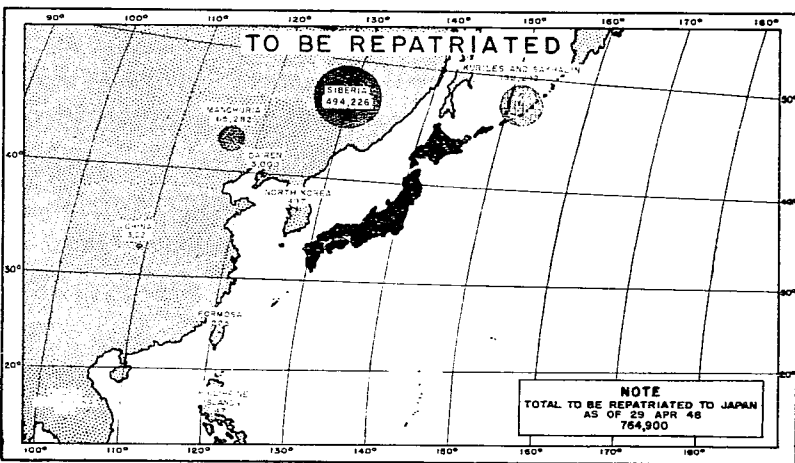
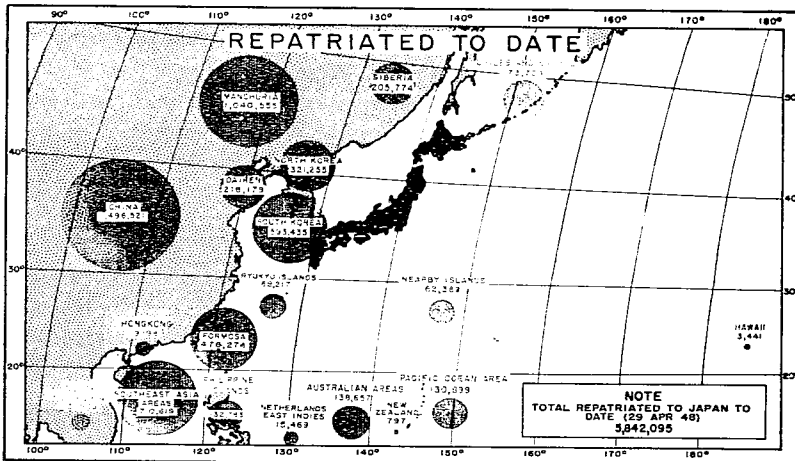
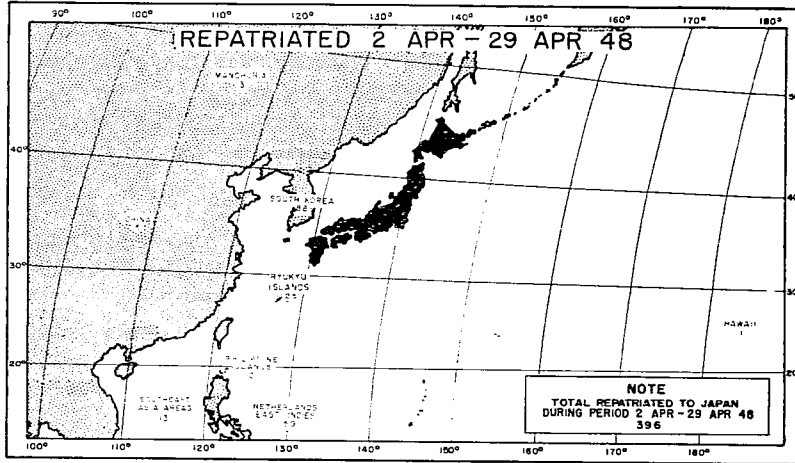


REPATRIATION TO JAPAN

STATUS AS OF 29 APRIL 1948



NOTE: AREAS OF RED CIRCLES ARE PROPORTIONAL TO INDICATED NUMBERS OF REPATRIATES.
GHO - SCAP JAPAN - APR 48 NUMBER 96

0633

Infant deaths declined from 20,777 in January to 19,630 in February. The infant death rate per 1,000 live births was 75.4 compared with 66.0 in January. The median February rate for the five-year period 1938 to 1942 was 116.6 per 1,000 live births.

Stillbirths numbered 12,171 in February, a decline of 115 from the preceding month. The rate per 1,000 live births increased from 39.0 in January to 46.7. The median February rate for the seven-year period 1935 to 1941 was 46.7 per 1,000 live births.

There were 94,967 marriages in February, an increase of 24,140 over the January total. The rate increased from 10.7 per 1,000 population per annum to 15.3, the highest rate recorded in February. The median February rate for the seven-year period 1932 to 1938 was 9.7 per 1,000 population per annum.

Divorces in February increased more than 65 percent from 3,793 in January to 6,265. The rate was 1.0 per 1,000 population per annum compared with 0.6 in January. The median February rate for the period 1932 to 1938 was 0.8 per 1,000 population per annum. See the chart opposite.

38. The following nine diseases accounted for 51,859 deaths, of 58 percent of all deaths in February.

DEATHS DUE TO DISEASE
February

	<u>Deaths</u>	<u>Rate/100,000</u> <u>Population/Annum</u>
Tuberculosis, all types	11,019	178.1
Intracranial lesions of vascular origin	9,453	152.8
Pneumonia, all types	7,667	123.9
Congenital debility	5,184	83.8
Heart diseases	4,728	76.4
Cancer and other malignant tumors	4,020	65.0
Bronchitis	3,511	56.7
Nephritis	3,460	55.9
Diarrhea, enteritis and ulcera- tion of the intestines of infants under two years of age	2,817	45.5

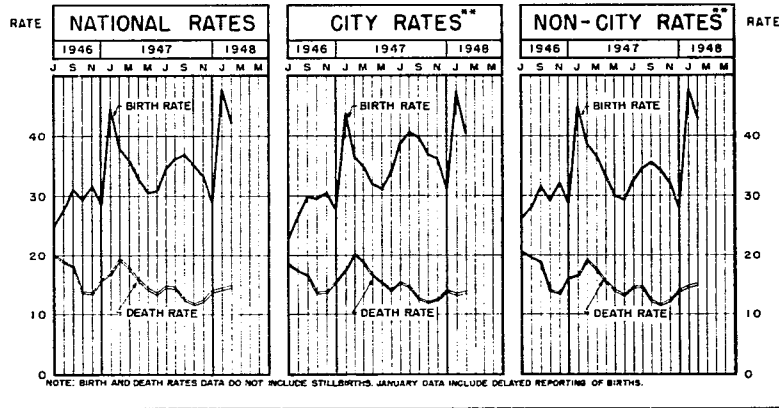
SOURCE: Ministry of Welfare.

VITAL STATISTICS

MONTHLY SINCE JULY 1946

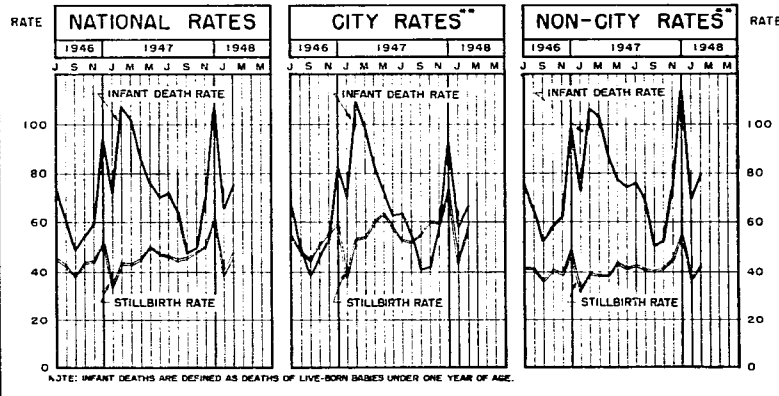
BIRTH AND DEATH RATES

RATE / 1,000 POPULATION / ANNUM*



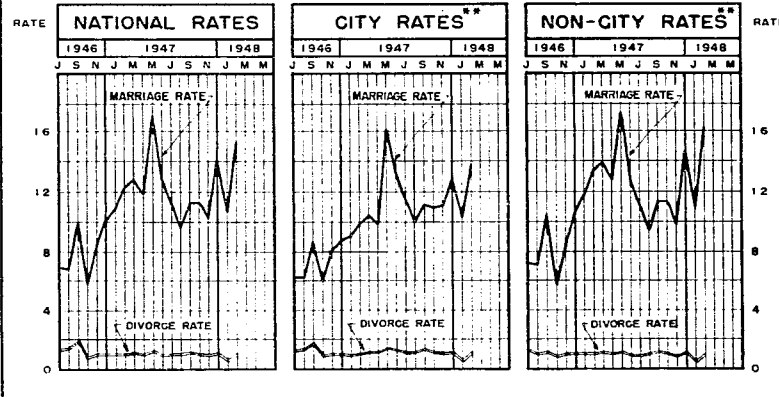
INFANT DEATH AND STILLBIRTH RATES

RATE / 1,000 LIVE BIRTHS



MARRIAGE AND DIVORCE RATES

RATE / 1,000 POPULATION / ANNUM*



* RATES PRIOR TO 1948 BASED ON ESTIMATED POPULATION FIGURES. 1948 RATES BASED ON CENSUS OF OCTOBER 1947.
 ** CITIES (SHI) ARE POLITICAL UNITS DEFINED UNDER JAPANESE LAW AND IN GENERAL INCLUDE ALL CITIES AND TOWNS OF MORE THAN 30,000 POPULATION.

SOURCE: CABINET BUREAU OF STATISTICS.
 GHQ-SCAP

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SECTION 2

EDUCATION, RELIGION, CULTURAL RESOURCES AND MEDIA OF EXPRESSION

C O N T E N T S

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EDUCATION

Administration and Finance

1. The Cabinet 3 April approved Supplementary Budget No. 1 of the General Account, appropriating ¥ 647,000,000 for continued construction of new lower secondary school buildings in April. On 5 April the House of Councillors unanimously approved the budget.

2. The Ministry of Education announced that sheet glass would be sold to schools at the wholesale price instead of the retail price from 1 April, saving the schools more than ¥ 100,000,000 for the year. In addition about 120,000 cases of ordinary glass will be allocated to schools. Through the cooperation of the Economic Stabilization Board, 2,000 tons of cement will be released and distributed to schools.

3. A committee of architects and officials of the Ministry of Education published a Handbook on Elementary School Buildings for the use of school officials throughout the country.

Korean School Dispute

4. Koreans, in opposition to a Ministry of Education notification dated 24 January informing prefectural governors that the School Education Law and other Japanese education regulations applied to Korean schools, that Korean children must attend approved public or private schools meeting legal standards and that teachers of schools educating Koreans are subject to screening under Government Ordinance No. 62, 1946, staged demonstrations at Osaka and Kobe.

The League of Koreans Residing in Japan reopened negotiations late in April with the Ministry of Education to establish private Korean schools within the framework of Japanese educational law.

Elementary Education

5. The Ministry of Education established two important committees to develop materials and to study problems related to language arts and child guidance for teachers in elementary schools. Sponsored by the Ministry of Education, these committees include college and university professors, elementary school teachers and principals. The Ministry completed plans for a series of nationwide conferences from June through July to introduce these materials in language arts and child guidance.

6. The Education Office of Tokyo-to sponsored an exhibit on social studies materials during the first week of April. The relationship to other subjects in the curriculum was emphasized with use of maps, graphs, children's letters and stories illustrating language phases of the work.

Secondary Education

7. A report on the nationwide survey of new lower secondary schools made by the All-Japan Teachers' Union during the last half of 1947 showed that 12,123 new lower secondary schools had been established, only 1,900 of which were occupying their own buildings. The union anticipated an additional enrollment of approximately 1,300,000 students in 1948-49, bringing the total enrollment to nearly 4,500,000 students.

The number of lower secondary school teachers was reported as 102,884 with the largest age group between 20 and 29. It was estimated that if the legal standard of a maximum of 40 pupils per class were rigidly maintained, there would be required more than double the present number of teachers and more than 90,000 additional classrooms.

8. The Ministry of Education in April established a committee composed of teachers, prefectural school officials and representatives of the Bureau of School Education to develop a Handbook on Secondary School Administration. To facilitate frequent meetings, representation was obtained from prefectures near Tokyo which include a wide variety of community patterns, industrial and agricultural, wealthy and poor, integrated and isolated.

9. The Ministry of Education adopted standard English terminologies of "new lower secondary school" and "new upper secondary school" for the secondary units of the 6-3-3-4 system.

10. A list of criteria for the evaluation of mathematics textbooks submitted by private authors was developed for the Textbook Authorization Committee. The standards emphasize the practical and functional uses of mathematics and consider the aims of mathematics from a social as well as a technical point of view.

11. The second part of the textbook, "Human Geography," was completed by a professor of Tokyo National University. It contains 10 chapters dealing with production, distribution and utilization of such chief products involved in man's economic life as cotton, silk, wool products, coal, petroleum, hydroelectric power, iron and steel and fertilizer. One chapter is devoted to world trade.

12. The Ministry of Education issued a statement 5 April to prefectural governors clarifying the policy on transfer of students from private to new public upper secondary schools, stipulating that it was the right of students and their parents to determine the type of school and that school authorities must comply with regulations to forward student records.

13. The Ministry announced 28 March that night-time new upper secondary schools will continue to accept pupils from the eighth grade until the beginning of the 1949-50 school year, when the ninth year will be made compulsory.

Higher Education

14. The Ministry of Education sponsored regional conferences on problems in higher education 23 March - 8 April at Nishinomiya, Kyoto, Okayama, Hiroshima and Yamaguchi. The newly established

four-year institution, problems of expansion, consolidation and control were discussed.

15. Directors of normal schools and youth normal schools met in Tokyo for a three-day annual conference 27, 29 and 30 March. Under the sponsorship of the Ministry of Education and the Japan Association of Normal School Directors, problems of administrative reorganization and consolidation, curriculum revision and training programs were discussed.

16. At a meeting 30 March the Minimum Standards Committee of the Japanese University Accreditation Association approved standards for the pre-medical curriculum, providing a minimum of two years training and 60 credits, with stipulated requirements in the natural sciences, social sciences and humanities. The medical course will require four additional years of training.

17. Officials of Hosei University, a private higher institution located in Tokyo, reported that its recently instituted correspondence course law subjects had received an enthusiastic response with 3,918 students enrolled.

Adult Education

18. Three-day conferences on adult education, sponsored by the Ministry of Education, began 20 April and are scheduled to run through July. At least two conferences are to be held in each prefecture. Reference materials prepared by the Ministry were furnished to prefectural offices, while delegates will be supplied with previously published materials on democratic organizations, radio listener groups, the meaning of democracy, university standards and pertinent school administration problems. The conferences will be open to representatives of Parent-Teacher Associations, women's and youth organizations, religious, medical and athletic groups, labor unions, schools, managers of Citizens' Public Halls, libraries, radio officials, newspaper agencies, community leaders and prefectural authorities. Documentary films and pictorial exhibits will be utilized in the conferences.

19. The first of a series of guidebooks for correspondence education at the secondary school levels was developed by the Textbook Bureau of the Ministry of Education.

The Education Research Institute of the Ministry published the first unit of a correspondence course for teachers in the field of guidance and evaluation of learning in the elementary school to supplement the initial course in educational psychology.

20. Local interest in correspondence education was indicated when the Fukushima Prefectural Assembly voted supplementary funds in April to meet increased demands for such education. Applications were received from more than 1,200 students in Fukushima Prefecture.

The Yamagata Prefectural Assembly voted a budget of ¥ 2,700,000 for long-term lecture courses for out-of-school youths and adults. The program will include both cultural and vocational subjects and will be conducted in Citizens' Public Halls and secondary schools.

Vocational Education

21. Copies of the third and fourth volumes of the series of vocational information pamphlets, published by the Japan Vocational Guidance Association, were printed during April for distribution to secondary schools. Entitled "Those Who Work in the Mines" and

"Workers in the Iron and Steel Industry," they were prepared with the cooperation of many coal and iron corporations and industries as well as bureaus, the Ministry of Labor and the Economic Stabilization Board. A list of reference materials for further study is included.

22. The Committee on the Revision of Textbooks for Commercial Courses in Lower Secondary Schools held a conference 9 April attended by commercial school principals and teachers, representatives of business firms, chambers of commerce and the Textbook Bureau of the Ministry of Education. Subjects discussed included objectives of commercial courses, special need in urban and rural communities, the problem of local publication of texts and the designation of bookkeeping as the central subject in commercial education at the lower secondary level.

23. Over 300 education officials, principals and teachers of vocational schools and other educational institutions in Kagawa Prefecture and the surrounding area participated in a vocational education conference held at Takamatsu 29 March under the sponsorship of the Education Section of the Kagawa Prefectural Government.

24. The Commercial Education Research Committee, established by the Ministry of Education in April, completed a survey of business arithmetic skills and requirements of clerical workers in the Tokyo area. Skills in computation and in calculation were determined as the most important needs.

Audio-visual Education

25. Fifty 16mm moving picture projectors have been made available to Hokkaido and Tokai-Hokuriku in connection with regional and prefectural film library services being established throughout Japan. The Ministry of Education is assisting regional and prefectural organizations by granting financial aid and by promoting basic training conferences. The series of conferences opening 20 April is to continue till the middle of May, with 14 meetings at Saga, Beppu, Yamaguchi, Takamatsu, Hara, Kyoto, Kanazawa and Nagoya.

26. The Okayama prefectural assembly gave ¥ 1,600,000 for film library services while the Kure and Hiroshima city governments offered to furnish two regional centers containing film libraries and to bear all costs of operation.

A program of film production to be administered by educational officials was initiated to provide a steady flow of educational materials on democratic living.

Libraries

27. The recently established National Diet Library was moved to the Akasaka Detached Palace in Tokyo pending opening 3 May. Eighty thousand volumes from the former libraries of the House of Councillors and the Lower House were placed in stacks in the former palace banquet hall.

28. Construction began on the first postwar library in Japan, the Miyagi Prefectural Library in Sendai. Of a semi-oriental style with 14,400 square feet of floor space, the library will house 300,000 volumes. Cost of the building, ¥ 5,000,000, will be shared equally by the prefectural government and private donors.

Textbooks

29. The Ministry of Education appointed a temporary committee

to nominate individuals to serve on the proposed Textbook Authorization Committee. At a meeting 26 March the temporary committee set up three main categories for selection of members: scholars and representatives of learned societies; teachers, two each from elementary, lower secondary and upper secondary levels; and publishers, representatives of Parent-Teacher Associations and other related groups.

30. The first of a series of conferences to acquaint appropriate officials and others concerned with the new textbook authorization system opened in Nagoya 16 April. In a handbook published to explain the plan in detail the Ministry of Education stated that the Bureau of Textbooks will no longer compile textbooks for a grade and subject after a textbook of a private publisher has been approved for use in that grade and subject. The Ministry of Education took steps to facilitate publishers' and authors' compilation of textbooks in terms of minimum standards and to cease textbook compilation as soon as a satisfactory text in any subject at any grade level is provided by private means.

31. As of 15 April the Ministry of Education had authorized the printing of 94,650,553 copies of textbooks for all school levels, including vocational texts and courses of study for the 1948-49 school year. Of the authorized number 71,208,769 had been printed as of 15 April and 65,490,634 had been distributed to schools.

PRINTING OF TEXTBOOKS																																																						
FOR 1948-1949 SCHOOL YEAR* STATUS AS OF 15 APRIL 1948																																																						
SCHOOL LEVEL	SUBJECT	TITLES	MILLIONS OF TEXTBOOKS																																																			
			0	1	2	3	4	5	6	7	8	9	10																																									
ELEMENTARY [GRADES 1-6]	JAPANESE READING	8	[Bar chart showing 8 million titles]																																																			
	ARITHMETIC	6	[Bar chart showing 6 million titles]																																																			
	SOCIAL STUDIES	5	[Bar chart showing 5 million titles]																																																			
	MUSIC	6	[Bar chart showing 6 million titles]																																																			
	SCIENCE	4	[Bar chart showing 4 million titles]																																																			
LOWER SECONDARY [GRADES 7-9]	SCIENCE	6	[Bar chart showing 6 million titles]																																																			
	SOCIAL STUDIES	6	[Bar chart showing 6 million titles]																																																			
	JAPANESE READING	5	[Bar chart showing 5 million titles]																																																			
	VOCATIONAL	14	[Bar chart showing 14 million titles]																																																			
	MATHEMATICS	3	[Bar chart showing 3 million titles]																																																			
	ENGLISH READING	3	[Bar chart showing 3 million titles]																																																			
	MUSIC	3	[Bar chart showing 3 million titles]																																																			
	JAPANESE GRAMMAR	2	[Bar chart showing 2 million titles]																																																			
	PRACTICAL ARTS	3	[Bar chart showing 3 million titles]																																																			
	GALLIGRAPHY	3	[Bar chart showing 3 million titles]																																																			
HIGHER SECONDARY [GRADES 10-12]	MUSIC	3	[Bar chart showing 3 million titles]																																																			
	VOCATIONAL	155	[Bar chart showing 155 million titles]																																																			
	HOMEMAKING	4	[Bar chart showing 4 million titles]																																																			
	ENGLISH READING	5	[Bar chart showing 5 million titles]																																																			
	CHINESE CLASSICS	2	[Bar chart showing 2 million titles]																																																			
TEACHERS' AIDS	SCIENCE	4	[Bar chart showing 4 million titles]																																																			
	COURSES OF STUDY ETC.	18	[Bar chart showing 18 million titles]																																																			
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SOURCE: MINISTRY OF EDUCATION, SHO - SCAP																																																						
JAPAN - APR 48																																																						
NUMBER 88																																																						

Organizations and Youth Activities

32. The second national convention of the Association of University Women (Daigaku Fujin Kyokai) was held in Tokyo 4-5 April

with 62 delegates from 20 branches attending. Amendments to the constitution of the organization were approved, a national scholarship fund was established, seven national projects for the coming year's program were adopted and new officers were elected. Projects selected for study included national scholarship, international relations, professions for women, the new upper secondary school, the new university, teacher training and coeducation.

33. A conference of 530 prefectural youth association officers and members was held in Kofu, Yamanashi Prefecture, 25-26 March. The following characteristics of democratic youth groups were discussed: the development of interest or hobby groups, the importance of varied and well defined programs and qualified leadership, the use of small groups as laboratories for experiments in democracy and citizenship and perpetuation of international understanding.

Similar conferences were held in Fukuoka, Kumamoto, Oita, Nagasaki and other cities.

