

V. Postwar Reconstruction of Statistical System in Japan

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In this paper the postwar reconstruction of statistical system in Japan is explained to contribute to the capacity building in developing countries.

1. Summary of Postwar Reconstruction of Statistical System in Japan

Modern statistical survey institutions were gradually organized since the beginning of Meiji era (1870's). Civil Ministry, which was mainly responsible for home affairs at that time, was established in 1869, and the government ordered the prefectural governments to compile Prefecture Product Statistics, in which each prefecture reported amount of agricultural, forestal, mining and manufacturing products. In 1881, the Statistics Division of Ministry of Finance was established as a body in charge of statistics on taxation, family register etc. In the same year the Statistics Division of the Prime Minister's Office (the previous body of the Statistical Survey Department (SSD), Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT) at present) was also established, and it started to compile nationwide statistics based on the administrative reports from ministries and prefectures. Since then the government gradually organized modern statistical survey institutions. In implementation of statistical surveys, the Population Census of Japan was conducted nationwide in 1920, and thereafter every 5 years.

However, the World War II, which continued up to 1945, gave severe damages to Japanese statistics and statistical system. The government in the war considered statistics as unnecessary and non-urgent business. Thus it reduced statistical budget and institutions under the successive simplification of administrative institution and special orders for wartime public administration, and a number of statistical surveys were abolished or suspended. Also, in order to control information and keep secrecy during wartime, handling of economic and social statistical data became stricter, release of statistics was restricted, and as a result, statistical figures were concealed from the public eyes. In addition, a number of surveys conducted during the war were not compiled because of the damages of bombing to the administrative bodies and people. Even implementation of censuses and surveys were suspended, for example, 1942 Factory Census (Manufacture Census at present)

that started in 1909, and 1945 Population Census.

Therefore, during the World War II the statistical administration was so extremely restrained by reduction of statistical organization and restriction of publication of statistics, that statistics and statistical organization in Japan, which had been developed before the war, was damaged severely.

After the war, leaders in several areas such as the Prime Minister and academic leaders including economists and statisticians perceived that it must be urgent to reconstruct statistical organization, to compile accurate statistical data and to make up a national reconstruction plan based on such statistical data in order to recover the nation from the severely devastated condition.

Based on such perception, the government rapidly promoted the reconstruction of statistical organization as below mentioned. In May 1946 the Ad Hoc Study Group on the Improvement of Statistical System was established in the Cabinet Office, and it conducted theoretical study on reinforcement of statistics and reconstruction of statistical system. Further, based on the Group's opinion, the Committee on Statistical System Reconstruction (Chairperson: Professor Hyoe OUCHI of University of Tokyo) was established under the Cabinet.

In October 1946, the Committee submitted to the Prime Minister the report named "the Report on the Reconstruction of the Statistical System in Japan". In this report the concrete direction for the reorganization and the reinforcement of statistical institutions was presented such as establishment of statistical organizations in central and local governments, improvement in capacity of statistical personnel and statistical survey staff, promotion of publication of statistics, and establishment of the Statistics Law which should be the basis for statistical administration in Japan.

(Main Features of the Report on the Reconstruction of the Statistical System)

a. Establishment of statistical organizations

- Establishment of the Statistics Commission (independent administrative commission) that shall comprehensively coordinate official statistical activities
- Establishment of statistical organization in each ministry
- Establishment of statistical organization in prefectural governments

b. Improvement in capacity of personnel related to statistical activity

- Provision of qualifications, responsibility and authority for the appointment of personnel engaged in statistical activity

c. Publication of statistics

- Prompt release of all important statistics

d. Establishment of the fundamental law concerning statistics and statistical administration

- Establishment of the Statistics Law as the fundamental law concerning statistical administration, including provisions for matters requiring legal basis to realize above-mentioned items as well as provisions realizing items below;

- When a governmental body plans to conduct an important statistical survey, a survey plan shall be submitted to the Statistics Commission for deliberation and obtain its approval
- Important statistical surveys shall impose reporting obligation on the respondents

(For the details on the Statistical Law, refer to section 3 mentioned below.)

Then the Committee also decided, taking the situation in foreign nations into consideration, that the statistical system in the central government of Japan should be the decentralized system, in which each ministries had their own special organization in charge of statistical activities in their jurisdiction, and that the Statistics Commission should be newly established which was in charge of comprehensive coordination on official statistics and surveys necessary for them.

Responding to the Committee's report, the government established the Statistics Commission (the role is succeeded to by the Statistical Standards Department (SSD), Statistics Bureau, MPHPT) in December 28, 1946.

Statistical organization in the central government was also reinforced by each ministry such as reorganization and transfer of the Statistics Bureau from the Cabinet to the Prime Minister's Agency, establishment of the Statistical Survey Bureau of the Ministry of Agriculture and Forestry, etc.

2. Reinforcement of Statistical Organizations

(1) Administrative Organizations for Statistics in the Central Government --Shared Responsibility by Ministries and Comprehensive Coordination

In Japan decentralized statistical system was adopted, in which each ministries has their own special organization in charge of statistical activities as a rule. In addition the Statistical Commission (SSD of MPHPT at present) was established as a comprehensive coordination body.

When we compare the statistical systems in other nations, we can sort them into two categories; those in which statistical activities are relatively centralized to a certain body, and those in which statistical activities are relatively decentralized to several governmental bodies. The former is called centralized system, and the latter is called decentralized system. It is difficult to generalize which is better because to adopt either one or the other depends on the nation's history, culture, political and administrative system, public opinion etc. It is an idea in the small country with scarce human and material resource to begin the establishment of administrative institution for statistics with the centralized system.

(2) Local Statistical Organizations -- Survey Implementation by Local Governments

As for statistical organization in local governments, All 47 prefectures had special division in charge of statistical activities before World War II, but when the war was ended, only 14 of them had such division. Thus reinforcement of local statistical institution was considered indispensable condition for improvement and development of statistics, and "the Basic Rules of Establishment of Local Statistical Organizations" was decided on by the Cabinet, based on the Incidental Vote made by the Diet when the Statistics Law passed it, and considering the report of the first statistical mission headed by Mr. Rice dispatched to Japan on the request of the General Headquarters of the Supreme Commander for the Allied Forces.

In this cabinet decision the direction for the reconstruction of local statistical organizations was determined as follows;

- a. Statistical census and survey conducted to fulfill the national government necessity must as a rule be done consistently with the national government expenditure and under the supervision of the national government in order to secure the truthfulness and the uniformity of statistics.
- b. For that purpose, employees, who works mainly for statistical activities and whose remuneration was paid by the national government, shall be disposed in local governments and they shall engage in censuses conducted by ministries comprehensively.

Under this direction, in 1947 employees mainly in charge of statistical activities with the remuneration paid by the national government were disposed in prefectural and municipal governments, and major statistical censuses and surveys conducted by the national government were commissioned to the heads of local governments (At present the national government pay the remuneration of employees mainly in charge of statistical activities only in prefectural government.).

(3) Reconstruction of Capacity of Personnel Engaged in Statistical Activity

Designated statistical surveys were so important that the personnel who engaged in these surveys was supposed to have special knowledge on statistics and surveys. Thus qualification on statistical business experience and educational experience was determined and personnel who engaged in designated surveys were obliged to have this qualification (This qualification, for example university graduate for educational experience, was abolished because local government personnel has became to hold higher educational experience.).

Now the government of Japan (MPHPT), as a host government, has contributed to Statistical Institute for Asia and the Pacific (SIAP), which was established in Japan and has been implementing statistical training to government officials of the developing nations in the region of ESCAP since 1970. SIAP has become one of the most important training institutes for the development of statistical knowledge in Asia and Pacific (The total number of trainees is about 8,000 as of March, 2002) (URL: <http://www.unsiap.or.jp>).

3. Establishment of the Fundamental Law Concerning Statistics

(1) Enactment of the Statistics Law

In order to secure systematic reinforcement and uniformity of statistical survey business in each ministry, it is strongly requested to establish the fundamental law concerning statistical surveys. Thus the Statistics Law was enforced on May 1st, 1947.

The Statistics Law stipulates following items as the fundamentals of official statistics and statistical administrations;

a. Designation of designated statistics

The Statistics Commission (at present Minister for MPHPT as the head of comprehensive coordination body. hereinafter the same) designates statistics that are compiled by the national and local governments and that are necessary for national policy planning and important to people's life

b. Approval of designated statistical survey

An authority shall have the approval of Statistics Commission in advance on items to be surveyed, items to be tabulated, measures of dissemination of the result obtained etc. for the implementation of the designated statistical survey (at present Minister for MPHPT must hear opinion of the Statistics Council before his approval)

c. Reporting Obligation for designated statistical survey

Designated statistical surveys shall impose reporting obligation to report on the respondents.

d. Protection of confidentiality of information obtained by statistical surveys

The confidentiality of information obtained by statistical surveys shall be secured.

e. Quick dissemination of the result of the designated statistical surveys

The result of the designated statistical surveys shall be published as quickly as possible.

The main feature of this system is to secure accuracy of important statistics through measures as follows;

a. Survey plans for important statistics including survey items shall be deliberated and approved by the comprehensive coordination body, the Statistical Commission (at present SSD) through the system of the designated statistics.

b. imposition of reporting obligation on the respondents

c. protection of confidentiality on statistical surveys

(2) Enactment of the Statistical Reports Coordination Law

After the enactment of the Statistics Law, each ministry implemented statistical surveys so

actively that the reporting burdens of the public gradually became heavy. To improve these situations, the Statistical Reports Coordination Law was implemented in August 1952, the purpose of which is to reduce reporting burden and to improve administrative efficiency. Almost all statistical survey conducted by administrative bodies of the national government other than the designated statistical surveys are required to obtain prior approval of comprehensive coordination body (SSD at present). As a result, reporting burden was alleviated by avoidance of overlaps etc. through government-wide coordination of statistical surveys.

4. Conclusion

We should take account of the following points when we study the fact that Japan succeeded in the postwar reconstruction of statistical institution in a relatively short period of time.

- (1) In the wartime statistical organization was severely reduced but the basic administrative organization was preserved. The reconstruction of statistical organization was done in a way that fitted to the preserved administrative organization.
- (2) Japan had experienced implementation of statistical surveys since Meiji era, i.e. since 1870's, and as a result statistical knowledge had been accumulated about basic and important statistical surveys such as those on population and production, and people's understanding that respondents should cooperate and respond to official statistical surveys had been brought about nationwide.
- (3) Political leaders and leaders in other fields such as economists and statisticians had a strong perception that the reconstruction of statistical institution and statistics was indispensable for reconstruction of the nation.
- (4) Japan reinforced the basic framework in the early time of reconstruction, such as establishment of comprehensive coordination body for important statistical surveys, reinforcement of statistical organization in national and local level, and reinforcement of fundamental laws concerning statistical surveys conducted by the government.

Postwar reconstruction of statistics and statistical institution was promoted in a very short period of time, and we realized uniform statistical institution in the government as a whole. But taking account of the history of the national reinforcement of modern statistics since Meiji era, if a nation were still in the way to attain enough social stability or reinforced administrative organizations, considerable amount of time and efforts might be required.

Therefore,

- (1) International organizations engaged in several sorts of assistance conducted for the establishment of statistical capacity of developing nations should take account of this point, and make efforts from the long run viewpoint.

- (2) The experiences of the experts on statistical administration in various nations should be utilized.
- (3) Japanese experience is one of the cases that contain a lot of implications, but it is not clear whether this would fit directly to the situation of various nations. It is important to promote each nation to take measures step by step by itself, taking account of the situation surrounding it.

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History of Reconstruction of the Postwar Statistical System

Chapter 1 Trends Toward Renewal

The Second World War, which continued until 1945, destroyed statistical records and the statistical system of Japan. The Government in wartime regarded statistics as nonessential, and successively simplified the administrations. Under a special wartime administration order, budgets for statistics were cut and the statistical structure was reduced. Statistics indicating the economic and social state of the time were placed under the strict control of the Government because of wartime security measures. Publishing of the resultant figures was not allowed without permission, thus restricting their use, and statistics were not disclosed to the nation. In addition, not all of the results of surveys conducted during the war were aggregated because of damages by bombing or evacuation. In terms of statistical survey implementation, production of the Factory Census (Manufacture Census today), which had been started in 1909, was discontinued in 1942. The Population Census which had been scheduled for 1945 was also suspended.

