korea indicates that approximately 10,000 tons of prophyllite rock have been located. This rock is suitable as a diluent for DDT. Sufficient milling equipment and mixing

MEDICINES AND BIOLOGICALS



SANITARY, DENTAL AND X-RAY MATERIALS



NOTE: ON THESE LOGARITHMIC CHARTS, EQUAL RISES OR FALLS INDICATE EQUAL PERCENTAGE CHANGES AND EQUAL SLOPES DENOTE EQUAL RATES OF CHANGE.

SOURCE: MINISTRY OF HEALTH AND WELFARE; MINISTRY OF COMMERCE AND INDUSTRY.

MEDICAL SUPPLIES

VALUE OF MONTHLY PRODUCTION
JAPAN

FEBRUARY 46

*GHQ-SCAP

NUMBER 55

0495

machinery is available to grind eight tons per day and mix it with DDT concentrate to produce a 10 percent insecticide powder.

44. Approximately 12 tons of DDT powder were mixed during February. Production is scheduled to increase to 50 tons in March and to 90 tons in April.

LEGAL AFFAIRS

45. Study and analysis by SCAP of the budget request of the Ministry of Health and Welfare for the fiscal year 1946-47 was completed. The request included amounts adequate for the treatment of venereal disease of Japanese civilians, production of biologicals for preventive medicine, and reconstruction of health centers which were destroyed by bombs.

Abolition of Licensed Prostitution

46. On 21 January SCAP directed that the system of licensing and selling women into prostitution in Japan be abolished.

The Japanese Government enacted legislation on 2 February, which annulled the old national ordinances on the subject and declared null and void the contracts of all prostitutes with their business managers. The new legislation was supplemented by instructions to prefectural governors to change prefectural regulations to conform with this new legislation.

The Ministry of Health and Welfare

47. The Japanese Cabinet on 15 January decided to reduce the number of government employees, functions and duties. This reduction of personnel and functions necessitated re-organization of the Ministry of Health and Welfare.

PREVENTIVE MEDICINE

48. The incidence of smallpox continues to be generalized throughout most of the country. There has been some decrease in the areas where extensive campaigns have been undertaken with stocks of newly manufactured vaccine.

49. A major outbreak of typhus fever occurred in Osaka city where the disease spread subsequent to late diagnosis and reporting of the first cases. At the middle of the month when reports were received indicating a sudden increase in the number of cases, representatives of SCAP proceeded to Osaka to supervise control measures. Adequate supplies of DDT dusting powder were obtained and mass dusting of the populace was undertaken. According to both official police figures and spot surveys, over 90 percent of the population was dusted.

50. Monthly rates for eight communicable diseases are shown in charts 56 and 57.

Sanitary Engineering

51. During inspections of water treatment and sewage disposal plants in Osaka technical advice and assistance were given by SCAP to help increase the efficiency of these plants.

The water departments in Osaka and Kobe are increasing the number of laborers working on the repair of the distribution systems. The work of reducing excessive waste by leakage through broken service pipes is now progressing more rapidly.

Venereal Disease Control

52. By direction of SCAP the Ministry of Health and Welfare ordered the discontinuance of issuing health certificates to individuals examined for communicable disease. The requirement of periodic examination for selected groups is not altered by the new order.

53. A survey of venereal disease control activities of local and prefectural health departments in Kyushu and Southern Honshu revealed a general lack of trained personnel, facilities and effective drugs. Instructions issued by SCAP to the Ministry of Health and Welfare directed that medical supplies located in the area and suitable personnel and buildings be allocated to venereal disease control activities.

54. A pilot demonstration of venereal disease contact-tracing, using personnel of the Occupation Forces and the Tokyo Health Department, was held in the Tokyo area.

Repatriation Centers

55. The number of repatriates processed through the repatriation centers has not changed essentially from the average for recent months.

56. The diagnosis of smallpox in one Formosan repatriate on each of two vessels from Japan caused the adoption of a special system. All Formosans will be held in quarantine 14 days prior to leaving. To avoid delay crews will be re-vaccinated, and will proceed with their ships after they have been disinfested.

All persons who apply for repatriation will be vaccinated at police stations throughout the Home Islands shortly after their applications. This will establish relative immunity of repatriates before they arrive at the repatriation centers.

Laboratory Activities

57. In compliance with SCAP instructions the Ministry of Health and Welfare submitted an extensive compilation of laboratories engaged in production of biologics, in bacteriological or hygienic analyses, or both.

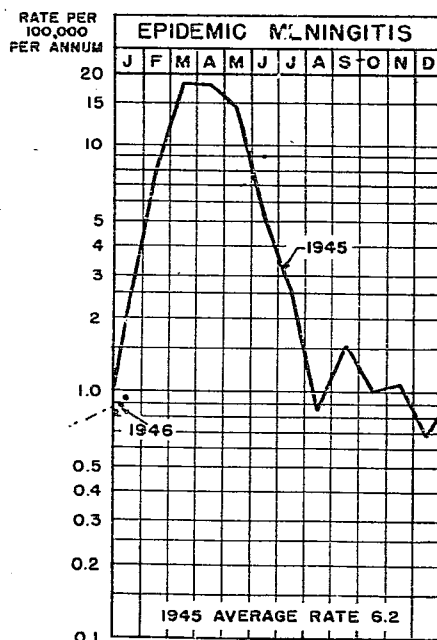
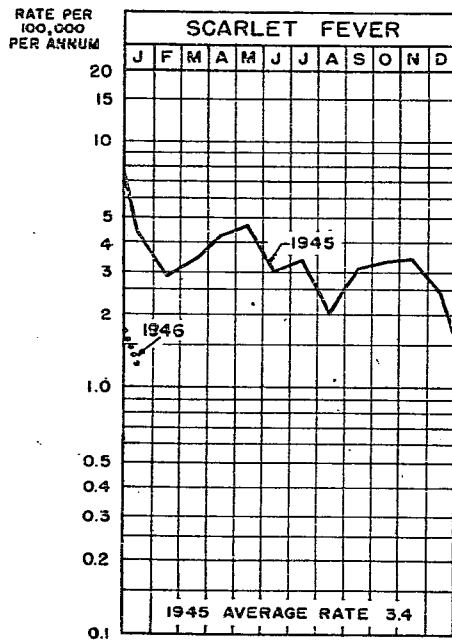
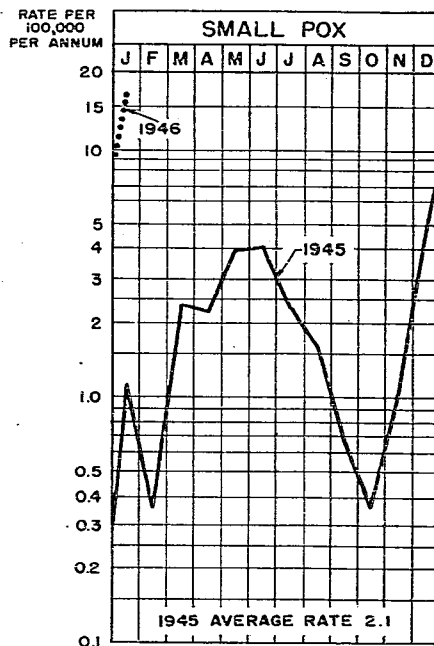
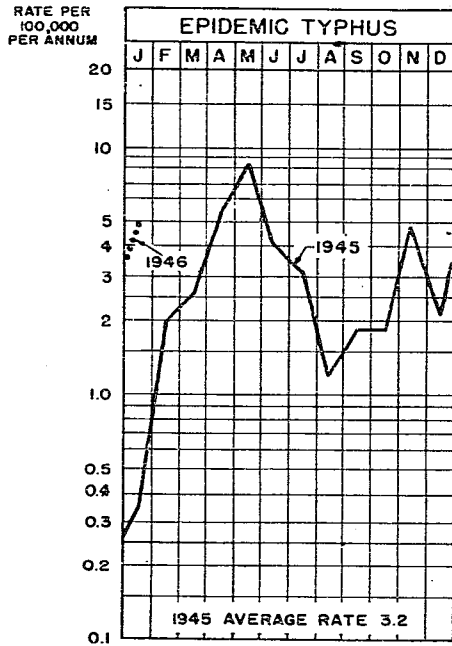
Typhus Vaccine

58. Japanese officials are being instructed in the techniques of typhus vaccine production. A pilot laboratory in which effective typhus vaccine can be produced is being established in the Government Institute of Infectious Diseases. Other producing laboratories will be enlisted to meet the need for vaccine next winter, and certain manufacturers have been appointed to produce large quantities.

Other Biologics

59. Agreement concerning an accelerated program of production of biologics was reached at a meeting of representatives of SCAP with officials of the Ministry of Health and Welfare. The needs of the entire country, including repatriation centers, for triple typhoid vaccine, cholera vaccine and diphtheria toxoid were covered in the plans.

Administrative and technical difficulties encountered in production of smallpox vaccine by Japanese laboratories were resolved through technical advice of SCAP Headquarters.



NOTE: THE SLOPE OF GRAPH LINES IS DIRECTLY PROPORTIONAL TO THE PERCENTAGE OF MONTHLY CHANGE IN DISEASE RATES.