Educational Publications

34. The Bureau of Physical Education issued a quarterly report 1 April on student welfare, covering a resume of the establishment of the Student Welfare Committee, an address of the chief of the Physical Education Bureau at the Committee's first general meeting, a report on the plans of the Students' Dining Room Union and a brief sketch of living condition of German students after World War I.

35. The Bureau of Social Education 7 April issued Social Education News No. 19, including discussions of regional Citizens' Public Halls conferences, the Ministry of Education motion picture prize for 1947, workers' education, survey of museums and cultural institutions, the Japan Federation of Youth Organizations conference, and distribution of financial grants by the Ministry to prefectural governors for the National Movement for the Establishment of a New Japan.

36. The Ministry of Education sent its News Letter No. 11 to all screening committees. Devoted to information, clarification and instruction regarding the screening program, the issue included such topics as retention and disposition of screening questionnaires by prefectural governments, screening of third-class officials, clarification of the terms "career soldiers and sailors," procedure for rescreening appeal cases and status of screening committees for the fiscal year 1948.

Language Simplification

37. Continuing its program to determine the literacy of the Japanese people, the Education Research Institute of the Ministry of Education appointed a group of scholars to be assisted by newspaper and government representatives to plan a general reading and writing test. Scholars from six regions, Hokkaido, Tohoku, Kanto, Kansai, Chugoku-Shikoku and Kyushu, were charged with administration of the survey. With plans for the survey to be completed in May, a general test throughout the country on a sample cross section of the population totaling about 15,000 individuals is scheduled to be carried out in July and August. The proposed tests, requiring approximately 50 minutes to answer, will test the person's ability to read and write Chinese characters and kana syllabary and his vocabulary and comprehension.

RELIGION

Christian Missions

38. A Christian Rural Service Center of Tokyo was dedicated 14 April by the Rural Committee of the Church of Christ in Japan. The Center, covering 27 acres of farm and forest land, was established to conduct research training of rural Christian workers to promote regional Christian centers and rural gospel schools, to encourage study of agricultural methods and to build up leadership for a cooperative rural society.

39. The Tokyo School of the Japanese Language, to be operated by the Institute for Research in Linguistic Culture, was opened on 12 April. The first class was composed almost entirely of Christian missionaries.

40. A representative of the China's Children's Fund, Inc., arrived in Japan 15 April to inspect several of the organization's orphanages and children's homes.

Shinto Activities

41. The Tenrikyo Shinto sect reported that of a total of 1,752 war-damaged churches, 486 were restored, 533 relocated and 66 under construction. Adherents to the sect are contributing both labor and materials for the reconstruction program.

42. On 22 April the Ministries of Education and Finance issued a joint notification prohibiting the cutting of trees on state-owned precincts of shrines and temples unless permission is obtained from prefectural governors. Retroactive to 16 August 1946 the notification provided for penalties of returning to the State money received in cases of innocent cutting and criminal prosecution in other cases.

Buddhist Activities

43. The 450th anniversary of the death of the Buddhist Saint Hannyo, who revived the Jodo Shin Sect of Buddhism in the 15th century and is revered second only to Saint Shinran, the sect's founder, was celebrated throughout Japan by Nishi Honganji temples from 10-17 April. The main commemorative service, held at the head temple in Kyoto 11 April, was attended by nearly 500,000 pilgrims from all parts of Japan.

CULTURAL RESOURCES

Exhibitions

44. A comprehensive Japanese art exhibition opened 1 April to run for two months at the National Museum in Tokyo. It is considered by Japanese experts to be the best exhibition of Japanese art ever held in Japan. Exhibits are displayed by period rather than type, are fully labeled and explained and include extensive borrowings from private holdings.

45. During April the Japanese held 11 exhibitions of Western painting, six of Japanese painting, one each of sculpture and wood-block prints and five miscellaneous exhibitions including applied art and flower arrangement. Of these the Hokusai wood-block exhibit in Tokyo was the most outstanding.

Budget for Cultural and Historic Items

46. The Ministry of Finance during April approved a budget

allocating ¥ 4,500,000 for repairs to Horyuji Temple in Nara Prefecture, ¥ 10,000,000 to other national treasure structures, ¥ 1,200,000 to national treasure objects, ¥ 1,450,000 for preservation of registered historic sites, scenic spots and natural history preserves.

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PUBLIC OPINION

47. The series of publications on public opinion research, which has grown rapidly since the surrender, is beginning to form the basis for a Japanese literature on public opinion.

Two national conferences on public opinion have been held in Tokyo since the end of the war with discussions on field procedures, principles of interviewing, sample problems and many other features of public opinion research. A third national conference has been scheduled for 1948 by the Japan Public Opinion Society. Approximately 20 newspapers participated in a conference of provincial newspapers on public opinion methods held under the sponsorship of Jiji News Agency Public Opinion Room.

48. Media for publication of the public opinion survey results vary according to the agencies with some publishing their own reports and others releasing their surveys to newspapers and magazines or preparing special pamphlets. There is no syndication or copyrighting of public opinion survey results.

Seventy organizations are engaged in public opinion research in Japan although considerable variation exists in the amount of their activity.

Japan Public Opinion Society

49. The central organization in the field of public opinion is the newly formed Japan Public Opinion Society composed of persons engaged or interested in public opinion and related types of research. The Society is arranging regular monthly technical discussion meetings of Tokyo agencies, a national conference and the publication of a magazine similar to the American Public Opinion Quarterly. The Society is considering the setting up of standards for Japanese public opinion agencies and the evaluation of important published surveys.

Government Public Opinion Research

50. The Cabinet Deliberation Room, Public Opinion Unit, the one government public opinion agency, has completed several preliminary surveys and a national survey on the proposed reorganization of the national holiday system. The group is working on plans for the reorganization of government public opinion polling.

News Agencies

51. The two main news agencies, Kyodo and Jiji, each have a public opinion room. Jiji, the more active agency, has conducted regular surveys on a national cross section of the population at the rate of three to four per month on highly specific inquiries and broad surveys of trends using methods of direct interviews and area sampling.

The Kyodo News Agency conducts occasional surveys on a wide range of subject matter, using fill-in questionnaires rather than direct interviewing.

Public Opinion Research Institutes

52. Approximately 11 public opinion research institutes are devoted exclusively to public opinion surveys. The most important are:

- (1) Yoron Kagaku Kyokai (Public Opinion Science Association), Tokyo, whose operations are confined to the Tokyo and Kanto areas although occasional surveys of a larger scope have been made, utilizes area sampling devices and direct interviews. A wide range of subject matter from political polls to attitudes of laborers and farmers is covered.
- (2) Nagasue Yoron Kenkyujo (Nagasue Public Opinion Research Institute), Kyoto, operates primarily in the Kyoto area with occasional surveys of wider areas. In the 1947 elections it predicted, within a narrow margin of error, the outcome of the mayoralty elections in Kyoto. The Agency publishes a regular monthly magazine, Seron to Keizai (Public Opinion and Economics).
- (3) Osaka Yoron Chosa Kenkyujo (Osaka Public Opinion Survey Research Institute), Osaka, is active in a wide variety of fields, including market research and opinion polls. In the 1947 elections it accurately predicted results of the Osaka mayoralty elections but was less successful in the gubernatorial prediction. It publishes its own house organ, the Osaka Yoron Ho (Osaka Public Opinion Reports), as a channel for the dissemination of survey results.
- (4) Yoron Chosa Kenkyujo (Public Opinion Survey Research Institute), Tokyo, although not as active as the others, emphasizes studies on a national scale.
- (5) Hokuriku Yoron Chosa Kenkyujo (Hokuriku Public Opinion Survey Research Institute), Fukui City, concentrates on surveys of local interest. The Hokuriku Yoron (Hokuriku Public Opinion) is published.

Minor agencies are Nippon Yoron Chosakai (Japan Public Opinion Survey Association), Tokyo; Nippon Yoron Kenkyujo (Japan Public Opinion Research Institute), Tokyo; Kyushu Yoron Kenkyujo (Kyushu Public Opinion Research Institute); Yoron Chosa Kenkyujo

(Public Opinion Survey Research Institute), Shiga; Nagoya Yoron Kenkyujo (Nagoya Public Opinion Research Institute); Saitama Yoron Chosakai (Saitama Public Opinion Survey Association).

General Research Institutes

53. Public opinion work is carried on by a number of general research institutes as an incidental part of their activities. These include Chosen Bunka Kyoikukai (Korean Culture Education Association), Hirano Sangyo Keizai Kenkyujo (Hirano Industrial Economics Research Institute), Sangyo Rodo Chosakyoku (Industrial Labor Survey Bureau) and Kyushu Keizai Chosakyokai (Kyushu Economics Survey Association).

Student Groups

54. Of the public opinion groups composed of college and university students, the most active ones are the Tokyo and Meiji University groups and the Kyoto Yoron Chosa Kenkyujo (Kyoto Public Opinion Survey Research Institute). The latter group includes students from all the universities of the Kyoto area. Other groups include: Osaka-Kobe Gakusei Renmei (Osaka-Kobe Students' League), Keio Daigaku Yoron Kenkyukai (Keio University Public Opinion Research Society), Hosei Daigaku Yoron Kenkyukai (Hosei University Public Opinion Society), Joshi Daigaku Public Opinion Club and Meiji Daigaku (Women's Section) Public Opinion Research Society.

Newspapers

55. Approximately 39 newspapers engage in public opinion sampling activity, ranging from occasional irregular surveys to periodic samplings of public opinion. They vary technically from agencies such as Asahi with its national staff, area sampling, direct interviews, and careful staff planning, to small provincial papers with haphazard sampling.

The Tokyo metropolitan dailies, Asahi and Mainichi, have large staffs available for public opinion work in every prefecture and have three main branches in Tokyo, Osaka and Kyushu. Occasionally the branch offices conduct surveys of local interest but their principal function is to arrange the local aspects of national surveys.

Opinion sampling by Yomiuri and Nihon Keizai rely to a considerable extent on sampling the opinion of their own readers. Tokyo Shimbun recently contracted the Yoron Kagaku Kyokai to aid in their public opinion surveys.

The principal provincial newspapers active in public opinion work on local problems are Kyoto Shimbun; Hokkoku Mainichi, Hokkaido; Nishi Nippon, Fukuoka; Kochi Shimbun; Chubu Nippon, Nagoya; and Shin Oita. A great volume of materials of local interest has been prepared by these groups.

Public opinion activity is also carried on by the following newspapers: Bocho, Yamaguchi; Fukui Shimbun; Godo, Okayama; Gifu Times; Hyuga Nichinichi, Miyazaki; Ise Shimbun; Kanagawa, Yokohama; Kita Nippon, Toyama; Kumamoto Nichinichi; Nara Mainichi; Oita Godo; Osaka Shimbun; Saitama Shimbun, Urawa; Shiga Shimbun, Otsu; Shinano Mainichi, Nagano; Shin Iwate, Morioka; Tokushima Shimbun; Yamanashi Nichinichi, Kofu; Yukan, Okayama; Yukan, Mie; Yukan, Niigata; Jomo Shimbun, Gumma; Saga Shimbun; Niigata Nippo.

Major Surveys Conducted During April

56. A survey of public attitudes toward coeducation in Kyoto Lower Secondary Schools conducted by Nagasue Public Opinion Research Institute, Kyoto, showed that of a sample of 500, percentages for support and nonsupport of coeducation were about equal, with 28 percent undecided, and that men rather than women, persons of higher educational levels and young people favored coeducation.

RESPONDENTS' ATTITUDES TOWARD COEDUCATION

<u>Response</u>	<u>Percent of Total</u>		
	<u>Men Respondents</u>	<u>Women Respondents</u>	<u>All Respondents</u>
Support Coeducation	43	30	36
Oppose Coeducation	27	43	36
Don't know	<u>30</u>	<u>27</u>	<u>28</u>
Total	100	100	100

RESPONSES CLASSIFIED ACCORDING TO
RESPONDENTS' SEX AND EDUCATIONAL BACKGROUND

<u>Educational Background and Sex</u>	<u>Percent of Total</u>			
	<u>Support Coeducation</u>	<u>Oppose Coeducation</u>	<u>Don't Know</u>	<u>Total</u>
Higher School				
Men	56	15	29	100
Women	53	27	20	100
Men and women	55	17	28	100
Secondary School				
Men	50	26	24	100
Women	45	31	24	100
Men and women	47	29	24	100
Primary School				
Men	27	37	36	100
Women	13	58	29	100
Men and women	19	49	32	100

RESPONSES CLASSIFIED ACCORDING TO
TO RESPONDENTS' AGE GROUP AND SEX

<u>Age Group and Sex</u>	<u>Percent of Total</u>			
	<u>Support Coeducation</u>	<u>Oppose Coeducation</u>	<u>Don't Know</u>	<u>Total</u>
20 - 29				
Men	52	20	28	100
Women	48	28	24	100
Men and women	50	25	25	100
30 - 39				
Men	54	21	25	100
Women	31	38	31	100
Men and women	41	31	28	100

<u>Age Grade and Sex</u>	<u>Percent of Total</u>			<u>Total</u>
	<u>Support Coeduca- tion</u>	<u>Oppose Coeduca- tion</u>	<u>Don't Know</u>	
40 - 49				
Men	36	24	40	100
Women	27	49	24	100
Men and women	32	37	31	100
50 - 59				
Men	32	42	26	100
Women	8	60	32	100
Men and women	20	51	29	100
60 and over				
Men	24	48	28	100
Women	9	62	29	100
Men and women	17	55	28	100

57. A survey by the Nagasue Public Opinion Research Institute, Kyoto, disclosed that of a sample of 500, current proposals for reducing the number of government workers drew a plurality of support in Kyoto, but 38 percent of the respondents were undecided.

58. A survey of the attitudes of a sample of 500 residents of Fukui and Ishikawa Prefectures toward various political problems, conducted by the Hokuriku Public Opinion Research Institute, Fukui, showed that the respondents were split on the confidence in the Central Screening Committee, that a great majority favored transfer of the Committee from the Cabinet to the Supreme Court, and that the Liberal Party had the largest proportion of supporters.

**ATTITUDE TOWARD THE
CENTRAL SCREENING COMMITTEE**

<u>Attitude</u>	<u>Percent Of Total Respondents</u>
Have confidence	40
Do not have confidence	50
Don't know	<u>10</u>
Total	100

**ATTITUDE TOWARD THE LOCATION OF
THE CENTRAL SCREENING COMMITTEE**

<u>Attitude</u>	<u>Percent Of Total Respondents</u>
Its present location in the Cabinet is all right	11
It should be separated from the Cabinet and attached to the Supreme Court	79
Don't know	<u>10</u>
Total	100

POLITICAL PARTY SUPPORT

<u>Political Party Supported</u>	<u>Percent Of Total Respondents</u>
Liberal	35
Social Democratic	25
Democratic	23
Communist	8
People's Cooperative	1
Farmers	1
New Labor-farmer	1
Independent	<u>6</u>
Total	100

59. The Nagasue Public Opinion Research Institute, Kyoto, conducted a survey of a 500 sample cross section of the Kyoto public on receipt of the revised taxation estimates. The results showed that 42 percent had received a tax revision, 43 percent had not and 15 percent were uncertain. The sharp difference among occupational groups as well as among income groups were determining factors.

RECEIPT OF TAX REVISION BY OCCUPATION GROUP
Percentage Breakdown of Responses by Occupation
(males)

<u>Response</u>	<u>Govern- ment</u>	<u>White Collar</u>	<u>Labor</u>	<u>Teachers</u>	<u>Farmers</u>	<u>Business</u>	<u>Profes- sional</u>
Received	5	0	3	8	82	91	34
Did not receive	75	79	49	75	18	9	33
Uncertain	<u>20</u>	<u>21</u>	<u>48</u>	<u>17</u>	<u>0</u>	<u>0</u>	<u>33</u>
Total	100	100	100	100	100	100	100

RECEIPT OF TAX REVISION BY INCOME LEVEL

<u>Income (yen/month)</u>	<u>Percent Who Received Revision</u>
Below 499	25
500 - 999	31
1,000 - 1,499	41
1,500 - 1,999	44
2,000 - 2,499	48
2,500 - 2,999	59
Over 3,000	68

INFORMATION PROGRAMS

Economic Affairs

60. A survey by the Ministries of Transportation and Communications showed that spot announcements in connection with information programs were made over the public address systems of 315 key railway stations 81,000 times during March to an estimated 27,000,000 people. These statistics do not include Kyushu.

61. The Government's nationwide information program to increase coal production during April publicized the new plan for distributing incentive goods to miners for overtime. A press conference was held to discuss plans for providing additional "luxury" bonuses. Mine safety information programs were featured in Hokkaido and Kyushu, the principal coal production areas in Japan, while the Broadcasting Corporation of Japan broadcast six programs over the national network in support of increased coal production.

Production teams made a special tour of the mining areas in Kyushu showing documentary films, holding mass meetings and daily conferences with miners and management, stressing the importance of coal to Japan's economy and instructing miners in efficient mining techniques. Wide publicity was given the tour by the local press and radio in the mining areas.

62. The Economic Stabilization Board continued its information program on the rationing of perishable foods with 19 radio programs over the national network, a daily "Distribution News" radio program and spot announcements over the radio and railway station loud-speaker systems. The Board reported completion of plans for the calendar year including implementation of rationing by means of lectures, film strips, lantern slides, spot announcements, radio, press, newreel coverage and distribution of 200,000 posters and 2,500,000 leaflets on rationing. The attendance of approximately 5,600 women at five mass meetings on rationing of fish and vegetables held in Tokyo, Sendai, Aomori, Sapporo and Hakodate was reported.

63. Widespread publicity on the tax collection information program, power conservation program, the campaign on inventory and utilization of critical materials, labor-management relations, economic decentralization, housing and reconstruction and savings continued throughout the month by means of broadcasts over the national network, spot announcements over the radio and railway public address systems and press conferences augmented by newsreels, exhibits, posters and pamphlets.

Newsreels covered the opening of a labor school in Fukuoka early in April.

Political Affairs

64. The newspaper Mainichi on 23 April sponsored 10 panel discussions on the topic "Civil Liberties" in Tokyo, Yokohama, Sendai, Nagoya, Osaka, Kyoto, Hiroshima, Takamatsu, Fukuoka and Sapporo with approximately 2,000 persons attending each meeting. Extensive publicity was given to the meetings by press, radio and newsreels with significant portions of the forums recorded for broadcasting.

65. Mainichi and Yomiuri continued their weekly legal question-and-answer columns covering revisions of the Civil and Criminal Codes. The Civil Liberties Union announced a total membership of 700. The Union held meetings in Tokyo, Kyoto, Kanagawa, Nagano and Tochigi Prefectures to discuss such subjects as the Habeas

Corpus Bill, civil liberties and the Public Safety Commission and, at the request of the Judicial Affairs Committee of the House of Councillors, presented its opinion on the Habeas Corpus Bill. Meetings were held to prepare for the establishment of branches in Nagano, Aichi, Tochigi, Okayama, Niigata and Mie Prefectures.

66. The League for Political Education completed publication of 20,000 copies each of a series of four pamphlets on newly enacted legislation for distribution to public libraries, schools, the Diet and Prefectural Assembly officials. The League also sponsored a series of lectures on political information, supplemented by Allied and Japanese documentary and feature motion pictures.

Public Health and Welfare

67. A conference of newspapermen was held 14 April to discuss the general program for a national health institute and another 19 April concerning the relation of the public health nurse to the health centers. The daily "Your Health" radio programs, augmented by spot announcements on general health and welfare topics, continued during the month.

Rural Affairs

68. The Ministry of Agriculture and Forestry reported early in April it had completed distribution of a leaflet to every farm family and copies of a series of four posters to all farm villages urging increased food crop production. Thirty-six radio programs over the national network during the month carried information on various aspects of crop production; a press conference was held on the subject 21 April. The Ministry also reported that a series of regional meetings were held in seven cities 14-27 April to discuss means of increasing food production. The Ministry of Agriculture and Forestry transferred control of all major agricultural information programs to the Information Section of the Ministry.

69. Information concerning establishment and operation of agricultural cooperatives was carried on 13 radio programs and over numerous spot announcements. Farmer opinion sampling early in the month in Tochigi and Fukushima Prefectures indicated a good understanding of and interest in the current agricultural cooperatives formation program. The survey confirmed the need for long-range educational materials to give farmers specific criteria for judging the policies and actions of cooperatives' directors. A national meeting of the Japan Farmers' Union was held in Tokyo 13-14 April to discuss formation of cooperatives.

Fifteen thousand copies of the first of a series of posters and pamphlets on land reform to each rural village were released 25 April by the Ministry of Agriculture and Forestry. The posters are of chart-calendar type providing space for marking the progress in land transfers to encourage the activities of the local land offices and to keep farming communities informed of the progress in the land reform program.

Women's Affairs

70. The second anniversary of women's suffrage was celebrated 10 April throughout Japan. Three thousand persons attended a celebration meeting in Tokyo to hear women representatives of the Ministry of Labor, New Japan Women's League and the National Association of Japanese College Women, while 2,000 and 1,000 attended meetings in Yokohama and Chiba respectively.

Fifty-two women's organizations, including labor unions and all major political parties except the Communists, drafted a

petition for Diet consideration requesting that 10 April be officially established as Women's Day to commemorate the day on which Japanese women first voted.

71. Miss Tsuneko Akamatsu, Social Democratic member of the House of Councillors, was appointed Parliamentary Vice-minister of Welfare on 16 April.

72. The Women's and Minors' Bureau of the Ministry of Labor announced that branch chiefs of prefectural bureaus had been appointed in all but four prefectures in Japan.