On the other hand, various organizations conducted surveys randomly and without control, or secretly collected data as needed. As a result statistical surveys were thrown into confusion, truthfulness of the statistics was lost, and reliability was remarkably reduced.

When the war ended, the Government realized the necessity of accurate statistical materials. They were indispensable as the fundamental materials to rebuild Japan, which had been reduced to ashes, to overcome inflation and stabilize economy. Furthermore, Japan was under occupation of the Allied Forces in accordance with the acceptance of the Potsdam Declaration, and had to meet the requests for statistical materials and survey implementation by order of the General Headquarters of the Supreme Commander for the Allied Forces (hereinafter referred to as “the General Headquarters”). It was impossible, however, for the statistical structure which had been reduced during the war to meet those requests.

Under such circumstances, the necessity to rebuild the statistical structure and promptly reform the statistical system overall was recognized by the various organizations concerned. Mr. Takahiko Kawashima, Director General of the Statistics Bureau of the Cabinet, first reported to the Prime Minister about the “Measures for Postwar Construction” (September 29, 1945), then suggested the “Proposed Establishment and Expansion of Japan’s Statistical Functions” (December 25, 1945) to Mr. Daizaburo Tsugita, Chief Cabinet Secretary. Moreover, he proposed the “Objective of the Reform of Japan’s Statistical System” and the “Proposed Reform of the Statistical System” to the government circles including

the Chief Cabinet Secretary and to those at the General Headquarters (See Appendix 1 *Reconstruction Plan of Statistics System*). With these suggestions and proposals as a guide, the reconstruction of statistics and the statistical system began to take shape.

Around February 1946, the Government fully realized the necessity of improving the statistical system and decided to deal with this issue. Chief Cabinet Secretary Tsugita invited Mr. Hiromi Arisawa, Professor of the University of Tokyo, to the official residence of the Prime Minister to discuss the matter. Prof. Arisawa advocated that the reform of Japan's statistical system was an urgent necessity, but the result of this discussion was not materialized because of a change of government.

When forming his first Cabinet in May 1946, Prime Minister Shigeru Yoshida requested Prof. Hyoe Ouchi of the University of Tokyo and Prof. Masao Takahashi of Kyushu University to enter the Cabinet as ministers in charge of economic affairs. Since they declined this request, Prime Minister Yoshida asked Dr. Iwasaburo Takano, an elder in the statistical circle of Japan, to act as go-between. Dr. Takano, however, reasoned that improving Japan's statistical system was an urgent issue, and advised the Prime Minister to entrust Prof. Ouchi with this undertaking. The Prime Minister accepted his advice and entrusted Prof. Ouchi with the role of improving statistics and the statistical system. Under these circumstances, the Japan Statistics Research Institute, where Prof. Ouchi was the manager, rendered full-scale participation and cooperation, and the undertaking to improve statistics of Japan, which had been widely demanded since the end of the war, was integrated mainly by Prof. Ouchi.

1. Development of Cabinet Councilors' Office

Following the revision of the "Ordinance to Establish the Provisional Personnel under the Cabinet" (Imperial Ordinance No. 645 in 1945), a project for reconstructing statistics and the statistical system took shape after the Cabinet Councilors' Office was set up in the Cabinet Secretariat, to "manage affairs related to overall coordination of governmental bodies' affairs for important measures."

The Cabinet Councilors' Office started the project for improving statistics and the statistical system on a full scale in April 1946. Mr. Makoto Hashii, Principal Counselor, and Mr. Shiro Yamanaka, Counselor, of the Cabinet Councilors' Office played an active part in promoting this project.

Although the Economic Stabilization Board (established on August 12, 1946 together with the Price Agency) was not yet established at that time, the Cabinet Councilors' Office forecasted that grasping economic statistics as the base of economic measures would be absolutely necessary when the Board started operation. Therefore, as the first-phase objective, the Cabinet Councilors' Office aimed at producing and disseminating dynamic economic statistics needed to undertake a variety of policies. The Office also anticipated that improvement of Japan's statistical system should be naturally taken into consideration when

promoting this undertaking. In other words, if production of dynamic economic statistics and studies of their use proceeded, the truthfulness of the statistics or the statistical system itself would become issues as a matter of course, and preparation process to produce the statistics would certainly come into question.

(1) Ad Hoc Study Group on the Improvement of Statistical System

The Cabinet Councilors' Office was studying measures for preparing statistical materials to be submitted to the General Headquarters. It organized the Ad Hoc Study Group on the Improvement of Statistical System where all the parties concerned could freely discuss and exchange information on production and improvement of statistics. The Statistics Meeting consisted of persons in charge of statistics in the ministries and agencies, the Japan Statistics Research Institute and the National Economic Research Institute as well as some statisticians. The statisticians included Mr. Masao Takahashi and Mr. Yasuo Kondo who became the members of a later Committee on Statistical System Reconstruction. In the first meeting on May 22, 1946, the following agenda were discussed: (1) Intentions of the General Headquarters in production and improvement of Japan's statistics and the then current statistical state of the U.S., (2) statistical details to be urgently produced and a necessary liaison system along with the establishment of the Economic Stabilization Board, (3) the then current state of statistical affairs in the ministries and agencies and the measures being taken for improvement. Five meetings were held up to June 19, 1946.

(2) Research Group on Statistics

Later, the Ad Hoc Study Group on the Improvement of Statistical System developed into the Institute of Research Group on Statistics. This Group aimed at studying the composition of basic statistics which were the target and measuring indices of the economic stability plan. The Group held the second liaison meeting on July 2, 1946, and decided on the following study objectives for the future operations of the Group: For the 1st phase, studies on production of important statistics needed for determining urgent measures for economic stability and evaluating the effect of the measures. For the 2nd phase, preparation of basic statistical materials necessary for planning reconstruction of the Japanese economy. For the 3rd phase, studies on the proposed drastic improvement of the then current statistical details and the statistical structure.

The Research Group on Statistics was composed of the general committee and the following four subcommittees: population, production and distribution, labor and living, and finance and prices. Persons in charge of statistics in the ministries and agencies concerned and statisticians participated in the committee and subcommittees. The subcommittees selected chairmen, vice chairmen, and secretaries, and held liaison meetings as required. The following individuals were appointed chairmen and engaged in coordinating all studies: Mr. Hiromi Arisawa who was a member of the Japan Statistics Research Institute (in charge of production and distribution), Prof. Ichiro Nakayama of the Tokyo College of Commerce (in

charge of labor and living), Prof. Yuzo Morita of Yokohama College of Economics (in charge of finance and prices), and Prof. Yasuo Kondo of The University of Tokyo. The subcommittees started studies in the first week of July 1946. The population subcommittee aimed at estimating population up to 1950 as quickly as possible. The finance and prices subcommittee focused on making inflation indices, the production and distribution subcommittee, on production restart indices, and the labor and living subcommittee, on measuring indices of national living standards, respectively. However, studies of the existing statistics clearly revealed incompleteness and inaccuracy of the statistics. As the studies progressed, an improved statistics system was required to efficiently produce proper statistics. The statistics submitted to the General Headquarters in response to its request were extremely inaccurate and disorganized compared to those of the United States. This fact served as a catalyst to achieve the study goals.

On July 10, 1946, at the subcommittee liaison meeting of the Research Group on Statistics, Director General Kawashima of the Statistics Bureau presented the “Objective of the Reform of Statistics System in Japan” and the “Proposed Reform of the Statistical System” as his private draft for the improvement of statistics. These brought the improvement of the statistical system to the fore. His private draft was discussed at the meeting on that day, and although it was the ideal form for a statistical system, it was concluded that it should be examined and discussed further judging from the situation at that time.

Director General Kawashima, however, considered that it was the right time to break from the statistical convention and make great strides. He summarized points at issue presented by the ministries concerned on that day and the focal points of statistical improvement into the “Refutation of the Draft Originator to the Opinions of Each Ministry.” He submitted this document to Counselor Yamanaka. Later, the Cabinet Councilors’ Office requested the relevant ministries to submit their opinions on Director General Kawashima’s private draft, state of the statistical survey structure of those days, and their plans for improving the structure. As it was a very broad issue, the Cabinet decided to discuss it in an official committee, and issued the “Opinion on Statistical Reconstruction” as the material for the meeting of the “Committee on Statistical System Reconstruction” to be held at a later time (See Appendix 2 *Opinion on Statistical Reconstruction*).

2. Committee on Statistical System Reconstruction

Taking this opportunity, the Government also considered improvement of the statistical system an urgent matter, and the Cabinet agreed upon the “Establishment of the Committee on Statistical System Reconstruction” on July 19, 1946 (See Appendix 3 *Establishment of the Committee on Statistical System Reconstruction*).

Mr. Hyoe Ouchi, Professor of the University of Tokyo, was appointed chairman of this Committee.

Committee members included, in addition to professors who were chairmen of the subcommittees of Research Group on Statistics, Mr. Masao Takahashi, Managing Director of the Japan Statistics Research Institute and Professor of Kyushu University, Mr. Kei Hoashi, Director of the Japan Industrial Council, Mr. Shuichi Shinohara, Director of the Statistics Bureau, the Bank of Japan, as well as Counselor Makoto Hashii and Director General Takahiko Kawashima of the Statistics Bureau of the Cabinet as government representatives. The board of secretaries appointed Mr. Hashii Chief Secretary, and section chiefs of related bureaus of each ministry such as Counselor Shiro Yamanaka, Mr. Ryoichi Tomoyasu, Chief of the Examination Section, the Statistics Bureau, as secretaries.

The Committee on Statistical System Reconstruction held the first general meeting on August 24, 1946 obtaining agreement of the General Headquarters. Prime Minister Yoshida was expected to attend the meeting, but, he did not attend because the Diet was convened on that day. Instead, Mr. Keinosuke Zen, Director General of General Affairs, the Economic Stabilization Board, gave an address. Mr. E Ross, Manager of the Research and Statistics Department, the Economic Science Division, the General Headquarters, was present at the meeting and expressed his views in the expectation that this committee would play an important role for establishment of Japan's statistics and his intention to cooperate in sound development of Japan's statistics. After that, a discussion was held on the "Opinion on Reconstructing the Statistical System" submitted by the Cabinet Councilors' Office. Prior to discussion, the Committee took account of the following two points to obtain an immediately feasible reconstruction plan under the then current circumstances.

- (1) To avoid weakening the driving force of statistical reconstruction because of confrontation among the ministries and agencies. Enforcement of a policy to give a strong power to any one of the existing governmental bodies would further intensify the confrontation, so to avoid this, a new organization (a Statistics Commission) shall be established based on the consent of all ministries and agencies.
- (2) To lay down detailed provisions in a law with authority and perpetuity to maintain the organization and assure cooperation of the ministries and agencies for this purpose (establishment of a statistics law).

In July 1922, Inquiry No. 2 "Adjustment and Unification of Statistics" was made to the Central Statistics Committee under the Kato Cabinet. The Committee's report on the inquiry had adequate contents in general. However, because this Committee was an advisory organ and not a decision-making and executive organ, only part of the contents in the report were implemented and the result was maintained only for a short period of time. The above-mentioned points were conclusions drawn from reconsidering the nature of the Committee. The objective of reconstruction of statistics depended on respective statistics for the time being although the principal object was to establish an organization to create statistics.

The Committee on Statistical System Reconstruction set up a subcommittee composed of members from the Research Group on Statistics and the relevant ministries to prepare a detailed plan.

Members for preparing a draft were selected from among this subcommittee members. They were mainly statisticians of the Japan Statistics Research Institute including Professors Ouchi, Arisawa, Nakayama, Takahashi, Kondo and Morita. Thus preparation of an reconstruction plan started. In preparing a draft, the following points were discussed: (1) Whether to unite an organization planning and examining statistical activities and an organization conducting statistical activities, or to separate them, (2) if separated, an administrative structure of the planning and examination organization, (3) where the organization belong, (4) relation between expenses required by local statistical organization and national budgets.

Members for the draft preparation had several discussion meetings, conducted fact-finding research in Chiba Prefecture, and the subcommittee approved the draft on September 25, 1946. The draft was submitted to the second general meeting of the Committee on Statistical System Reconstruction held on October 21 of the same year, and after partial modification, adopted as a report to the Prime Minister. In the general meeting, State Minister Zen pledged that the Government would materialize the plan details promptly. He also asserted to introduce bills of statistical laws and other necessary matters to the ordinary session which began in 1946. This "Proposed Reconstruction of the Statistical System" was reported as the "Report on the Reconstruction of the Statistics System in Japan" on the same day (See Appendix 4 *Report of the Reconstruction of the Statistics System in Japan* and Appendix 5 *Press Release on the Report of the Committee on Statistics System Reconstruction*).