SOURCE: MINISTRY OF HEALTH AND WELFARE

COMMUNICABLE DISEASES

JAPAN

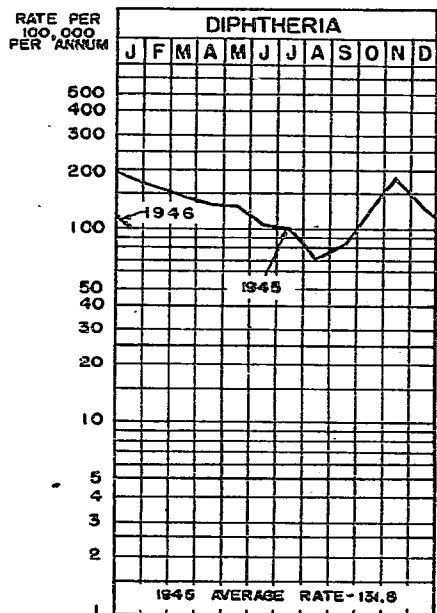
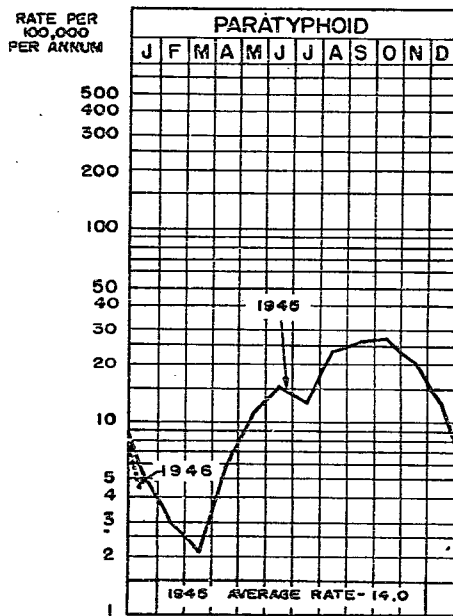
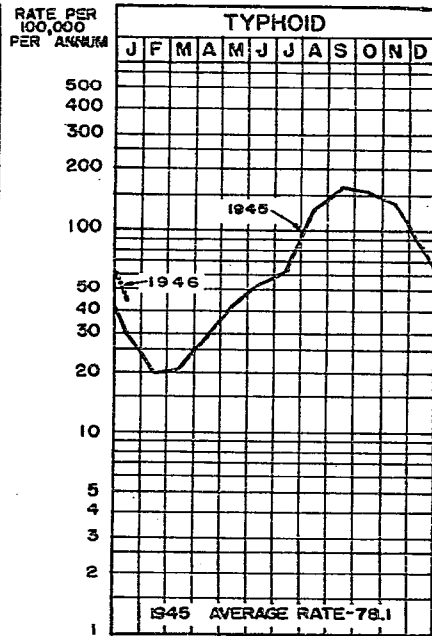
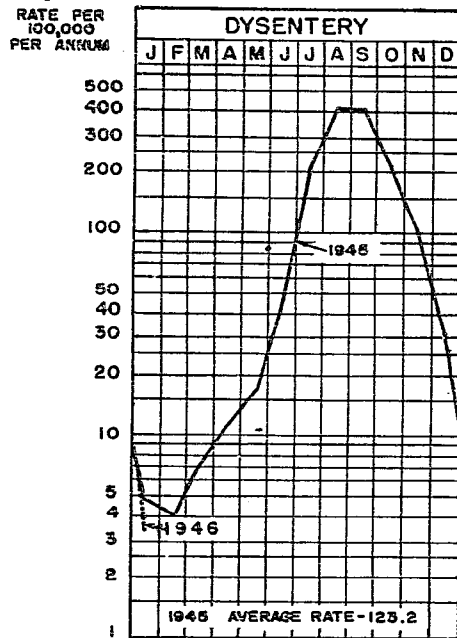
MONTHLY RATE PER 100,000 PER ANNUM

FEBRUARY 46

GHO-SCAP

NUMBER 56

0498



NOTE: THE SLOPE OF GRAPH LINES IS DIRECTLY PROPORTIONAL TO THE PERCENTAGE OF MONTHLY CHANGE IN DISEASE RATES
SOURCE: MINISTRY OF HEALTH AND WELFARE

COMMUNICABLE DISEASES JAPAN

MONTHLY RATE PER 100,000 PER ANNUM

FEBRUARY 46

GHQ-SCAP

NUMBER 57

0499

Standardization of Penicillin

60. A program for the assay of all Japanese-produced penicillin including technical methods to be used was submitted by the Ministry of Health and Welfare.

Samples of penicillin supplied by three Japanese firms were found unsatisfactory. The sale of all Japanese-made penicillin was suspended pending the development of a product of adequate potency, uniformity, freedom from toxic effects and in quantity sufficient to permit its sale at a reasonable price. A central distributing agency will be set up in the ministry to control distribution of penicillin as it becomes available.

Standardization of other Biologics and Drugs

61. The Committee on Infectious Diseases (Boeki Kyogikai), attached to the Ministry of Health and Welfare, submitted a plan for standardization of diphtheria toxoid including provision for periodic assay. The committee also outlined a basic policy for the ministry covering standardization of all drugs and biologics. Under this policy production of worthless products and products of doubtful value would be curtailed and vitally needed items of supply would be used in more useful production.

The Bureau of Health in the Ministry of Health and Welfare was subdivided to include a new division concerned with production and production standards.

Medical Education

62. Medical schools which were developed to meet expanded needs incident to Japanese military activities continue to exist. On 13 September 1945 there were 69 medical schools in Japan; 14 of these were organized between 1939 and 1941 and 30 since 1941. The increases in medical schools and in students are shown in the following tables:

NUMBER OF MEDICAL SCHOOLS

<u>Type</u>	<u>13 Sep 1945</u>	<u>Change from 1941</u>	<u>Change from 1939</u>
Government			
Imperial Universities	7	+1	+1
Medical colleges	6	-1	-1
Semmon gakko <u>a/</u>	<u>20</u>	<u>+7</u>	<u>+20</u>
Total Government	33	+7	+20
Prefectural			
Medical colleges	1	0	0
Semmon gakko - Men	11	+11	+11
Semmon gakko - Women	<u>8</u>	<u>+8</u>	<u>+8</u>
Total Prefectural	20	+19	+19
Private			
Universities	4	+1	+1
Semmon gakko - Men	9	+3	+3
Semmon gakko - Women	<u>3</u>	<u>0</u>	<u>0</u>
Total Private	16	+4	+4
Total, All Types	69	+30	+43

a/ Semmon Gakko - Japanese technical schools.

SOURCE: Ministry of Health and Welfare.

NUMBER OF MEDICAL STUDENTS

<u>Type of School</u>	<u>13 Sep 1945</u>	<u>Increase from 1941</u>	<u>Increase from 1939</u>
Government			
Imperial universities	3,240	240	440
Medical colleges	2,400	480	100
Semmon gakko <u>a/</u>	<u>8,485</u>	<u>5,365</u>	<u>8,485</u>
Total Government	14,125	6,085	9,025
Prefectural			
Medical colleges	480	0	160
Semmon gakko - Men	3,118	3,118	3,118
Semmon gakko - Women	<u>1,458</u>	<u>1,458</u>	<u>1,458</u>
Total Prefectural	5,056	4,576	4,736
Private			
Universities	2,320	400	400
Semmon gakko - Men	4,460	750	750
Semmon gakko - Women	<u>2,260</u>	<u>0</u>	<u>0</u>
Total Private	9,040	1,150	1,150
Total, All Types	28,221	11,811	14,911

a/ Semmon Gakko - Japanese Technical schools.

SOURCE: Ministry of Health and Welfare.

NUMBER GRADUATING FROM ALL MEDICAL SCHOOLS a/

	<u>Men</u>	<u>Women</u>	<u>Total</u>
1938	2520	364	2884
1939	2599	369	2968
1940	2512	379	2891
1941	5493	760	6253
1942	3698	470	4168
1943	3551	492	4043
1944	3669	561	4230
1945 <u>b/</u>	-	-	4196

a/ Includes graduates of Korean and Formosan schools.

b/ Through 26 November 1945

SOURCE: Ministry of Health and Welfare.

Organization of Typhus Control Program for Tokyo

63. An organization for typhus control has been established by the Tokyo Municipal Government. Its program includes publicity, delousing, prophylactic vaccination, organization of control teams, emloyment of police assistance and reporting of cases. Publicity is carefully planned to enlist the cooperation of the civilian population in all aspects of the program. The city was divided initially into five zones and a typhus control team was organized for each zone. Each team includes a physician, a nurse, several trained assistants to dust with DDT and vaccinate all possible contacts of new cases, and a representative of the Occupation Forces to supervise. The police are enlisted in the program but are not given supervisory authority.

Their role is assistance to the typhus control teams as directed by the physician in charge. A printed pamphlet is to be circulated weekly to each household giving instructions about its share in the program.

Study of Japanese B Encephalitis

64. SCAP requested the assistance of the U.S. Neurotropic Virus Commission in establishing policies for control of Japanese B Encephalitis. Representatives of the Commission have arrived in Japan and begun their survey.

Nutrition Surveys

65. The nutrition survey conducted by the Japanese Government under supervision of SCAP representatives in Nagoya, Osaka, Kure and Fukuoka and their adjacent rural areas was completed during February. Data of the survey are now being compiled by the Ministry of Health and Welfare.

SECTION 2

EDUCATION, RELIGION AND MEDIA OF EXPRESSION

C O N T E N T S

	Paragraph
Education	1
Religion.	7
Arts and Monuments.	14
Information Programs and Organizations.	20
Media of Expression	34

EDUCATION

Banned Books and Other Publications

1. SCAP issued a memorandum to the Japanese Government on 13 February requiring the abrogation of all laws, ordinances, edicts, directives or other regulations, expressed or implied, which restrict the free circulation of books, pamphlets, periodicals or other publications in public or educational libraries. The Japanese Government was directed to submit a statement of all actions taken by it or any of its subordinate agencies which have resulted in the removal of these restrictions.

Textbook Screening

2. The survey of school textbooks instituted last November by SCAP for the purpose of removing militaristic and ultra-nationalistic content was continued. Of 147 national textbooks that have been surveyed page by page, with deletions marked and recorded, 144 have been released to the Ministry of Education for printing. One hundred and fifty-nine vocational textbooks have been approved by SCAP and released for printing by the Ministry of Education.