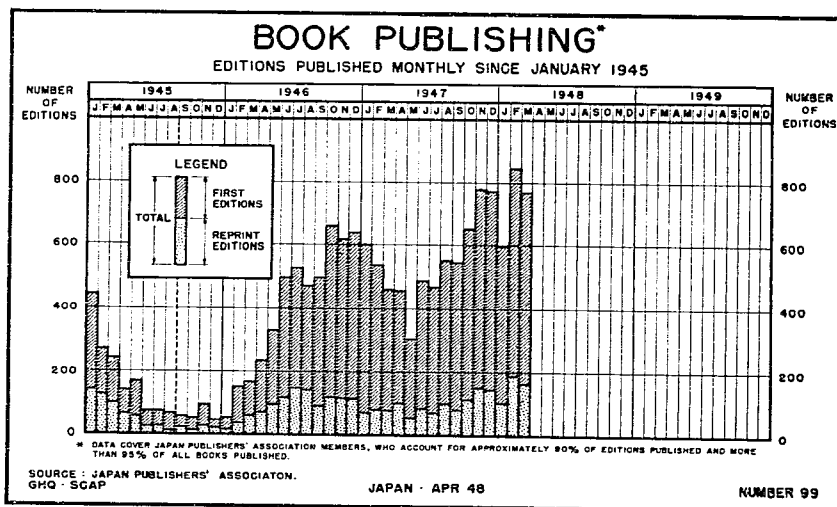
PRESS AND PUBLICATIONS

Survey of Printing Facilities in Japan

73. A survey was completed covering printing facilities of the Japan Printers' Union members in 44 prefectures. Of the total 4,828 firms responding to the survey, 3,500 firms reported for the period April 1946 to March 1947 a gross income of ¥ 2,658,044,009. Paper consumption for 3,519 firms was 67,512,775 pounds of Western-style paper, 132,426,830 pounds of Japanese-style paper and 8,120,341 pounds of cardboard. Equipment was as follows: of cylinder presses, 184 rotaries, 11,605 rolls, 4,448 verticals and 4,721 others; of flat presses, 1,969 offsets, 989 lithograph hand presses, 1,092 lithograph transfer presses, 252 collotypes, 893 others; 508 grinding machines, 163 gravures, 85 embossings, 1,020 bookbinding staplers, 7,208 other staplers and 4,480 cutting machines. National productive capacity in equivalents of vertical hand presses were for the prewar period 61,791.23; for October 1945, 33,373.34; and May 1947, 54,695.53.

Book Production

74. The Japan Publishers' Association reported that 608 editions of new books and 160 reissues had been published during March. As of 1 April, printings of new titles during the year totaled 1,761 and printings of reissues totaled 448.



Press Conferences

75. Greatest interest among Japanese newspapermen in press conferences during April was shown on increased food production and

delivery, public health problems, increased coal production, taxation and economic decentralization, recent whaling expedition, labor relations and the current solar eclipse expedition.

Tokyo Press Comment

76. Labor and economic problems virtually monopolized the Tokyo press, highlighted by the SCAP memorandum halting the projected nationwide "coordinated work stoppage" of the All-Japan Communications Workers' Union and final agreement between the Government and the National Council of Government and Public Office Workers' Unions on 16 April. Initial reaction to the memorandum was a combination of relief at the cessation of tension and regret of inability of Japanese authorities to solve an internal problem. The question of revision of labor legislation was revised by Prime Minister Ashida's reference to the United States Taft-Hartley Act and by the sabotage of rail communications by members of Government Railway Workers' Union rebelling against the ¥ 2,920 wage standard. "Livelihood" versus "efficiency" wages were discussed extensively, with most journals favoring the former as long as it remains impossible to maintain a minimum living standard with the present average wage base.

77. On the economic front the press enthusiastically welcomed recommendations of the Strike Report, the Draper Mission, the Noce Mission and General MacArthur's message to the Secretary of the Army advising easing of restraints on Japan while awaiting the peace treaty. The possibility of a \$ 60,000,000 American cotton credit loan and a \$ 120,000,000 revolving fund to facilitate recovery of Japan's spinning industry as well as permission of textile representatives to visit abroad was hailed by editorialists as promising economic recovery for Japan. At the same time the people were cautioned against "unconditional optimism." Premier Ashida's statement that imported cotton goods might be used to absorb "floating purchasing power" elicited the warning that food imports must not be sacrificed in an "experimental program" to combat inflation.

78. In the political field Administration participation in the Osaka conference of Kansai business and labor leaders received major press coverage, with the draft of the political anticorruption law, illegal property transactions and the detention of Vice-minister of Transportation Ino for alleged malfeasance receiving considerable attention. Absenteeism in the Diet evoked stern censure.

Prefectural Press Comment

79. The Strike Report and the Draper Mission drew widespread consideration and prompted prefectural editorialists to re-examine the nation's economic situation in the light of anticipated reparation cuts and United States financial assistance. Numerous journals urged stabilization measures as preparatory steps and criticized the Cabinet for its alleged failure to take the initiative. Others appealed for prompt and complete tax payments as the 1947 fiscal year drew to a close.

Initial reaction to Premier Ashida's administrative address was critical but, in contrast to Tokyo papers, several writers approved the "optimistic tone" of the speech, noting especially the reference to the likelihood of foreign aid. Most commentators held the opinion that Ashida had failed to present a realistic economic program.

Comment on the government employees' dispute generally included both sympathy for workers' livelihood problems and the impossibility of a drastic wage increase under prevailing economic conditions.

Magazine Comment

80. Apart from general comment on the establishment of a new school system, magazine writers continued to emphasize the need for thorough teacher retraining, modern and progressive techniques of instruction and evaluation, the application of audio-visual education utilizing the press, radio, motion pictures and kami-shibai, and revision of curriculums to make it more functional.

81. Arguments over the intrinsic merits of the Tenno system have been replaced by accounts of the daily lives of members of the imperial family and by journalistic coverage of the Emperor's activities. Although writers take considerable freedom in describing the Emperor in terms not always complimentary, there is little adverse criticism. However, complaints against elaborate preparations and expenditures for the Emperor's prefectural inspection trips appear in articles.

82. Japan's dependence on marine products as a source of food supply was recognized by most economic writers as they discussed various aspects involved in the future development of the industry. Emphasis was placed upon the importance of democratizing fishing communities through equitable distribution of fishing rights, the establishment of fishing cooperatives and adoption of improved techniques in fishery operation.

83. Writers urged the Administration to emulate economic policies of the Scandinavian countries to offset the loss of colonial areas and overpopulation. Particular interest was displayed in aiding demobilized soldiers, repatriates, air raid sufferers and flood victims as well as an establishment of an adequate social security system.

Governmental bureaucracy, personnel reduction of government office staffs and responsibilities of public servants received full discussion.

Economic writers emphasized the urgent need for extensive repairs of iron and steel equipment and expressed concern over the reparations program. Special attention was directed to the problem of raw materials and the inferior quality of scrap iron and steel and coke as writers advocated importing materials of requisite quality.

RADIO

Change in Time of Key Information Programs

84. As of 1 April, key information radio programs formerly heard at 2000 hours were rescheduled to be heard sometime between 1930 and 2100. Programs affected include "Report to the Nation," "Industrial Hour" and the "Labor Hour." The Broadcasting Corporation of Japan as of 1 April goes on the air at 0500 with a 30-minute program on local conditions followed by the national network operation starting at 0530 with a program of farm information, interviews, weather reports and music. News broadcasts on the first transmission were extended to 15 minutes, seven times a day, in addition to the six five-minute roundups of late world news. The second transmission now offers six news periods so the listeners may hear news almost every hour during the broadcasting day.

Listener Groups

85. The Broadcasting Corporation of Japan commenced printing an additional 15,000 copies of a previously published pamphlet for listener groups on how to organize and conduct discussions of

certain radio programs. The issues will be distributed at the 104 Adult Education Conferences scheduled throughout Japan for April and May. An announcement of the Corporation stated that up through 30 March, 20 listener groups with a total membership of 824 persons had been formed throughout Japan and were holding regular meetings to discuss various informational and educational radio programs.

School Broadcasts

86. The Broadcasting Corporation of Japan announced the encouraging responses of teacher study committees interested in utilizing school broadcasts more effectively. Called "School Broadcast Study Groups," "Educational Broadcast Promoting Societies" or "School Broadcast Research Committees," these groups maintain headquarters in the main city of a prefecture and sponsor each semester week-end conferences of elementary and secondary school teachers. These groups number around 30. A new publication for teachers called "School of the Air" is being issued monthly with articles, pictures and schedules on the school broadcasts and the "Teachers' Hour" programs.

Exchange Student Broadcast

87. A recording which Japanese ninth-grade students made for the Addison Junior High School of Cleveland, Ohio, was completed and mailed together with a copy of the script and pictures of the broadcasters to the Director of Radio of the Cleveland Board of Education.

Programming

88. Nine "Man-on-the-Street" radio programs were broadcast over the national network during April, six of them recorded in Tokyo, one in Ito and one in Matsumoto, while the "National Radio Forum" was broadcast four times on the subjects of economic conditions of rural villages, existence of the Diety, food production and civil rights.

Twenty-one commentaries were delivered dealing with current financial and political conditions, the investigation of hoarded goods, housing and reconstruction.

Local Broadcasting

89. Most central broadcasting stations in Japan during April followed the lead of the JOAK "Kanto Program" and discussed women in politics, labor-management cooperation, flood control and rationing of perishable foods.

MOTION PICTURES

Information Programs

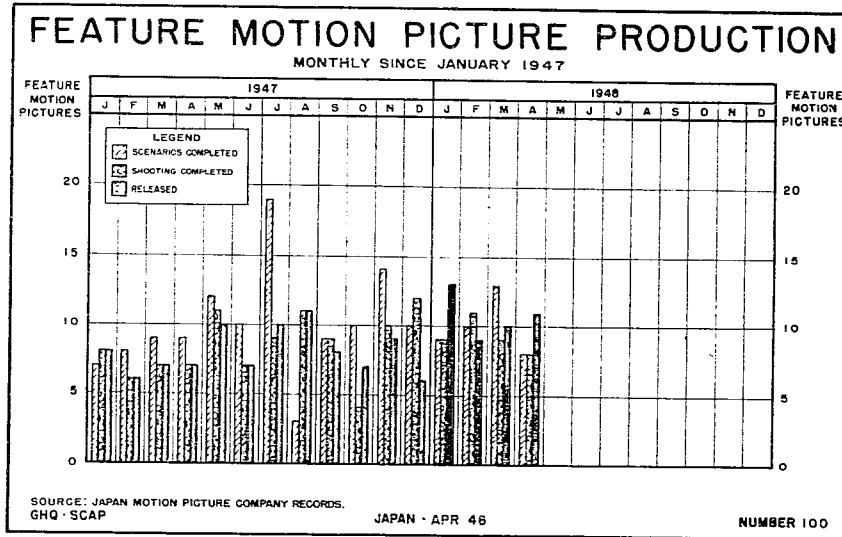
90. Newsreel companies cooperated with the Government by producing trailers and covering information programs concerning health centers, coal production, the new police force, labor-management relations, inventory of critical materials and forums on civil liberties.

Foreign Motion Picture Distribution

91. Six American, two French, two Russian and one British feature motion pictures were previewed for release during the period 22 March to 22 April.

Japanese Feature Film Production

92. Eleven feature motion pictures were released by Japanese companies during the period 22 March to 22 April.



Educational Films

93. Seven educational motion pictures were produced by commercial companies for release in April, including three documentaries, two entertainment films and two new films.

Educational Film Exchange

94. Total Japanese attendance at exhibitions of Allied educational films for the period 25 March to 28 April was reported as 651,133. Films shown in April were "World Food Problems," "Everyone's School," "Let's Play Baseball," "Toronto Symphony No. 1," "A Better Tomorrow," "American National Library," "Hymn of Nations," "Tuesday in November," "Northwest USA," "Winged Scourge," "Power and Land," "Trees to Tame the Wind," "Steel Town," "Street Safety," "Coal Power Unlimited," "White Carnival," "English Criminal Justice," "Toronto Symphony No. 2," "New West," "Baseball Instructions," "Freedom to Learn," "Chemistry of Fire," "A Day at School" and "American National Capital."

THEATER

March Stage Productions

95. The outstanding production in the Tokyo area during April was the French play "Marius," given at the Nippon Theater's Shogekijo and performed by the Bungaku-za Troupe. Four large theaters in Tokyo offered kabuki during the month while a program of neo-classical Japanese drama played with moderate success at the Imperial Theater.

MUSIC

96. Musical highlights of the month were the first performance in Japan of David Van Vactor's "Overture to a Comedy, No. 2," the Roy Harris "Sonata for Piano" and piano and vocal numbers by George Gershwin, Charles Griffes, Samuel Barber, Theodore Chanler,

Clara Edwards and Richard Hageman. Biographical sketches were published in various musical magazines.

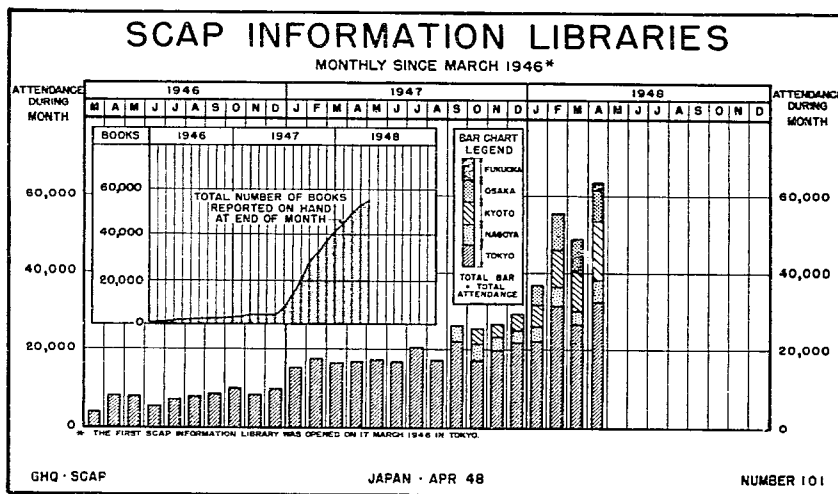
EXHIBITS

97. Eighty-six SCAP poster exhibits sponsored by organizations such as the Tokuyama Trade Exposition were shown to the Japanese public. The most notable was the American Book Gift Exhibition held in Tokyo 1-7 April, publicizing the gift of textbooks and magazines to Japanese schools and libraries. The Architectural Institute of Japan and the Japanese Architects Association opened an exhibit on American housing on 1 April.

LIBRARIES

98. The fifth SCAP Information Library of publications in English, the first in Kyushu, was opened 19 April in Fukuoka. The library has a stock of 3,000 American books and 400 current periodicals.

Attendance at four of the SCAP Information Libraries for the period 27 March to 24 April totaled 63,507.



JAPAN

LEGEND

- REGIONAL BOUNDARY
- PREFECTURAL BOUNDARY

ADMINISTRATIVE REGIONS AND PREFECTURES

A. HOKKAIDO REGION AND PREFECTURE

1. HOKKAIDO REGION

1. AOMORI PREFECTURE
2. IWATE PREFECTURE
3. MIYAGI PREFECTURE
4. YAMAGATA PREFECTURE
5. FUKUSHIMA PREFECTURE
6. IZUMI PREFECTURE

2. TOHOKU REGION

1. NIIGATA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. GUMMA PREFECTURE
4. SAITAMA PREFECTURE
5. CHIBA PREFECTURE
6. TOKYO PREFECTURE
7. KANAGAWA PREFECTURE
8. CHIBA PREFECTURE

3. KANTO REGION

1. ISHIKAWA PREFECTURE
2. TOYAMA PREFECTURE
3. GIFU PREFECTURE
4. MIYAZAKI PREFECTURE
5. AICHI PREFECTURE
6. SHIZUOKA PREFECTURE

4. TOKAI REGION

1. IZUMI PREFECTURE
2. NIIGATA PREFECTURE
3. TOKUSHIMA PREFECTURE
4. GUMMA PREFECTURE
5. SAITAMA PREFECTURE
6. CHIBA PREFECTURE
7. TOKYO PREFECTURE
8. KANAGAWA PREFECTURE

5. CHUGOKU REGION

1. NIIGATA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. GUMMA PREFECTURE
4. SAITAMA PREFECTURE
5. CHIBA PREFECTURE
6. TOKYO PREFECTURE
7. KANAGAWA PREFECTURE
8. CHIBA PREFECTURE

6. KINKI REGION

1. NIIGATA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. GUMMA PREFECTURE
4. SAITAMA PREFECTURE
5. CHIBA PREFECTURE
6. TOKYO PREFECTURE
7. KANAGAWA PREFECTURE
8. CHIBA PREFECTURE

7. SHIKOKU REGION

1. NIIGATA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. GUMMA PREFECTURE
4. SAITAMA PREFECTURE
5. CHIBA PREFECTURE
6. TOKYO PREFECTURE
7. KANAGAWA PREFECTURE
8. CHIBA PREFECTURE

8. KYUSHU REGION

1. NIIGATA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. GUMMA PREFECTURE
4. SAITAMA PREFECTURE
5. CHIBA PREFECTURE
6. TOKYO PREFECTURE
7. KANAGAWA PREFECTURE
8. CHIBA PREFECTURE

E. KINKI REGION

1. FUKUI PREFECTURE
2. HYOGO PREFECTURE
3. KYOTO PREFECTURE
4. SHIGA PREFECTURE
5. OSAKA PREFECTURE
6. NARA PREFECTURE
7. WAKAYAMA PREFECTURE

F. CHUGOKU REGION

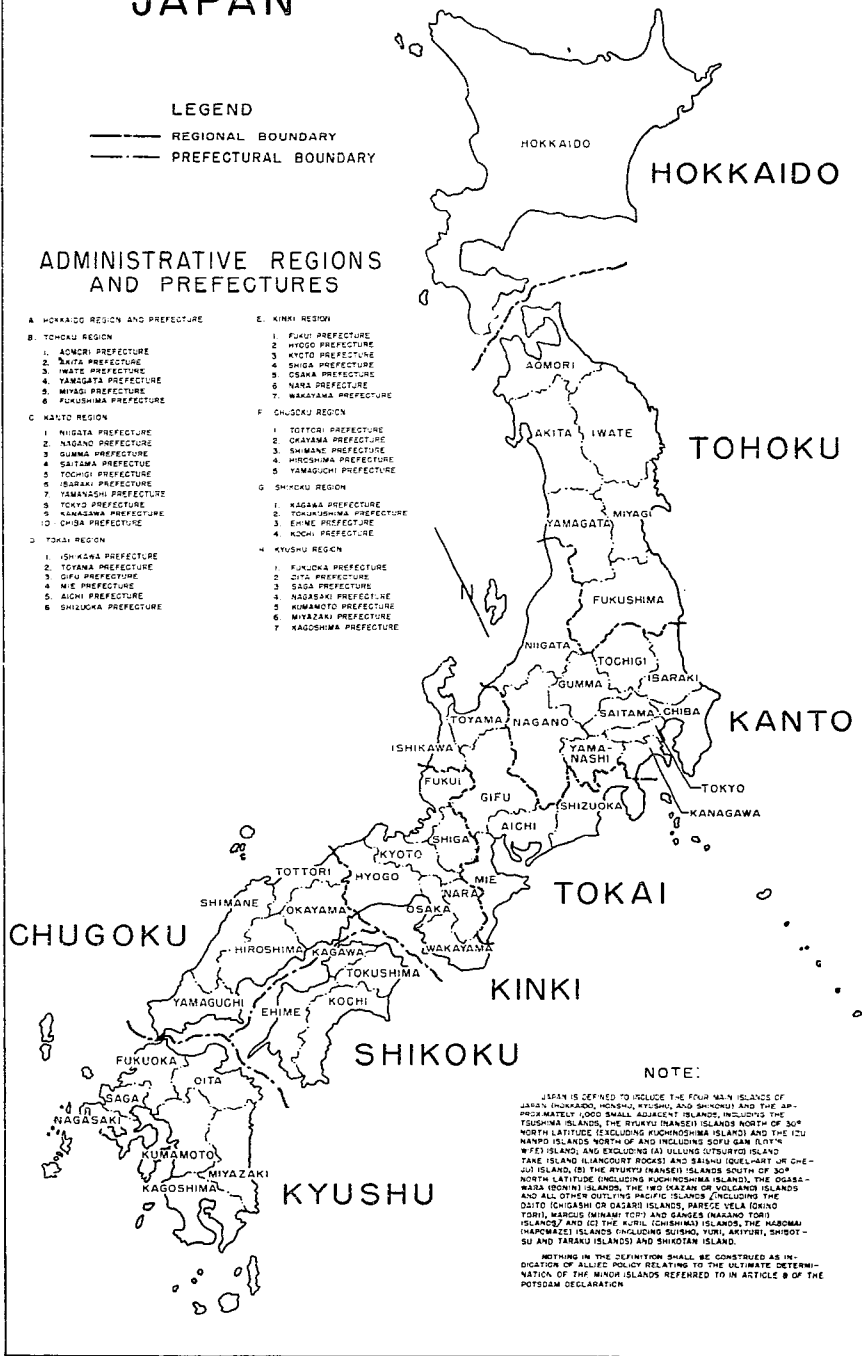
1. TOTTORI PREFECTURE
2. OKAYAMA PREFECTURE
3. SHIMANE PREFECTURE
4. HIROSHIMA PREFECTURE
5. YAMAGUCHI PREFECTURE

G. SHIKOKU REGION

1. KAGAWA PREFECTURE
2. TOKUSHIMA PREFECTURE
3. EHIME PREFECTURE
4. KOCHI PREFECTURE

H. KYUSHU REGION

1. FUKUOKA PREFECTURE
2. OITA PREFECTURE
3. SAGA PREFECTURE
4. NAGASAKI PREFECTURE
5. MIYAZAKI PREFECTURE
6. KAGOSHIMA PREFECTURE



NOTE:

JAPAN IS DEFINED TO INCLUDE THE FOUR MAIN ISLANDS OF JAPAN (HOKKAIDO, HONSHU, SHIKOKU AND KYUSHU) AND THE APPROXIMATELY 1,000 SMALL ADJACENT ISLANDS, INCLUDING THE TOSHIMA ISLANDS, THE RYUKYU (NANKAI) ISLANDS NORTH OF 30° NORTH LATITUDE (INCLUDING KUCHINOSHIMA ISLAND) AND THE IZU MARIYU ISLANDS NORTH OF AND INCLUDING SOFU GAWA ISLAND, WEDD ISLAND AND EXCLUDING (A) ILLINGSWORTH ISLAND, TAKE ISLAND (ILAN COURT ROCKS) AND SAIJUN (QUEL-HART JET CHE-JU) ISLAND; (B) THE RYUKYU (NANKAI) ISLANDS SOUTH OF 30° NORTH LATITUDE (INCLUDING KUCHINOSHIMA ISLAND), THE OGASAWARA (ODONO) ISLANDS, THE IHO (NAZAN OR HOLLAND) ISLANDS AND ALL OTHER OUTLIER PACIFIC ISLANDS (INCLUDING THE DAITO (ICHIGASHI OR OZASHI) ISLANDS, RAREZE VELA (ODONO TORII), MARCUS (MURAH) TORII AND SANDER (IMAZONO TORII) ISLANDS) AND (C) THE RYUKYU (NANKAI) ISLANDS, THE NAGANO (NANKAI) ISLANDS (INCLUDING SUKUNO, YUKI, ANIKUBI, SHIMOTSU AND TARAKU ISLANDS) AND SHIKOTAN ISLAND.