3. Government's statement on the occasion of promulgation of the Constitution of Japan (portion related to establishment of the statistical system)

The Constitution of Japan, the fundamental code of the country in its rebuilding process, was promulgated on November 3, 1946. On the day after the promulgation, the "Government's Statement on the occasion of promulgation of the Constitution of Japan" was announced to the nation. To rebuild a peace-loving nation and improve the life of the people under the new Constitution, the Government took this opportunity to announce six tentative basic measures for education, culture, the economy and so forth as guidelines under which establishment and execution of future policies would be made. The Government sought to disseminate and fully emphasize to the public the spirit of the Constitution, and requested the people's cooperation in realizing its goal. These measures were presented to the Diet and awareness of the government and the people was promoted through various committees. The Government expected to accomplish these measures obtaining the people's cooperation and support. In addition, the Government took up reform of the educational system, reconstruction of industry and economy, and settlement of labor problems and stability of the life of the people as matters to be immediately executed or begin preparation for execution, based on the above basic measures. The Government clearly expressed to the people the following points in "1. Establishment of the statistical system" in the part concerning the reconstruction of industry and economy: – 1) establishment of the fundamental law for statistics, 2) reform and reinforcement of governmental organizations for planning and execution of statistics, and 3)

establishment of the statistical system and promotion of extensive use of statistics.

Chapter 2 Establishment of the Statistics Commission

After the Committee on Statistical System Reconstruction reported to the Government, the “Outline of the Emergency Measures for Reconstructing the Statistical System” was approved by the Cabinet on November 22, 1946 and the Statistics Commission was established (See Appendix 6 *The Outline of the Emergency Measures for Reconstructing the Statistical System*).

1. Organization of the Statistics Commission

The governmental regulation for establishing the Statistics Commission was drafted by the preparatory meeting held in the Economic Stabilization Board on December 20, 1946, in cooperation with secretaries of the Committee on Statistical System Reconstruction. On December 28 of the same year, the “The Governmental Regulation on the Organization of the Statistics Commission” (Imperial Ordinance No. 619 in 1946) was promulgated and implemented (See Appendix 7 *The Governmental Regulation on the Organization of the Statistics Commission*)

The first members of the Statistics Commission consisted of the Prime Minister as chairman, Director General of General Affairs, the Economic Stabilization Board as vice chairman, and Mr. Ryokichi Minobe, associate editor of the Mainichi News Papers, Mr. Makoto Hashii (Director of the 1st Department, the Economic Stabilization Board), Mr. Takahiko Kawashima (Director General of the Statistics Bureau of the Cabinet), Mr. Uichi Noda (Director General of the Budget Bureau, the Ministry of Finance) were appointed members in addition to the aforementioned Professors Ouchi, Arisawa, Kondo, Nakayama, Morita, and Takahashi.

A secretariat was set up under the Statistics Commission (Article 7 of the Governmental Regulation of the Statistics Commission) and chief of the secretariat was selected from among the Commission members. The fixed number of the secretariat staff in full service was 14 and there were a few officials from the ministries and agencies concerned who held another post concurrently. Later, on July 1, 1947, the regulations governing the departmental organization of the secretariat of the Statistics Commission was made and the general affairs division and the examination division were set up. The first division chiefs were Mr. Shiro Nakayama and Mr. Masaru Naito, respectively. On June 20, 1948, the division of the secretariat changed to the general affairs division and the 1st and the 2nd examination sections; on April 1, 1949, to the general affairs division, the examination division, and the standards division; on January 31, 1950, to the general affairs division, the 1st and the 2nd examination divisions, and the council section.

On June 1, 1949, in keeping with enforcement of the National Government Organization Law (Law No. 120 in 1948), it was discontinued to conform to the governmental regulation as a legal basis on which the Statistics Commission was established, and articles from Article 6 to Item 4 of Article 6 were added to the Statistics Law (Law No. 18 in 1947) as the new legal basis. The existing prime-minister chairman system was abolished and replaced by a chairman of special service (Mr. Hyoe Ouchi was appointed). A permanent member system was also adopted.

2. Authority of the Statistics Commission

Authority of the Statistics Commission was stipulated in Article 1 of the governmental regulation as follows: “The Statistics Commission shall be under the supervision of the Prime Minister. It shall designate government offices or other bodies which examine plans for important statistics and plans for important statistics to be executed by the government offices concerned and other bodies. It shall also designate government offices and bodies which produce important statistics, and investigate and discuss matters related to improving and developing statistics.” This provision clarified that the Statistics Commission would make administrative decisions such as planning and examining important statistics, and designating organizations conducting statistical activities. This administrative body based on the council system attracted attention of various organizations as the first administrative committee in Japan.

The Statistics Law was promulgated on March 26, 1947 and authority of the Statistics Commission was provided in the Law, including designation of the designated statistics (Article 2). Matters related to the Statistics Commission were provided to comply with the Imperial Ordinance (Article 6) in addition to the provisions in this Law. Thus, the Statistics Law legalized the authority of the Statistics Commission.

3. Holding of Commission meetings

The Statistics Commission held the first meeting on December 28, 1946 and decided on the “Rules for Proceedings of the Statistics Committee.” Mr. Hyoe Ouchi, a member of the Committee, was elected as Chairman, and Mr. Ryokichi Minobe was appointed Director of the Secretariat. On that day, the following individuals attended the meeting: Mr. S. A. Rice, leader of a statistics mission who happened to be visiting Japan by being dispatched to the General Headquarters (Assistant Director of the Bureau of Budget (BoB) and Director of the Statistical Standards Department (SSD) of BoB, the Executive Office of the President of the U.S., and U.S. Representative of the United Nations Statistical Commission), Mr. P. Stap, assistant leader of the group (Assistant Director of SSD of BoB, the Executive Office of the President of the U.S.), and Mr. E. Ross from the General Headquarters (Manager of the Research and Statistics Department, the Economic Science Division). In the meeting, the Committee decided to hold regular meetings every Friday at 1:30 p.m..

The Committee also allocated the responsibilities to each member for smooth operation of the proceedings. Commerce and industry to Mr. Arisawa; agriculture and forestry to Mr. Kondo; finance to Mr. Morita; labor to Mr. Nakayama; population to Mr. Kawashima; and national income and international relation to Mr. Takahashi. Discussions were made on the following points in connection with the provisions conformed to the spirit of the Statistics Law; designation of important statistics, handling of statistical surveys other than those of the designated statistics, establishment of statistical survey systems, and establishment of the statistical institution including central and local statistical structure.

Chapter 3 Major Achievements of the Statistics Commission

The Statistics Commission terminated its mission in five years and 7 months after its establishment. During this period, it contributed to establishing statistical standards, handling the notified statistics, training in and dissemination of statistics, and improving and developing laws and regulations such as establishing the Statistical Reports Coordination Law. In addition, it coordinated important issues such as conducting censuses in 1950 (note: Population Census, Establishment Census, Census of Agriculture Manufacturing Census, and Commerce Census) as well as importing machines necessary for statistical activities. Establishment of the Statistics Law as the fundamental law, and improvement of statistical systems and local statistical structure were the most important achievements of the Commission, and paved the way for the future statistical administration.

1. Establishment of the Statistics Law

The Statistics Commission first set about drafting the Statistics Law. The Proposed Improvement of the Statistics System reported by the Commission on Statistical System Reconstruction included a clause “Establishment of the fundamental law for statistics.” This clause was provided to establish the Statistics Law (provisional name) as the fundamental law for statistics and to prepare certain rules for items requiring a legal basis on which statistical structure was established, quality of statistical personnel and statistical survey staff was improved, and statistics was published. In response to this report, the Statistical Survey Office of the Economic Stabilization Board started drafting the outline of the Statistics Law in October 1946, in cooperation with officials of the ministries concerned. Thereafter, this undertaking was handed over to the Statistics Commission, and the Commission strove for drafting the Statistics Law after the first meeting.

The bill of the Statistics Law was introduced into the 92nd Imperial Diet on February 26, 1947, which was opened at the end of 1946 as the last national assembly under the Meiji Constitution. This bill was passed as drafted with one consent in the Upper House on March 6, 1947 and in the Lower House on March 17, 1947, respectively. The Statistics Law was promulgated on March 26 as the Law No. 18, and enacted on May 1, 1947 in accordance with the imperial ordinance (Imperial Ordinance No. 163 in 1947)

which stipulated the date of enforcement of the Statistics Law. Simultaneously with the enforcement of the Statistics Law, the Resource Survey Law, the Law Concerning Censuses, and the Law Concerning Statistical Materials and Field Surveys, which had been the existing legal basis of statistical surveys, were abolished. Thus the statistical laws and regulations were integrated under the Statistics Law.

2. Designation of important statistics as the designated statistics (Establishment of statistical systems)

The Statistics Law included a provision to designate important statistics as the designated statistics. This was to establish a statistical system which could win public confidence and contribute to national policies and improvement of the people's living.

It was necessary to designate important statistics as the designated statistics immediately after the Statistics Law was established. Therefore, it was decided to examine the existing ministry statistics to select those to be designated. A small committee was set up appointing the members as chiefs who would examine statistics of the ministries and agencies they took charge. Mr. Arisawa was in charge of the Ministry of Commerce and Industry, the Ministry of Transport, the Ministry of Communications, and the Restoration Authority; Mr. Nakayama, the Ministry of Health and Welfare and the Ministry of Education; Mr. Morita, the Statistics Bureau, the Ministry of Finance, and the Price Agency; Mr. Kondo, the Ministry of Agriculture and Forestry; and Mr. Masaki (member of the Economic Stabilization Board), the Ministry of Home Affairs and the Ministry of Justice. Initially, Mr. Shuichi Shinohara (Director of the Statistics Bureau, the Bank of Japan), a provisional commission member, was appointed as chief in charge of banks. However, this was suspended midway because the Commission decided not to designate bank and private statistics as the designated statistics in the course of its discussion on the bill of the Statistics Law.

The following is an overview of the designated statistics designated from May 1, 1947 when the designated statistics system started up to 1952 when the authority of the Statistics Commission and affairs under its jurisdiction were passed over to the Administrative Management Agency and the Statistics Council which was established as an organization affiliated to the Agency to deliberate important matters.

The first designated statistics were Population Census started in 1920. This was stipulated in Article 4 of the Statistics Law and designated on May 2, 1947, following the day of the enforcement of the Statistics Law. Later, by 1949, fundamental statistics in the current statistical system were designated. They were: Establishment Census (Designated Statistics No. 2), Manufacturing Census (No. 10), School Basic Survey (No. 13), Housing Survey (No. 14), Commerce Census (No. 23) and Census of Agriculture and Forestry (No. 26). The most of them used a complete enumeration method (census) which surveyed all of the fixed targets.

Many of the statistics produced frequently in a relatively short time cycle, i.e., monthly or

quarterly, were designated as the designated statistics during this period. Vital Statistics (No. 5), Monthly Labor Survey (No. 7), Current Production Statistics Survey of the Ministry of International Trade and Industry (No. 11), and Survey on Shipbuilding and Engineering (No. 29) are regarded fundamental statistics even today. Many of the surveys conducted to produce these statistics (current surveys) used a sampling survey method supported by the sampling survey theory which had developed rapidly after the war. From 1950 on, the number of the new designated statistics produced by means of censuses decreased, and those produced by the sampling surveys became dominant. The statistics designated during the period from 1950 to 1952 (including those not currently produced. The same shall apply hereinafter) are Labor Force Survey (No. 30), Statistics on Building Construction Starts (No. 32), Department Store Sales Survey (No. 34), Retail Prices Survey (No. 35), Statistical Research of Farm Economy (No. 36), Crop Survey (No. 37), and Survey of Marine Product (No. 54).

A total of 60 statistics was designated by the end of November 1952.