Length of School Terms

3. The Japanese Government issued an Imperial Ordinance on 23 February which restored the term of the middle school from a four-year to a five-year course and of the higher school from a two-year to a three-year course.

Damage to Universities and Colleges

4. The Ministry of Education has furnished a detailed report of damage and destruction suffered by Japanese universities and colleges during the war. One hundred eighty-seven institutions were partially or completely destroyed; the average individual loss was equivalent to the complete destruction of 50 classrooms, one large auditorium and one large library reading room. Two-thirds of these institutions were public colleges or universities.

Expenditures for Education

5. The national expenditures for education for government schools for various years from 1937 to 1946 and the proposed budget for 1946-47 are shown in Chart 58.

EXPENDITURES FOR GOVERNMENT SCHOOLS JAPAN					
	1937 (In Yen)	1941 (In Yen)	1944 (In Yen)	1945-46 (In Yen)	Proposed 1946-47 (In Yen)
<u>Teachers' Salaries</u>					
Imperial Universities	7,482,582	10,504,807	12,449,102	12,514,654	14,483,051
Other Government Universities and Colleges	3,358,040	4,526,072	5,424,124	4,819,468	5,732,181
Schools under Direct Control of Ministry	8,073,714	11,909,163	25,058,613	22,729,359	25,532,937
TOTAL	18,914,336	26,940,042	42,931,839	40,063,481	45,748,169
<u>Equipment a/</u>					
Imperial Universities	17,204,301	26,780,341	40,334,558	56,379,035	60,933,360
Other Government Universities and Colleges	7,481,563	9,219,983	13,789,980	19,749,457	21,085,747
Schools under Direct Control of Ministry	8,974,476	13,598,915	50,394,574	69,566,433	77,395,029
TOTAL	33,660,340	49,599,239	104,519,112	145,694,925	159,414,136
<u>Construction b/</u>					
Imperial Universities	3,370,438	2,275,020	710,875	6,522,722	9,298,588
Other Government Universities and Colleges	1,170,459	809,300	733,500	2,249,003	6,747,781
Schools under Direct Control of Ministry	411,310	3,201,013	2,526,062	10,582,174	36,240,943
TOTAL	4,952,207	6,285,333	3,970,437	19,453,899	52,287,312
Ministry of Education	8,867,431	33,631,403	32,227,618	41,437,374	91,759,978

a/ Teaching materials; maintenance of schools. b/ Enlargements and New Construction.
SOURCE: Japanese Ministry of Education
FEBRUARY 46 GHQ-SCAP NUMBER 58

6. Education budgets for each year from 1930 to 1945 and the proposed budget for 1946 follow:

EDUCATION BUDGETS
(in yen)

	<u>National Education Expenditures</u>	<u>Expenditures for Ministry of Education</u>	<u>Local Education Expenditures</u>
1930	143,176,215	12,156,362	95,225,076
1931	137,522,213	8,360,602	95,178,628
1932	150,507,252	7,321,445	108,444,675
1933	151,399,856	9,048,904	107,333,529
1934	145,300,190	9,369,015	108,168,485
1935	149,495,620	8,413,699	105,357,603
1936	151,262,795	9,174,904	105,293,205
1937	143,956,047	8,887,431	97,237,975
1938	143,280,852	8,104,932	97,773,981
1939	160,564,187	16,927,357	100,324,936
1940	188,863,855	26,615,260	112,432,037
1941	266,702,528	33,631,403	169,050,580
1942	312,447,029	32,234,641	198,752,175
1943	394,042,148	36,287,642	229,660,575
1944	488,565,792	32,227,618	292,383,268
1945	655,022,608	39,281,462	437,294,476

Source: Ministry of Education.

RELIGION

Shinto

7. Two Imperial ordinances relating to implementation of the Shinto Directive were promulgated on 1 February.

The first abrogated 26 laws, ordinances and notifications relating to Shinto and amended certain other laws and ordinances to bring them into conformity with the new status of Shrine Shinto.

8. The second abolished the Shrine Board (Jingi-in) of the Home Ministry. With the dissolution of the Shrine Board general matters concerning shrines have passed under the cognizance of the Religious Affairs Section of the Ministry of Education. Necessary action relative to the liquidation of shrine affairs will be handled by the Home Ministry.

9. On 2 February an Imperial Ordinance amended the Religious Corporations Ordinances so as to render them specifically applicable to Shinto shrines. The revised regulations give the privileges of religious corporations to 110,000 shrines in Japan. In order to continue to enjoy such privileges, the shrines must accomplish registration within six months.

10. On 11 February public schools were permitted to observe the traditional holiday commemorating the accession of the Emperor Jimmu. It was stipulated that no Shinto ceremonies or other acts repugnant to the spirit of the Shinto Directive would be permitted.

11. Reports on attendance at Shinto shrines during the past New Year's season indicate that many of the shrines had about one-tenth the attendance of former years.

12. During the war the various Buddhist sects were unified by the Religious Bodies Law in order to facilitate government control over religions. With the freedom of religion each denomination has been trying to recover its former independence. The same tendency is noticeable among Sect Shinto and Christian groups.

Missionaries

13. Procedures were perfected for the return of missionaries to Japan. The return of missionaries will be permitted to the maximum extent possible. Missionaries will operate as strictly independent agents under the broad freedom accorded representatives of all religious faiths.

ARTS AND MONUMENTS

14. Partial return of art collections and libraries from war emergency repositories to normal housing has been effected. Exhibits were opened at the Imperial Household Museum in Nara and arrangements are in progress for opening the Imperial Household Museum in Tokyo.

Reports indicate that protection of palaces, temples and other cultural installations, sites and collections remains satisfactory. Records on protection and condition of cultural properties are maintained at SCAP for about 650 sites which contain the more important structures, installations, or objects.

Important Cultural Properties in Japan

15. Buildings, sites, installations and collections of first

importance for artistic, religious, scientific or historical reasons which have been reported to SCAP number 658 sites or compounds. They are distributed in 251 cities, towns, or their environs, and through 45 prefectures. This number is the total of lists submitted by agencies of the Japanese Government in response to a directive from SCAP.

Private Collections

16. Some art objects in private hands are considered as important nationally and internationally as those in public and institutional collections. To provide for the protection of these collections, data on them are being sought from available sources.

Important private collections were normally housed in the following localities:

<u>Locality</u>	<u>Number of Collections</u>
Tokyo	132
Kyoto	27
Osaka	24
Hyogo Prefecture	19
Nagoya	17
Yokohama	7
Gifu Prefecture	5
Other localities	<u>67</u>
Total	298

Status of Imperial Household Collections

17. A statement received from the administration of the Imperial Household museums and collections of Japan traces the history and present status of these holdings. They include four institutions: The Imperial Household Museum in Tokyo and the Imperial Household Museum, the Shosoin and the Shogogo, all in Nara.

The nuclei of the Shosoin collection, oldest of the four, were the objects owned by the Emperor Shomu and donated nearly 1200 years ago by the Empress Dowager to the Todaiji (temple) as a votive offering to the Vairocana Buddha and other deities. All of the collections have come under the jurisdiction of the Imperial Household Ministry since the establishment of the Tokyo museum in 1872.

The main building at Tokyo was built during 1932-1937 with funds partly contributed by the people and partly appropriated by the government. This museum now owns approximately 81,000 objects. Acquisition of these objects was made in three ways: (1) set aside from Imperial possessions for the cultural development of the people, (2) purchased by the museum with funds given by the Imperial Household department and (3) donated by the people.

Damage, Risk and Protection

18. Present information concerning the war damage to structures of first importance and graded according to degree of damage is: extensive 100, moderate 12 and slight 8.

The principal historic centers such as Kyoto, Nara, Nikko and Kamakura, which contain the preponderance of such installations, were not injured by hostilities. Extensive damage or total destruction was incurred by important cultural properties in a number of localities among which were:

<u>Locality</u>	<u>Number of Collections</u>
Tokyo	42
Nagoya and environs	13
Yokohama	7
Osaka and environs	7
Hiroshima and environs	5

19. Some religious installations were subjected to unwarranted risk by the Japanese military authorities. One instance was found in the grounds of the Hamoku-ji (temple) at Uji, south of Kyoto. Prior to 1945 a portion of these grounds was taken over by the Japanese Ministry of Munitions and a gunpowder factory and storage depot established there. War material was stored at the Daigo-ji (temple) south of Kyoto, the Todai-ji (temple) in Nara and in the park at Nara.

All cultural and religious installations are restricted from military use by the Occupation Forces. Some are placed under guard and others are posted off limits. No official report has been received of damage to national treasures or other objects or structures of national and international importance as a result of the occupation.

INFORMATION PROGRAMS AND ORGANIZATIONS

New Economic Program

20. On 19 February the Japanese Government issued the initial three Imperial Ordinances in its program to combat inflation and black markets and to stabilize Japanese economy.

SCAP instituted a three-week information program to insure that the machinery and objectives of the new ordinances were understood. An opportunity was given to all classes and types of the Japanese people to express their views on the program through all media of information. Political organizations were assured a chance to express their opinions.

Typhus Control Program

21. An information and education program designed to assist in the control of typhus was instituted. Steps were taken to educate the people on individual measures to combat the disease. The aid given to the Japanese Government by SCAP in technical information and medical supplies and equipment is being made known to the people.

Information Program for Repatriates

22. SCAP continues to re-educate and re-orient Japanese who are still overseas about changes that have occurred in Japan since their departure. A four-page weekly newspaper is published and 48,000 copies are distributed to holding camps in the Philippine Islands, Korea, Okinawa, Saipan and China. Responsibility for

publishing this paper was assumed by three Tokyo daily newspapers which rotate the task each week. Content is checked and approved by SCAP.