NOTHING IN THE DEFINITION SHALL BE CONSTRUED AS INDICATOR OF ALLIED POLICY RELATING TO THE ULTIMATE DETERMINATION OF THE MINOR ISLANDS REFERRED TO IN ARTICLE 8 OF THE POSTSAM DECLARATION.

占領報告(英文)朝鮮琉球を含む

23年 5月

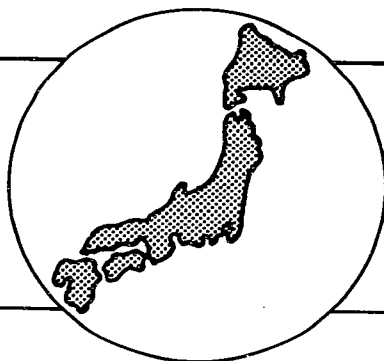
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Supreme Commander
For The Allied Powers



SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

NO 32

MAY

1948

0001

GENERAL HEADQUARTERS
SUPREME COMMANDER
FOR THE ALLIED POWERS

SUMMATION NO 32
NON-MILITARY ACTIVITIES
JAPAN

FOR THE MONTH OF
MAY 1948

0002

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Summation No. 32

May 1948

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Summation No. 32

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

Number 32

May 1948

PART I

GENERAL

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SECTION 1

ORGANIZATION UNDER SCAP

1. There was no change in the non-military organization of General Headquarters, SCAP, in May.

SECTION 2

POLITICAL ACTIVITIES

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GOVERNMENT AND POLITICS

1. The first anniversary of the promulgation of the new Constitution was celebrated 3 May by national observance.

Political Developments

2. The war-bond interest-payment-suspension controversy continued throughout the month, the urgency of budget compilation forcing the Cabinet finally to agree on a compromise which recommended deferring payment for one year.

3. The Cabinet formulated a basic program for reorganization of administrative machinery to reduce central government activities in fields to be turned over to local administration.

4. With repatriation completed of all the Japanese armed forces except those held in Soviet areas, remaining demobilization activities were placed under jurisdiction of the Repatriation Board of the Ministry of Welfare with complete subordination of all ex-military agencies and personnel to civilian control.

5. The Ashida cabinet issued an economic report 23 May giving an exhaustive review of Japan's economic life during the last 10 months.

6. The Economic Stabilization Board published the first draft of its "Japanese Economy Rehabilitation Plan" 17 May detailing a five-year recovery plan.

7. A two-day national conference of local administrators furthered the movement to transfer additional powers from central to local administration.

8. The Diet enacted 16 bills into law in May.

9. Budget action was delayed by continued disagreement within the Cabinet over financial policy; agreement on a draft for the general budget was finally reached by the Cabinet 27 May.

10. On 14 May the Civil Service Institute graduated 354 persons comprising its first class in scientific public personnel administration.

11. The Illegal Transactions Investigation Committee's investigations of political donations disclosed evidence involving currently active political figures. The committee issued its first formal report to the House 30 April.

Political Parties

12. The Democratic Party held its fourth national convention and approved 27 policy proposals of subcommittees.

13. Divergencies among Satsuki-kai members were resolved in the month, increasing the left wing's influence in the Social Democratic Party. The party took steps to dissolve factions within it tending toward disunity so that it could act as a unit on all controversial political issues.

14. The Democratic Liberal Party continued its attacks on the Government and redoubled its efforts to unite all groups which can be won to join the opposition.

15. The People's Cooperative Party held its third national convention and approved a program of party policies.

16. Communist Party leaders publicized the party position on introduction of foreign capital. The discussion of a possible ban on public office holding by Communists became the subject of Communist interpellation of the Prime Minister in the Diet.

The Purge

17. The Public Office Qualifications Committee and the Public Office Qualifications Appeal Board were dissolved 10 May. The total number of persons purged was announced to be 201,815.

PUBLIC SAFETY

18. Hoarded and concealed goods recovered by the Economic Stabilization Board in April were valued at ¥ 123,296,141. Metal and metal products constituted approximately 65 percent of the total value.

19. There were 180,850 criminal offenses reported in March and arrests totaled 101,402 persons. Larceny was the principal offense in both the reported offenses and the arrests.

20. Prison population 30 April was 89,234 of whom 69,669 were sentenced and 19,565 were awaiting trial.

21. There were 596 rail accidents in April with 219 persons killed and 378 persons injured.

22. Fires in March numbered 2,046 with losses amounting to ¥ 1,443,840,171. Embers and electrical causes were the principal sources of the fires.

23. The Maritime Safety Board was activated 1 May and officials of the board took office 5 May.

LEGAL AFFAIRS AND WAR CRIMES

24. Gisei Onimaru, member of the House of Councillors, was elected first president of the Impeachment Court established by the Diet in accordance with Article 64 of the new Constitution.

25. The Supreme Court accepted jurisdiction in 20 new civil cases and 145 new criminal cases and disposed of 11 civil cases and 94 criminal cases in April.

26. Seventy-nine atrocity investigations were completed during the May reporting period, reducing cases on hand to 897.

27. Eleven trials involving 53 suspected war criminals were completed in the May reporting period. Forty-four persons were convicted and nine were acquitted.

SECTION 3
ECONOMIC ACTIVITIES

C O N T E N T S

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NATURAL RESOURCES

Agriculture and Fisheries

1. Sales of 104,014 cho (103,155 hectares) of land to tenant farmers in April brought the total cumulative sales under the agrarian reform program to 531,334 cho (526,944 hectares) on 30 April.
2. On 15 May 11,774 of the 20,717 organized agricultural groups had completed the transition from associations to democratic cooperatives.
3. Marine production in March increased 1,111 metric tons over February to a total of 111,575 metric tons.
4. Whaling fleets returned from the Bonin Islands area on 30 April and 9 May with a total catch of 243 whales which yielded 3,237 metric tons of products in operations from 23 February to 6 May.

Forestry and Mining

5. Log production in the 1947 fiscal year increased seven percent over the preceding year to total 752,916,200 cubic feet, 18 percent over the annual goal.
6. March production and deliveries of firewood, charcoal and gasumaki increased over February.
7. April coal production dropped 297,100 metric tons under March to 2,572,400 metric tons.
8. Favorable weather conditions contributed to increased production in 26 of 33 mineral commodities.

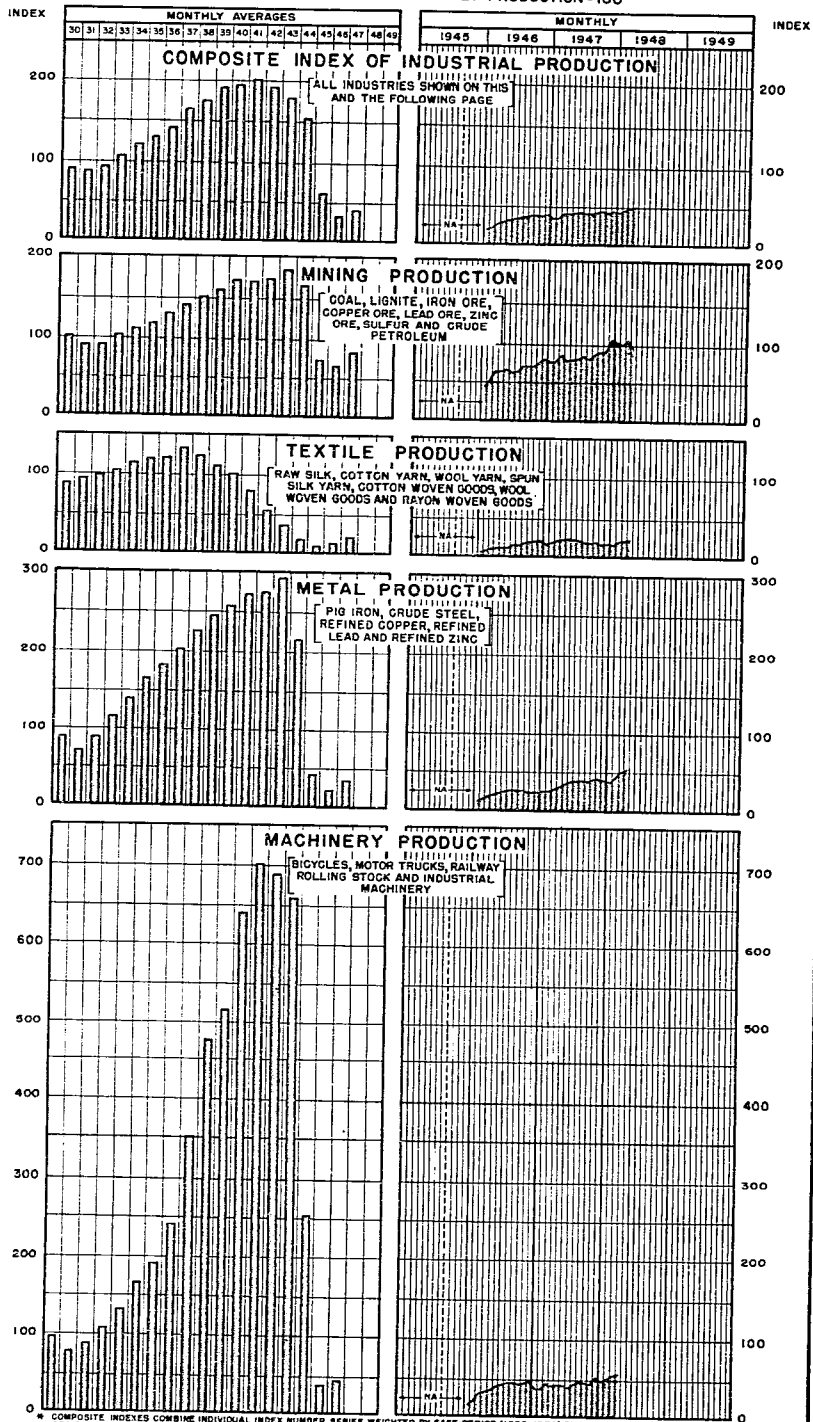
COMMERCE AND INDUSTRY

Heavy Industries

9. Coke production increased in April to 233,940 metric tons, 12,030 metric tons over March.
10. April production of pig iron and steel ingots, 55,072 and 118,567 metric tons respectively, surpassed the postwar records set in the preceding month.

INDEXES OF INDUSTRIAL PRODUCTION*

1930-1934 AVERAGE MONTHLY PRODUCTION = 100



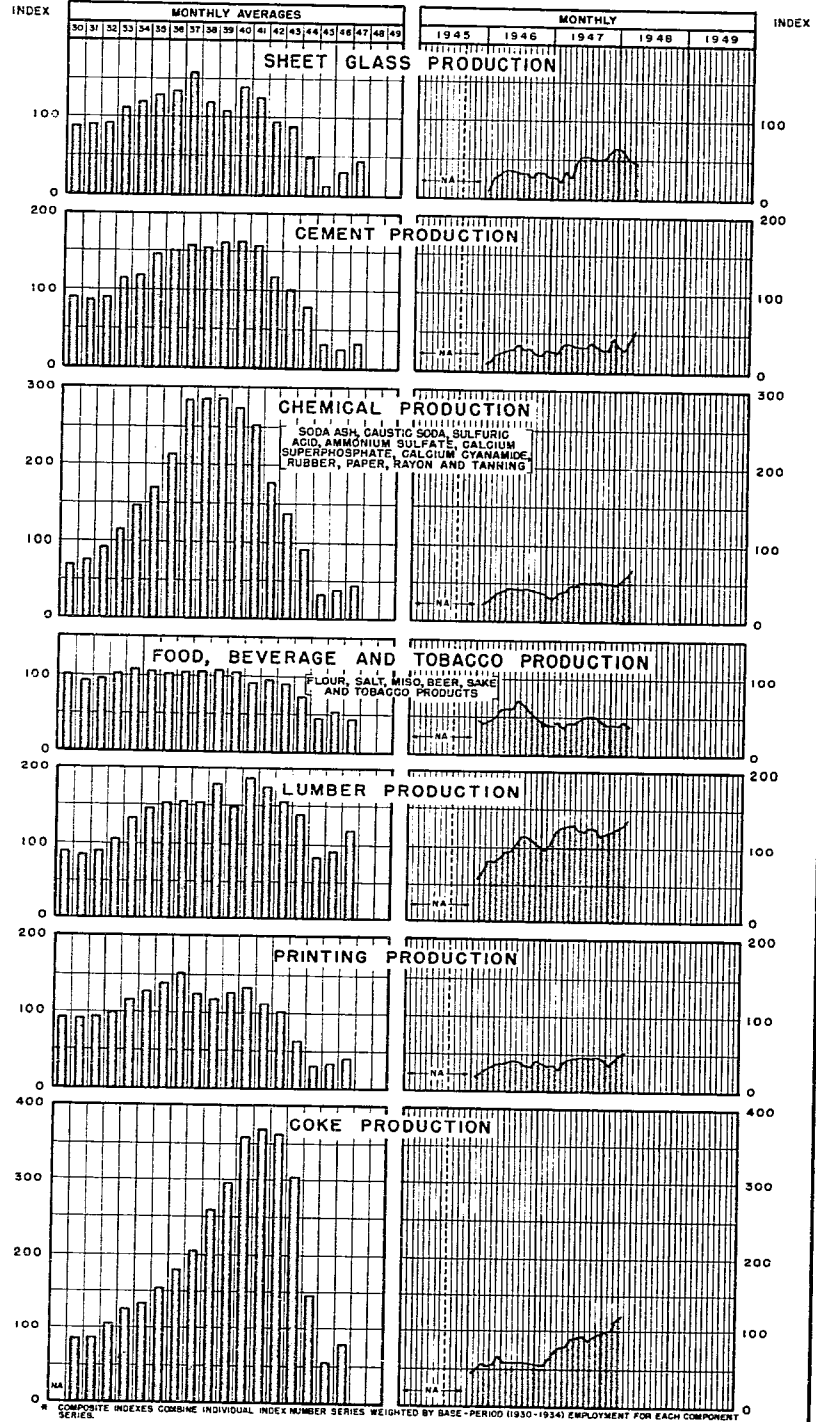
* COMPOSITE INDEXES COMBINE INDIVIDUAL INDEX NUMBER SERIES WEIGHTED BY BASE-PERIOD (1930-1934) EMPLOYMENT FOR EACH COMPONENT SERIES.
 NOTE: APRIL 1948 DATA PRELIMINARY; MARCH 1948 DATA REVISED; NA=DATA NOT AVAILABLE.
 SOURCE OF BASE DATA: REPORTS BY JAPANESE AGENCIES.
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INDEXES OF INDUSTRIAL PRODUCTION*

1930 - 1934 AVERAGE MONTHLY PRODUCTION = 100



NOTE: APRIL 1948 DATA PRELIMINARY; MARCH 1948 DATA REVISED; NA=DATA NOT AVAILABLE.
 SOURCE OF BASE DATA: REPORTS BY JAPANESE AGENCIES.
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11. The aluminum rolling industry increased production to 1,892 metric tons compared with 1,871 metric tons produced in March.

12. Production of blister copper and refined copper for April was 4,346 metric tons and 4,022 tons respectively, slightly below the production in March of 4,946 and 4,578 metric tons.

13. Output of all brass items increased by 384 metric tons as production of 3,919 metric tons was reported in April compared with the preceding month's 3,535 tons.

14. In nonferrous metals production, mercury increased in April to 5,015 kilograms from March's 3,798 kilograms, while bismuth production dropped by 783 kilograms.

15. Receipts of imported and recovered stocks of crude rubber increased from 517 metric tons in March to 3,111 metric tons in April.

16. April cement production increased 37,381 metric tons over the March figure of 131,669 tons due to requirements for expansion of building and river-control construction programs.

17. Thirty-seven wooden tugs and 34 barges were completed for export to the U. S. S. R. in the two-month period from 22 March to 22 May. Ten of the tugs and 13 barges were exported and 14 tugs and 16 barges were ready for export; 13 and five respectively were completed and undergoing tests.

18. Production of heavy industrial chemicals increased in April. Marked increases were noted in output of ammonia, ammonium sulfate, sulfuric acid, calcium carbide, calcium cyanamide and soda chemicals.

19. Domestic salt production in April decreased to 11,056 metric tons from the revised March figure of 14,308 tons. Salt imports increased in April to 127,988 metric tons compared with the preceding month's 55,780 tons.

20. April dye production reached a postwar high of 393 metric tons, an increase of 38 percent compared with the revised figure of 285 tons for the preceding month.

21. Machine tools completed in April totaled 503 compared with 327 units finished in March, while the total weight of all items decreased from 293 metric tons to 209 tons and total value also decreased from ¥ 20,000,000 in March to ¥ 17,000,000 in April.

22. Production of steam, electric, gasoline and battery locomotives in industrial rolling stock increased to 49 units in April over March output of 39.

23. The total production of 20 categories of industrial machinery in April decreased in weight to 20,467 metric tons, 850 tons below March production weight.

24. March production value of textile machinery increased ¥ 33,495,000 for parts, repairs and new production over February's ¥ 448,096,000. Weight of new production and parts, excluding weight of repairs, totaled 9,334 metric tons, an increase of 2,680 tons over February.

Manufacturing

25. Flour produced from imported and domestic wheat amounted to 103,664 metric tons in March, an increase of 704 metric tons over the preceding month.

26. Amounts of hardtack, worcestershire-type sauce, glucose and millet jelly, pasteurized milk and nursing mix, yeast and vinegar processed in March increased.

27. Seasonal sake production was 747,060 hectoliters in March. Imitation sake, liquors and wines rose above the preceding month's output.

28. All tobacco items increased in output in March over February's production.

29. Pulp production in April rose 11.5 percent over March's output of 32,117 tons.

30. A new postwar high was reached in paper production in April as output increased by 10 percent to 37,983 tons.

31. Ceramic industries increased their manufacture of glassware, refractory brick, asbestos cement pipe and other asbestos cement products by 16.5, 13.5, 17.1 and 30 percent respectively.

32. Standard-truck production in April increased more than 28 percent over March's production, principally because of improvements in electric power and raw material allocations.

33. April receipts of hides by tanneries increased 757,400 pounds over March. April imports accounted for 402,000 pounds of the amount. Total leather goods production decreased by 19 percent in April from March's total output of 860 metric tons.

34. April production of silver tableware increased to 128,413 dozens over March output of 101,655 dozens.

35. Production of toys, one of the most important export items in the handicraft and small manufacture industries, gained in April.

36. Revival of the button industry was started in April as a 50-percent increase was made in the dum-nut and ivory-nut button output.

37. Value of business machines produced in April increased to ¥ 22,995,422 from March's output valued at ¥ 22,409,033.

38. The amount of matches produced in April increased by 12.2 percent over the preceding month's 19,957 match tons.

39. Production of home-type sewing machines was 13,456 in April, the fourth consecutive monthly gain. Industrial machines also increased to 658 units from March's 587.

Textile Industries

40. The trend in textile production continued upward in April as a result of increased supplies of raw materials, fuel and electric power.

41. Postwar highs were reached in output of cotton and silk fabric, pure spun silk yarn, rayon staple fiber and filament yarn while there was a slight recession in output of spun rayon and wool yarns. Production of rayon and wool fabrics increased.

42. Raw silk production exceeded the industry's 10,000-bale monthly goal for the second straight month.

43. Production of rope, cord and thread registered gains as availability of imported and indigenous hard fibers increased.

44. Gains in production and deliveries of cotton fish nets resulted chiefly from GARIOA aid.

Transportation

45. Registered motor vehicles numbered 209,461 in April of which 161,320 were commercial vehicles, 32,335 were standard and small-size passenger cars and 15,806 were standard and small-size special vehicles.

46. Government railways carried 312,127,898 passengers and 9,787,700 metric tons of freight in April.

47. Cargo conveyed in steel and wooden ships over 100 gross tons in April coastwise trade totaled 1,786,900 freighted tons.

Public Utilities

48. Electric power generated in April, exclusive of private industrial generating plants not connected with the utility system, was 2,878,000,000 kilowatt hours.

49. Gas available for distribution by the public utility gas industry was 64,363,146 cubic meters in April.

50. The ministerial ordinance dated 28 November 1947, limiting consumption of gas by industrial and commercial consumers to their August 1947 consumption, was extended from 31 March to 1 August.

Communications

51. A draft bill for reorganizing the Ministry of Communications was approved by the Cabinet 22 May for submission to the Diet. The proposed bill sets limits for the enterprises under the jurisdiction of the ministry and establishes standards for an organization to operate those enterprises efficiently.

The bill calls for reorganization of subdivisions as well as the major departments of the ministry. Vertical functional organization, established throughout the reorganized ministry, is an important innovation.

52. Effective 1 May two-way radiotelephone service via the United States was expanded to connect Japan with Spain and France.

53. Radiotelegraph service via the United States was expanded effective 1 May to include private, press and government messages between Japan and Egypt, Liberia and Portuguese East Africa.

Radiotelegraph service for the same types of messages via the Osaka-Colombo circuit was expanded effective 15 May to connect Japan with North, South and Central America, the West Indies and several points in the East Indies and Asia.

54. A model warehouse is being constructed in Tokyo to be used in illustrating modern methods of warehousing. In connection with the exhibit a complete ordering and requisitioning system has been devised for use under the reorganized Ministry of Communications.

55. The program for restoration of railway mail cars to prewar operating efficiency has been completed.

56. April production of communications equipment dropped slightly below the March level. The drop was due primarily to several local 24-hour strikes and slowdown tactics.

57. Extensive personnel assignment changes were made within the Broadcasting Corporation of Japan early in May. Many section and division chiefs in BCJ Tokyo headquarters were shifted to local stations and personnel formerly assigned as chiefs of local stations were moved into the headquarters organization.

Labor

58. Labor relations were calmer in May than in April although extensive negotiations over wage increases were in progress in practically every major industry.

59. The third postwar May Day in Japan was celebrated widely in most large cities with orderly demonstrations, parades and rallies sponsored jointly by all the labor groups under the combined leadership of the General Federation of Japanese Trade Unions and the National Congress of Industrial Unions.

60. Revision of existing labor legislation to provide for more stable labor relations was among the main subjects of discussion in government and political circles. Labor discussions were in opposition to such revision.

61. Policy on labor was among the key issues under consideration at the national conventions of the People's Cooperative Party and the Democratic Party. Both parties avoided specific commitments.

62. Labor unions on 31 March numbered 30,200 with 6,492,983 members, representing approximately 38 percent of the total industrial labor force.

Imports and Exports

63. Private trade transactions approved during March included 59 import contracts valued at \$ 7,747,215 and 718 export contracts valued at \$ 9,330,982.