3. Establishment of the local statistical structure

Local statistical structure was in a complete chaos immediately after the war. Few prefectures had an independent division exclusively for statistics, and statistical affairs were handled in a corner of the general affairs section, the local affairs section or the archives and documents section in many prefectures. Although statistical surveys were conducted by order of the national government, more than 60% of the personnel expenses were disbursed by the prefectures and only the remaining 40% were disbursed by the national government's fund. The number of people in charge of statistical affairs was small, accounting for approx. 24 per prefecture. It was hard for the prefectural governments to meet the national government's request to conduct surveys with this small number of personnel. The situation was worse in municipalities. They were key organizations for surveys, but the national government did not take account of personnel expenses required for their statistical affairs.

On October 21, 1946, however, in the "Report on Statistical System Reconstruction," the Committee on Statistical System Reconstruction stated that each of the prefectures should have a statistical division to conduct statistical surveys and a function to aggregate and quickly report the survey results, and that each municipality should have a statistical division or appoint a person exclusively in charge of statistics. It also stated that all expenses for surveys conducted at the request of the national government should be born by the national government. With this report as momentum, the statistical system began to be improved.

When the bill of the Statistical Law was passed, the House of Representatives also passed the following incidental vote resolution as a joint proposal of all parties: "The national government should give due consideration to renovation of the statistical system and quick reinforcement of statistical structure in

local governments because it is particularly important for the improvement and development of statistics.” This set a firm basis for reinforcement of the local statistical structure thereafter.

Based on these details, the Statistics Commission formed a definite draft after six-month negotiations with the relevant ministries. On July 11, 1947, the “Basic Rules of Establishment of Local Statistical Organizations” was decided on by the Cabinet (See Appendix 8 *The Basic Rules of Establishment of Local Statistical Organizations*). The main points of this outline were as follows:

- (1) Unify statistical personnel of the prefectures funded by the ministries fully or by half and increase the number of personnel necessary for a joint body conducting a large-scale surveys of the national government.
- (2) Reinforce aggregation capability of prefectures and expand the range of local aggregation to expedite statistical activities and local use of the statistics
- (3) Appoint officials fully funded by the national government exclusively in charge of statistics at least one in each office of towns and villages, and in proportion to the population in each city office.
- (4) Appoint local administrative officials or technical officials as statistical officials in each prefectural office. Second-grade officials shall be appointed or dismissed by the Prime Minister. Third-grade officials shall be appointed or dismissed by the prefectural governors after hearing the opinion of the Statistical Commission.
- (5) Statistical affairs shall be directed and supervised by the ministers through prefectural governors. The statistical officials shall supervise officials exclusively in charge of statistics in the municipalities according to the national government instructions.

This bill was expected to be executed immediately after the Cabinet decision. However, just before the execution, the General Headquarters raised an objection because it did not comply with the principle of local autonomy, and this objection made it impossible to assign national government officials to the prefectures. As a result, local statistical structure made a restart in mid-1947 assigning local government officials. In July and August 1947, 1,715 statistical officials fully funded by the national government were employed by the prefectures and 1,200 by the cities, as personnel required for establishing the local statistical structure. All the necessary expenses were disbursed out of the reserve fund and granted being included in the extra local subsidies for censuses. Moreover, in September 1947, the prefectural governments integrated officials whose labor cost had been paid for each survey fully or partially by the Statistics Bureau of the Prime Minister’s Office and the Ministry of Interior, and increased the number of officials by 1,472 in total. The cost of employing the statistical personnel was disbursed out of the reserve fund. Each of the towns and villages employed one official funded by the national government exclusively in charge of statistics (10,300 in total). In October 1947, it was decided that various current production surveys which had been collected by a private control organization and produced by the General Headquarters would be transferred to the Ministry of Commerce and Industry following the

disbandment of the control organizations and conducted through the prefectural governments. For this reason, additional 1,564 officials were newly employed by the prefectures. In 1948, 279 officials were additionally employed as survey-related personnel under the control of the Ministry of Commerce and Industry and the Ministry of Education. As a result, the number of statistical officials funded by the national government appointed to the divisions in charge of statistics in the prefectural governments totaled 5,030. To municipalities, 11,500 officials were employed in 1948 in the same way as the preceding year.

In April 1950, the Local Finance Equalizing Allocation Law (Law No. 211 in 1950) was enacted and most of the local officials funded by the national government were placed under the system of Local Finance Equalizing Allocation. Although the prefectural governments could keep their officials with the national governmental fund as before, officials of the municipalities were placed under this system.

Furthermore, the number of officials exclusively in charge of statistics employed by the prefectural governments which was reinforced for a certain period were reduced to 3,714 in 1952 because of the administrative reorganization in 1949. On the other hand, as the result of introduction of the system of Local Finance Equalizing Allocation in April 1950, statistical officials in the municipalities numbering 11,500 in 1946 and 1947 were also gradually reduced. Many of the municipal offices had to deal with statistical affairs in divisions in charge of general affairs, public relations or elections.

Chapter 4 Report of the Statistical Mission Headed by Mr. Rice and Japan's Statistics

1. Dr. Rice and his 1st statistical mission's visit to Japan

Dr. Rice and his statistical mission visited Japan soon after the war and made numerous suggestions in the postwar statistical rebuilding in Japan. This mission had a strong impact on Japan's statistics, and it must not be ignored when referring to the postwar history of Japan.

In response to the request of the General Headquarters to the U.S. Government on October 31, 1946, the first mission came to Japan on December 22 of the same year, just before the Statistics Commission was organized, to research and recommend on reform of statistical affairs of the Japanese Government and other matters. The mission conducted research in cooperation with the Statistics Commission and, on May 28, 1947, submitted to the General Headquarters a recommendation titled "Modernization of Japan's Statistics."

The leader of the mission was Dr. S. A. Rice, Assistant Director of the Bureau of Budget (BoB) and Director of the Statistical Standards Department of BoB of the Executive Office of the President, and the sub-leader was Mr. P. Stap, Assistant Director of the same department. The mission also included Mr. J.

Cornfield, Mr. E. T. Crowder, Mr. W. E. Deming, and Mr. M. Sapire. Dr. Rice submitted the “First Report on Japan’s Statistical Organizations” to the General Headquarters on January 11, 1947 and returned to the U.S. at the end of the month. Mr. Stap stayed until April leading the mission. Mr. Sapire and Mr. Cornfield contributed to giving guidance in statistics to Japanese as a member of the Survey and Statistics Department of the General Headquarters thereafter. During this period, the mission had meetings frequently with the Statistics Commission and the ministries’ statistical organizations and conducted field study on local statistical structure.

The report of this mission was published in two parts. Part I was titled “Importance of Japan’s Statistical System,” and Part II, “Necessity of Modernization of Japan’s Statistical Organizations.”

Dr. Rice and his mission examined the aforementioned report of the Committee on Statistical System Reconstruction and expressed full support to the report. The mission greatly contributed to the reconstruction of the statistical system in cooperation with the Statistics Commission. It gave useful suggestions for establishing the Statistics Law, improving local statistical structure, and planning Establishment Censuses. It also had a strong impact on diffusion of the statistical thought in Japan by suggesting measures for developing statistical training in Japan.

2. Dr. Rice and his 2nd mission’s visit to Japan

In response to the request of the General Headquarters, the 2nd statistical mission revisited Japan on March 25, 1951. The mission conducted research in cooperation with the Statistics Commission and submitted a recommendation to the General Headquarters in July of that year. The mission consisted of Dr. S. A. Rice as the leader, Mr. Dedorick, International Statistical Coordinator of the Bureau of Census, Department of Commerce and Dr. Tapper, Special Adviser to the President. Dr. Tapper was invested with an important mission on Japan’s economic control in conjunction with Japan-U.S. economic cooperation, so Dr. Rice and Mr. Dedorick directed research on Japan’s statistical structure.

This mission aimed at recommending the ideal way of the statistical system in Japan after the effectuation of the peace treaty. Therefore, many recommendations were made on the statistical structure. The report titled “Ideal Way of Statistical Structure in Japan” was composed of the following chapters: Chapter 1 Introduction, Chapter 2 Further modernization required, Chapter 3 Fostering specialists in statistics, Chapter 4 Centralized control of statistical coordination, Chapter 5 Statistics Commission, Chapter 6 Statistics Bureau of the Prime Minister’s Office, Chapter 7 Statistical departments of ministries, Chapter 8 Statistical activities in the prefectural and municipal governments, Chapter 9 Statistics in the private sector, Chapter 10 International statistics. The number of recommendations in the report totaled 50.

Judging from the development after the report was submitted, the following recommendations had particularly strong impact on Japan's statistics:

- (1) Recommendation that the Statistics Commission should adopt a single-head system was realized by dissolving the Commission into the Statistical Standards Department of the Administrative Management Agency.
- (2) Recommendation that reports should be controlled was realized by limiting the control targets to statistical reports in accordance to the Statistical Reports Coordination Law (Law No. 148 in 1952).
- (3) Recommendation pointed out that Input-Output analysis showed as yet no first sign of its presence, but a rapid development was seen in this field thereafter.

Chapter 5 Disbandment of the Statistics Commission

The conclusion of the peace treaty was close at hand and the Government was discussing the ideal way of administrative structure after independence, and the "Reform of Administrative Structure" was decided by the Cabinet on April 5, 1952. One of the important points of this structural reform was disbandment of the administrative commissions in general. When the disbandment of the Statistics Commission was made decisive in line with this reform, many discussions were made about the way and form to continue its function after the disbandment.

Prior to this, the second statistical mission with Dr. Rice as the leader stated in its recommendation as follows: "The Statistics Commission does not fulfill its function as the agency to uniformly control statistics. The main cause is in its structure. It could be said that its structure and its task are contradictory. In other words, the Commission is expected to fulfill administrative responsibilities having the structure suitable for an advisory body. Therefore, we propose to reform the current Statistics Commission and separate the administrative function from the advisory function." It also stated in Recommendation 19 as follows: "... to be composed of one chairman who is the principal administrative official and two committee members to act as the first and second deputy chairmen." The mission considered that it was desirable to reform the Commission into a powerful administrative organization adopting a single-manager system, but that it would come one step closer to such an organization by appointing one chairman and two permanent committee members for the time being.

There were three options for the ideal statistical structure after disbanding the Statistics Commission following the basic direction of the administrative reform. One was continuation of the Statistics Commission in conformity to the mission's recommendation, another was integration into the Economic Counseling Agency, and the other was integration into the Administrative Management Agency. The Statistics Commission took the third option. Chairman Ouchi explained about this decision in the 13th Diet as follows:

- (1) The Statistics Commission was the administrative commission based on a council system and had experienced many difficulties in exercising statistical administration. The report control based on the Statistical Reports Coordination Law to be enforced in the near future was considered almost impossible in the administrative capacity of the Statistics Commission.
- (2) Statistics required by the Economic Counseling Agency were limited to those on economic planning and analyses. However, the Statistics Commission aimed at statistical administration such as establishing more extensive statistical systems and improving and developing them. Therefore, it was considered inadequate to transfer administrative jurisdiction of the Statistics Commission to the Economic Counseling Agency.
- (3) The Administrative Management Agency should have authority of coordinating administration in general, and it was desirable to coordinate administrative planning on statistics as one of the departments of this Agency.

As a result, two reform bills were laid before the 13th Diet: one was for the Statistics Law to disband the Statistics Commission, and the other was for the Administrative Management Agency Establishment Law to establish the Statistical Standards Department of the Administrative Management Agency and the Statistics Council as a subsidiary agency, which would take over the authority and affairs of the Statistics Commission. These laws were enforced on August 1, 1952, and the Statistics Commission was disbanded, thus ended its activities extended over a period of 5 years and 7 months on July 31 of that year.

On July 30, the day before its disbandment, the Statistics Commission held the 61st and the final meeting. It was the 145th meeting when we start counting from its establishment on December 28, 1946 through the organizational reform in June 1949. It is no exaggeration to say that Japan's postwar statistics were reconstructed mainly by the Statistics Commission. Although it continued to exist only for less than 6 years, the Committee's achievements were truly commendable in the statistical history of Japan.

(This document is the excerpt from the introduction part of *Forty-Year History of the Statistics Council* (the Statistics Council, March 1995).)