Prisoners of war in the various holding camps were interviewed in an effort to determine their reactions to this weekly newspaper. Results of these polls show that there is a favorable reaction to the paper and a positive attitude toward the democratizing of Japan. Articles interpreted as accepting the general precepts of the old Japanese constitution received some criticism while those emphasizing the need for building a new Japan brought favorable reactions.

Political Education

23. The program of SCAP for educating the people of Japan in political matters was continued through all media of information. Two half-hour round tables weekly were broadcast. Among the topics discussed were: Should the Present Cabinet Continue?; Can Industrial Peace be Achieved Through Government Action?; What Reforms are Needed for the Democratization of Education in Japan?; and What Must be Done to Insure a Fair Election?.

24. Two fifteen-minute programs weekly were devoted to political talks by Japanese on such subjects as: Coal Miners' Problems in Fukuoka; What Makes the Nisei a Healthier Man than his Japanese Cousin; Suffrage and Students; and Persons Banned from Public Office Should not Continue as Party Leaders. A fifteen-minute program each Friday evening featured Japanese stage and screen stars broadcasting election appeals.

25. At a press conference of SCAP representatives with magazine editors and publishers the responsibility of periodicals in a democracy for the political enlightenment of the citizens was stressed.

Labor Organization Information Program

26. SCAP representatives continued to maintain close liaison with the Japanese labor movement and have carried on an information program to encourage the development of democratic labor organizations. This program emphasized: (1) creation among the Japanese people of an understanding of the place of trade unions in a democratic society, and (2) assistance to labor organizations in developing their own information and education programs.

27. Press, magazines, radio and moving pictures are utilized to inform the people of labor activities and the importance of labor organizations in a democratic society.

Included in the radio topics are: Organization and Structure of Unions, Trade Unions and Food Problem, The Principles of Industrial Unionism, Relationship between Unions and Political Parties, and Labor's Point of View on the Government's New Economic Program. A number of programs are devoted to explaining the government's new labor arbitration machinery.

Farm Organizations

28. SCAP instituted an information program aimed at encouraging the development of democratic farm organizations so that a realization of democratic rights and responsibilities may be brought to the rural areas of Japan. Close liaison is maintained between SCAP and Japanese farm organization representatives who tour the country.

29. A daily fifteen-minute radio program carries farm news, weather reports and technical hints on farming methods. A weekly one-hour program titled "Farm Hour" presents a program of education and entertainment for rural audiences. Frequent man-on-the-street interviews and round-table discussions of various farm problems are broadcast.

Typical subjects covered on the radio are: SCAP's Agrarian Farm Directive, Women in the Farm Movement, Farmer's View of the Rice Collection Program, and Democratic Control of Farm Associations.

The travelling actors group has been utilized to tell farmers the meaning of democracy. These troupes, government-sponsored or independent, present programs consisting of variety acts and short plays.

Use is made of the Paper Theater in which a story-teller illustrates his talks with a set of large colored posters. The visits of the travelling actors groups and the Paper Theater are common events in the villages and towns of the rural regions.

Women's Organizations

30. Encouragement has been given to women's organizations and press and radio treatment of news about the women's movement has improved.

Sixty-four women are candidates for the Diet elections. A woman was appointed as vice-mayor at Kure and the Home Minister has appointed a woman as an election chief.

31. Women's sections of the major parties have arranged speeches, forums and discussion groups. New women's groups were organized in the smaller cities and in the Tokyo area. Attention is being paid to the relationship between the election and the problems which women face. Both men and women have shown an increased interest in revision of the Civil and Criminal Codes so that the rights of men and women can be equalized.

Personnel of SCAP Headquarters have visited representative leaders in the women's movement through western and central Honshu. Increased interest in women's activities and the use of the franchise was noted. In some places the leaders of men's organizations are urging women to use their franchise wisely.

32. Japanese press and radio treatment of news and opinion about the women's movement increased in both quantity and quality. Subjects covered were: Equal Rights for Women, Relation of Vote to Current Problems, and Education and its Place in Women's Future. Women from various walks of life have appeared on radio programs. Press and magazine coverage consisted of editorials, news stories and articles.

33. Youth organization activities center primarily in the schools and are generally concerned with the democratization of the education system.

A daily half-hour radio program is directed to students of higher schools and universities. On three days of the week the program is titled "Citizens of Tomorrow". National and international social and political problems are discussed. The other four days are devoted to cultural subjects.

MEDIA OF EXPRESSION

	Paragraph
Radio	34
Press and Publications.	39
Motion Pictures	48
Theater	53

RADIO

Programs

34. SCAP promoted wide radio discussion of such topics of national interest as politics, the economic crises, education, social problems, facts of the Pacific war, labor and youth. The new economic program of the Japanese Government to check the inflationary trend and stamp out black markets was given thorough coverage on the air through explanatory talks by government officials, commentaries and round-table discussions.

Truth Box

35. Because of listener response a program of questions and answers about the war and its underlying causes was re-named "The Truth Box" and lengthened to 30 minutes each Sunday evening. An average of 400 letters per day, an increase of 100 over the preceding month, was received.

Current Events

36. The first Current Events program was broadcast for school-room use on 19 February from 1100 to 1130. The first of a series of Current Events Discussion programs was broadcast on 21 February from 1100 to 1130. The panel discussion on the latter program is based on the topics broadcast during the Current Events program two days preceding.

Women's Hour

37. During the month a series of six political commentaries was broadcast by Japanese on The Women's Hour. This series, presenting information on the political issues involved in the coming election, was scheduled to advance the political education of Japanese women so that they might vote more intelligently. Party histories were discussed. Various political concepts of the leading Japanese political organizations and platform planks were compared.

Program Improvement

38. In answer to a request from the production personnel of the Broadcasting Corporation of Japan, radio production experts of SCAP have recommended format revisions for a number of Japanese programs. Japanese and American producers and department heads have analyzed and discussed current programs with a view to presenting more technically adequate broadcasts. Changes were made to improve program content.

PRESS AND PUBLICATIONS

Prefectural Press

39. Fourteen newspapers from various prefectures have organized

an association. Special conferences were held with this group by SCAP representatives for round-table discussion of press responsibilities and opportunities.

Shinbunho

40. The editors of Nippon Shinbunho (Japanese Newspaper for Newspapers) arranged for the publication of articles on the press in a democratic state. Topics treated were: A Newspaper in a Democratic State, Liberal Laws in a Democratic State and Accurate News Reporting in a Democratic State. This newspaper is subscribed to by all editors and reporters. It provides a medium for the dissemination of information that will assist Japanese newspapers to assume their new responsibilities.

Conference of Magazine Publishers

41. The first of a series of conferences between representatives of SCAP and publishers and editors of magazines in Japan was held on 26 February. More than 300 magazines were represented. The publishers realized that their role in the political education of the Japanese people was important since paper shortage precluded extensive discussion of issues in the newspapers. They agreed to devote the attention of their publications to education of the Japanese electorate on vital issues of the elections.

Conferences with Newspapers

42. Twenty-four regular press conferences were held with editors and reporters. Four conferences were held with managing editors. Eleven special conferences were scheduled with editorial and managerial staffs of newspapers. These conferences were used to explain the significance of current news and matters of interest to the press in shaping policies to conform to democratic procedure.

Feature Articles

43. Japanese newspapers showed increased interest in using feature articles dealing with various aspects of American life. Materials for such articles with complete photographic layouts were furnished on such topics as education, agriculture, art, drama and music.

Press Analysis

44. Space in Japanese newspapers was dominated during the month by the subjects of economics, reconversion and politics. Editorials indicated that the standard of living has begun to rise following the occupation by Allied Forces. Government officials denounced labor participation in management and threatened government intervention.

45. Political purge actions by the Japanese Government were received calmly by the newspapers.

46. The emergency economic measures announced by the Shidehara Cabinet were discussed frequently and many difficulties of enforcement were pointed out. State compensation and subsidies to munitions industries were criticized as unjust by leading newspapers. The proposal by the Liberal Party for an anti-Communist front was denounced. The Emperor's tours and the transportation strike caused considerable comment and speculation.

Magazine Analysis

47. The food shortage, land reform and the government's failure

to speed up its economic control measures were discussed in magazines during the month. Politics was widely treated.

MOTION PICTURES

Feature Films Released

48. Five new feature-length moving pictures were released during the month. All except one were concerned with present day Japanese problems. "Cheerful Girl", produced by Toho, is a light drama which has a black-marketeer as the villain. "Home Again", released by Toho, is a story of a returned soldier. "Morning at the Osone Family", a Shochiku picture, is the story of a family during the later war years. It showed how the Japanese attitude changed from support of the war and its objectives to a complete renunciation. "Yagabond Dandy", produced by Shochiku, is a drama with its scene laid in the early years of the Meiji era. "Man of the Street", released by Daiei, points up the political scheming of industrialists.

Synopses Submitted

49. Nine synopses of proposed screen play features were submitted to SCAP. Three were submitted by Toho, four by Shochiku and two by Daiei. Asashi submitted one humorous short subject and Riken submitted three documentaries. The New Japan Documentary and Educational Film Company submitted the synopsis of their first documentary. Toho submitted a synopsis of an animated cartoon.

Newsreels

50. Newsreels treated the following subjects: the directive abolishing legalized prostitution, wheat flour imported to Japan to offset the food crisis, mass meeting to welcome the Communist leader Sanzo Nosaka, the democratization of education, increase of fares on government railroads, repatriates from Pacific Islands, formation of a Peasants' Union and the new emergency economic measures.