64. Japan developed favorable balances of merchandise trade of over \$ 1,000,000 each with the Netherlands East Indies, Hongkong, China and Korea in the first quarter of 1948.

65. Negative trade balances of over \$ 1,000,000 each were developed with the United States, Italy, United Kingdom, Cuba, India and the Philippine Republic.

66. Japan's over-all trade balance for the first quarter of 1948 was negative in the amount of \$ 151,817,608.

67. Japan's foreign trade in March included approximately \$ 40,160,265 worth of commodity imports and approximately \$ 11,606,301 worth of commodity exports. About 77 percent of the estimated dollar value of March imports was received from the United States. Asia received 66 percent of estimated dollar value of exports.

68. Principal commodities imported were foodstuffs valued at \$ 18,956,033, textile fibers and manufactures valued at \$ 8,538,517 and inedible vegetable products, such as rubber and copra, valued at \$ 5,377,747.

69. Textile fibers and manufactures valued at \$ 7,967,395 and nonmetallic minerals, including glassware and glass products, chinaware and other clay products valued at \$ 994,373 were the principal commodities exported.

Rationing and Price Control

70. Ration requirements were met from carryover stocks for the second consecutive month.

71. Price increases were authorized for dried and salted herring and for vegetables, animal and whale oils.

72. Increased prices were authorized for three improved types of railway cars, cotton yarn spinning, salt and electric watt-hour meters.

73. Family expenditures and consumer prices registered increases in March.

FINANCE

Money and Banking

74. Bank of Japan notes outstanding 31 May amounted to ¥ 223,499,000,000.

75. Securities of the National Government and the Reconstruction Finance Bank accounted for 49.9 percent of the assets of the Bank of Japan 31 May.

76. By 30 April the Reconstruction Finance Bank had loans outstanding totaling ¥ 64,282,550,000, an increase of ¥ 4,818,985,000 in the month.

77. The Securities Coordinating Liquidation Committee between 7 July 1947 and 20 May 1948 had sold 12,763,314 shares of corporate securities for ¥ 942,385,160.

Proceeds between 21 April and 20 May from 3,388,239 shares amounted to ¥ 314,884,325.

Liquidation

78. Sixty-seven control organizations were closed in April, bringing the total number of closures under the jurisdiction of the Closed Institutions Liquidating Commission to 882.

79. Cumulative proceeds of liquidation 25 April aggregated ¥ 19,039,597,000 including combined March and April receipts of ¥ 1,052,396,000. Cost of liquidation totaled ¥ 571,342,000 by 25 April.

Public Finance

80. Tax collections for the 1947-48 fiscal year amounted to ¥ 146,121,000,000, exceeding budgetary tax revenue estimates of ¥ 135,390,000,000 by 7.9 percent.

81. May provisional budgets, appropriating ¥ 24,537,334,000 for the General Account and ¥ 48,137,340,000 for the Special Accounts, were passed by the Diet 1 May.

82. The national debt declined ¥ 2,489,000,000 in April, amounting to ¥ 358,328,000,000 on 30 April.

National domestic bonds totaling ¥ 809,000,000 were issued and ¥ 52,000,000 were redeemed during the month.

PROPERTY CONTROL AND REPARATIONS

Property Control

83. The Custody Account for SCAP amounted to ¥ 268,298,045 on 20 May. Deposits, chiefly from German sources, from 21 April to 20 May exceeded withdrawals by ¥ 3,085,047.

84. An account for the German External Property Commission was opened 29 May. On 20 May this account amounted to \$ 260,823, representing proceeds from conversion of valid currencies and sale of warehoused property.

85. Patent and copyright royalty deposits as of 20 May were ¥ 10,606,225, including deposits of ¥ 578,002 in the preceding month.

Antitrust and Cartels

86. No objection was offered to 477 applications of restricted and designated concerns to effect transactions not in the normal course of business, including expenditures of ¥ 6,749,197,313.

Twenty-five coal-mining companies were authorized to borrow ¥ 3,790,527,000 for rehabilitation of mines and 10 cotton spinning companies were permitted to borrow ¥ 870,818,169 to complete rehabilitation of their cotton mills.

87. The Closed Institutions Liquidating Commission was ordered in May to close and liquidate 50 control organizations.

88. The Holding Company Liquidation Commission on 1 May canceled the designations of 50 of the 325 companies investigated under the Elimination of Excessive Concentration of Economic Power Law. It also announced that an additional 144 companies would not be required to undergo substantial structural reorganization.

89. The Fair Trade Commission rendered final decision 13 May against the Shochiku, Daiei and Toho motion picture companies, charged with violating the Antitrust Act. The companies were directed to terminate their restrictive agreement, to notify exhibitors of the cessation of restrictive practices and to file compliance reports with the commission.

Reparations

90. By 31 May 9,967 machine tools and secondary metalworking equipment weighing 30,530 metric tons had been shipped to the advance transfer claimants. May shipments consisted of 2,162 tools weighing 8,140 metric tons.

91. One hundred two inspections of arsenals were made by reparations and restitutions delegations in May.

SCIENCE AND TECHNOLOGY

92. Scientific observations made by 21 major observational groups of Japanese scientists in connection with the annular eclipse of 9 May fall into several general categories: astronomical, geophysical and meteorological. Most of the observations will require several months of calculations to reduce raw data to final form.

The principal Japanese observations were made at Rebun Jima off the northern tip of Hokkaido.

Collaboration between Japanese scientists and scientists in other countries of the eclipse zone marked an important step in re-establishing international scientific cooperation.

93. The Ministry of Education announced 1 May the names of the winners of the 1948 Japan Academy Prizes.

94. Production of a synthetic fiber made from polyvinyl alcohol was begun at the Kurashiki Rayon Company, Ltd., in April.

95. A device to spin, wash, desulfurize, bleach and dry yarn in a continuous operation, thereby simplifying the production of viscose rayon, has been developed by the Teikoku Rayon Company, Ltd.

96. A new process for producing coke suitable for blast-furnace operations out of indigenous coal and creosote oil has been worked out by the Fuel Research Laboratory of the Ministry of Commerce and Industry.

97. During the fiscal year ending 31 March the Japanese Standards Committee developed 572 standards.

98. The total of all types of standards in effect 1 May was 2,252 and the total of Japanese Standards promulgated since September 1945 was 1,309.

SECTION 4
SOCIAL ACTIVITIES

C O N T E N T S

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PUBLIC HEALTH AND WELFARE

1. Principal communicable disease cases numbered 3,237 in April, causing 328 deaths. Incidence of principal communicable diseases except diphtheria and cholera increased in April.
2. Medical and dental supplies produced in April were valued at ¥ 1,882,080,440 compared with ¥ 926,971,436 in March. The production of noncontrolled and patent medicines increased markedly in April.
3. The distribution of medical supplies and instruments in April amounted to ¥ 1,874,268,549.
4. Registered narcotics handlers numbered 81,536 on 31 March, an increase of 1,517 since 29 February.
5. Persons arrested for violating narcotics regulations numbered 73 in March.
6. From 30 April to 15 May 187.77 metric tons of LARA relief supplies were received in Yokohama, bringing the total received since the first shipment 1 November 1946 to 4,625.14 metric tons.
7. The Ministry of Welfare reported 123,511 orphans in Japan as of 30 April, of whom 12,202 were in institutions, 107,108 with guardians and 4,201 older boys and girls were self-supporting.
8. Nutrition surveys in February showed that average caloric consumption per capita per day decreased in all areas except in the Akita copper mines as compared with the November surveys.
9. There were 257,373 births, 92,428 deaths, 18,752 infant deaths, 12,427 stillbirths, 106,775 marriages and 7,612 divorces in March.
10. From 30 April to 27 May 33,635 persons were repatriated to Japan of whom 97 percent were from Soviet and Soviet-controlled areas.

EDUCATION

11. Ministry of Education policy on Korean schools, announced 7 May, provides that private Korean schools will follow the prescribed curriculum and use authorized textbooks. The Korean

language, history, literature and culture will be considered optional courses for private school students.

12. Correspondence courses at Keio and Hosei Universities were approved by the Japanese University Accreditation Association 22 April. Standards of graduate instruction stipulating a minimum of 90 credits for the three-year course leading to a doctorate and a maximum of 40 credits for a thesis or dissertation were approved by the Committee on Minimum Standards.

13. The first of a series of pretraining conferences for summer school instructors in normal schools was held in Tokyo 27-29 May.

14. The Ministry of Education issued regulations for new upper secondary school correspondence education 1 May and notified all prefectural governors that the total 1948 subsidy for correspondence education was ¥ 2,676,660.

15. Conferences were held and a committee was established in May to formulate recommendations for revising the vocational curriculum.

16. An agricultural extension workers program was initiated 13-14 May by directors of agricultural experimental stations and extension farms in Niigata, Toyama and Ishikawa Prefectures.

17. Arrangements for special food allotment to higher educational institutions were made by the Licensed Agencies for Relief in Asia.

RELIGION

18. The National Christian Council of Japan was organized 17 May with the Rev. Micho Kozaki of the Church of Christ as chairman and the Rt. Rev. Michael H. Yashiro, Bishop of the Episcopal Church, as vice-chairman.

19. The Japan Protestant Federation was established 12 May by representatives of Japanese Protestant churches not affiliated with the United Church of Christ.

20. In May forty-two clearances for entry into Japan were given to missionaries. Three Episcopal delegates departed for the Lambeth Conference and others went to the United States and to Italy.

21. In a joint notification by the Office of the Attorney General and the Ministry of Education 30 April, the Purge Directive was interpreted as applying to associations of religious bodies but not to individual religious bodies such as shrines, temples and churches.

CULTURAL RESOURCES

22. The Ministry of Education announced 20 May the removal of 379 historic sites from the list of registered historic sites associated with the Emperor Meiji for reasons of excessive imperial veneration and financial burden.

23. Dr. Saburo Ienago of the Tokyo Higher Normal School received the Emperor's Award 1 May for distinction in the field of fine arts.

MEDIA OF EXPRESSION

24. Attitudes toward branch agencies of the national government, rationing of perishable foods, purchase of stocks and bonds, strikes and current educational problems were the topics of five major public opinion surveys completed by agencies in May.

Press and Publications

25. A survey of 22 important newspapers in Japan revealed that of their circulation of over 13,300,000 copies, more than 8,000,000 copies represent the combined circulation of Asahi, Mainichi and Yomiuri, Japan's three leading dailies.

26. Licensing arrangements were completed for Japanese publishers to acquire translation rights for foreign copyrighted books on a commercial basis. An initial list of 98 American and British books were offered for competitive bidding.

27. Japan's third postwar May Day, the celebration of Constitution Day and growing concern over disagreements within the Cabinet evoked wide press comments. Magazine articles treated of the rural land reform program and encouraged the synthetic fiber industries.

Radio, Theater and Music

28. Plans for programs aimed at listeners in farm areas were discussed 30 April by representatives of the Broadcasting Corporation of Japan and officials of the newly created Information Section of the Ministry of Agriculture and Forestry.

29. The opening ceremonies of the Hiroshima Children's Cultural Center, the House of Councillors' Constitution Day ceremonies and a round-table discussion by leading Japanese political figures were among the six special programs broadcast on the anniversary of the promulgation of the new Constitution.

30. The Shin Toho Studio of the Toho Company, Ltd., became an independent motion picture production company.

31. Schiller's "Intrigue and Love" and the Kabuki play "Chushingura" were the outstanding stage productions, while the first Japan performance of Roy Harris's "Chorale" highlighted musical activities.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

Number 32

May 1946

PART II

POLITICAL

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SECTION 1
GOVERNMENT AND POLITICS

C O N T E N T S

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ANNIVERSARY OF PROMULGATION OF CONSTITUTION

1. The first anniversary of the new Japanese Constitution 3 May occasioned national observance and the assessment of achievements since promulgation.

Statement by Supreme Commander

2. On the eve of the anniversary the Supreme Commander issued the following message to the Japanese people:

"One year ago your new Constitution became the supreme law of the land, and the cause of human freedom advanced, as a mantle of personal dignity thereby fell upon every Japanese citizen. The people turned their eyes toward the dawn of a higher concept of life, heralded by a charter which provides the design for a political and social edifice resting upon the pillars of liberty and justice.

"Adapted from the experience of the ages, this charter embodies the most enlightened advances in the concept of human relationship which civilization thus far has been able to evolve, and as it now stands it lags behind none in form, in substance, or in progressive thought. But the written word alone gives only indirect protection to the rights and privileges which it ordains. Such protection resides actually in the resolute will of the people in whom the sovereign power dwells. And no man is entitled to the blessings of freedom unless he be vigilant in its preservation and vigorous in its defense.

"It is for the people, therefore, as empowered by its terms, to translate this charter into living and resourceful actuality, that the new Japanese way of life may be fashioned according to its general design, a workable and beneficent way of life which, while fundamentally in complete harmony with Japanese character and culture and basic needs, yet overlooks no gain elsewhere made toward advancing human welfare. For the course of civilization is not static, and it is therefore for the Japanese people, in shaping their own free destiny, carefully to scrutinize the lessons history has taught in other lands and search for weak practices as well as strong, failure as well as success, in order that the way may be oriented to the best that experience provides. The concept of human freedom is immutable but its translation into living actuality is subject to progressive advance as the minds of men find reorientation with enlightened knowledge and changing conditions with which society must cope.

"Today great ideological issues are stirring mankind. These issues are clearly defined as between democracy and despotism--freedom and slavery. While the great majority of the peoples of the earth seek freedom, the forces of despotism, composed of wilful minorities, are on the march in every land. Whether they be of the extreme left or of the extreme right makes little difference, for their purpose is to destroy freedom, and the two often exert pressure in common accord in the effort to achieve this purpose. While only minorities compose these pressure groups, they garner support from the ignorant, the gullible, and the weak-minded. Their fundamental aim is to destroy the highly developed moral concepts of the modern world and to superimpose upon the ashes thereof a social system which experience has shown to be barren of truth and light, without hope or promise and bereft of faith, a system under which the masses of men are denied the fruits of their toil and the benefits of their skill to enrich a ruling few, neither responsive to the popular will nor dedicated to the public good. Defense against such minority pressure lies more than all else in the spiritual strength of the people and the unyielding firmness of their chosen leaders. For the lessons of contemporary history make it unmistakably clear that when peoples or their leaders shrink or yield before such pressure or permit invisible controls to be superimposed upon representative government by any minority groups whatsoever, governments fall and freedom perishes.

"The past year has witnessed notable progress in the reshaping of Japanese life to conform to Japan's constitutional mandates. The entire body of Japanese law has now been modified and the structure of government redesigned to render it a thoroughly democratic instrument, truly representative of the popular will. The highly centralized controls previously existing have been severed, with each community within the broad outline of the charter left the untrammelled right and fixed responsibility to manage its own affairs, exercise its own police power, and resolve its own peculiar social problems.

"The very essence of democracy lies in the reservation of the maximum of political power in the people for exercise up through the smallest political subdivisions of government. Its antithesis lies in the concentration of the political power in the hands of a few for exercise down to the smallest political subdivisions of government. Japan, traditionally governed under the latter, is now fully oriented toward the former, as all segments of Japanese life, freed from arbitrary and oppressive centralized control, are becoming welded into strong and purposeful communities, which in common benefit will give vitality to a free nation. Ceaseless vigilance must be maintained to insure that the maximum of local autonomy is preserved if democracy, now firmly planted, is to survive.

"The Japanese people are coming to understand, apply and cherish the rights and privileges conferred by their new Constitution. It is encouraging to note that care is being exercised to avoid the perversion of grants of liberty into seeming grants of license, and that there is a growing understanding that with every right and privilege conferred there is a corresponding obligation imposed--an obligation to exercise that right and privilege in such a manner as to avoid violence to the rights and privileges of others. Every segment of Japanese society will find its authority for advance within the provisions of this great charter, and yet unrelaxed vigilance is necessary to insure that by operation of government no one segment advances at the expense of any other. Thus you will find that if you avoid conferring special privilege upon any one segment you will confer equal privilege upon all and the Constitution will thereby serve its avowed purpose of providing that equal protection shall be extended to every citizen of the land.

"You have reoriented your economy toward a system based upon the principles of free private competitive enterprise, and with it are reorganizing the concentration of economic power which long has suppressed any possibility for equality of opportunity, one of the great pillars to democratic life. And by wise and advanced laws you have safeguarded against any reversion to monopolistic control. If this course be firmly held and unceasing vigilance be maintained to hold to a minimum the burden of the expense of government upon the individual, you will leave unimpaired the incentive to maximized initiative and energy and the assumption of reasonable risks inherent in economic adventure, all essential to progress in a free economy.

"It is heartening to observe a growing consciousness of public responsibility on the part of the people, as increasingly is heard the expression of public opinion. For the most effective curb upon excesses or corruption in government or any segment of Japanese life lies in an informed public opinion and its vigorous and fearless defense against threat to the public interest. An informed public opinion is dependent in turn upon a free, responsible and courageous press, and it is gratifying that the Japanese press during the past year has shown great progress in the development of those qualities. It appears increasingly to understand that in the constitutional guarantee of a free press, a responsible press is intended--a press which will play a vital role in the re-orientation of public opinion by propagating the truth in order that the people wherein sovereignty rests may make sound political decisions with minds uncorrupted by slanted, distorted or false propaganda.

"The past year has witnessed impressive gains in the enhanced dignity and improved working conditions of labor. And both labor and management in the social struggles inherent in a society which is free are displaying a growing awareness of the fact that labor-management disputes involve triangular rather than bilateral interests, with the public interest by far the predominant one. In Japan with its economy of scarcity resulting from war and destruction no segment of society is without want and consequently many demands are understandably motivated by the wish for more of the fundamentals of life, but if a sound course is to be charted, each segment must realistically assess the resources available and measure its demands to correspond to its fair share. This necessitates more than all else responsible leadership and, on the part of the rank and file, ceaseless vigilance to insure that Japan's already meager resources be not imperiled by irresponsible action.

"Japan today is a land of relative calm and purposeful effort in a turbulent and confused surrounding. That it is so reflects great credit upon the stamina, resiliency and determination of its people. So it must remain. For such a Japan, with all effort dedicated to building a new and impregnable citadel of democracy in the East, will provide its people with the blessings of a truly free way of life and thereby prove a factor for stability in a world torn by the uncertainties of confusion and fear."

Prime Minister's Statement

3. Prime Minister Hitoshi Ashida issued the following statement in observance of the first anniversary of the promulgation of the Constitution:

"We greet today the first anniversary of the enforcement of the new Constitution. It is with profound emotion that we look back on the road we have traveled in the past year.

"Our Constitution is a beacon of hope that was erected on the ruins of a great war unparalleled in history. It is the lodestar that guides Japan on its new career. It is under this Constitution that new laws and ordinances were promulgated, the Diet organized and the machinery of government and the system of judicature set in motion--which now stand before us as shining monuments of the new era. For a people beaten in war and hard pressed for living these are no mean accomplishments, from which we may well derive satisfaction and pride. It seems that they are being duly appraised also by other nations who watch our progress with anxious eyes.

"We are, however, far from having attained the supreme goal of the Constitution. The ideals of democracy, civilization and peace are yet to be realized. The Constitution is but a document written on paper. It provides merely a framework for our national life. Unless we practice its provisions, article by article, in our own lives, it will mean nothing no matter how lofty may be the principles it contains.

"With our own hands we must defend the dignity of man. By our own efforts we must win the peace. Of all struggles of mankind the struggle for peace is the noblest and at the same time the hardest.

"Our future is beset with many difficulties. But we will, as we must, surmount them by keeping alive the spirit that went into the making of the Constitution. Happily we have friends abroad who will be glad to give us a helping hand as long as we do not deviate from the path of rectitude and peace and are willing to help ourselves. Nothing is more heartening than that our endeavors are coming to be recognized beyond the seas.

"On this memorable day--the first anniversary of the Constitution--let us pledge to our forefathers and to posterity our renewed determination to dedicate ourselves, body and soul, to the great work of Japan's national reconstruction."

Celebration in Diet

4. A ceremony was held in the National Diet 3 May under the joint sponsorship of the House of Representatives, the House of Councillors and the Supreme Court. In the presence of the Emperor and cabinet ministers, commemorative addresses were delivered by Prime Minister Ashida, Speaker Komakichi Matsuoka of the House of Representatives, President Tsuneo Matsudaira of the House of Councillors and Chief Justice Tadahiko Mibuchi of the Supreme Court.

Prime Minister Ashida said in part:

"The new Constitution possesses deep domestic as well as international significance. Its proclamation setting forth the establishment of democratic government and the attainment of a lasting world peace is unparalleled in the world. And because of this very fact, ever since the implementation of the new Constitution the eyes of the entire world have been watching to see how well we Japanese have grasped the lofty spirit embodied in the new Constitution and how much effort we have expended for the realization of its high ideals.

"It is most gratifying that the Japanese people, with a gradually deepening understanding of the basic principles of their new Constitution, are striving ceaselessly for the revival of Japan. At the same time, it is an undeniable fact that the favorable turn in the attitude of other nations towards Japan has provided us with an incentive to push forward further efforts for the democratization of Japan.

"However, before Japan can be reborn fully as a nation of peace and culture, further hardships must be expected. Admittedly, it is a most difficult task to overcome the economic crisis confronting us and to stabilize the livelihood of the people. But in order that we might take our place in the international community of nations in the future, as a nation of honor and culture, and receive the benefits of a peaceful life, we must make it our supreme mission to administer our national affairs on the basis of the ideals of the new Constitution and to give life to this spirit in every aspect of our daily lives.

"On this memorable day, raising high the banner of our ideal of world peace, we call upon all the peoples of the world and pledge to march bravely onward with increased determination to establish a truly democratic and cultural nation."

Speaker Matsuoka declared in his address:

"The two main objectives of our democratic Constitution are to secure the benefits of freedom and to ensure the maintenance of a lasting peace. During the past year since the enforcement of the new Constitution many improvements have been made in the nation's legislative system and programs.

"It is gratifying to note that the people's understanding of democratic government is becoming deeper and deeper.

"It should be pointed out, however, that the Japanese people, confronted with an acute economic crisis and a difficult international situation, are apt to be subjected to some disturbing influences in their way of thinking.

"It is my firm conviction that at such time upholding all the more firmly the spirit of our sublime Constitution is the way for the Japanese to relieve the difficulties now facing their country and to contribute to the welfare of mankind.

"On this memorable occasion it is earnestly hoped that the entire nation will renew its determination to forge ahead untiringly to attain our ideal."

President Matsudaira of the House of Councillors said:

"The two spiritual pillars of the Japanese Constitution are democracy and pacifism, or the people's sovereign power and Japan's renunciation of the right to wage war.