Reconstruction Plan of Statistics System

(Proposed by Takahiko KAWASHIMA, the Director General of the Cabinet Statistics Bureau, in July 1946)

The Objective of the Reform of Statistics System in Japan

In the Orient since the era as old as of Zhou in China, the statistics and the maps were regarded as two important instruments essential for the governance of the country. This was because of the then government that had intended to plan and to carry out a correct government policy based on the actual state of the country that was grasped on empirical foundation. National statistics system and operation thereof of then China deserves the praise. Owing to such system, prosperity of the people, cultural development and stable national defense had been achieved their targets and these are clearly evidenced as the historical facts. However, due to an abstract, deductive and ideological nature of the Han Chinese, the people had gradually turned to discuss the national policies without taking account of concrete facts. And, finally, this time-honored national statistics system of the Orient had declined and ruined completely. Afterward in the 18th century, there occurred a science with respect to new statistics in Europe. This science has achieved a remarkable progress under scientific research methods, but it was the statistics for the search of theory with respect to social phenomena and it was not yet functional to be applied directly to the needs of businesses in the real world. In the recent years, as a resultant of an invention of statistical computer in the United States of America, a new field of statistics utilization has been reclaimed. Along with the development of statistical functions, the statistics has now become usable directly in actual management of the various fields of society such as industry, economy, military, etc. For this reason, the statistics is being utilized comprehensively in management and operation of the entire nation and the entire society in a modernized and highly developed way that were once held by the ancient Oriental statistics. This statistics is being called the management statistics. One prominent example of the power of this management statistics is in the Soviet Union. They have learned this new statistics method from the United States and have established a national statistics system that corresponds with this new statistics method. By this national statistics system, they have plotted to prepare and fulfill the excellent statistics and thus have accomplished a 5-year program of that time, before the war, rapidly without any miscalculation. During the war period, they have brought military's ability to full play, and during the post-war period, have contributed greatly to cope with vicious inflation and unemployment problems, and have been recovering from the damages of the war steadily and extending the state of the country. Also, in the United States, the management statistics have been applied actively to various social sectors, have been ensuring

the successful planning and implementation of such various projects and have been improving the standard of people's capacity in general, which are demonstrated by a number of examples. The national statistics in various sectors in our country at present are remarkably lagged behind in comparison with those in these countries. It can be expressed as nothing but a relic of the past that lacks entirely of the modern factors of the management statistics. Our country at present is encountered with a most serious situation in which even the alteration of the constitution must be carried out resolutely for the sake of restoration of the country and conservation of a people. When internal and external situation of our country is feared with reference to ancient and modern historical facts, it is necessary at this juncture to do away with the conventionalities of the past and to establish a new national statistics system as the fundamental necessity for the administration and the management of the country. It is most earnestly required now to develop an empirical, a rational and a comprehensive government business based on the axis of such excellent statistics produced by such a new national statistics system and to discuss the policy issues accurately. Any national plan which lacks concrete figures of time, place and quantity for the present and future and, thereby, is incapable of calculations and estimates by itself is deemed a dream of an idiot only. Such a plan is surely be obstructed in its implementation by obstacles from all the corners, and there are so many instances that plans were ended as castles in the air after consuming useless energies for impatience and worry. As such, the modern management statistics is deemed as an instrument to fill the defective part thereof in the plans, and certainly the function of the management statistics is exclusively to be involved with the systematization of statistical work and the operation of the single system. The scholars and well-informed people in the advanced countries such as the United States and Soviet Union have pointed this out equally. These are the grounds on which the reform of statistics system in our country has become necessary.

Proposed Reform of the Statistics System

1. The Government Regulation on the Organization of the Cabinet shall be amended partially to have the stipulation that authorizes the Prime Minister to order, command and superintend and lead each minister with respect to the matters concerning the statistics.
2. The Central Statistics Bureau shall be established in the Cabinet, and a statistical survey division (it may be a department or a bureau depending on the volume of the work) shall be established in each ministry or agency (including subordinate administrative offices) respectively, and have these offices to conduct statistical survey works of their own necessity. In addition, the Central Statistics Bureau shall be authorized to conduct statistical works, and lead and superintend statistical works of all the ministries and agencies as a higher leader and the statistical survey divisions shall be authorized to conduct statistical works, lead and superintend statistical works of other bureaus and divisions within the competent ministries and

agencies as a higher leader:

- (a) The Central Statistics Bureau shall be positioned in the system under the direct control of the Prime Minister and shall be the supreme organ for the statistical administration of our country.
 - (b) The statistical survey division of each ministry or agency shall be positioned in the system under the direct control of the minister or director general of the competent ministry or agency. A full-time director shall be appointed to this division and in addition this division shall undertake any and all documents transmission and receiving works other than the statistical works in case such works are deemed necessary for controlling the statistical works of the competent ministry or agency.
 - (c) The statistical survey division of each prefecture shall be positioned under the direct control of the Central Statistics Bureau and shall work under its direct orders in rendering guidance on the statistical works of subordinate local administrative organs.
3. The statistical survey division of each ministry or agency shall be responsible for executing instructions and issues given by the Central Statistics Bureau, at the same time, following the operational guidance rendered by the minister or director general of the competent ministry or agency. Similar relationship shall be adapted to the relationship in between the persons in charge of the statistical works of other bureaus or divisions within the same ministry or agency and the statistical survey division thereof.
 4. In the event any ministry or agency plans to carry out any statistical survey, such survey plan shall be submitted to the Central Statistics Bureau for its examination and approval. It is required that the results of such a survey to be submitted to the Central Statistics Bureau for its confirmation. In the event any ministry or agency plans to establish, reform and/or abolish the statistics system in that ministry or agency, such a plan shall also be submitted to the Central Statistics Bureau for its approval.
 5. The existing laws now in force for the statistical surveys are in unorganized and unsorted state and it shall be arranged and integrated into enactment of one unified law. It shall be made clear in this law that there is no obligation on the part of the people to make declaration against any statistical survey which has not been approved by the Central Statistics Bureau. And there is no obligation on the part of the authorities concerned to carry out works for such a survey either.
 6. Every year, the amount equivalent to 5 percent of net total national budget shall be kept aside by the Ministry of Finance as expenditure for the statistical works. And any and all expenditure budget for the statistical works of each ministry or agency (including that of the Central Statistics Bureau) shall be disbursed from this amount. The Central Statistics Bureau shall make an assessment of budget requested by each ministry or agency within the framework of this amount. In case the amount is found to be insufficient still after the assessment, the Ministry of Finance shall make an assessment of such budget requested and, in case of having

surplus in the budget, such amount shall be reserved and may be allotted to the budget in later years.

7. The Central Statistics Bureau shall establish a system by which it will dispatch its personnel continuously to each ministry or agency to observe statistical works executed by it, to render guidance and training to it and to superintend it for the purpose of improvement of its works.
8. With respect to the enumerators to be appointed to work in a front-line of the statistical surveys of each ministry or agency, the Director General of the Central Statistics Bureau shall have a unified authority to control over their appointment, dismissal, salary and other treatment, etc.
9. With respect to appointment, dismissal, promotion and demotion of the director of the statistical survey division of each ministry or agency, the Director General of the Central Statistics Bureau can express opinion to the authorities concerned. Further, the appointment, dismissal, promotion and demotion of the directors of statistical survey division and of other staff who are engaged in the statistical works cannot be enforced without the consent of the Director General of the Central Statistics Bureau.
10. The Director General of the Central Statistics Bureau shall be given the qualification to be in presence in the Cabinet meeting at all times and to express his/her opinion from an independent standpoint with respect to the problems related to the statistics. Similarly, the director of the statistical survey division of each ministry or agency shall be given the qualification to be in presence in the highest meeting in the competent ministry or agency at all times and to express his/her opinion related to the statistics.
11. The head or designated public officials (including lower government employees) of each ministry or agency shall be obligated to submit the statistics report on the matters fall under its jurisdiction or on the other matters related to its jurisdiction, various materials concerned with the statistics and/or copies thereof, under the request of the Director General of the Central Statistics Bureau.
12. The Director General of the Central Statistics Bureau shall be responsible for the statistical matters in relation to the national policies in general, and the director of the statistics survey division of each ministry or agency shall be responsible for the statistical matters of the competent ministry or agency in general.
13. A special school for the statistics shall be established in Tokyo under the management of the Central Statistics Bureau for training of leading members of the statistical staff of both government and private sectors. Concurrently, the school shall provide knowledge and skill to the ordinary public officials for learning how to utilize the management statistics.
14. A system shall be established to examine the skill and ability of management statistics of the ordinary administrative officials at the time of selection, appointment, promotion and dismissal.
15. Public officials who are engaged in the statistical works shall not be a member of any kind of assemblies concurrently and shall not be engaged in any political activities.

16. A system shall be established to allow a special seniority wages for the public officials who are engaged in the statistical works.

Opinions on Statistical Reconstruction

(The Cabinet Councilors' Office on August 5, 1946)

Proposed Reform of the Statistics System (the Director General of the Statistics Bureau)

Opinions against Proposed Reform of the Statistics System (Ministry of Interior)

Opinions against Proposed Reform of the Statistics System (Ministry of Finance)

Opinions against Proposed Reform of the Statistics System (Ministry of Health and Welfare)

Opinions against Proposed Reform of the Statistics System (Ministry of Agriculture and Forestry)

Opinions against Proposed Reform of the Statistics System (Ministry of Commerce and Industry)

Opinions against Proposed Reform of the Statistics System (General Directorate of Railways,
Ministry of Transport)

Refutation of the Draft Originator against the Opinions of Each Ministry

Proposed Reform of the Statistics System (See Appendix 1)

Opinions against the Proposed Reform of Statistics System (Ministry of Interior)

1. It is agreeable in principle to establish a division to be in charge of statistical works in each government office including the local government offices in order to expand and strengthen the statistics system.
2. However, its organization, personnel affairs and operation are not agreeable on the following points:
 - (a) The statistical survey division of the local government shall not be a direct subordinate of the Central Statistics Bureau. It should be an individual division of the local government office. As a supporting organ to the Prime Minister and as similarly as other ministers, the Director General of the Central Statistics Bureau shall render guidance on the works that come under the jurisdiction of Bureau to the statistical survey division of the local government through the channels of the director general (governor) of the local government.
 - (b) Personnel affairs of the staff engaged in the statistical works shall be handled and treated as similarly as that of the general staff in the central and the rural offices.
 - (c) Complicated procedures for examination, approval and confirmation with respect to the execution of the statistical surveys and unification of other right of command and order shall restrict the mobility and activity, and shall be resulted in hindrance of efficiency of the works pointlessly.

- (d) It is not necessary to give a name of statistical survey division uniformly. For instance, if the division of Archives and Documents and/or General Affairs can handle the actual statistical works, these division names shall be unchanged and these divisions shall handle the statistical works according to the actual situation of the ministries or agencies. When such are determined, the necessary number of staff shall be increased for statistical works.
 - (e) Other than the general statistics, it is deemed more rational to have the competent agency, bureau or division to handle the statistics related to its jurisdiction.
3. Proposed unification of statistical methods and establishment of a special school for statistics is agreeable.
 4. It is deemed necessary to clarify the relationship between the unification of economic statistics at the Economic Stabilization Board and the Central Statistics Bureau.

Opinions against Proposed Reform of the Statistics System (Ministry of Finance)

Opinions of our ministry concerning the subject matter are as follows:

1. This proposal represents an idealistic plan, however, it seems difficult to be realized under the present circumstances.
2. The present government statistics are being compiled for administrative purposes by a certain government bureau or division that needs such statistics in accordance with their needs. If such statistics turns to be concentrated in and controlled by the Cabinet immediately, it is feared that it would be causing not only to invite a hindrance on administrative business but also to result in the statistical compilation for statistical purposes only.
3. Accordingly, it is deemed an appropriate that the improvement of statistical system shall be executed taking into consideration the following points at this moment:
 - (a) The Cabinet Statistics Bureau shall exclusively compile censuses such as the population census and render guidance and improvement on the statistical technologies as well.
 - (b) At each ministry or agency the statistics required for each administrative purposes shall be compiled, and thus compiled statistics shall be gathered and sorted out in one division of that ministry or agency and be provided for utilization by that or by other ministry or agency.
 - (c) To avoid duplications in statistical surveys among ministries and agencies, the statistics of each ministry or agency presently stored in the Cabinet Councilors' Office shall be gathered and sorted out in the Cabinet Councilors' Office or in the Cabinet Statistics Bureau.
 - (d) With respect to statistics of the private sector, it is deemed necessary to study separately how to improve its collection system and organization. However, in view of the present situation, each ministry or agency is required to establish a system by which the private

sector's statistics are to be controlled or guided.