Extension of Theater Hours

51. A conference was held with the distribution managers of the three main chains of theaters. It was agreed that they would permit their theaters to remain open until 10 o'clock in the evening. A larger number of people are now reached through this medium of information dissemination.

Japanese Educational Films

52. A central film exchange was established by SCAP for the purpose of distributing approved American motion pictures to Japanese exhibitors and audiences. Features, documentaries and newsreels are available for distribution.

American feature pictures reappeared on Japanese screens after a four-year absence on 28 February. Two features were scheduled at a number of Tokyo theaters.

Between 15 January and 25 February 44,704 Japanese saw selected American documentary films within a 100 mile radius of Tokyo. Audiences included teachers, students and housewives.

THEATER

Modernized Kabuki Drama

53. During the 350 years of its existence the classical Kabuki

drama has undergone periodic changes in its written and performance techniques. During this month one of these classical dramas was presented with a number of distinctly modern innovations. These included the playing of the woman's role by a woman, the fact that she is not killed but forgiven for her transgression, stage embraces, and a Buddhist monk permitting himself to fall in love. The musical accompaniment of the play is modernized.

Reduction of Theaters

54. The re-introduction of American moving pictures changed the policy of five theaters from stage presentations to moving pictures. Twelve theaters are now presenting plays in Tokyo. Three stage troupes have disbanded because of the scarcity of stages.

Conferences with Theater People

55. At the request of Japanese theater personnel SCAP representatives held conferences at which the present day theater in the United States was discussed. Lectures were given and question and answer periods held. Producers, playwrights, actors, technicians and students, both amateur and professional, have attended these conferences. Among the topics treated were the history of the American wartime theater, theatrical magazines, critics, admission fees and taxes, actor's equity, writers' associations, dramatic schools and university courses.

Plays

56. More than half of the plays performed were of the modern variety. Next in frequency came historical dramas, musicals, Kabuki drama and variety shows. A Japanese language version of Drinkwater's "Abraham Lincoln" was presented by Japanese actors.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 5

February 1946

PART V

KOREA

T A B L E O F C O N T E N T S

	Page
Section 1. Political Activities in Korea	281
Section 2. Economic Activities in Korea	289
Section 3. Social Activities in Korea	297

SECTION 1
POLITICAL ACTIVITIES IN KOREA

C O N T E N T S

	Paragraph
Administration.	1
Regulation of Political Parties	5
Party Activities.	15
Interzone Activities.	21
Foreign Affairs	23
Korean Civil Service.	31
Legal and Judicial Affairs.	32
National Defense and Public Safety.	38

ADMINISTRATION

Governmental Changes

1. By Ordinance No. 48, 13 February 1946, the Bureau of Mining and Industry was redesignated the Bureau of Commerce and the Bureau of Agriculture and Commerce was redesignated the Bureau of Agriculture. The Domestic Commerce Section and the Foreign Commerce Section were transferred to the Bureau of Commerce.

Activities dealing with lumbering and the processing of fish and marine products were transferred to the Bureau of Agriculture. The Finance Sub-Section of the Agricultural Economy Section of the Bureau of Agriculture was transferred to the Bureau of Finance.

2. The Public Information Section of the Secretariat, United States Army Military Government in Korea (USAMGIK), was redesignated the Bureau of Public Information by Ordinance No. 47 effective 23 February 1946.

3. The Korean Economic Advisory Board was created by Ordinance No. 53 effective 2 March 1946. This board provides a representative Korean agency to advise the Military Governor concerning stabilization of the cost of living, fair distribution of essential commodities, curbing of rising prices, prevention of scarcities of consumer goods, development of a coordinated program of production and distribution and the elimination of economic conditions adverse to the welfare of the people of Korea. The board consists of seven members appointed by the Military Governor.

4. The Education Office has been established within the Foreign Affairs Section of the Secretariat. This office will initiate, coordinate and supervise exchanges of educational personnel and information between Korea and other countries and will solicit and administer funds received in Korea and from abroad for foreign education.

REGULATION OF POLITICAL PARTIES

5. A sweeping system of regulating political parties was established by Ordinance No. 55 effective 23 February 1946. It prohibits

any group or organization from conducting secretly any activities which tend to exert political influence. "Political Activity" is defined as activity conducted in the name of any group or organization which involves public discussion or propaganda in any written or oral form or public action tending to influence the laws, the form of government, the selection of office holders or the policy of government.

Registration

6. Any group of three or more persons associated for political activity in any form shall register with the Bureau of Public Information if the activity extends beyond the boundaries of a province or with the office of the provincial governor if it is confined to a province.

7. The registration, to be completed by 28 February 1946, must include the name or designation, symbol of organization and date on which political activity began. A copy of its charter or a declaration of its purpose must be filed. The name and designation of each person holding office or exercising any function or influence in the party other than as a member must be reported.

8. The exact address and description of any places used by the party for offices or meetings must be stated.

Affiliation and Membership

9. Each party must give the name, address and a clear description of the organization of each political party with which it is affiliated or with which it has cooperated in any way within the past 60 days. The number of members of the party and of each subordinate branch must be furnished as well as a separate list of the number of persons who have given financial assistance.

10. No person disqualified by law from holding public office and no alien may be a party member. Secret membership is unlawful.

11. Each political party is required to file and deposit with the governor of the province on or before 31 March 1946 an accurate list of its members residing in each province. The list must be signed and sealed by each member.

12. Persons holding any official position or exercising any function or influence in the party other than as a member shall be jointly and severally held liable in civil and criminal actions for any act in violation of the ordinance.

Party Funds

13. Each party shall maintain accurate accounts available for inspection by representatives of the Bureau of Public Information. Quarterly reports of party finances must be filed with the Bureau of Public Information indicating the name and address of each contributor of funds or other things of value and the amount of the contribution. The actual and ultimate recipient of all disbursements must also be listed. No contribution or direct or indirect financial assistance may lawfully be accepted from any non-party member.

Public Reaction

14. Public reaction to these regulations indicated considerable doubt as to their extent or coverage. Diverse Korean organizations engage in political activity and have other purposes as well. There was a general tendency to give the regulations careful study before indulging in any precipitate action.

PARTY ACTIVITIES

15. The Yenan Independence Alliance, a new political party, was formed in Yenan, China, by the Korean Volunteer Army fighting against the Japanese. After the cessation of hostilities in August 1945 its headquarters were established in Pyong Yang in North Korea. Subsequently they were moved to South Korea. The announced mission of the controlling committee of the party in South Korea is unification of the Korean people. Paik Nam Un, an economist and head of the Korean Academy, is chairman of the committee.

Efforts toward Unification

16. Movements to unify the two major political groupings were without success. The parties generally termed the Right Wing continued to invite those of the Left to participate in the Emergency National Assembly which met during February. These invitations were refused although the leftist group repeated its willingness to join forces with all elements except pro-Japanese and collaborationists.

Emergency National Assembly

17. The Emergency National Assembly, plans for which were completed in January at the Urgent Political Meeting, met on 1 and 2 February. Representatives of all political parties and other groups were invited. Representatives of the People's Party, the Communist Party and the Yenan Independence Alliance were not present.

Dr. Syngman Rhee and Kim Koo were unanimously elected leaders of the people with Dr. Rhee serving as president and Mr. Kim as vice-president. Committees were appointed including a committee of five to call on the leaders of the absent leftist parties with a view to obtaining their participation.

Democratic People's Front

18. The Democratic People's Front held its meetings in Seoul on 15-16 February. Three hundred five members were elected to a Central Council which met on 16 February and elected an Executive Committee of 47 members including four chairmen and nine vice-chairmen. Those selected chairmen were: Lyuh Woon Hyung and Hu Hun of the People's Party; Pak Heun Yung, leader of the Communist Party; and Kim Won Bong of the Provisional Government, Revolutionary Party. Han Bin, vice-chairman of the Yenan Independence Alliance, was chosen as one of the vice-chairmen. The Emergency National Assembly and the Korean Representative Democratic Council were criticized by the Front for their "unrepresentative character".

Representative Democratic Council of South Korea

19. The outstanding political event of the month was the organization of the Representative Democratic Council of South Korea. This representative group of Korean political leaders held its initial meeting on 14 February and elected Dr. Syngman Rhee as permanent chairman and Kim Koo and Kimm Kyu Sik as permanent vice-chairmen.

At the opening meeting, addressed by the Commanding General, USAFIK, the following resolutions were adopted:

"We, the members of the Representative Democratic Council of South Korea, who have been chosen to serve by the various Korean democratic political parties and social organizations, agree to serve and to cooperate in an advisory capacity with the Commanding General, United States Army Forces in Korea, in his effort to prepare for an interim government of Korea.

"We shall coordinate all our activities as such a council and shall devote our efforts in an endeavor to help improve conditions among Korean people and to hasten thereby the realization of Korea's complete independence."

Committees were appointed to study the rice problem and to prepare a draft of a constitution for Korea.

20. Leaders of the Communist Party were invited to participate in the formation of the Council but declined. Lyuh Woon Hyung together with two other members of the People's Party were among the original members of the Council; Lyuh was on the list of speakers for the initial meeting.

On 14 February Lyuh announced his inability to attend and his speech although already prepared was not delivered. As noted above, Lyuh was subsequently elected one of the chairmen of the Democratic People's Front. One of the two other representatives of the People's Party on the Council withdrew along with Lyuh.

INTERZONE ACTIVITIES

United States - Soviet Conference

21. The joint conference between representatives of the United States and Soviet Commands in Korea as required in Paragraph 4, Section III, of the Moscow Communiqué continued until 5 February 1946. In a communiqué issued at the close of the conference, announcement of the following agreements was made:

"A joint agenda was agreed upon and sub-committees were appointed, the principal ones being the economic, administrative and transportation sub-committees.