"Our past one year's efforts have been successful in reforming the general state structure and establishing the foundation on which to create a democratic State.

"We should strive, however, more at fostering wisdom and courage among all people to live up to the ideals of democracy and provisions of the Constitution than at completing forms of democracy.

"We should reaffirm that the people should never assert rights which are not endorsed by justice nor covet freedom unaccompanied by moderation and responsibility.

"Thanks to the understanding and support of the Occupation Forces, the path to recovery from postwar tribulations is beginning to be opened.

"We, the Japanese people, again declare ourselves ready to realize the lofty ideals of the Constitution, thereby recovering international faith in Japan and bringing about our participation again in the family of nations."

Chief Justice Mibuchi declared in part:

"The Constitution of Japan guarantees the fundamental human rights of the people and proclaims that the people shall be respected as individuals. The ideal of democratic Japan has been uplifted, with freedom of thought and conscience, freedom of religion, freedom of assembly and speech, academic freedom firmly guaranteed. We hope to exert our efforts to preserve human rights and realize the freedoms in the light of justice and equity.

"When we look back upon the past year, we see prospects of rehabilitation of production and of the restoration of morals, which have gradually been improving thanks to the efforts of the people. But we have to assert that the reconstruction of our fatherland is in the distant future, with the economic crisis still lingering, the confusion of order prevailing, the livelihood of the nation suffering.

"We are convinced that our country will be able to occupy an honorable place in the international community only by enduring all the hardships and difficulties, whatever they might be, and upholding the spirit of the Constitution.

"At this ceremony today, we, affirming our determination, firmly swear to preserve the Constitution and endeavor to realize its high ideals."

Summary of Achievements of the First Year under the Constitution

5. Throughout anniversary celebrations citizens of Japan were urged to take stock of their renewed life through the social, civil and political reforms under the Constitution.

6. These sweeping reforms were executed in the first year:

- (1) Feudalistic governmental structures were modernized. Sovereignty, which hitherto rested with the Emperor, now rests with the people and the imperial institution survives only in the modified form of an emperor who remains as the symbol of the unity of the people.
- (2) The elevation of the legislature, as the body directly representing the people, to the position of supreme organ of state power was accomplished.

The legislature exercises its vested complete authority over the administration of national finances and has the power to impose new taxes or to modify existing ones. The far-reaching power of determining the national budget signifies an important step in the democratic process since, under the Meiji Constitution, the Diet had no power to increase the budget submitted to it by the cabinet and, in the event of rejection by the Diet, the budget of the preceding year remained in force.

- (3) Executive power was vested in the cabinet with the prime minister at its head. Another evidence of popular control is the constitutional provision for the cabinet's resignation when it no longer enjoys the confidence of the House of Representatives.

- (4) The former dependence of the judiciary and the courts upon the will of the executive was abolished under the Constitution and by specific implementing legislation.

Removal of the courts from the jurisdiction of the Ministry of Justice paved the way for the dissolution of that ministry and the establishment of the office of the Attorney General as the supreme legal adviser to the executive branch of the government.

A complete innovation was effected with the establishment of a Civil Liberties Bureau under the office of the executive assistant to the Attorney General. This bureau is directly responsible for the promotion and protection of the fundamental rights of the people as guaranteed by the Constitution.

- (5) Decentralization of government and democratization of local governments working through assemblies and leaders elected by and responsible to the people of their communities were effected. The promotion of local autonomy, including administration of local finances, represents a revolutionary step in the direction of democratization of government in the Japanese countryside where the old feudalistic elements were entrenched more strongly than elsewhere.
- (6) A sweeping reorganization of the police system was achieved with enactment by the Diet 8 December 1947 of the Police Reorganization Law, providing complete decentralization of the police. The law called for accomplishment of reorganization within ninety days and on 7 March 1948 Japan instituted its new decentralized police system.
- (7) The Ministry of Home Affairs, the traditional citadel of bureaucratic control and centralizing influence, was abolished.

The ministry lost most of its functions and powers after the surrender and, with the decentralization of Government and the reorganization of the police, its remaining functions were transferred to other ministries on 31 December 1947.

- (8) The Ministry of Labor was established 28 August 1947.
- (9) Japan's Criminal Code was modernized and democratized. Important revisions of the Civil Code emphasized individual dignity and the essential equality of the sexes.

A Domestic Relations Court was established to exercise jurisdiction over family matters including matrimonial relations, loss of parental power, guardianship and curatorship, support, inheritance, wills, trials and judgment regarding incompetence and quasi-incompetency, property and disappearance.

Divorce laws and adultery provisions of the existing Criminal Code have been liberalized to conform to enlightened principles of human relationships.

A sweeping change was effected with the abolition of the traditional family system--the centuries-old "house system"--and its transformation to a relationship comparable to that of the family group as known in Western countries.

The provisions concerning lese majesty contained in the old Criminal Code were abolished.

- (10) A National Public Service Law, enacted by the Diet 16 October 1947, reorganized the governmental bureaucracy by establishing a National Personnel Commission to establish standards for all civil-service positions, and to supervise and coordinate the work of personnel directors.
- (11) Decentralization of education and school finances, the adoption of the 6-3-3 school system, and the establishment of the Academic System Reform Committee were effectuated in the spirit of the Constitution.
- (12) The former system of land ownership and tenancy rooted in feudalism was uprooted and a land reform program was instituted to permit farmers to own the land they till, thus creating throughout Japan a new class of small landowners.
- (13) The passage of the Law for Decentralization of Excessive Concentration of Economic Power at the closing session of the First National Diet 9 December 1947 marked an essential step toward establishment here of an economic system based on competitive free enterprise which Japan has never before known.
- (14) Leaders who formulated Japan's former policies of conquest, ultranationalism and aggression have been removed from their positions in the political, economic and cultural life of the nation.

POLITICAL DEVELOPMENTS

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WAR BOND INTEREST PAYMENT ISSUE

Disagreement of Government Parties

7. The Ashida cabinet was confronted with its first major political impasse when the three government parties, after involved negotiations, still failed to agree on the issue of suspending interest payments on war bonds.

Because the issue of suspending interest payments on war bonds was closely related to the compilation of the budget for the period beginning with June, the Government was faced with the necessity of arriving at a settlement of the issue simultaneously with the compilation of the 1948-49 budget.

Throughout the discussions Democrats and People's Cooperatives maintained staunch opposition to the suspension while the Social Democrats resolutely urged suspension, as advocated in the three-party policy agreement drawn up at the time of the formation of the Ashida cabinet. Prime Minister Hitoshi Ashida and Minister of Finance Tokutaro Kitamura declared it would be impossible to suspend war bond interest payments.

War Bond Interest Payment Council

8. The political aspects of the entire issue were accentuated by the failure of the three-party War Bond Interest Payment Council, designated in April to study the problem, to arrive at any agreement. Divided between Social Democratic exponents and Democratic and People's Cooperative opponents of the issue, the council submitted two reports to Prime Minister Ashida 30 April embodying the conflicting recommendations advocated by the two opposing groups. The Government was asked to make a "political decision" on the problem.

9. The report in favor of suspension recommended that: (1) the payment of interest on war bonds be suspended for one year; (2) to cover the resultant losses of all financial agencies except those of the Bank of Japan, second restricted deposits be written off by pool accounting; (3) the losses of the Bank of Japan be covered by adjusting the bank's payments to the National Treasury; and (4) payment of interest on bonds of small denomination be suspended.

Some of the reasons for suspension were: (1) to equalize the burden of sacrifice on the people; (2) to help balance the national budget which, in turn, would stimulate confidence in currency; and (3) to show that there is no danger of revival of imperialism in Japan, which reassurance will in turn bolster international trust in Japan.

10. The report opposing suspension cited these reasons for favoring continued payment:

- (1) Suspension might occasion ideological confusion at this time when the Japanese economy is at an important turning point.
- (2) Suspension would harm the reputation of the Government both at home and abroad.
- (3) The people's will to save would be adversely affected at this time when the accumulation of capital is badly needed.

- (4) Suspension would adversely affect sales of future government bonds and debentures of the Reconstruction Finance Bank.
- (5) Suspension would lead to confusion in the readjustment of financial agencies.
- (6) Discriminatory treatment of bonds held by any group or individuals may cause a violation of the Constitution.
- (7) Any attempt to prevent depreciation of government bonds on the market consequent upon suspension of interest payment by specially fixing registered prices would run counter to the effort made to place financial agencies on a sound basis.
- (8) If the Government were to fail to redeem its debts private companies and individuals would begin to call for lowering of interest rates on loans contracted in wartime, or for scrapping their debts contracted in wartime, on the grounds of fairness to them and of lightening their financial burden to enable them to contribute to national recovery. This would lead to both industrial and financial confusion and chaos.

11. Because war bond interest amounting to ¥ 460,000,000 was scheduled to be paid 1 and 15 June, the Government was compelled to reach a decision on the issue in time to secure Diet approval of the budget plans.

Democratic Party Position

12. The Democratic position on the issue was emphasized at the national convention of the Democratic Party 5 May, when the Finance and Banking Subcommittee of the convention passed a resolution opposing the suspension of payment. The convention, however, excluded the resolution from the policy platform of the convention, agreeing to leave negotiations on the issue to the three government parties. A conference of party executives 6 May decided to entrust to Prime Minister Ashida the task of negotiating "on his own judgment" with the Social Democratic Party for an amicable solution of the problem.

Social Democratic Party Position

13. Left-wing members of the Social Democratic Party remained intransigent in their support of suspension. Even neutral elements within the Social Democratic camp attuned themselves with the arguments of the left-wingers since suspension had been voted in the three-party agreement. Social Democrats generally contended that the war bond issue also represented the first test of the three-party coalition in dealing with policy issues, and that if they gave in to the Democrats on that issue they would eventually be defeated on such issues as the proposal to revise existing labor legislation, the third farm land reform program and the national wealth survey tax.

In order to effect solidarity within the party on controversial issues a meeting of the Central Executive Committee of the Social Democratic Party 6 May decided to demand that the issues of war bond interest payments and budget compilation be handled in accordance with the principle agreed upon at the three-party policy conferences.

Tomabechi Compromise Proposal

14. In a move to avoid friction between Social Democrats and Democrats, Chief Cabinet Secretary Gizo Tomabechi, a Democrat, on 8 May presented a compromise plan which called for deferment of interest payments on war bonds for one year beginning 1 June. In support of his plan Tomabechi said:

- (1) The compromise plan, while nominally a concession to the Social Democrats, reflected the agreement of the high-ranking Democratic Party officials including Economic Stabilization Board Director General Takeo Kurusu and Minister of Finance Tokutaro Kitamura.
- (2) The plan faithfully fulfilled the provision calling for the disposition of interest payment suspension contained in the three-party policy agreement.
- (3) The plan would cause no uncertainty among economic and financial circles.
- (4) If the plan were approved by the Cabinet it would be in order to exclude payment of interest on war bonds from the June provisional budget and from the general budget. Therefore no technical difficulties would arise.

Informal negotiations on the plan were undertaken at once between Prime Minister Ashida and Deputy Prime Minister Sushiro Nishio, Social Democrat, to secure Social Democratic approval of the plan.

Social Democratic Party Reaction

15. Left-wing Social Democrats were not at once receptive to the compromise plan. They echoed Chairman Masaburo Suzuki of the party's Political Affairs Research Committee in criticizing the fact that such an important issue had been decided upon by Social Democratic ministers without first consulting the party machinery.

Suzuki attacked the plan on the ground that the compromise was not meant to suspend interest payment and to accept the plan would mean that Social Democrats had abandoned one of their most important policies and agreed to payment of interest on war bonds.

16. The following representation by Suzuki was handed to Deputy Prime Minister Nishio, Minister of Commerce and Industry Chosaburo Mizutani, and Minister of Labor Kanju Kato:

"1. It is most regrettable to note that, contrary to the provisions of the tripartite policy agreement which is the foundation of the Ashida cabinet, the Democratic Party proposed a compromise plan to defer payment of interest on war bonds for only one year. The proposed plan guarantees the payment of interest until the due date of redemption of the principal.

"The plan in question is, therefore, much more undesirable than either the plan to levy tax on the interest or the plan to reduce the interest rate to one percent. Accordingly, further negotiations are necessary.

"2. Whatever settlement of the issue is going to be made, the Social Democratic Party should not make any promise which does not call for writing off both principal and interest in the future. Such a promise would run counter to the conviction of the Social Democratic Party that war bonds were floated to finance an aggressive war and for this reason they are bogus capital which has no material backing; accordingly, like other wartime subsidies, they should be written off in both principal and interest.

"3. The suspension of interest payment on war bonds is merely a foothold to halt spiraling inflation. For this reason, it should not be construed to checkmate inflation or put a stop to deficits in public finances forthwith. The spiraling inflation should be checkmated by absorbing surplus purchasing power through the imposition of the proposed National Wealth Survey Tax, which is a light property tax to be accounted for in the budget for the 1948-49 fiscal year in the shape of, for instance, a Corporation Property Tax or a Personal Property Increase Tax.

"4. The withdrawal of surplus purchasing power should not be accomplished by means of levying the proposed Trade Amount Tax which is taxing the masses. (It may be added that a special committee of our party will in the near future draw up a draft relative to the proposed large reduction in the earned income tax with an eye to the new wage basis.)

"5. In accordance with our desire the proceeds of approximately ¥ 3,500,000,000 to be obtained as a result of the repeal of payment of interest should be used for building houses for war-stricken people who are badly in need of houses, for the relief of repatriates, and for the reconstruction of areas devastated by natural calamities."

17. Later, both Suzuki and Kihachiro Kimura, vice-chairman of the Political Affairs Research Committee of the Social Democratic Party, showed a more conciliatory attitude. They stated that if the Tomabechi plan were accepted by a majority of their party's Central Executive Committee some conditions would have to be attached to it in order to promote the realization of the three-party policy agreement, a stipulation which was embodied in a memorandum to Chairman Fetsu Katayama.

Kimura stated 9 May: "The compromise plan of the Democratic Party is based on the view of the officials of the Ministry of Finance. We are convinced that it will become necessary to defer the interest payment in the future from the viewpoint of revenue sources. We will not insist upon suspending interest payment on war bonds if better revenues are found.

"From my personal viewpoint, the Social Democratic Party should attach some conditions to the compromise plan, even if the party accepts it. The party should, from a wide point of view, demand the faithful performance of the three-party policy agreement, including the establishment of the national wealth survey and increased property taxes and the increase, by a wide margin, of the basic deduction of the earned-income tax. I think a conclusion will be reached in line with the compromise plan."

Social Democrats Accept Compromise

18. A conference of Social Democratic Party leaders 12 May decided to accept the Tomabechi plan; the decision was conveyed to Tomabechi through Deputy Prime Minister Nishio on the same day.

At the same time, the conference approved the following opinion on the plan raised by Kimura:

"Our party has advocated the suspension of payment of interest on war bonds to halt inflation and to have war sacrifices shared evenly among the people. For this reason, although we agree to the Tomabechi compromise plan, every possible supplementary measure should be made in compiling the general budget to equalize the burden of war losses on the people through the imposition of the proposed National Wealth Survey Tax, avoidance of taxing the masses and other means. The surplus amount to be realized by deferring the payment of interest for one year should be expended for restoring areas devastated by natural calamities, relieving repatriates and building houses for needy people."

The conference agreed that the party would see that every effort would be exerted by Social Democratic ministers in the Cabinet to realize the points raised by Kimura parallel with settlement of the scope of war bonds to which the compromise plan should be applied.

Opposition Activity

19. The Tomabechi plan was directly opposed by opposition parties and financial circles. A statement issued by Secretary General Takeshi Yamazaki of the Democratic Liberal Party stated that it was regrettable that such an important issue involving international as well as domestic confidence in the Government had been made the object of political compromise. The shelving of the interest payment was estimated to mean a loss of some ¥ 1,400,000,000 for financial institutions.

Disgruntled with the postponement of the payment of interest on war bonds financial circles launched an antideferment campaign. The Financiers' Association, composed of 12 financial agencies including banking and insurance companies, submitted a representation to the Government 12 May setting forth the reasons why they opposed the compromise plan. The statement read as follows:

"The action that the Government is about to take is tantamount to suspension of payment for one year. Furthermore, not only is there no guarantee for the future but, on the contrary, there is the possibility of a further holdup of payment on war bond interest.

"Inasmuch as payment of interest for one year is uncertain, the payment of interest on due dates cannot be certain. This will result in loss of faith in bonds and inevitably lead to depreciation of bonds.

"Carrying unpaid interest on books for a long time runs counter to the security of financial agencies."

The statement was accompanied by disclosure that financial leaders had called on Prime Minister Ashida 8 May and expressed their opinion that the postponement of interest payment on war bonds would shake the foundations of credit because it represented a failure on the part of the Government to meet its debts. On that occasion Prime Minister Ashida reportedly had assured the financial leaders that he would see to it that the matter would be settled to their satisfaction. Reversal of the Government's attitude meant, according to the financiers, that the Democratic Party was exploiting the bond issue for driving a political bargain. In such a case, they said, financial circles would have to voice nonconfidence in Prime Minister Ashida.

The same attitude prevailed among central and local bank operators. Members of the Jusan-nichi-kai, an association of leaders of local banks, announced 14 May their stand that provincial banks should withhold all cooperation to absorb future public bonds in case the Tomabechi plan was enforced.

Cabinet Acceptance of Compromise

20. On 14 May the Cabinet announced that it had accepted the Tomabechi plan. In taking this step the Cabinet dropped from the June provisional budget the sum of ¥ 460,000,000 which was to cover the payment of war bond interest due in June. The decision was reached even though the People's Cooperative Party had delayed its final stand on the issue, declaring that the interests of small banks serving agricultural, forestry and fishing communities must be protected. However since both Minister of Transportation Seiichi Okada and Minister of State Kyoji Funada of the people's Cooperative Party had promised to secure their party's approval, it was not expected that the party would continue to withhold its formal acceptance.

Formal acceptance of the plan by the Cabinet was announced by Chief Cabinet Secretary Tomabechi 22 May. The bill was to be submitted to the Diet after proper procedures had been taken.

According to a statement by Prime Minister Ashida, the surplus funds derived from the one-year enforcement of the plan will be appropriated for the restoration of areas stricken by natural disasters, rehabilitation of war-damaged districts and promotion of social welfare facilities.

In an effort to reassure financial circles a statement by Minister of Finance Tokutaro Kimura disclosed that the Government was considering special measures to compensate financial institutions against losses incurred through suspension of interest payments on war bonds. In a later statement delivered to the House of Representatives the Minister of Finance declared that the plan would not apply to foreign nationals and therefore enforcement of the plan would not prejudice international confidence in Japan.

Campaign to Prevent Diet Approval

21. The Council of Financial Agencies held a meeting of its leaders 24 May to organize a campaign to prevent the Cabinet's plan from passing the Diet. The council advocated (1) formation of committees to confer with representatives of political parties; (2) publication of pamphlets explaining the war bond problem; and (3) urging of financial institutions actively to oppose suspension.

NATIONAL GOVERNMENT

Policy for Administrative Readjustment

22. Basic principles of a program to reorganize the administrative machinery of the Government were formulated by the Cabinet 22 May. This program called for:

- (1) Adjustment and rationalization of administrative organs.
- (2) Measures to avoid overlapping of authority among the ministries.

- (3) Transfer of the central government's authority to local governments insofar as possible, and the weeding out of local agencies of the central government.
- (4) Efforts to raise administrative efficiency.
- (5) Rationalization of government enterprises to realize sound operation.
- (6) Submission by government agencies of readjustment plans and reports on administrative structures and personnel as of 1 April.
- (7) Provisional measures to be instituted in accordance with the projected plan relative to the national budget and local government structures.
- (8) Removal of cabinet restrictions, adopted 14 October 1947, on increase of government personnel and the filling of vacancies.
- (9) Measures allowing employees discharged in compliance with reorganization plans to remain in office for four months as nonregular employees. This personnel may be utilized to fill vacancies or may be hired temporarily in other government offices.
- (10) Payment of special allowances to employees discharged.

Reduction of Central Government Agencies

23. A resolution calling for the abolition of a number of prefectural and local agencies of central government offices and for changes in the local tax system was adopted at a mass meeting in Tokyo 24 May.

The rally was jointly sponsored by the National Federation of Local Self-government Councils, the National Mayors' Association, the Town and Village Heads' Association and chairmen of prefectural assemblies.

The resolution declared that the Government's delay in effecting a reform of the local branches of central government offices had obstructed the development of local self-government. It also charged that the Government impoverished local finance through its failure to establish new systems of local taxation and administrative finances.

The resolution named about 20 local branches of the Prime-minister's Office, Ministries of Finance, Agriculture and Forestry, Commerce and Industry, Labor, Transportation and Education and the Price and Construction Boards as no longer necessary. It also demanded the transfer of admission and hunting license taxes from the national to the local governments.

New taxes, including levies on liquor and tobacco consumption, enterprise, mineral production, gas and electricity, lumber transactions and others, were called for in the resolution.

Completion of Demilitarization Program

24. The demilitarization of Japan and demobilization of its approximately 7,400,000 men in military forces were major responsibilities in the Occupation. By 31 May all but 500,000 former

servicemen, almost all of them held in Soviet areas had been returned to Japan and integrated into civil life.

Repatriation required the retention of government agencies qualified and equipped to handle the large numbers of personnel. Other responsibilities, such as minesweeping and maintenance of naval vessels prior to division among the Allied Powers, were left to similar agencies, which were the remnants of the Japanese military and naval machine, stripped to bare essentials. On 1 December 1945 the Ministries of War and Navy were reduced to First and Second Demobilization Ministries and on 1 July 1946 to the Demobilization Board, responsible to the prime minister.

25. The Government was directed 4 October 1947 to integrate all demobilization machinery into the regular civil agencies of administration. Further transfers to civil authority were made and a final plan for integration was submitted 4 May and approved by SCAP on 22 May. Effectuated 31 May, this plan places all remaining demobilization activities under the jurisdiction of the Repatriation Board of the Ministry of Welfare and minesweeping and ship maintenance under the Maritime Safety Commission of the Ministry of Transportation, with complete subordination of all ex-military agencies and personnel to civilian control.