- (e) It is not agreeable to decide the budget as mechanically as the amount equivalent to 5% of the every year's net total budget shall be used for the expenditures of statistical works because it is difficult to do so under the present financial situation.
- (f) With respect to appointment, dismissal, promotion and demotion of the directors of statistical survey division and of other staff in charge of statistical works, salaries for the enumerators, and a special seniority wages for the officials in charge of statistical works shall be required to be studied further as these issues contain many points we cannot easily agree.

Opinions against Proposed Reform of the Statistics System (Ministry of Health and Welfare)

1. With respect to the primary statistics that belong to exclusive jurisdiction of each administrative agency and the secondary statistics, it is feared that the works will become complicated uselessly, desire of each administrative agency to conduct surveys will be reduced and preparation and compilation of the statistics will take much longer time and would result in deceleration of administrative operation, if and when a statistics organ which does not have any contact with a practical aspect of the administration does conduct the statistical surveys and make confirmation of the results of the surveys.
2. Presently, the most of the governmental statistics in our country are being executed for the purpose of collecting necessary data and materials required for the administrative operations. This represents that such statistics are considered most appropriate to be executed by the government office of the competent administrative jurisdiction. Especially, the labor administration can only be properly planned and executed on an actual condition that is grasped based on the precise labor statistics. Labor survey and preparation of labor statistics themselves are the important aspect of the labor administration, and thus it is absolutely inseparable of this portion of the work from the labor administration. It is deemed that labor statistical works in the US Labor Department reflect such similar circumstances.
3. The following measures are required to be taken to reform the statistical works:
 - (a) An adequate liaison and coordination body consisted of the concerned officials of each administrative organ (including the central statistics organ) and people of learning and experience etc. shall be established to avoid duplications of statistics at the level of each administrative organ by reinforcing the systematic connections between them and make efforts to reduce the burdens of frontline organs and of the people subject for statistical surveys. Further, expansion and strengthening of the statistics organs of both local and central administrative bodies shall be contemplated.
 - (b) The central statistics organ is deemed appropriate to be in charge of the following

matters:

- (1) A primary statistics that does not belong to the exclusive jurisdiction of each administrative organ (e.g. the Population Census).
- (2) Add up and tabulation works commissioned by each administrative organ and other office.
- (3) Training of statistical staff.
- (4) The spread of statistical knowledge

It is deemed appropriate that the Ministry of Health and Welfare is to be in charge of the labor related statistics as explained in the attached gist. Accordingly, the statistics that should be transferred from the Statistics Bureau to the Ministry of Health and Welfare are as follows:

Annual Labor Statistics

Monthly Labor Statistics Survey

Living Expenses Survey

Special Labor Statistics Survey

Statistics Survey Organs of the Ministry of Health and Welfare,

Labor Related Statistics

Ministry of Health and Welfare—Division in Charge of Labor in Local Agency
(Prefecture)—Labor Stations

Sanitation Related Statistics

Ministry of Health and Welfare—Division in Charge of Sanitation in Local Agency
(Prefecture)(the majority: in some prefectures Division in Charge of Statistics)
—City, Town and Village, Public Health Center, Police Station

Social Work and Social Insurance Related Statistics

Ministry of Health and Welfare—Division in Charge of affairs in the jurisdiction of
the Ministry of Health and Welfare in Local Agency (Prefecture)—City, Town and
Village

Or

Ministry of Health and Welfare—Division in Charge of Social Insurance—Social
Insurance Branch Office

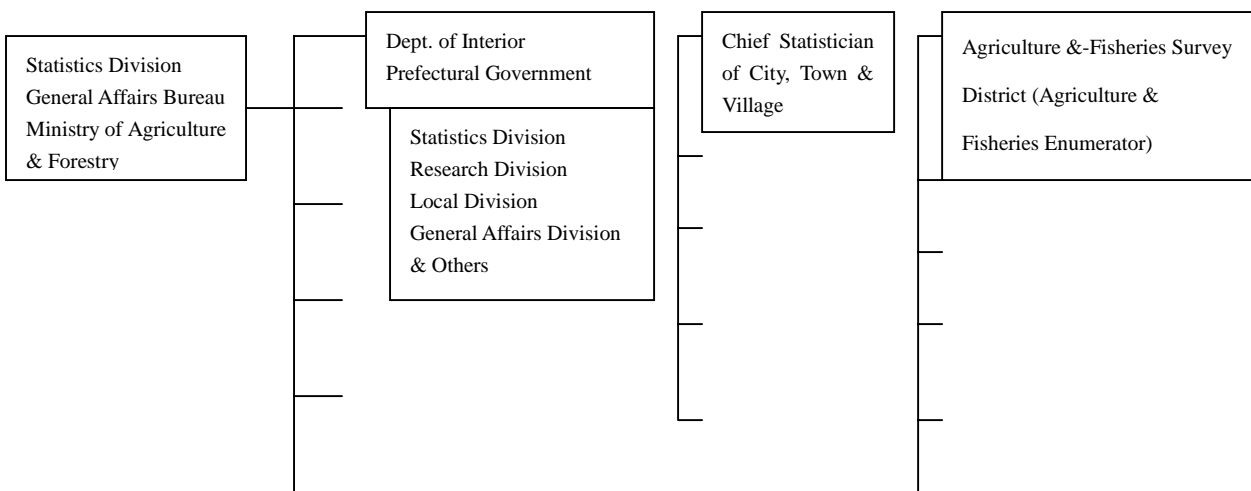
Opinions against Proposed Reform of the Statistics System (Ministry of Agriculture and Forestry)

1. There is no need to establish the Central Statistics Bureau as the highest central organ of a unified statistics administration. Mutual adjustments with regard to the statistical surveys planned and executed by each ministry and agency are to be made by the Economic Stabilization Board. Another possible solution is to utilize the liaison meeting of the present

Statistics Research Group.

2. The Statistics Bureau shall execute only those statistics that are executed on the entire nation scale with complete enumeration such as the Population Census. All other statistical surveys are to be executed by each ministry or agency in charge of respective public administration.
3. Local statistical survey organs are not necessarily be under the direct control of the Statistics Bureau. They can be utilizing the method and technology peculiar to or common to each ministry or agency. However, it is necessary to contemplate an early realization of expansion and fulfillment of the local organizations for the statistical survey works.

(Organization for Agriculture and Forestry Statistics Survey)



Note

1. Of all the prefectures and metropolitan governments, 29 prefectures have independent divisions exclusively assigned for statistical surveys, and other prefectures have local divisions or general affairs divisions to include those works of the statistical surveys concerned. Even in the prefectures which have independent divisions for statistical surveys, very few have directors exclusively supervising such divisions.
2. Normally, one chief statistician is appointed in each city, town or village, but he/she undertakes various kinds of other works as well as the statistical survey works, and they perform their duty without any assistant in most cases.
3. The Agriculture and Fishery Survey Districts are located in the farm villages and are generally coincide with the executive union (communities). These Districts are approximately 160,000 in total distributed in nationwide (about 15 Districts per each city, town or village in average) and one enumerator is located in each district.

Opinions against Proposed Reform of the Statistics System (Ministry of Commerce and Industry)

I. General Comment

1. The government organization, personnel and command system for the statistics proposed are far separated from the actual conditions and are not adaptable to the actual state of the government organization.
2. Measures for having reflections of the statistics knowledge in the administration are not by a system but by a concrete operation of the works.
3. With respect to securing the budget required for the statistics, the proposed plan may be considered as one idea, but it would be more appropriate that the disposition of a budget shall be determined based on the considerations for each matter.
4. Provision of the legal system for the statistics is necessary, but the one proposed thereby are deemed too crude.
5. Opinions concerning the training of the statistical staff are considered adequate.

II. Tentative Plan

1. Planning and overall adjustment regarding the government statistics should be enforced strongly by the Economic Stabilization Board. It is necessary, at that time, to absorb fully the opinions of authoritative private sector groups such as Japan Statistics Research Institute, etc.
2. Each ministry or agency is considered more appropriate to take charge of the implementation aspects of the statistics such as survey conduct and compilation according to its jurisdiction. The Cabinet Statistics Bureau as one of implementation agencies shall be in charge mainly of the population statistics and others that do not belong to the jurisdictions of any other ministries or agencies (It may be more adequate to change its name to the Population Statistics Bureau).
3. It is of an urgent necessity that the divisions or departments taking charge of the statistics in the prefectural governments, cities, towns and villages are to be prepared and fulfilled. For this purpose, reinforcement of organization, securing of budget, increase in the number of personnel and their education and training are necessary.
4. To have the statistical materials and data reflected on the administration shall be promoted strongly with the Economic Stabilization Board in center of the promoter, and with the Japan Statistics Research Institute and others to be utilized for giving publicity and diffusion of the statistical knowledge to general society. Further, it is deemed necessary to have more preparation and more disclosure of statistical data and materials by all the ministries and agencies concerned should be promoted at this time.

Explanatory Note

1. The government statistics of our country was originated in the action of a competent authority that was in need of a certain statistical data and materials for its business and had collected and gathered those by its own hands. Then, thereafter, it was developed along such line and had become the shape and form as presently seen (in commerce and industry statistics, agriculture and forestry statistics, etc.). Though it does not bear the name 「statistics」, there are many materials that could be used from the statistical view point and they are all in the form of business reports that indicate an original form or a varied form of the official statistics (such as the Outline of XX Project). As such, the matters does not belong to the jurisdictions of any ministries or agencies, or the matters with common features that is considered inappropriate to belong to any jurisdiction of any one government seems to have been made to be in the jurisdiction of the Cabinet Statistics Bureau.
2. Within such historical reasons as above cited, there are the reasons for existence for the existing official statistics, and at the same time, there are some defects considered to be existing as follows:
 - (a) There are a considerable number of duplications in survey items, and this would not only increase the burdens on respondents but also incur a useless waste of time and money upon compilation of surveyed figures.
 - (b) There are many unsatisfactory points in usage of statistical materials from the viewpoint of users because the sufficient relevancy is not maintained among the different statistics or there are some missing data.
 - (c) There is unevenness on the technical aspects of compilation of survey results among ministries and agencies, and there is no government-wide uniform system but different systems are adopted by one ministry to another with respect to organization and budget. This becomes more clear and obvious with frontline organizations in the local agencies (prefectures), cities, towns and villages.
 - (d) Utilization of completed statistics and reflection of such statistics to administrative policies by other ministries and agencies are not fully realized yet.
3. The above note is considered to present major defects existing in the present government statistics system. Therefore, it can be said that the reform plan proposed by the Statistics Bureau has given a brave decision toward the direction of correcting these defects theoretically. Or, it can be said that, from the viewpoint of execution, the said reform plan has many points required to be reviewed, and considered impossible to materialize its operation as expected by the planner.
 - (a) Getting hold of the full power of statistical staff of each ministry or agency by the Central Statistics Bureau (9*) and exercise the right to command on the works (2*

and 3*) will disturb the discipline of organization of each ministry or agency and will not harmonize with the present personnel and business situations.

- (b) Control of statistical surveys of each ministry or agency by the Central Statistics Bureau (4* and 5*) is a matter of an extent. However, as proposed by this plan is too much of a control. At least, something like a business report that does not go by any statistical methods shall naturally be excluded.
- (c) Separation of the divisions for statistics and their commanding system cannot be discussed uniformly. ((b) and (c) of 2*). Attendance of the Director General of the Central Statistics Bureau to the Cabinet Meetings is a similar problem.

(Translation Note: The numbers with asterisks (*) refers to those in "the Proposed Reform of the Statistics System in Appendix 1)

4. Are the defects described in (a) and (b) of 3 above fatal from the viewpoint of the statistical administration or the statistical utilization? Correction methods of such defects are not only of the exclusive jurisdiction of one ministry as proposed. Rather, it is of a problem that belongs to planning of the statistical administration, and therefore, it may be possible to have some powerful organ to control the statistical planning of each ministry or agency. The newly established Economic Stabilization Board is deemed most appropriate to take the charge of this task at the moment. It is a pressing need for this Board to issue directives to concerned ministries and agencies to prepare required statistical data and materials and make use of these aggressively and comprehensively in order to reconstruct the Japanese economy toward the future. There are many statistics other than the so-called economic statistics which would be required directly or indirectly for the economic stabilization. At this juncture, it is a matter of course that comprehensive coordination shall be made over the statistics bureaus of all the ministries and agencies.