"The Soviet and United States delegations presented their views and proposals on the items of the joint agenda and agreements were reached on the following items:

- (1) Railroad, motor and coastwise waterborne transportation.
- (2) Movement of Korean citizens between the two zones.
- (3) Exchange of mail between the two zones.
- (4) Radio broadcasting frequencies within Korea.
- (5) The future coordination between the two commands in regard to economic and administrative matters.

"In addition to the above the Soviet and the American delegations exchanged views regarding the exchange of goods, settlement of mutual accounts and release of electric power."

22. Arrangements for the establishment of a joint commission were announced. The text follows:

"The conference of the representatives of the Soviet and American Commands in Korea, called by Paragraph 4, Section III, Korea, of the Communiqué of the Moscow Conference of Ministers of Foreign Affairs, studied the question of establishing the joint commission under Paragraph 2 of the Moscow Communiqué.

"This commission is to help in the establishment of a provisional Korean Government. It was decided that the joint commission will start its work not later than one month after the end of the present conference.

"The commission will consist of 10 men, five from the Soviet Command and five from the United States Command with the necessary advisors and assistants.

"The permanent seat for the work of the commission will be Seoul. The commission will visit Fyong Yang and will travel to other points in Korea.

"The commission will consult with democratic, political and social organizations of both northern and southern Korea."

No announcement has been made of the personnel of the commission.

FOREIGN AFFAIRS

Registration of Koreans Residing in Japan

23. The Supreme Commander instructed the Japanese Government on 17 February 1946 to complete by 18 March registration of all Koreans presently residing in Japan. Registration includes: name, age, sex, place of residence in Korea and Japan, occupation, desire concerning repatriation, and in the case of those desiring repatriation, destination of the repatriate in his native land.

24. The Japanese Government must make clear to the registrant that lack of desire to return to Korea will mean forfeiture of repatriation privileges and that an indication of desire to be repatriated will require that the registrant undergo repatriation as instructed or forfeit the privilege.

Upon completion of registration the Japanese Government is directed to inform the Supreme Commander of the total number of Koreans in Japan and the total number desiring repatriation subdivided into those whose destination is North Korea and South Korea.

Status of Repatriation

25. From 27 January through 17 February 5,441 Japanese were repatriated from South Korea to Japan, 67,229 Koreans from Japan to South Korea, 5,873 Koreans from China and 8,270 from other areas returned to Korea.

26. Liaison teams have been established to aid in the repatriation of Koreans from China and Japan. The teams are composed of American officers working with Korean civilians and are stationed at various locations in Japan and China.

27. Only 6,608 Japanese remained in the American Zone in Korea on 25 February.

Repatriation of Korean Civil Prisoners from Japan

28. The Japanese Government was instructed on 11 February 1946 that no Korean who is held as a civil prisoner in Japan may be repatriated until his term is served and he is duly released. Either SCAP or the Japanese Government has the power to remit the sentence of such persons.

Handling of Chinese Affairs

29. The following division of responsibility for the handling of matters involving Chinese nationals in Korea has been established. Matters of a criminal nature are the responsibility of the police and will be handled at the national level. Questions concerning the

property of Chinese nationals are under the charge of the Property Custodian. Eviction cases are cared for by the provincial police.

Movement of Persons Entering or Leaving Korea

30. Ordinance No. 49 effective 1 March 1946 requires all persons desiring to leave or enter Korea to obtain from the Foreign Affairs Section of the Secretariat a letter of identity which authorizes travel. Persons included in mass repatriation movements and persons who are members of or attached to the armed forces of any of the United Nations and who are travelling on official orders are excepted from the requirements of the ordinance.

KOREAN CIVIL SERVICE

31. A Civil Service Academy has been established for in-service and pre-service training for Korean civilian governmental employees. Department and office heads, assistants and representatives of each civil service department or office will attend the school beginning 4 March 1946. Korean instructors from the department most closely associated with the topic will teach classes in governmental organization and functions, compensation plans and budgeting and payroll procedure.

LEGAL AND JUDICIAL AFFAIRS

Court System

32. On 30 January USAMGIK assumed control of provost courts, hitherto a responsibility of tactical commanders. The Military Governor and Provincial Military Governors were designated appointing authorities. Military Government officers will be appointed as provost courts. Initial review of decisions of these courts is vested in the Provincial Military Governors with the power of final review exercised by the Board of Review through the Bureau of Justice.

Existing provost courts remain available to supplement the Military Government provost courts as necessary. A manual for the guidance of officers serving as provost courts is being prepared by the Provost Court Department of the Bureau of Justice.

Bureau of Justice

33. A two-week test period to measure the degree to which Korean personnel is ready to assume control of the Bureau began on 15 February. During this period all Military Government officers were withdrawn from Bureau operations. Spot checks were made of the efficiency of operations under Korean personnel.

Refresher Courses in Law

34. Preliminary qualifying examinations were administered on 23 February to applicants for refresher training in law. Written examinations will be held in March. The purpose of this course is to train personnel for positions in the Korean judicial system. Enrollment is limited to 100 students who will study for one year. Eligible are: those who have successfully taken the higher civil service examination for judicial administration; those who have passed the Korean Bar Examination; persons who have studied law at an accredited college or university for at least three years and graduates of middle schools who pass the preliminary examinations for the legal refresher course.

Trial of Koreans in Japan

35. New arrangements for the trial of Koreans residing in Japan

were effected by a SCAP directive on 19 February. The Japanese Government was advised that Koreans who have given adequate proof of their intention to return to Korea may have recourse to SCAP for review of criminal sentences passed upon them by Japanese courts.

Such review is permissible only after remedies of the Japanese courts have been reasonably exhausted. The reviewing authority has the power of remission, reduction and suspension of sentences when in his opinion there is evidence of discrimination against the defendant because of nationality.

36. Prison populations in Korea increased 54 percent from 24 December to 10 February. This increase was due to the large backlog of cases which accumulated during the period preceding the reorganization of the court system.

Legislation

37. Legislative action during the month, with effective dates, included:

ORDINANCES

- No. 46, Abolition of Special Criminal Investigating Committee of Korea, 17 February 1946.
- No. 47, Establishment of Bureau of Public Information, 23 February 1946.
- No. 48, Reorganization and Redesignation of Certain Bureaus, 13 February 1946.
- No. 49, Controlling and Recording Movements of Persons entering or leaving Korea, 1 March 1946.
- No. 50, Amendment of Paragraph 2, Section III, Ordinance No. 11, 26 February 1946.
- No. 51, Increasing Fines, 2 March 1946.
- No. 52, Creation of the New Korea Company, Limited, 3 March 1946.
- No. 53, Korean Economic Advisory Board, 2 March 1946.
- No. 54, Transfer of Certain Local Jurisdictions, 31 March 1946.
- No. 55, Regulation of Political Parties, 23 February 1946.
- No. 56, Amendment of Ordinance No. 20, 2 March 1946.
- No. 57, Exchange of Japanese Currency, 21 February 1946.

NATIONAL DEFENSE AND PUBLIC SAFETY

Korean Constabulary

38. Recruitment and training of Korean Constabulary continued.

More than 600,000 items of Japanese Army clothing and equipment valued at ₩ 52,000,000 were sold by the Materials Control Corporation to the Bureau of National Defense for use by the Korean Constabulary.

Korean Coast Guard

39. Recruiting in Seoul for the Korean Coast Guard commenced on 8 February with a resultant strength of 571 officers and men by 16 February. The Coast Guard Academy and Training School at Chinhae is now in operation. Arrangements were made to purchase 10 small marine engines from the Materials Control Corporation to be used in hulka being raised at Chinhae.

Korean Police Force

40. The Korean police started an active campaign against illegal private armies, the illegal possession of arms and other infractions of the law. The civil police are assisting in the rice collection program. Crime was reduced to 25 percent of the peak reached shortly after the cessation of hostilities.

Ten police stations were placed under the direct control of a Korean Superintendent and a Military Superintendent of Police on 1 February. The National Police Academy graduated its third class on 15 February. Training of the fourth class of students commenced on 21 February.

A school for railroad police was opened at Seoul on 24 February. Those admitted for training are all middle school graduates and must be 21-35 years of age. The course is of three weeks duration. Graduates of the school will form a nucleus for the establishment of a highly-trained security and safety force for the rail system.

SECTION 2
ECONOMIC ACTIVITIES IN KOREA

C O N T E N T S

	Paragraph
Agriculture and Forestry.	1
Fertilizer.	7
Fisheries	12
Commerce Industry and Mining.	15
Communications.	25
Transportation.	26
Labor	31
Finance	32

AGRICULTURE AND FORESTRY

1. Collection of adequate supplies of rice to furnish much-needed food to deficit areas constituted the principal agricultural problem in the American Zone. Over-consumption during the winter months was serious, best available estimates indicating that 5.6 hop (one hop equals 0.16 dry quarts) daily per person have been used compared to an average of 2.4 hop estimated as available on the basis of the last crop.

In order to conserve remaining rice supplies and insure minimum adequate distribution to urban and non-farming areas a forced collection program was placed in effect at midnight 31 January 1946, under provisions of Ordinance No. 45.

All manufacture of wine, sake, brandy and rice candy has been prohibited but supplies of rice already stocked by brewers and distillers and unfit for human consumption as food may be used.

2. All local government heads reported the rice available within their areas and the amount that would be required for seed for the next planting. Based on these figures, a ration of .45 suk (one suk equals 5.12 bushels) per person, to last until the next harvest, was established. Farm families will be allowed to retain an amount based upon this ration. All in excess will be seized and paid for at a pre-determined price.

Warehouses have been established at central locations for storage of seized rice until it is redistributed by the provincial governors or, in the case of inter-provincial distribution, by the Provincial Food Service Organizations. These are recently established provincial distribution agencies that have assumed the functions previously carried out by the Korean Commodity Company and its branches.