SECOND ECONOMIC "WHITE PAPER"

26. On 23 May the Ashida cabinet issued an economic report hailed by the press as a "Second Economic White Paper" which gives an exhaustive review of Japan's economic life during the ten months elapsing since issuance of a similar report by the Katayama cabinet in July 1947. A translation of the paper, details of which have been revised by the Economic Stabilization Board, follows:

Foreword

"The former cabinet published an economic report on July 4, 1947, and made it clear that the postwar economy of Japan was in a critical condition by an extraordinary underproduction and the mounting inflation. Ten months have since passed. In this report we shall try to trace the progress of Japanese economy since that time and to describe the general outlook of its future development. Compared with ten months ago the living conditions of the people are just as hard as ever but, due to the increased production of coal and to the prospect of increasing economic aids from the Allied Powers, the outlook of economic rehabilitation has become brighter. Food condition is also expected to improve owing to the accomplishment of full quota delivery by our farmers and to the improvement of worldwide food supply. Furthermore, the tempo of advancing prices has somewhat slowed down since last autumn and a hopeful outlook as to the prevention of critical inflation has come to be entertained.

"On the other hand the war damages to our economy are serious and the postwar problems of production, foreign trade and inflation are full of difficulties. Unremitting efforts of the whole nation are required for a long time before the realization of a self-sufficient economy and prosperity. The present report tries to make clear the actual condition of Japanese economy and to provide our people with a clue to reconstruction so that they may exert themselves with full understanding of the actual economic conditions.

"We shall clarify some of the fundamental conditions of the postwar Japanese economy. We shall make a general survey of the present economic conditions and then describe the present status of production, foreign trade, prices, money and finance, wage, family expenditures, etc.

Basic Conditions of Postwar Economy

"The postwar economy of our country is fundamentally different in many respects from the prewar one, its principal differences being loss of property, reduction of foreign trade, rapid increase of population, etc. As a result of researches conducted chiefly by the Economic Stabilization Board since the summer of last year, a report on the war damage to our economy has recently been made. According to that report the total sum of the properties (excluding weapons, airplanes, war vessels and other military properties) lost in the homeland by air raids and other war operations amounts to ¥ 49,673,611,000 in terms of the price level at the time of surrender and ¥ 1,383,400,000,000 in terms of official price at the end of last year, or 20 percent of the total domestic assets in prewar days. In addition to the above there are indirect losses due to the depreciation of assets which were not repaired and replaced, to the forceful demolition of houses and others for dispersion purposes, to the dilapidation of peacetime industry equipment, losses due to reparations removal, loss of assets abroad, etc. Our national income in 1935 was ¥ 14,500,000,000 of which ¥ 2,200,000,000 (or in terms of price level at the time of surrender ¥ 6,500,000,000) was turned to new investment.

"Therefore, even with the economic capacity of 1935, it will take nearly ten years to make up for the above direct losses. With the economic power at present, when population is 115 percent and real income is less than 60 percent of that of those days, recovery would take still longer. We can, of course, shorten the period necessary for recovery by saving consumption, increasing accumulation and by obtaining monetary aids from foreign countries. But it is by no means an easy task to repair and restore the worn-out facilities of transportation, housing, factories, etc., and to rehabilitate the long-unattended rivers, roads, forests, etc.

"Furthermore the loss of assets does not end by itself. It constitutes a major factor in retarding the postwar economic recovery by contracting the production basis. For example, the shortage of houses and the dilapidation of transport facilities led to a power-labor inefficiency, and the deterioration of transportation, electricity, communications and other facilities worsens the productive condition of industries. The postwar economy has so far caused such losses of assets to continue and expand rather than to make up for them.

"The second condition in our postwar economy is the difficulties in foreign trade. In order that the 80,000,000 Japanese attain a living standard of 1930-34, it will be necessary to have imports of about \$ 2,000,000,000 and to have corresponding exports. But the postwar foreign trade has been inactive owing to the existence of manifold difficulties. In the last year the actual import was 25 percent while the export was less than 10 percent respectively of the figures mentioned above. In view of the fact that our country has to depend upon the import of various goods, such as foodstuffs, textiles, industrial raw materials, etc., reduction of foreign trade means a lowering of the living standard and the inactivity of industries.

"Owing to the political and economic instability prevailing in the East Asiatic countries which were our major markets and sources of supply, we have chiefly to rely upon the United States for imports, thus making the trade balance vis-a-vis the United States extremely unfavorable to us. This has been remedied to some extent by monetary aid from the United States, but is difficult of fundamental solution until the import and export capacities of East Asiatic countries are restored.

"The third condition is the rapid increase of population. According to the census held on October 1, 1947, the total population of our country was 78,620,000, which shows an increase of around 6,600,000 since the surrender. The above increase is mainly attributable to the repatriation which amounted to 5,770,000 at the end of October 1947. The increase of population means an increase of productive labor and serves the rehabilitation of economy but on the other hand means an increased consumption of food and other goods and serves to aggravate the import burden and unemployment problem.

"As is clear from the foregoing it is extremely difficult to restore in a short period the Japanese economy to the prewar level. A self-supporting economy and improvement of the living standard can be achieved only through nationwide savings and hard work.

General Survey of Present Economic Conditions

"Under the fundamental conditions mentioned above the postwar production, particularly that of industry, has remarkably decreased. On the other hand the release of purchasing power accumulated during the war and the subsequent overexpenditure in public finance and the deficit financing of enterprises had rapidly accelerated inflation and prices had kept on rising. Industrial production, which had declined immediately after the surrender to about 10 percent of the 1930-34 level, recovered in the autumn of 1946 to nearly the level of 40 percent, but thereafter it fluctuated and showed no noticeable increase. Inflation stepped up its advance tempo from the end of 1946 to the spring of 1947 and prices rose by 10 to 15 percent every month. Inflation was expected to enter a catastrophic stage before long. Therefore the preceding cabinet, immediately after its formation in June 1947, took up the economic problem and put into practice a series of countermeasures, such as the publication of economic emergency measures, revision of the price level, food emergency measures, etc. By making public the serious condition of the Japanese economy it appealed to the nation to put up with an austere life and cooperate.

"These measures were, not necessarily without some defects when they were put into effect, supposed to have served, judging from the subsequent economic development, as a basis for the recovery of production and for arresting inflation, and as a starting point in improving, though gradually, national living conditions.

"As regards the mining and manufacturing industries, production declined temporarily during the summer and autumn of 1947 owing to the seasonal shortage of electricity supply, irregular imports of raw cotton, etc., but average production in the 1947 fiscal year reached the level of 43.1 percent of that in 1930-34 or a 21-percent increase as compared with that in the preceding fiscal year. Especially since last December, production has been improving and the production indexes of December, January, February and March in terms of the 1930-34 basis were 44.8, 41.9, 45.5 and 49.0 percent respectively in spite of a dry season. As regards coal, production began to increase in the latter half of 1947 and a yearly output of 29,320,000 tons was secured in the 1947 fiscal year, or 97.7 percent of the 30,000,000-ton target. The above production increases may be regarded as having been achieved as a result of the priority given to coal production since the beginning of 1947 and the unusual combined efforts of the Government and the people for the attainment of that target. Thus the total production of coal has increased by 30 percent and the coal for mining and

manufacturing use has increased by 46 percent respectively as compared with that in the preceding fiscal year, thereby supplying the motive power for production recovery. As regards electricity, its irregular supply has greatly hampered industry in 1947 in spite of the fact that the total generated power was 85 percent over and above that in 1930-34, demonstrating a remarkable increase of electricity consumption as compared with the meager industrial production. This is mainly due to the shortage of coal, petroleum and other fuels but there seems to exist some room for further rationalization of electricity consumption. In fact mining and manufacturing industries, as stated above, increased their production by 21 percent in the 1947 fiscal year, while their consumption of electricity in the same period increased only four percent.

¹As regards manufacturing, its production in the 1947 fiscal year rose to a level of 35.8 percent of that in 1930-34, or a 20-percent increase over the preceding fiscal year. As is shown in the following table, generally speaking the production recovery in basic capital goods was noticeable but the production of consumers' goods remained stagnant.

	Index of Production in the Fiscal Year 1947 (1930-34 = 100)	Percentage of Preceding Year
Textile industry	19.8	121
Metal industry	39.7	171
Machinery industry	47.0	112
Chemical industry	49.8	131
Food processing industry	43.4	81

²The production target of mining and manufacturing industries for the 1947 fiscal year was fixed by the former government at a level 40 percent above that of the last fiscal year. In view of the fact that the recovery of production is the most important problem in our postwar economy and that unless a speedy increase of production of basic materials be achieved such factors as the exhaustion of stocked materials, the progressive deterioration of industrial equipment and the devastation of national land, etc., would make our economic recovery even harder, we have to make every possible effort to attain the production increase. Of course, many difficulties are expected to arise in respect to transportation and other fields but, judging from the bright prospect of increased import of industrial raw materials for the manufacture of export goods as well as for the production of basic materials for domestic use, the attainment of the said target will not necessarily be impossible.

³However, we should not neglect the possible adverse effect of mounting inflation on production. In the present fiscal year substantial increase of production, mainly in export goods and basic capital goods, can be expected, while production increase in consumers' goods for domestic consumption, which are most effective in arresting the present inflationary trend, can hardly be expected. Furthermore, a speedy recovery of production will require a huge outlay of funds. Therefore, we have to endeavor to attain the above target of production increase while arresting inflation by absorbing as much purchasing power as possible through the encouragement of savings and the increase of national revenues.

"As regards agricultural production, in spite of the shortage of fertilizers, flood damages and other adverse conditions, the rice crop in 1947, favored with good weather, was a bumper one with a net production of 59,670,000 koku (305,510,400 bushels) which is close to the 61,380,000 koku (314,265,600 bushels) in 1946. Rice delivery proceeded smoothly and the delivery target of 30,550,000 koku (156,416,000 bushels) was accomplished in the middle of March this year, thereby contributing largely to the amelioration of food conditions this year.

"The target of agricultural production for the present fiscal year is set at a level of 10 percent over that in the last fiscal year. In case fully achieved, food conditions after the coming autumn will be somewhat ameliorated, thereby contributing greatly to the improvement of general economic conditions.

"As regards transportation, marine transportation fulfilled the 10,680,000* ton target for the fiscal year 1947, which is an 88-percent increase over that of the preceding year. Railroad transportation in the fiscal year 1947 was 112,000,000 tons, or a 12-percent increase over the preceding year, but the above tonnage was only 85 percent of the required transportation and constituted an important bottleneck in production recovery. The transportation problem is expected to continue to be the greatest bottleneck in production recovery this year as well. Inasmuch as many difficulties are expected even in the attainment of the 130,000,000-ton goal, which is 16 percent above the level of the preceding year, all-out effort must be made for the increase of transportation capacity through improvement of operating efficiency, repair and replacement of worn-out facilities and rolling stock, etc.

"In foreign trade for the last calendar year, imports amounted to \$ 526,000,000 while exports amounted to \$ 174,000,000, sizeable increases over the respective levels in the preceding year. In imports, items for the prevention of hunger and disease comprised 68 percent of the total amount while the import of raw materials for exports and the basic materials necessary for economic rehabilitation remained rather small. Unfavorable balance of trade was \$ 352,000,000; thus the total post-surrender unfavorable balance amounted to \$ 530,000,000. The economy of Japan is thus sustained by huge foreign aids.

"This year it is expected that productive activities will be enhanced through the increase of import funds in various forms and through the subsequent substantial increase of industrial raw material imports. It is our responsibility to make the greatest effort for the increase of exports, to reduce the burden of the Allied Powers and to expedite the realization of a self-supporting economy.

"Let us now consider the impact of inflation upon monetary conditions. In the first half of 1947 official prices rose slightly but black-market prices rose rapidly; effective prices had almost doubled by July. Owing to the subsequent revision of the price level, official prices rose substantially during the latter half but black-market prices and effective prices rose much less rapidly. The bank-note issue increased by ¥ 103,000,000,000 during the fiscal year 1947. The increase was marked particularly in the October-December period and the amount of bank notes at the end of last year amounted to ¥ 219,100,000,000. Through January and February this year, however, bank notes kept on decreasing and the amount at the end of March was ¥ 218,700,000,000, which is less than that at the end of last year. The recent trend is regarded as having been brought about by the acceleration of financial revenues, the restriction of financial expenditure, the regulation of industrial

* SCAP records: 12,680,608 freighted tons.

finance, the encouragement of savings, etc. In view of the fact, however, that there are strong factors at work which are conducive to inflation, such as the increasing stringency of industrial finance, gradual rise of the wage level, below-cost official prices, etc., we are not yet in a stage to envisage final solution of the inflation problem.

"Let us analyze the causes of currency expansion in the 1947 fiscal year. As against the total fund requirements of ¥ 232,300,000,000, to be divided into ¥ 64,800,000,000 for the expenditures of the National Treasury in excess of its revenues and ¥ 167,500,000,000 of the industrial funds, the net increase of savings has amounted to only ¥ 125,500,000,000 with the remaining balance of ¥ 103,000,000,000 being financed by the expansion of issue of Bank of Japan notes.

"As regards public finance, the General Account for the 1947 fiscal year managed to maintain its balance by dint of the tax collection campaign since last January and the strict restriction on government expenditures. However, in the Special Accounts the borrowings and the net increase of government bonds have amounted to ¥ 66,500,000,000 of which ¥ 58,500,000,000 has been undertaken by the Bank of Japan, a principal source of currency expansion attributable to public finance.

"In view of the fact that on the revenue side such incomes as are difficult to reach have greatly increased as a result of the inflation, it is an urgent necessity to tax such incomes to the maximum through the strengthening of the tax collecting function. Furthermore, inasmuch as the tax burden on low income earners is heavy, it is regarded as necessary to revise the tax system in this respect.

"On the expenditure side a virtual reduction of outlay has been effected through price rises, but we must further reduce the expenditures through the distribution on priority basis of appropriations and the enforcement of surveillance on expenditures.

"Most deficits in the Special Accounts are attributable to the Railway and Communications Special Accounts, ¥ 16,900,000,000 and ¥ 6,700,000,000 deficits showing in the balance of each of these Special Accounts respectively. Some steps will have to be taken in this connection.

"In industrial finance the restriction of lending through the enforcement of finance regulations served to arrest currency expansion and price rises. On the other hand a credit expansion has to be made in order to maintain the activities of important productive enterprises. Particularly the amount financed through the Reconstruction Finance Bank during the year ending March 31 increased by ¥ 53,500,000,000, which is 32 percent of the total increased lendings in that period. The Reconstruction Finance Bank has played an important part in the maintenance of the important basic industries through the inflationary period. But taking into consideration the fact that deficit financing occupies a substantial portion and that it is difficult to dispose of the Reconstruction Finance Bonds, it is desirable to make a proper selection of borrowers and a systematic enforcement of supervision in accordance with the actual circumstances in industries.

"As to enterprises, they appear to be gradually losing flexibility of management. However, as it is expected that the economy will generally turn to normalcy and participate in international economy, inefficient enterprises may be gradually liquidated. Under the postwar economic condition where there are

shortages of fuel, power and raw materials, deterioration of equipment, austere living conditions, etc., it is inevitable that there may be some overemployment compared with the prewar period. But we must raise the labor productivity as quickly as possible by overcoming these adverse conditions.

"As to wages and family expenditures, the former kept rising by nearly 10 percent per month in the latter half of last year and the over-all monthly average wages of the factory workers rose from ¥ 1,834 in July to ¥ 3,224 in March this year. The wage rise in and after the latter half of last year was greater than the price rise, and the real wages in the January-March period this year were about 20 percent above those in the corresponding period last year.

"Family expenditures increased rapidly in the first half of last year but in the latter half the increase rate became less rapid owing to the improvement of staple-food rations and to the slowdown of black-market price rise. Due to the fact, however, that the improvement of nonstaple-food distribution was insufficient, that the consumption level has gradually been raised, etc. the household deficit has not been overcome. In proportion to the improvement of food conditions this year, the balance between wages and household expenditures will be improved to some extent compared with last year.

"The present real wages and real family expenditures in urban areas are around 30 percent and 40 percent respectively of those of the prewar period. The imbalance between the two percentages constitutes a fundamental cause of the household deficit. It is to be noticed in particular that the tax burden occupies nearly 10 percent of the family expenditure of workers.

"The supply of necessities, such as clothing, fuel, daily necessities, etc., did not show any noticeable improvement compared with the preceding year. In view of the fact that emphasis is placed on the recovery of basic industries and the increase of exports this year, no sizeable increase in the supply of consumers' goods can be expected. But the amelioration of food conditions and the general increase of production will, though gradually, improve the living standard of our people.

"As is clear from the foregoing, the economy of our country is beginning to show some signs of improvement, such as increase of production, particularly that of coal, increase of raw material imports, amelioration of food conditions, slowdown of the inflationary trend, etc. However, there is a considerable foreign trade deficit and, furthermore, worn-out facilities, flooding rivers, devastated forests, etc., are still not cared for. In order to make up for the extensive war damages, to modernize production facilities, increase exports and attain a self-supporting economy we shall have to make a further great effort hereafter.

Coal Production Increase and Power Situation

"The industrial production program based on a priority system giving the utmost weight to the coal-mining industry was started in January last year. Highest priority was given to coal mines regarding materials such as iron and steel and cement, funds, daily necessities and houses for the miners in spite of general economic destitution. For instance, regarding iron and steel, cement, etc., allocations thereof to the coal-mining industry reached 80 to 90 percent against requirements, actual delivery having also been satisfactory, while other industries were

given allocations reaching only 20 to 30 percent of requirements. With regard to industrial funds the coal-mining industry was also given preferential treatment as compared with other industries. As for necessities of life for workers, additional rice allocation to coal mine workers and their dependents was almost fully secured, even when the people in general were suffering from delayed or non-delivery of ration. Furthermore, the construction of coal miners' houses occupied nearly one quarter of the entire housing program for the whole country during the first half of the last fiscal year. The coal output during the first half of last year, however, did not increase much but stayed around 2,100,000 tons monthly notwithstanding these special measures. In the second half, the coal output showed signs of production increase because the supply of materials to coal mines during the preceding period began to take effect in the second half and the price of coal, which had been too low as compared with actual production cost, had been revised under the new price system and the production will of operators was stimulated. But, though coal production gradually increased in September, October and November last year, the discrepancy between the production program and actual output became bigger than ever, as the 30,000,000-ton production program for the 1947 fiscal year was so made up as to place a heavier load on the second half as compared with the first half. Thus the attainment of the production goal for the year became very doubtful. Hereupon the Government made up the "Emergency Coal Production Increase Program," by which steps were taken to consolidate the first priority system for coal mines while, on the other hand, requesting coal miners to put into practice the three-shift 24-hour working system by appealing to their patriotism. At the same time, field surveillance teams were sent to Hokkaido and Kyushu to find a solution of difficulties with cooperation and assistance of SCAP teams and local military governments and, as a result, the production will of both labor and management, which had already been elated, was spurred more. The December coal output exceeded the production quota, amounting to 2,950,000 tons, which was the record output since the termination of the war. Coal output during and after January 1948 was also comparatively satisfactory and total output for the 1947 fiscal year amounted to 29,320,000 tons, or 97.7 percent, against a 30,000,000-ton production program. It can, therefore, be concluded that in so far as the coal-mining industry is concerned the priority production program has obtained the expected result.

"In consequence of this increased production, the total coal allocation during the 1947 fiscal year increased by 30 percent as compared with that in the preceding year and the allocation for industrial use by 46 percent, as shown in the table on the next page.

"Of the general increase in coal allocation for industrial use, such industries as iron and steel and chemical fertilizer received the most substantial benefits. Among the non-industrial categories only allocation for Occupation Forces and electric power was increased considerably. As a result, percentage of coal for industrial use against total allocation was slightly raised from 28 percent in 1946 to 32 percent in 1947. But in 1937, 25,570,000 tons of coal, 50 percent of total supply of 51,000,000 tons including imported coal, was supplied for industrial use and present coal allocation for industrial use is only about one third of that figure. When we consider the drop in coal quality, actual supply is lower than the above figure, thus aggravating the coal shortage in each industry. The reasons for the degradation of coal quality are: (1) production recovery of coal mines producing high-quality coal in Kyushu and Hokkaido has been

ACTUAL COAL ALLOCATION
(thousands of tons)

	1947	Percent	1946	Percent	1947 Percent of 1946	Consumption in 1937	Percent
Total allocation	29,105	100	22,772	100	128	51,163	100
Industrial use	9,401	32.4	6,432	28.2	146	25,570	50.0
Iron and steel	2,270	7.8	1,448	6.3	157	6,639	13.0
Mining, petro- leum, nonfer- rous metals	406	1.4	270	1.2	150	1,588	3.1
Shipbuilding, machinery	700	2.4	320	1.4	219		
Ceramics	1,470	5.1	1,036	4.5	142	4,257	8.4
Food processing	662	2.3	383	1.7	173	1,428	2.8
Chemical	863	3.0	1,001	4.4	86	4,660	9.1
Chemical ferti- lizer	1,786	6.1	1,237	5.5	144		
Textiles	1,244	4.3	737	3.2	169	6,968	13.6
Nonindustrial use	19,684	67.6	16,340	71.8	121	25,593	50.0
Coal mine use	2,686	9.2	2,377	10.4	113	3,649	7.1
Railway	6,863	23.6	6,967	30.6	98	4,126	8.1
Bunker	1,063	3.7	779	3.4	139	4,701	9.2
Occupation Forces	1,466	5.0	843	3.7	174	-	-
Japanese mili- tary use	-	-	-	-	-	887	1.7
Electric power	2,348	8.1	1,064	4.7	221	3,747	7.3
Gas and coke	1,964	6.7	1,397	6.2	140	2,564	5.0
Export, heating and others	3,294	11.3	2,913	12.8	113	5,919	11.6

delayed, (2) improvement of quality has been neglected, as all efforts have been concentrated on quantitative increase, (3) preparation equipment has become superannuated and (4) price differentiation in accordance with the quality has been rather small. The quality of Japanese coal, which used to have more than 6,000 calorific value before the war, dropped to about 5,300 right after the surrender and has now recovered to about 5,600. The drop in quality causes more unfavorable affects than expected from the decrease in calorific value. For instance, while allocation to the railways was 4,126,000 tons in 1937 when transportation volume was about the same as today, last year's allocation amounted to 6,840,000 tons. In an effort for coal production increase, therefore, we should endeavor to improve the quality as well as to increase the quantity. But monthly production of high-grade coal being limited, steps should be taken to let those industries to which the high-grade coal is indispensable have a considerable amount of reserve stock before entering the season of big coal consumption by making even allocation to such categories during spring and summer months. Very irrational allocation was made in the second half of last year when demand for coal was greatly increased, such as allocating low-grade coal to electric power and high-grade coal to heating and cooking use in Hokkaido for reasons that the coal output during the first half did not reach the expected amount.