The point mentioned in (c) above shall be considered in the same way and accordingly the Economic Stabilization Board is hoped for launching an aggressive improvement and fulfillment of statistics system at this moment. Especially, the front line organs such as local agencies (prefectures), cities, towns and villages were influenced by so-to-say statistics negligence policy during the war period and their statistics systems and organizations were dispersed and become quite disagreeable with the demand of the times of a scientific administration with a high regard of the statistics. Improvement and fulfillment of the statistics system means not only that to improve quality and quantity of the statistical materials to be prepared but also it is considered a most pressing need is to prepare and fulfill such frontline organs for implementation and compilation of surveys first of all.

A concentrated use of the facilities for implementation and compilation of surveys as suggested in the proposal will become impossible or inefficient along with the increase in

number of statistical items. Instead of doing this, to use the existing system of each ministry with fulfillment would be more appropriate.

This would be a key to solve the problem of statistics utilization at the government.

This means that the basic policy would be more appropriate to centralize planning and to decentralize execution (It is deemed appropriate to change the name of the Cabinet Statistics Bureau, because it is confusing, to the Population Statistics Bureau, at this time).

5. Recently, the Japan Statistics Research Institute has been established with some statisticians in the center and has started its activities aiming at the planning and publicity of the statistics.

When the Cabinet undertakes to carry out comprehensive coordination of ministries' statistics, it would be appropriate to have such an impartial group of professionals to map out an authoritative plan from the viewpoint of statistics utilization and to have the government to absorb such plan and reflect it strongly on the practical administration. Improvement on the statistics system is a demand of the times, but at the same time, it should not be a product of a bureaucratic easy compromise and of opportunism. It should be authoritative in academics as well as all over the world.

Recently, we have learnt that GHQ is also planning to undertake an improvement of statistics system in Japan. Further, we know that there is a member of the aforementioned Japan Statistics Research Institute who is closely connected with a research authority of GHQ. It is considered necessary that we get hold fully of GHQ's intention on this regard through such connection.

Further, it should be considered fully that to acquire and collect the opinions organizations and groups in the private sector related to the statistics or surveys through the Japan Statistics Research Institute would be worthwhile in heightening the authority of official statistics.

6. Lastly, we would like to mention the recognition of the importance of the statistical materials, in other words, creation of ethos for high respect for the statistics. This would require, as a matter of course, the government itself to enforce rational policies based on statistical foundations in the public administration. Further, it would require implantation of ideas of respect for the statistics into the mind of the society in general and of the specific groups in the society that is at the same time statistical objects. For the realization of these concepts, there are many actions needed to be taken such as an official release of official statistical materials and publication of statistical explanation materials. In this area many actions may be dependent on the activities of the aforementioned Institute and other private sector organizations and groups. However, the Economic Stabilization Board is believed to be taking some suitable measures in due course.

Opinions against Proposed Reform of the Statistics System (General Directorate of Railways, Ministry of Transport)

1. It is recognized that a systematic communication and liaison are necessary among the ministries and agencies, but, such a strong control as proposed would be a blocking factor on efficient operation of the statistical works.
2. The statistics should be prepared independently in accordance with the actual situation by a body in charge that uses the statistics, and a strong control over the statistical works may make it difficult to prove effective in many cases.
3. Especially with the ministry like ours that is mainly engaged in operational works, the selection and preparation of statistics are closely connected with the actual state of the works and the accomplishment of business and are performed autonomously and promptly. It is impossible to comply with this request under the proposed system.

Refutation of the Draft Originator against the Opinions of Each Ministry (Cabinet Statistics Bureau)

1. On improvement of statistics, most urgently required under the present circumstances is that how to obtain reliable figures. This is a problem related with the methods of surveys. The aspect of the use of the statistics is important, of course, but if the figures obtained are unreliable, the effect of the statistics cannot be expected. Therefore, the measures on the survey should be determined first of all by any means. At this point the opinions of each ministry seem to have suggested a wrong order of before and after.
2. The opinions of each ministry or agency seem to represent that present survey organization would suffice the needs. However, the unreliability of statistical figures through out the periods of before the war, during the war and after the war still exists. This is because no improvement was ever made on the methods of surveys.
3. With respect to duplications of statistical surveys among the organizations of ministries, the methods of making adjustments within the present set-ups of organizations and systems by mutual consultations and/or by the method of establishing a sort of a survey council in alliance with ministries and agencies have already been experimented many times. Nevertheless, at least for these experimental operations, it can be said that these were to prove that such halfway measures on operation could not be effective as they were all discontinued like temporary trials.
4. The statistical surveys are required to be executed as efficient as possible under the ever-tightened national budget after the war. For this reason, it is required to have a mighty central power to control over and make adjustments between the surveys of a large

number and various kinds spread all over the national administration.

5. Future national policy must be based on a comprehensive program. For such a comprehensive program, suitable statistics are necessary. And in order to obtain such statistics each ministry or agency cannot determine the methods of each survey each in its own way because it becomes impossible to perform a comprehensive computation of relationship among various statistics. That is to say, consistent and systematic methods of surveys must be adopted. Therefore, it is necessary that the central organ of the statistics even to penetrate into, control and regulate the methods of surveys that each ministry plans to adopt.

6. Survey Statistical Chart Administrative Planning Execution Results.
The effect of the statistics upon the actual politics is represented in this sequence. When aggravation of economic situation is so rapidly in progress as in the present days, the improvement plan of the statistics in an incremental way always results in the delay of statistics compared to the planning.

It is, therefore, necessary to be ready much earlier with the target set at 10 steps or 100 steps ahead of the present situation.

Appendix 3

Establishment of the Committee on Statistical System Reconstruction

(Cabinet's Consent on July 19, 1946)

1. The Committee on Statistical System Reconstruction shall be formed in the Cabinet for discussion and formation of a concrete plan on the statistical system reconstruction.
2. The Committee shall comprise of the members of statistician, representatives of research institute, other related groups concerned and officials concerned of each ministry or agency, and a person with experience of business shall be appointed as secretary of the Committee.
3. The proceedings of the Committee shall be expedited as prompt as possible and the Government shall swiftly execute the matters decided.

The Report on the Reconstruction of the Statistics System in Japan

(The Report of the Committee on Statistics System Reconstruction, Chaired by Hyoe OUCHI, to the Prime Minister Shigeru YOSHIDA on October 21, 1946)

Preamble

With respect to a matter of the Improvement of Statistics System that was inquired to this Committee earlier, the matter was submitted to the general meeting on August 24 of this year and, was diligently studied by a subcommittee that was formed under the resolution of the general meeting. Further, the matter, on the basis of the deliberation of the subcommittee, was submitted to the general meeting of the Committee and through further deliberation thereof, a proposal with respect to the preparation of the statistics organ, that is required to be initiated first of all, has been obtained as follows:

With respect to the arrangement and unification of Japan's statistics, there was a reform plan that was submitted in compliance with the inquiry of the Central Statistics Commission in 1922, and that was executed only on a part of the proposal. There is no question that the restoration of disunited and confused situation of Japan's statistics is the prerequisite for the reconstruction of Japanese economy at this juncture. However, the undertaking represents its complexity and diversity, and requires a large number of manpower and considerable cost.

The aim of the improvement is rather pointed at various statistics themselves, but organs to prepare statistics must be established first at this moment.

Accordingly, this report limits itself to the improvement on this point only, but this Committee anticipates that the Statistics Commission that shall be newly established is to make a proposal on the improvement of statistics themselves immediately. There are some opinions that the power of statistical institution may be centralized by nature and that the Statistics Authority shall be established as a powerful organ of the Cabinet. However, there are various obstacles in realizing this idea at one stroke. Thus this idea is expected to be realized in the future but in the mean time it seems appropriate that the Statistics Commission shall be established in the Cabinet to form a concrete plan not only of the statistics to be produced for new Japan but also of the executive organs which produce these statistics, and that the completion of the system shall depend on the results of the execution of the plan. That is to say, this Committee is serving as midwife to assist the improvement of statistics system so that the Statistics Commission should be organized and established as most appropriate to form various plans on the basis of professional knowledge of the statistics and to execute thereof with sufficient political powers.

Respectfully submitted herewith is the report in compliance with your inquiry.

Proposed Improvement of the Statistics System

1. Establishment of statistical structure

The following organizations shall be established:

(A) The Statistics Commission

(1) Establish the Statistics Commission (provisional name) in the Cabinet to conduct the following activities to improve important statistics. The Commission shall:

- (a) Examine plans for important statistics and designate survey bodies.
- (b) Instruct the authorities concerned to plan for important statistics, or the Commission shall make plans by itself.
- (c) Audit the relevant organizations' affairs on important statistics.
- (d) Be required to give the Commission's opinion in advance when the Government appoints Director General of the Central Statistics Bureau.
- (e) Provide qualifications for statistical personnel and authorize the qualifications.
- (f) Integrate the existing statistical laws and regulations.
- (g) Hold meetings for the purpose of improving and integrating statistics.
- (h) Draft and examine plans for improving the statistical system.

(2) Chairman of the Commission shall be the Prime Minister and vice chairman, Director General of General Affairs, the Economic Stabilization Board. The committee members shall consist of experts in statistics and their number shall be less than 10. Extra members may be appointed as required. Secretaries shall be selected and appointed from among officials concerned.

(3) The Commission shall have a secretariat. The chief of the secretariat shall be appointed from among the Commission members.

(4) Officials of the authorities concerned may attend the Commission's meetings and express their opinions. The Commission also may request officials of the authorities concerned to attend the Commission's meetings and explain or express their opinions.

(B) The Central Statistics Bureau

(1) The Central Statistics Bureau (provisional name) shall be established in the Economic Stabilization Board to conduct the following affairs (the existing Cabinet Statistics Bureau shall be replaced):

- (a) Censuses and other comprehensive surveys
- (b) Aggregation of large-scale statistical surveys conducted by the ministries and other organizations
- (c) Compilation of the statistical yearbook
- (d) Printing, publishing and sale of statistical and governmental printed matters
- (e) Management of the Statistics Research Institute and a Statistics College (provisional)

name)

(f) Dissemination of statistical knowledge

(g) Establishment and opening to the public of a statistical material library

- (2) The Government shall ask for opinions of the Statistics Committee prior to appoint the Director General of the Central Statistics Bureau.
- (3) The Statistics Research Institute shall be engaged in research on statistics as well as research based on statistical survey results.
- (4) The Statistics College shall have curricula of statistics and other necessary subjects, and train and re-educate statistical personnel.
- (5) Statistical publications shall be unified in their forms. Governmental publications shall also be unified in their forms as much as possible. They shall be gathered at one place aiming at their extensive use.

(C) Ministries

(1) A bureau or a division exclusively for statistics shall be set up in the ministries and handle statistics controlled by the respective ministries.

(2) The bureau or the section exclusively for statistics shall hold a statistical liaison meeting to coordinate plans for statistical activities and reports on important affairs in the ministry concerned.

(D) Local governments

(1) Each of the prefectures shall have a statistics division to handle affairs on the primary statistical surveys of population, agriculture, forestry and fisheries, commerce and industry, and labor as well as affairs on educational and other statistics.

(2) The statistics division shall have a function to compile survey results and report the results quickly in order to perform the production and use of the statistics.

(3) Each of the municipalities shall have a statistics division or appoint a person in charge of statistics to handle affairs on the primary statistics on population, agriculture, forestry, and fisheries, commerce and industry, and labor as well as affairs on educational and other statistics.

(4) The Government shall bear all the expenses required for handling affairs on the above-mentioned primary statistics which the prefectures and municipalities conduct as needed by the Government.

(5) Statistical affairs of the local governments shall be supervised and instructed by the ministers if the affairs are under the jurisdiction of respective ministries, and by Director General of General Affairs, the Economic Stabilization Board if they are under the jurisdiction of the Central Statistics Bureau.

(E) Private statistics organizations

(1) Statistical surveys that may be conducted by private organizations shall be entrusted to those organizations as much as possible to promote development of private statistical activities.

- (2) Plans for important statistical surveys to be conducted by private organizations shall be examined by the Statistics Commission.
 - (3) The Government may order private organizations to conduct statistical surveys. The Government may also prohibit them conducting statistical surveys that compete with those of the Government. However, this shall require examination by the Statistics Commission.
2. Improvement in quality of statistical personnel and statistical survey staff
 - (1) Qualifications, responsibilities and authority shall be provided to appoint or commission statistical personnel and statistical survey staff.
 - (2) The statistical personnel and the statistical survey staff shall have their wage raised and those whose achievements are excellent shall be awarded a prize.
 3. Publication of statistics

All of the important statistics shall be promptly opened to the public. The date of publication may be designated as required.