By 16 February 243,844 suk had been collected.

Vegetable Seeds

3. The Japanese Government was directed to ship immediately

to Korea vegetable seeds in the following amounts: carrot, 1,500 kilograms; cabbage, 5,800 kilograms; Japanese leek, 10,000 kilograms; onion, 2,000 kilograms. Arrangements have been completed for the purchase of hemp seed in surplus areas for distribution in areas that are short.

Requisitions have been forwarded for the shipment of 10,000 tons of seed potatoes from the United States to Korea. Vegetable seeds in limited quantities are being distributed to the provinces.

Sericulture

4. The Korean silk industry is encouraged to develop complete independence of Japanese assistance. The Japanese Government was directed on 2 February to ship to Korea 710,000 Kenmochi, Suzuki, Mizuchi and Mizusawa mulberry seedlings and 3,000 pounds of Zyun Boso mulberry seeds. Areas in which the mulberry may be grown to maturity are being sought. Experiments are being conducted in an effort to develop silkworms which will feed on the castor bean plant rather than mulberry.

All filatures and egg-producing stations in Korea were directed to register with the Bureau of Agriculture which, through the provincial governors, will supervise their operation.

Silkworm eggs received from Japan in December arrived in good condition but recent examination showed that about five percent were diseased. All eggs are being treated with formalin to kill parasitic spores before being dried and packed for shipment to the provinces.

Cotton

5. A National Cotton and Fiber Congress will be held in Seoul on 4 and 5 March. Its purpose is to formulate plans and procedures whereby Korea may develop greater production of cotton textiles. Representatives of cotton mills, waste mills, ginning companies and of the cotton farmers themselves will attend. All phases of the problems from increased yields to modern marketing procedures will be considered.

Adequate supplies of cotton seed are available for the 1945 planting and there will be a substantial surplus of cotton.

Forestry

6. Title to forest lands formerly owned by Japanese in Korea was vested in the Military Government by Ordinance No. 33. As a result 16,000 hectares of experimental forest land formerly owned by Tokyo Imperial University and located in eastern Cholla Namdo Province have been placed at the disposal of Suwon Agricultural and Forestry College.

The widespread cutting of trees by Koreans for fuel has resulted in a loss of 35 percent of the tree growth in South Korea. To stop this spoliation a vigorous educational program stressed the serious threat to the national welfare. Extensive planting of young trees is in progress.

Procurement and allocation of lumber, formerly a function of the Bureau of Mining and Industry (now the Bureau of Commerce), has been assumed by the Forestry Division of the Bureau of Agriculture.

FERTILIZER

7. Consumption of commercial fertilizer in Korea reached its highest level during the period 1937-1941, according to data from the Bureau of Agriculture, USAMGIK. After 1941 consumption declined and by 1944 for each hectare of land in cultivation only 17.8 kilograms of nitrogen and 1.6 kilograms of phosphoric acid were used. The quantity of plant nutrients used in terms of kilograms per hectare of cultivated land in Korea did not approach that of Japan during the three-year period 1935-1937 where consumption was: nitrogen, 41.9 kilograms; phosphoric acid, 38.6 kilograms; and potash, 16.9 kilograms.

AVERAGE ANNUAL CONSUMPTION OF COMMERCIAL FERTILIZER

Year	Average Kilograms Per Hectare of Cultivated Land		
	Nitrogen (N)	Phosphoric Acid (P ₂ O ₅)	Potash (K ₂ O)
1926	2.9	0.9	0.5
1935-1937	22.5	9.2	1.6
1937-1941	27.1	10.5	1.6
1944	17.8	1.6	no data

SOURCE: Bureau of Agriculture, USAMGIK.

8. A major portion of plant nutrients supplied by commercial fertilizers used in Korea is derived from inorganic fertilizers. Estimates are that during the period of maximum consumption 1937-1941, the following percentages of total plant nutrients used in commercial fertilizers were obtained from inorganic sources: nitrogen, 95 percent; phosphoric acid, 96 percent; and potash, 80 percent.

9. During 1937-1941 Korea was more than self-sufficient in the production of nitrogenous fertilizers. Average annual production exceeded consumption by 74,558 metric tons expressed in terms of 20.6 percent ammonium sulphate equivalents.

Average annual consumption of phosphatic fertilizers exceeded production by 95,513 metric tons of 16 percent superphosphate equivalents; consumption of potassic fertilizers exceeded production by 9,567 metric tons of 48 percent potassium sulphate equivalent.

10. Commercial fertilizer requirements for South Korea for the 1945 fertilizer year, 1 August 1945 to 31 July 1946, are estimated to be: ammonium sulphate equivalents (20.6 percent N), 362,995 metric tons; superphosphate equivalents (16 percent P₂O₅), 177,850 metric tons; and potassium sulphate equivalents (48 percent K₂O), 8,779 metric tons.

11. Estimated portions of these requirements that will be supplied from indigenous sources are: ammonium sulphate equivalents, 5,200 metric tons; superphosphate equivalents, 8,985 metric tons; and potassium sulphate equivalents, 243 metric tons. These quantities are only a small fraction of total needs. Most commercial fertilizer production facilities in Korea are located north of the 35th parallel. No movement of commercial fertilizers from North to South Korea occurred between September 1945 and January 1946.

FISHERIES

12. The fishing industry in Korea is a closely-knit and smoothly operating organization. Distribution of fishing equipment and supplies and marketing of the catch are handled by local fishermen's guilds. Responsibility for restoring the operation of canneries, formerly a function of the Bureau of Mining and Industry (now the Bureau of Commerce) has been transferred to the Fisheries Division of the Bureau of Agriculture.

13. The value of the cod catch during the season just closed was reported at approximately ¥ 16,000,000. Over 2,000,000,000 codfish eggs have been planted in Korean waters along the east and south coasts. Catches have exceeded the point of self-sufficiency for South Korea and during February 300 tons of fresh fish were offered to Japan as credit against Japanese goods needed for Korea.

14. Fishing supplies costing in excess of ¥ 5,000,000 were purchased through the Materials Control Corporation. Six heavy trawlers were equipped at Inchon and are now engaged in deep sea fishing.

COMMERCE, INDUSTRY AND MINING

15. Progress was made in putting the industrial capacity of South Korea into operation although necessary raw materials continued to be in short supply. Two gas plants in Seoul were reopened on 8 February and by 15 February sufficient gas was in storage to commence the manufacture of low wattage light bulbs, a highly critical item. The Chosen Tire Industry Company is now producing tires and tubes for trucks, automobiles and bicycles.

Manufacturing

16. Following a survey of the hand and cutting tool situation allocations of these items were made to the San Kong Zak Company and the Chosen Locomotive Manufacturing Company, both of which are engaged in the manufacture of railroad cars. A formal ceremony was held dedicating the first locomotive completed since the cessation of hostilities.

17. The financing plan for the Chosen Machine Manufacturing Company was approved and plans were completed for the production by that company of engines, marine motors, farm tools, steel and iron products. The available stock of 125 tons of aluminum ingots was allocated to the manufacture of pots and pans, pistons, electrical parts and wire.

18. The following industrial and manufacturing plants were opened during the period 1-15 February: the Pon Do Paper Mill, Chunchon; Han Sung Ze Myn (cotton padding), Seoul; Seoul Electric Works (gas and coke), Seoul; the Chosen Fire Brick Industrial Company (fire brick), Mokpo; In-Chun Glass Industrial Factory (glass bottles), Inchon.

19. The Chosen Electric Wire Company in Seoul will be able to operate for a limited time on current stocks of coal. The capacity of this plant is 100 tons of copper wire per month.

20. Textile production was low and skilled operators short, but on 8 February 1,400 looms were operative in the American Zone.

Korean manufacturers have commenced the making of spindle tape, needed in all spinning mills.

21. Sales by the Materials Control Corporation included: 700 bales of cotton to three manufacturers for the production of clothing and household cloth; 100,000 pounds of cotton yarn to industry in the Kaesong area for the manufacture of stockings and cloth; 900,000 yards of confiscated Japanese Army cloth to clothing manufacturers and several tons of scrap leather and shoe forms to shoe manufacturers.

22. The Japanese Government was instructed on 16 February to export to Korea 20,000 rolls 28 mm x 400 mm and 1,500 rolls 28 mm x 3,500 mm of cigarette papers.

The paper shortage is acute. Captured Japanese stocks are being used in the printing of textbooks and Military Government publications.

Mining

23. Rice needed for mining families at Saachok is being delivered after a critical shortage due principally to illegal diversion of several boat loads.

A loan of ¥ 2,000,000 was made to the Tan Yong coal mine for construction work. The Kilwon coal mine has been requisitioned and will be placed in operation as soon as necessary repairs are completed.

An inspection is being made of the flooded Samtona molybdenum mine.

Petroleum

24. Gasoline and kerosene may be purchased upon application to the petroleum allocations officer of the county or city. In farming communities only those farmers who sell their rice at established prices may receive allotments.

In Seoul kerosene is now rationed and consumers are directed to obtain the necessary coupons through their block associations.

COMMUNICATIONS

25. Radio telephone service between Korea and the United States was arranged at conferences between the American Telephone and Telegraph Company and Radio Corporation of America and Korean interests. Installation of equipment is scheduled for June 1946. Initial operation will be by ECA, but it is planned ultimately to employ Korean personnel. A three months' course of instruction was started to train Korean women as operators.

Reciprocal exchange of first class mail was arranged between Russian and American Zones of occupation.

Telephone and telegraph circuits are being examined to determine the feasibility of installing teletype service between Headquarters, USAMGIK, and each of the provincial capitols.