*With regard to electric power which is as important as coal as power sources, frequent accidents in power stations caused by insufficiency of repair work, abnormally dry weather starting in August, especially in Chugoku, Shikoku and Kyushu where rainfall was only half of average yearly rainfall (the river water volume of all Japan was 87 percent in September, 83 percent in October, 77 percent in November and 88 percent in December as compared with that of an average year and was followed by the winter dry season), damages on several hydro power stations in Kanto and Tohoku districts caused by the typhoon of last fall and very little rain in Kyushu district are all accountable for the sharp

drop in hydro power generation. In order to make up for the power supply shortage thus caused in thermal power generation, coal allocation to thermal power stations was considerably increased. But the coal shortage was still persistent on account of uneven delivery, and generating capacity of thermal stations which had already deteriorated because of war damage, overwork and little repair work dropped more by degradation of coal quality. So the total power generation since last August remained on the same or even below the level of a winter dry season.

"On the other hand, demand for electric power increased because of tremendous increase of demand for heating use in household and factories after the war, increase of loss caused by the deteriorated conditions of equipment and increase of illegal consumption as the result of meter shortage. Restriction of power consumption was also not so successful as expected. Consequently balance of demand and supply electric power was entirely broken, causing frequent emergency power stoppage and serious power shortage for both household and factory use.

"In order to meet this situation the Government set up the "Measures to Tidy Over Critical Power Shortage" in November last year, by which it was decided to give the electric power industry nearly the same priority as the coal-mining industry regarding materials and funds for rehabilitation and repair of power stations, securing coal for thermal power generation and for utilization of private power stations. A nationwide campaign for electric power saving to tide over the critical period was also inaugurated. At the same time the former irrational power consumption restriction method which had been based on the restriction standard of past consumption records was revised and a new electric power allocation system was put into practice in December to rationally control the power consumption on the basis of a priority system in conformity with the industrial production program and household fuel distribution plan. These measures were effective to some extent. The rehabilitation and repair works of power stations went on smoothly and coal for thermal power generation was secured. Also river water flow returned to the normal level since January and on the other hand the consumption was rationalized by cooperation of autonomous restriction organizations of consumers. Thus the power situation has taken a turn for the better.

"The total power generation in the fiscal year 1947 is estimated at 28,500,000,000 kilowatt hours of hydro power and 2,000,000,000 kilowatt hours of thermal power, the total being 30,500,000,000 kilowatt hours, which is 85 percent over the 1930-34 level and nearly equal to that of 1939.

"The power supply for 1948 will be 31,600,000,000 kilowatt hours with normal water supply and 3,700,000 tons of coal for thermal power. This is only a five-percent increase as compared with 1947 and when we consider the expected increase in power requirement following the advancement of industrial production in general, the prospects in the supply and demand situation of electric power are not bright. It is therefore absolutely necessary to make further rationalization of power consumption.

"With regard to petroleum, one of the important energy sources as fuel for trucks, fishing boats and other ships and for steel manufacturing, domestic production supplied in 1947 only 175,000 kiloliters, the remaining 90 percent of consumption being imported petroleum released by the Occupation Forces. The total supply during the fiscal year 1947 amounted to 1,335,000 kiloliters, which is a 79-percent increase over the preceding year.

Yet it could meet only 70 percent of total requirements. Furthermore, even in the United States restrictions on consumption and export are being imposed because of the ever-growing shortage of petroleum products there and we can hardly expect any big import increase. It is, therefore, necessary to limit the consumption of petroleum to the most important and indispensable categories.

"Coal, electric power and petroleum compose a common source of energy together with other fuels such as lignite, firewood, charcoal and gas, and they can be substituted for each other to some extent. It is a well-known fact that shortage of gas, firewood, charcoal and briquette for household use brings about short supply of electric power for factory use as it increases power consumption for household use. Such a close interrelationship can be found in many cases such as that gas-producing coal can be substituted for heavy oil for steel manufacturing and that importation of gasoline and salt would save the consumption of firewood and charcoal as a substitute fuel for automobiles and of electric power and firewood for salt manufacturing respectively, thus reserving electric power for industrial use.

"In view of the necessity of an over-all coordinated program for the rational consumption of various energies the Government is now preparing such a program.

Situation in Manufacturing Industry

"Production during the 1947 fiscal year as compared with that in the preceding year made a considerable increase in every category except such industries as food processing and crude oil production, which showed some decline in production.

"Those industries which made remarkable increases are the metal group (71 percent) and the chemical group (31 percent), and within these groups increases in iron and steel and fertilizer production were especially remarkable. Rates of increase in the textile group and the machinery group were 21 percent and 12 percent respectively. The food processing industry showed a 19 percent decrease compared with the preceding fiscal year.

"Comparison between actual production in the 1947 fiscal year (figures for March 1948 are partially estimates) and that in the 1946 fiscal year and prewar years is shown in the table on the page opposite.

"In the first place, with regard to iron and steel, efforts have been made since January last year, when the priority production program was started, to increase iron and steel production by greatly increasing coal allocation with first priority to this industry, and at the same time to meet iron and steel requirements fully in the coal-mining industry. As a result the production increased month after month and, especially since last June when regular use of imported heavy oil was started, the tempo of increase was greatly stepped up. But after August, when ordinary steel production reached the peak of 47,000 tons, it began to slacken on account of electric power shortage and labor unrest. The reason steel production is dependent on the electric power situation is not only because rolling and other equipment are operated by electricity but also because many electric furnaces have been put into operation for steel manufacturing after the war's end. Pig-iron production by blast furnaces increased continuously as coal allocations increased. Since the beginning of this year iron and steel production has increased with the use of imported raw materials and alleviation of the electric power shortage, and in March a record production of finished steel amounting to 70,000 tons was made.

<u>Catagory</u>	<u>Unit</u>	1947 <u>Fiscal Year</u>	1946 <u>Fiscal Year</u>	1947 Percent <u>of 1946</u>	1947 Percent <u>of Average 1930-34</u>
Finished steel	ton	569,727	325,725	175	25.4
Pig iron (including electric pig iron)	ton	411,462	217,845	189	32.9
Copper	ton	40,857	29,213	140	56.3
Cement	ton	1,283,254	1,050,873	122	34.9
Sheet glass <u>a/</u>	case	1,360,203*	799,760	170	53.1
Ammonium sulfate	ton	739,070	550,567	134	177.3
Calcium cyanamide <u>b/</u>	ton	169,142	154,300	109	85.4
Calcium superphosphate	ton	830,360	283,550	293	81.4
Sulfuric acid	ton	1,598,097	1,070,000	150	105.4
Caustic soda	ton	52,043	30,054	173	61.5
Soda ash	ton	46,594	22,915	202	24.5
Truck and bus	each	9,882	14,154	70	1,332.5
Pure cotton yarn	1,000 pounds	257,511	195,795	131	22.2
Cotton textiles	1,000 square yards	709,028	370,121	192	21.8
Raw silk for filature production	bale	110,753	100,661	110	15.6
Paper (newspaper use)	1,000 pounds	200,826	187,040	107	34.3
Paper (general use)	1,000 pounds	231,682	195,807	119	30.4
Flour	ton	873,033	615,589**	142	108.9
Beer	koku <u>c/</u>	493,361	512,179	97	56.8
Miso	ton	216,470	232,075	93	36.3
Shoyu	ton	391,862	471,556	83	37.2

a/ Includes figured sheet glass.

b/ In terms of 20 percent nitrogen content.

c/ One koku equals 39.7 gallons.

"Total production estimate for the 1947 fiscal year is far below the 675,000-ton production program because, in addition to electric power shortage, the expected importation of coking coal from North China was not realized. Production of finished steel and pig iron was 569,727 tons and 411,461*** tons respectively. Nevertheless, production of ordinary steel is 170 percent of that of the preceding year and production of pig iron is twice as much.

"This year we can expect with certainty importation of high-quality iron ore and coking coal, and the supply of such high-quality raw materials is expected, together with improvement of operation efficiency, to lower the coal consumption rate, thus increasing production out of proportion to the coal allocation increase. Recent operation performance at Yawata Iron Works confirmed this fact.

"With regard to cement, which ranks with iron and steel as basic capital goods, efforts have been made to attain a 1,670,000-ton production goal but actual production was 1,284,000 tons, being a 20-percent increase over the preceding year. The main reason why production did not increase as much as expected is that coal allocation could not be increased as desired. Minimum annual requirement of finished steel and cement, which are the typical basic materials, is 2,000,000 tons for the former and 4,000,000 tons for the latter but supply is roughly one third of demand for each. Besides, as allocation to the Occupation Forces comprises about 20 percent of total finished steel supply and 50 percent of that of cement, allocation for general use became very difficult and cement allocation especially was less than that in the preceding year.

"Chemical fertilizer, as a key to the food production increase, has been awarded high priority since termination of the war and in the fiscal year 1947 its production was almost satisfactory. The production of ammonium sulfate, which consumes a great quantity of electricity in its production process, is dependant on electric power supply like calcium cyanamide which uses an electric furnace,

* SCAP records: 1,242,000 cases.

** SCAP records: 591,948.

*** SCAP records: 417,973 metric tons.

and it dropped after reaching a peak in July last year. Production of calcium superphosphate, not as dependent upon electricity, kept on increasing with importation of a great quantity of phosphate rock.

"Production of sulfuric acid, important raw material for the production of ammonium sulfate and calcium superphosphate, was hindered by the shortage of pyrite caused by transportation difficulties, which in turn became one factor impeding fertilizer production increase.

"Production in the machinery industry is not so dependent upon coal supply but is more dependent upon supply of electricity and coke and most decidedly upon that of raw materials. Moreover, production recovery in this industry after the war's end has so far been possible by the utilization of stocked materials on hand. For instance, out of 340,000 tons of steel estimated to have been consumed in this industry during the past year, as much as 75 percent, or 250,000 tons, came from stocks. It is feared that if supply of raw materials to this industry should not promptly be increased by means of increasing production of such raw materials, the machinery industry would be unable to maintain even the present production level.

"As for the textile industry, a key export industry of Japan, there exists a special condition which necessitates prompt rehabilitation of equipment in parallel with a production increase because, being a peacetime industry, equipment was removed and made into scrap during the war.

"Production in the cotton industry did not reach the scheduled amount because in the second half of 1947 it began to decrease on account of uneven importation of raw cotton. Production estimates for 1947 were 257,000,000 pounds of cotton yarn and 709,000,000 square yards of cotton textiles, or 1.3 times and 1.9 times as much as in the preceding year respectively. It is still approximately 20 percent of prewar production.

"But a big production increase is expected this year as there are bright prospects for importation of raw cotton. With regard to chemical textiles, which held supremacy in the world market along with cotton goods in prewar years, efforts were made to increase production as there was a big demand abroad. But production of rayon yarn in 1947 is estimated at 20,000,000 pounds, 90 percent over 1946 production but only 10 percent of prewar production. Production of staple fiber decreased as compared with the preceding calendar year. The reason for the decrease is a shortage of raw materials such as pulp, caustic soda, sulfuric acid, carbon disulfide, etc., as well as that of coal and electricity. Production of woolen and hemp goods was also less than in 1946 because of uneven importation of raw materials and decrease of stocks. Rubber goods production also decreased for the same reason.

"Above is the outline of industrial production by each category in the fiscal year 1947 and as a whole a 20-percent increase was made compared with the preceding year. In other words, against the increase by 30 percent in coal output and over 40 percent in coal allocation for industrial use, over-all production increase was 20 percent. The reason industrial production did not increase in proportion to coal supply will be explained as follows. First, there was a time lag to fill the pipeline, that is, as the substantial increase of coal production was realized in the latter half of the 1947 fiscal year its full effect upon industrial production was not to be expected within that fiscal year. Second, there were transportation difficulties. In spite of the fact that coal produced should be shipped to factories immediately, stock-piles at mines and ports went on increasing as the coal output

increased, amounting to 1,300,000* tons at the end of January this year because of delay in arranging means of transportation. There are also found many stockpiles of pyrite, firewood, charcoal and other materials at railway stations, ports or factories vainly waiting to be shipped to factories and consumers. A third reason was the electric power shortage. As mentioned before, since last summer, power supply stoppage to factories was frequent, at the worst, three days a week in Honshu and five days in Kyushu, and this was the main cause of production decrease since last August. The fourth reason is the shortage of imported raw materials and decrease of stocked materials, the former being the case in the textile industry and the latter that of the machinery industry as mentioned before. One of the objectives of the priority production program lies in first increasing production of basic production materials such as coal, iron and steel and then gradually increasing output of various production materials and consumers' goods to make rehabilitation and repair of worn-out equipment and to replenish depleted stocked materials. But, though the production increase of coal, iron and steel as basic materials was satisfactory, its effects did not permeate all of industry. So, even in industries with first priority, while supply of main raw materials were comparatively abundant, secondary materials and necessities of life for workers were short, which in turn reduced the effects of the priority system. A decline in consumers' good production since last autumn, in spite of the fact that production of capital goods has been comparatively smooth, can be attributed to exhaustion of raw materials and short replenishment thereof.

"Last, as the weight of finished goods such as machinery, textile and food processing industries in the composition of a production index is heavy, unsatisfactory production in those categories caused by other factors than coal supply is also one reason why the production index did not rise much in proportion to the production increase of basic materials.

"But even under these circumstances, if coal production had not increased as it did in the last year we can easily imagine that transportation and production in general would have been severely obstructed. Effects of the coal production increase should, therefore, be highly appreciated.

Production in Agriculture, Forestry and Aquatic Industries

"The quantity of chemical fertilizers distributed for rice planting per tan (one tan equals one-fourth acre) in 1947, rose to 4.3 kan (one kan equals 8.27 pounds), in terms of ammonium sulfate, or more than twice that of 1946, which amounted to two kan per tan. A further increase to five kan is anticipated in 1948. The supply still accounts for only some 60 percent of the current demand, and the effects of the decrease in the supply of organic, green and other self-supplied manures are yet to be offset. However, with prospects for continued import of ammonium nitrate and increase in industrial capacities in general, things are expected to turn for the better. Increased output of phosphate fertilizers is considered as having a favorable effect on the crops of wheat and barley.

"The amounts of staple foodstuffs produced during the last year and the year before last are compared with past records in the following table. With the exception of sweet and Irish potatoes, they fall considerably below 1930-34 production, not to speak of the good record of 1937-39 when the supply of fertilizers and other conditions left almost nothing to be desired. The relative decrease is particularly emphasized in wheat and barley. The

* SCAP records show that this figure includes approximately 350,000 tons of unusable coal as well as coal at ports awaiting shipment.

decrease may be explained in the case of rice by curtailment of planted acreage, as the yield per tan was maintained practically unaltered, while in the case of wheat and barley the decline in the production per unit area is mainly responsible for the decrease.

	Unit	1930-34	1936-39	1946	1947
Rice	million koku <u>a/</u>	61.03	67.05	61.38	59.67
Wheat and barley	million koku <u>a/</u>	20.58	23.25	13.52	15.01
Sweet potatoes	million kan <u>b/</u>	906	990	1,430	1,181
Irish potatoes	million kan <u>b/</u>	299	515	460	584

a/ One koku equals 5.12 bushels.

b/ One kan equals 8.27 pounds.

"Agricultural production is strongly affected by weather conditions each year. The fairly good crops in 1946 and 1947 consecutively, in spite of deteriorated conditions of production, such as short supply of fertilizers, may be ascribed to the generally favorable weather in these years. The typhoon last autumn, however, caused an estimated loss of 2,500,000 koku of rice and 22,000,000 kan of sweet potatoes. The fact that even a typhoon not accompanied by a particularly heavy rainfall could destroy river controls, and that floods that followed could instantaneously cause damage several times larger than what land reclamation could have produced, adequately demonstrated the importance of flood control as a measure for preventing production decrease.

"The goal of the land reclamation program set at 1,600,000 cho (one cho equals .99 hectare), consisting of 1,550,000 cho of waste land and 50,000 cho of marsh land, had been contemplated to increase food production and to absorb surplus population. But a sufficient supply of funds and materials was not available, nor could proper selection of lands be made, with the result that the progress of work up to the present lags behind the plan. It is intended, in the circumstances, to revise the plan in the future to ensure steadiness of work at the sacrifice of speed if necessary.

"Partly because of speculative marketing of standing timber by the owners and partly because of sales made for the purpose of paying property tax, the production of timber during the fiscal year 1947 is estimated to exceed considerably the 70,000,000-koku goal under the production plan. But because efficiency of transportation has not kept pace with production, accumulations at places of origin are growing and, at the end of last year, amounted to 22,000,000 koku throughout the country. That is the situation with fuel wood and charcoal. While production itself has attained its objectives, 1,970,000 tons charcoal, 76,740,000 koku gross fuelwood, and 360,000 tons wood for charcoal gas production, poor efficiency of transportation has given rise to extremely unsatisfactory conditions of distribution at the consuming centers.

"An early start was made in the fishing industry after the termination of the war for the purpose of ensuring food supply. However, on account of the loss of the fishing fleet as well as diminution of fishing grounds as the result of the war, the production during the fiscal year 1947 amounted to only 770,000,000 kan or 62 percent of the 1930-34 average, which was still an increase of some 10 percent over production in 1946. Rebuilding fishing boats has progressed with such expeditiousness that since the war's end a fleet of 230,000 gross tons has been newly constructed, bringing the present total to 940,000 gross tons. But the short supply of materials needed for their operation, such as fuel oil

and nets, is a bottleneck to increased production. The shortage of materials linked with the delivery of marine products is now posing the main obstacle in the way of smooth operation of current delivery arrangements. Although, through the good offices of the Allied Powers, the fishing grounds allowed for Japanese fishing have been twice extended, the limitations still imposed on operation in northern fishing grounds, trawling in eastern seas and the Yellow Sea, as well as bonito and tunny fishing in southern waters, are checking the recovery of this industry. As for whaling in the Antarctic Ocean, an expedition of two teams of whalers was approved as in 1946. Whaling, supplying the nation with whale meat and oil, now plays an important role as a source of food as well as fats and oils for other purposes.

Transportation and Communication

"With the increased coal production and the higher level of general productive activities, difficulties in moving the cargo in full began to be recognized as a major obstacle which hampers production. In consideration of the coal production goal of 30,000,000 tons for the fiscal year 1947, the transportation program for the year aimed at more than 9,000,000 tons per month, the yearly total target being 117,000,000 tons. It started with a good beginning of 9,280,000 tons in April and 9,650,000 tons in May and similar achievements continued until September when, due to the flood affecting extensive areas in Tohoku and Kanto, it dwindled to 9,000,000 tons. With rice, charcoal and firewood, fertilizer, etc., then requiring seasonal transportation in larger quantity, energetic efforts succeeded in increasing amounts to 9,870,000 and 9,400,000 tons in October and November respectively. However, winter came and snow fell much earlier than usual in the Hokkaido and Aomori districts and it delayed the delivery of burning coal for engines, with the result that the number of freight trains had to be reduced in the areas extending over Hokuriku, Tohoku and Kanto. These factors contributed to the resulting 112,000,000-ton railroad cargo movement corresponding to 112 percent of that of 1946, 95 percent of the planned transportation but only 85 percent of requirements.

"The breakdown of government railroad transportation by commodities is as follows:

	<u>Thousands of Tons</u>		1947 Percent <u>of 1946</u>
	<u>1947</u> Fiscal Year	<u>1946</u> Fiscal Year	
Total transportation by Government Railways	111,842	99,938	111.9
Important commodities			
Coal	26,982	21,297	126.7
Timber	14,623	13,553	107.9
Gravel	5,972	5,844	102.2
Firewood and charcoal	3,741	3,532	105.9
Rice	2,792	2,225	125.5
Fertilizers	2,602	1,765	147.4
Iron and steel	1,854	1,850	100.2
Textile goods	1,464	1,584	92.4

"The 112,000,000-ton transportation corresponds to the level of 1938, and the rehabilitation and repair of the deteriorated equipment and rolling stock, with a great deal of money and materials, are necessary in order to effect a decided improvement on the total for 1947. As a matter of fact only 20 percent of the required amount of 230,000 tons of steel and iron, and 38 percent

of the required amount of 130,000 tons of cement was allocated in 1947. In consideration of these circumstances, a cabinet decision was reached in January 1948 to the effect that a priority similar to that for the coal and power industry would be given to railroad transportation and specific steps would be taken to insure the supply of needed goods for railroad workers. It is estimated that the total freight the railroads will be called upon to move in the 1948 fiscal year will exceed 160,000,000 tons on the basis of the 36,000,000-ton target for coal production. However, the possible maximum will be 130,000,000 tons and it is to this end that every effort is being made.

*In order to supplement the railroad capacity, long-distance freight will be made sea-borne with motor-sailing boats utilized to the maximum, and for short distances highway transportation must be mobilized. Transfer of cargo to vessels in order to alleviate the burden of the railroads has been a policy constantly adhered to and considerable success has been achieved in the case of coal, iron ore and pyrites. As an example, figures of coal transportation over land and by sea from Kyushu to Kansai are shown in the following:

	<u>Thousands of Metric Tons</u>	
	<u>Over Land</u>	<u>By Sea</u>
1947 January-March	628	1,239
1947 April-June	566	1,358
1947 July-September	389	1,686
1947 October-December	292	2,195
1948 January-March	407	2,411

However, for this purpose it is necessary to overcome such difficulties as the fact that factories having scanty stocks of raw materials at hand usually welcome a continuous supply of small quantities by railway rather than sporadic shipment of larger quantities by water and that the cost of transportation is much less by land than by sea. These problems must be tackled one by one so that more transfer of goods to sea-borne transportation will be made to relieve the overburdened railroads.

*Freight carried by vessels in the fiscal year 1946 amounted to 5,680,000 tons, including 4,230,000 coastwise and 1,460,000 ocean-going. In the fiscal year 1947 it is expected that scheduled tonnage of 10,680,000 will have been exceeded by the end of March. It means an increase of 88 percent over the preceding year. Capacity to move has been increased by building new vessels with materials in stock and repairing the war-damaged and sunken vessels. At present Japan has 430 vessels with a total tonnage of 1,320,000 tons, an increase of 22 percent during the last fiscal year. Ocean-going vessels that can go to the South Seas account for 200,000 tons, while only four vessels can cross the Pacific. This state of affairs will not do for increased production in the future and the anticipated expansion of export and import. Of the cost of trading goods estimated to be moved this year, cost of transportation comprises 22 percent in the case of imports and four percent in the case of exports. This means that approximately ¥ 200,000,000 worth of freight charges will be paid in foreign currency during the coming year if the goods are brought in and out by foreign vessels. If we consider the necessity of keeping marine workers in employment at the same time it will be seen that chartering foreign vessels as well as building new ships is something to be eagerly sought.