The Statistics Commission shall approve statistics which should not be publicized for a fixed period of time.
 4. Establishment of the fundamental law concerning statistics
 - (1) The Statistics Law (provisional name) shall be established as the fundamental law concerning statistics, and shall provide rules for matters requiring a legal basis to realize above-mentioned items. The Statistics Law shall include provisions concerning the following main points.
 - (a) When the Government or a governmental body plans to conduct an important statistical survey, the survey outline shall be submitted to the Statistics Committee for discussion and obtain its approval.
 - (b) The range of important statistics to be submitted to the Statistics Committee shall be decided by the Statistics Committee.
 - (c) A statistical survey discussed by the Statistics Commission shall impose on survey objects and the respondents an obligation to be truthful. Penal regulations shall be provided for those who do not meet their obligation.
 - (d) Matters related to publication and maintenance of statistics.
 5. Requests

The Statistics Commission requests that adequate measures be promptly taken for the following points in addition to the items mentioned above.

 - (1) To review and improve the current statistics in the ministries immediately.
 - (2) To request local governments to report the actual state of statistics and opinions on improving statistical affairs in local governments.
 - (3) To investigate the state of maintenance of the existing important statistics and take measures for preventing them from dispersion.

- (4) To promptly disburse for expenses needed to realize the matters decided by the Statistics Commission.

Press Release on the Report of the Committee on Statistics System Reconstruction*

(October 22, 1946 at the Cabinet)

* This document was also introduced as "Development of the Committee on Statistics System Reconstruction" at the Economic Stabilization Board on October 22, 1946.

1. The Purport of the Establishment of the Committee

In view of disunited and confused situation of Japan's statistics, the government has decided to establish, based on the Cabinet's Consent on July 19, a committee in the Cabinet to deliberate and to form a concrete plan related to the improvement of statistics system in an attempt to establish the statistics system as shall be the foundation for building peaceful new Japan, and has also decided to implement as prompt as possible of the matters determined by this Committee.

2. Composition of the Committee

The Committee chairman was Professor OHUCHI of University of Tokyo. The Committee members were composed of statistician, the persons concerned in the private sector, the government officials concerned. The secretariat is composed of personnel in charge of business at ministries and agencies.

3. Development of the Meetings

The first general meeting of the Committee was held on August 24, and after the representatives of ministries has expressed their opinions the preparation of a concrete plan was committed to the subcommittee.

At the subcommittee, drafting subcommittee members were selected from among the subcommittee members. They met several times for deliberation with the Chairman Mr. OHUCHI in the center. They took a trip to Chiba Prefecture to observe the actual situation of the local statistics system. After such careful studies and discussions they completed drafting a concrete plan and on September 25 the subcommittee was held and the plan was adopted. Then at the second general meeting of the Committee on October 21 the plan was adopted with partial amendments thereto. On this occasion Mr. ZEN, the State Minister, expressed that the government was placing a great importance to the reinforcement and the improvement of the statistics and that the efforts shall be exerted for realization of the contents of this report of the Committee at an earliest time as possible.

4. The Gist of the Report

(1) The Statistics Commission shall be established in the central government.

This Commission shall be a strong central organ to enforce unification and improvement

of statistics of our country and shall be in the position to examine the plans of all the important statistics for the improvement, to coordinate the statistical works among ministries and further to carry out the unification and fulfillment of statistics laws and regulations vested with wide and strong authority in connection with Japan's statistics in general.

- (2) The Central Statistics Bureau shall be established.

The Central Statistics Bureau shall be established in the Economic Stabilization Board and the functions of the present Cabinet Statistics Bureau shall be shifted to the new Bureau. The Bureau shall carry out comprehensive censuses such as the Population Census, compilation, printing and publication of large-scale statistics carried out by each ministry, spread of statistics knowledge and disclosure of materials. Statistics College shall be established and carry out the training and re-education of statistical staff.

- (3) A bureau or division exclusively in charge of statistics shall be placed in each ministry to have it take charge of liaison and unification of statistical works within the ministry.
- (4) A division or chief statistician exclusively in charge of statistics shall be placed in each local agency (prefecture) and the utilization of statistics shall be promoted at the local level by upgrading the quality of such a division or chief statistician. The cost of statistics taken based on the national needs shall all be borne by the National Treasury.
- (5) It shall clearly be stipulated that the statistics is accompanied with an obligation to announce to the public promptly.

Other measures such as promotion of the development of statistics in the private sector, upgrading and improvement of the quality of statistical staff and enumerators and improvement of their pay and other labor conditions shall be carried out, too.

With a legislation of the basic law that shall be the foundation of all the above provisions and by integration and re-arrangement of various existing laws and regulations concerning the statistics, it is now providing a firm legal support to the reinforcement, improvement and development of Japan's statistics system.

The Outline of the Emergency Measures for Improving the Statistical System

(Cabinet Consent on November 22, 1946)

1. Establishment of the Statistics Commission as the central organization for Japan's statistical administration
 - (1) Composition of the Statistics Commission

The Prime Minister shall be chairman of the Committee, and Director General of General Affairs, the Economic Stabilization Board, shall be vice chairman. Commission members shall be men of learning and experience and their number shall be less than 10. Extra members may be appointed from among statistics-related persons from the ministries concerned.
 - (2) The secretariat shall be set up under the Commission. The chief of the secretariat shall be appointed from among the Commission members.
 - (3) Main functions of the Statistics Commission shall be decided in conformity with the Statistics Law (provisional name) to be newly established.
 - (a) Planning and examination of important statistics and designation of survey bodies
 - (b) Inspection of affairs concerning important statistics
 - (c) Drafting and scheduling plans for improving the statistical system
2. Affairs of the Statistics Commission scheduled for the current year
 - (1) Drafting the Statistics Law (provisional name)
 - (2) Drafting plans for improving the statistical structure of the Statistics Bureau of the Cabinet and the ministries.
 - (3) Making a detailed plan for improving the existing important statistics
 - (4) Dissemination of the objective of the improvement and investigation of actual state of statistical affairs in local governments.
 - (5) Prevention of dispersion and collection of important statistical materials.
3. Expenses necessary for above-mentioned affairs for the current year shall be disbursed out of the reserve fund for fiscal 1946.

Appendix 7

The Governmental Regulation on the Organization of the Statistics Commission

(Imperial Ordinance No. 619 signed and sealed by the Emperor on December 27 and promulgated and implemented on December 28, 1946)

Article 1

The Statistics Commission shall be under the supervision of the Prime Minister, make plans with regard to important statistics, examine plans with regard to important statistics conducted by the government offices concerned or others, designate government offices or entities that are to be in charge of production of important statistics, as well as studying and deliberating any other matters with regard to improvement and development of statistics.

Article 2

The Commission shall report its opinion at the request for advice of the Minister concerned. The Commission may submit a recommendation to the Minister concerned.

Article 3

The Committee consists of one Chairman, one Vice Chairman and ten members or less. In addition to the fixed number provided for in the preceding sentence, it is possible, if necessary, to have provisional member(s).

Article 4

The Prime Minister shall be assigned to the Chairman.
The Director General of the Economic Stabilization Board shall be assigned to the Vice Chairman.
Cabinet shall appoint the members and provisional member(s) among people who have experience and academic standing of statistics in accordance with the request of the Prime Minister.
The term of office of the members shall be two years. Provided, however, that there is any special circumstances, it is possible to dismiss them even during their term of office.

Article 5

The Chairman shall control and manage Commission's affairs.
The Vice Chairman shall assist the Chairman, and in the event that the Chairman is unable to act as a chairman, the Vice Deputy Chairman shall take his place.

Article 6

The Chairman may demand that government offices concerned report or explain their opinions, if he

deems it necessary.

Article 7

The Commission shall have the secretariat, which shall take charge of affairs of the Committee.

Article 8

The secretariat shall have the following personnel:

The Chief Secretariat

Cabinet Administrative Officials or Cabinet Technical Officials

Four (4) Full-time Officials: Second grade

Cabinet Administrative Officials or Cabinet Technical Officials

Ten (10) Full-time Officials: Third grade

The Chief Secretariat shall be appointed from the members of the Committee.

Article 9

In addition to the personnel provided for in the first clause of Article 8 above, Cabinet may appoint Cabinet Administrative Officers from the first or second-graded government officials of the government offices concerned, at the request of the Prime Minister.

Article 10

The Chief Secretariat shall control and manage the Secretariat affairs, control and supervise relevant personnel, and determine at his own discretion whether or not the third-graded government officials should resign.

Supplementary Provisions (omitted)

The Basic Rules of Establishment of Local Statistical Organizations

(Cabinet Decision on July 11, 1947, prepared by the Secretariat of the Statistics Commission)

1. Purposes

In order to improve and develop statistics, it is indispensable to expand the local statistics organization that is in charge of field operation affairs and completely reform the functions thereof. In this regard, in the light of the purposes of the previous incidental vote upon the deliberations on the bill of the Statistics Law at the ninety-second (92nd) Imperial Diet, and further in accordance with the recommendation described in the report by Dr. Rice, the head of the United States statistics mission dispatched at the request of the Supreme Commander for the Allied Powers, the purpose hereof is to attempt rapid development and improvement of the local statistics organization.

2. Policy

- (1) Statistical survey conducted on the national necessity basis shall be implemented, in principle, consistently under the national direct control and at the national government expense in order to secure truthfulness and uniformity of statistics.
- (2) For this purpose, prefectural chief statisticians and either municipal chief statisticians or staff engaged exclusively in statistical affairs entirely paid by the National Treasury shall be disposed to local institutions in order to have them collectively carry out census survey affairs conducted by each agency.
- (3) By enhancing the aforementioned functions, a scope of local tabulation would be expanded, tabulation affairs would speed up, and utility value of survey results at local administration would be enhanced.

3. Outline

A. Disposition of Prefectural Chief Statisticians

- (1) Local administrative officials or local technical officials (for the time being, staff engaged exclusively in statistical affairs) shall be disposed as prefectural chief statisticians to every prefectural government.
- (2) Appointment and dismissal of prefectural chief statisticians at the prefectural government shall be conducted by the Prime Minister for the second-graded officials and by governors of the prefectural governments for the third-graded officials. However, in the light of peculiarity of statistical affairs, it is decided that the Statistics Commission may state its opinion, if necessary, as well as making it possible to exchange personnel between the central government and the local governments, or among the local governments.
- (3) The prefectural governors shall directly control and supervise prefectural chief statistician, and the Minister who is in charge of each statistical survey shall control and supervise clerical work

of such survey through the prefectural governors.

(4) Disposition of prefectural chief statisticians is as described in the Exhibit 1 (omitted).

B. Disposition of Municipal Chief Statistician to Cities, Wards, Towns and Villages

(1) Staff engaged exclusively in statistics entirely paid by the National Treasury (to be referred to as "municipal chief statisticians" and "municipal deputy chief statisticians" at the cities and wards, and as "statistical secretaries" at the towns and villages) shall be distributed to cities, wards, towns and villages. Clerical works of various kinds of statistical surveys carried out by the national government and instructions given to statistical enumerators are to be assigned to them.

(2) The head of the cities, wards, towns and villages shall supervise the positions of the aforementioned staff.

(3) Clerical works of various kinds of statistical surveys implemented by the national government shall be controlled by the prefectural chief statistician at the cities, wards, towns and villages in accordance with direction by the respective competent ministry or agency of the national government.

(4) Disposition of the staff engaged exclusively in statistics entirely paid by the National Treasury to the cities, wards, towns and villages shall be as described in the Exhibit 2 (omitted).

4. Measures

A. In order to implement this scheme, a part of the enforcement ordinance of the statistics law and the enforcement regulations of the local autonomy law shall be revised.

B. Any and all costs necessary for this scheme shall be earmarked in the additional budget for the fiscal year 1947, and costs of government offices concerned overlapping this scheme among the predetermined budget for this year shall be consolidated into such additional budget. (Exhibit 4 (omitted))

C. The personnel secured for extraordinary census by payments from the reserve fund for this fiscal year (for both July and August) shall be carried on into this scheme.