TRANSPORTATION

Rail

25. Inadequacy of coal shipments from Japan intensified the critical shortage of bituminous coal. It became necessary to curtail railway service by 75 percent and to institute a system of priorities for all travel and freight traffic. Top priorities were given shipments necessary to the occupational mission such as rice and other

foodstuffs, coal, military freight, troop and refugee transportation. Railway personnel were instructed to load all trains to maximum capacity.

27. The Japanese Government was directed to ship to Korea three steam locomotives, one electric locomotive and other railroad items comprising a pre-surrender order that had been placed with Japanese manufacturers by the Chosen Railways.

Shipping

28. Coastal shipping facilities were augmented by the addition of four LST's to the eastern coastal run on 14 February. Their primary assignment will be to make one two-way run each month carrying food from the southern ports to the north and coal on their return trip. The ships will return to Japan once every 30 days.

Motor transport

29. The Korean Trucking Company, a Military Government sponsored trucking monopoly, has been disbanded. Its motor vehicles have been turned over to the provincial governments for use principally in rice collection and distribution and to alleviate shortages in public transportation.

The decision to dissolve the company was dictated by the urgent need for additional transportation for Military Government operations in the provinces, and the totally inadequate streetcar and bus facilities in Seoul. Twenty-five trucks formerly operated by the Korean Trucking Company will supplement the transportation system in the capital.

30. Bidding will be opened soon for construction of three new bridges on the Seoul-Fusan highway. This will be the first step toward rehabilitation of the main highway system in Kyunggi Province and the contract will be awarded to Koreans. All highways will be plainly marked in Korean and English.

LABOR

31. To establish forms, techniques and terminology for the registration of employable manpower, conferences were held with representatives of provincial and city governments.

New wage differentials were established on 1 February to permit earnings of civilians employed by the Occupation Forces to be adjusted more nearly in accord with the increased cost of living. The system of basic wages and differentials follows:

- (1) Provinces of Cholla Pukto, Kangwan Do, Chung Chong Pukto, Kyong Sang Pukto:

Type	Basic Daily Wage (yen)	Differential (yen)	Total Daily Wage (yen)
Apprentice	1-2	4-8	5-10
Unskilled	3-5	14-25	17-30
Semi-skilled	6-8	18-27	24-35
Skilled	9 and over	18-27	27 and over

- (2) Provinces of Kyunggi Do, Cholla Namdo, Kyong Sang Namdo, Chung Chong Namdo:

Apprentice	1-2	6-12	7-14
Unskilled	3-5	21-35	24-40
Semi-skilled	6-8	28-40	34-48
Skilled	9 and over	28-40	37 and over

FINANCE

32. During February the Korean staff was placed in charge of the Taxation Section of the Bureau of Finance. It is the policy of the Bureau to refer all problems to the Korean staff for their consideration.

Deposit of Japanese Currency

33. Under the provisions of Ordinance No. 57, 21 February 1946, all natural and juridical persons in South Korea were ordered to deposit in designated financial institutions all notes of the Bank of Japan in denominations of one yen or more, and all notes of the Bank of Taiwan in their possession. The period of deposit is 2 March to 7 March inclusive. After 7 March all persons are prohibited from importing, receiving, paying out, knowingly owning or possessing, or engaging in any transaction in connection with such currency.

The banks of deposit for this operation are: Bank of Chosen, Chosen Industrial Bank, Choehsung Bank, Chosen Commercial Bank, Chosen Trust Company, Chosen Savings Bank and the Federation of Financial Institutions. These banks are ordered to accept subject currency and to hold it in safekeeping separate from any other currency.

The amounts deposited under the ordinance are to be reported immediately after the close of the period of deposit. The banks of deposit are further instructed that there shall be no withdrawals from the accounts so created. Such accounts shall bear no interest and are not transferable, nor may they be used as collateral for any present or future loan or indebtedness.

Tactical troops have been alerted to maintain close coastal and border controls during the period of deposit.

SECTION 3
SOCIAL ACTIVITIES IN KOREA

CONTENTS

	Paragraph
Education.	1
Public Health and Welfare.	8

EDUCATION

1. School attendance is now greater than in 1939 or 1944. On 15 December 1945, 1,722,938 Korean children were in attendance in elementary, secondary and higher schools. In 1939 the total school population was 998,455 Korean and Japanese, and in 1944, 1,555,336. Present estimated school attendance is 30 percent of the population of South Korea between the ages of six and 18 years.

There were 23,872 Korean teachers on 15 December as compared with 20,627 Japanese and Korean teachers in 1939 and 23,778 in 1944.

Educational Institutions

2. Additional educational institutions were opened during the month. Iwa Girls College with a normal student capacity of 870 students and a faculty of 65 instructors reopened on 13 February. The curriculum, limited during the war to home economics and nurses training, now includes instruction in literature, music, physical education, pharmacy, education and art. The course is of six years duration.

Seoul College of Law, the only institution in Korea offering a complete legal education, was reopened on 23 February with a faculty of 15. The Japanese system modified by American methods will be followed. From nearly 2,000 applicants 250 students were chosen for first year training, 100 for second and 50 for third year courses.

A training school for penal officials was opened 22 February.

Elementary Teachers' Music Institute

3. The Elementary Teachers' Music Institute established to introduce modern methods in the teaching of music held its first meetings on 18 February. Under the system eight college music teachers will hold institutes in 20 key cities. To improve methods of instruction in music 200,000 copies of an elementary textbook are being printed.

Normal Schools

4. Seven normal schools were transferred from the control of the Bureau of Education to the control of the provinces in which they are located. These schools will be financed by the Bureau of Education until 31 March 1946 after which they will be supported by provincial funds supplemented by subsidies from the Bureau of Education. Teaching standards and teacher certification will be in accordance with nationally established standards.

Vocational Education

5. Vocational education was expanded by the transfer to the Bureau of Education of certain electrical schools previously operated by electric companies. Part-time employment will be furnished to the students of these schools by the electric companies.

Public and Adult Education

6. The Bureau of Education in conjunction with the Bureau of Public Information is producing skits and plays to stimulate public interest in national and community affairs. Measures to increase interest in adult education include radio broadcasts, news releases and the sending of representatives of the Bureau of Education to the various provinces.

The Bureau of Communications is sponsoring a series of weekly broadcasts in an effort to acquaint the Korean people with the uses and advantages of all types of communications.

Over 250,000 copies of "First Steps in the Korean Language", a new primer, were distributed to book dealers.

Museums and Libraries

7. The National Science Museum in Seoul was opened on 25 February. The Korean National Library in the capitol, closed since July 1945, was reopened under the direction of a Korean librarian and staff. This library is repository for many private collections of rare Korean books and manuscripts in addition to some 20,000 American and European items. The total catalog listing is approximately 315,000.

PUBLIC HEALTH AND WELFARE

8. Smallpox is one of the more serious menaces to the health of the public and the Occupation Forces. During January 1,078 cases were reported from all provinces in South Korea.

Local production of vaccine now exceeds 1,000,000 units per month and this supply is being augmented by additional vaccine from the United States. Free vaccinations for the general public have been instituted and in Seoul over 1,800 persons are being vaccinated daily. Comparative tests carried out in the vaccination of the Korean constabulary indicate an approximate 6-4 potency ratio between United States and Korean-made vaccines.

Typhus, while serious, has not reached the epidemic stage. Typhus serum from the United States is being used in focal areas and all entering repatriates are dusted with DDT powder.

The use of penicillin in the treatment of venereal disease among the civilian population was discontinued owing to a shortage of supplies. Limited substitutes seriously hamper the control program.

Reporting Contagious Diseases

9. Publicity was given the revised system of reporting contagious diseases. Under the Japanese, the police were charged with the responsibility of reporting contagious diseases and it is believed that because of fear of the police many cases were concealed.

These diseases are now reported through the local doctors to public health officials and reports are consolidated at the various governmental levels. American medical personnel, both tactical and Military Government, are instructed to cooperate with civilian public health officials in reporting and controlling contagious diseases.

Expansion of Medical Facilities

10. The leprosarium located on Shrock-to, an island off Cholla Nando, was inspected. Buildings were found in good repair and capable

of accommodating approximately 2,000 lepers.

The bacteriological laboratory in Seoul has been opened for general use by Korean physicians.

The first pharmaceutical capsules ever made in Korea have been produced at the National Chemistry Laboratories by Mr. Lee San Kyen, senior chemist in charge of drug technology.

Medical Training and Registration

11. A Nursing Board Committee consisting of nine persons has been organized to register, examine and license nurses and midwives.

Arrangements have been made for Korean pharmaceutical college students to receive one month's practical training in the Korean National Chemistry Laboratories.

Eighty-one doctors licensed to practice in other countries passed the examination for licenses to practice medicine in Korea.

Headquarters, XXIV Corps, has assigned 23 medical officers to Military Government which will bring the total strength of the Bureau of Public Health to 69 officers. The newly assigned personnel will be distributed throughout the provinces. Two officers from Headquarters will be assigned to orient medical personnel in the field.

Welfare Activities

12. A new emergency individual relief program was instituted in Seoul on 14 February. Ration cards have been issued to 2,869 individuals.

The Seoul City Health Department Maternal and Child Welfare Clinic reports an average of 25 babies examined and treated weekly. The program includes free distribution of prepared milk, home visits and instructional periods in child and pre-natal care.

All refugee welfare societies operating in Seoul have now been incorporated into the city government. Employees of these societies are being placed on the city payroll and personnel are allocated to the various societies in proportion to the number of cases handled.

Reorganization of the Korean Red Cross has been undertaken under direction of American Red Cross officials in Korea. The new organization will be in accordance with the Geneva Convention.

The National Blind and Deaf School at Seoul opened on 21 January. Primary school instruction and occupational training is given handicapped children over six years of age.

外務省記録

リール NO. A - 0081

END

外務省文書課