

(Raw Materials -- cont'd)

c. Steel Ingots. The production of 14,527 tons of steel ingots at the Kawasaki Jukogyo Plant in Kobe is a new post-war peak for this plant which is presently producing sheet steel for export and steel plates for the building of ships for export.

d. Steel Consultants. Technical assistance given to the Japanese steel mill engineers by two steel consultants from the United States is expected to aid immeasurably in increasing efficiency of steel mill operations and improving the quality of finished products. Although the consultants were unable to inspect more than seven steel mills in Japan it was possible to extend their advice to engineers of all the steel companies by having inter-company conferences as well as inter-company inspections. The aid rendered and the information provided in respect to open hearth operations and fuel utilization is the first of such extensive assistance received by the Japanese since 1940.

## 2. Non-Ferrous Metals.

a. Lead, Copper and Zinc. An additional 4,000 tons of coal have been allocated to metal mining, and refining industries for the 4th Quarter JFY 1948. This is expected to result in an increase of 5 to 10% in the production of lead, copper and zinc.

b. Antimony. The Mikuni Smelter of Mikumi Seirensyo K.K. has completed installation of a new furnace which will increase both their percentage of antimony recovery and the amount of ore that can be treated.

## 3. Non-Metallic Materials.

a. Crude Rubber. January crude rubber consumption was 2778.2 MT as compared to 2,924.1 MT in December. Consumption of latex was 22.4 MT against 20.7 MT in December. 3,530.9 tons of crude rubber were received during January and the balance of stocks at the end of the month was 4,199.5 tons.

b. Coke. The January production report shows that 303,265 tons of coke were produced in the following industries:

Iron and Steel	117,692 tons
Chemicals	20,954 "
Gas	114,522 "
Others	50,097 "
	<hr/>
	303,265 "

During that month 146,666 tons were consumed by producers, 144,720 tons were purchased by the Coal Distribution Kodan for distribution to other industries, and the balance of supply was stockpiled.

c. Mica. During the month of January, 6,437 tons of block mica were consumed, which is the highest rate since the Occupation. Approximately



(Raw Materials - cont'd)

90% was used in producing various communication equipment, and the remainder was used in producing industrial electrical appliances. In the same period 31,523 kilograms of mica splittings were consumed, all of which were utilized in the production of insulating paper, board, and tape for electrical motors, transformers, generators, etc.

4. Requirements. Coal Allocation. The coal allocation plan for the 1st Qtr JFY 49 has been formalized by the Far East Command Allocation Committee. Allocations to major categories are as follows: (Unit 1,000 MT)

Industry	3,730.5	Transportation	2,240
Utilities	1,919.5	Communications	40.6
Mine Use	620.8	Public Health & Welfare	139.7
Occupation Forces	207	Miscellaneous	682.9
Export	329		<u>9,910.0</u>

PRODUCTION OF COMMODITIES.

1. Consumer Goods.

a. Aluminum Utensils. Sheet aluminumware manufacturers report that 588 MT of pressed aluminum utensils will be exported during the 4th Qtr JFY 48. This export figure represents an increase of 211.3% over the previous quarter's shipment of 188.9 MT.

b. Lacquerware. In February, the largest single post-war export order (\$200,000) for lacquerware was contracted for with the Maruni Shikki Company. Increasing American buyer interest in lacquerware of the metal base variety has resulted in sizable increases in export orders during the past few months. A Japanese representative of the industry is now in the United States promoting Japanese lacquerware items.

c. Rubber Goods. The production of rubber goods during January, in terms of crude rubber consumed, amounted to 2,648 MT. This amounts to approximately 4% above December's consumption of 2,556 MT. This was also the second highest output in the past three years, the highest having been in September 1948 at which time 2,857 MT were consumed. Availability of electric power to compensate for the shortage of coal made this increase possible. Following is a comparison of December and January consumption of crude rubber in the manufacture of the various products: (In Kilograms)

<u>Product</u>	<u>December</u>	<u>January</u>
Automotive Tires & Tubes	925,870	884,860
Rebuilt Tires	51,055	54,352
Bicycle Tires & Tubes	190,850	204,255
Rubber Soled Socks	185,612	216,570
Rubber Boots & Shoes	141,950	126,581
Rubber Soled Canvas Shoes	44,063	77,548
Rubber Soles and Heels	41,128	27,285
Rubber Belting	209,515	252,197
Rubber Cloth & Products	50,131	48,083



(Production of Commodities - cont'd)

<u>Product</u>	<u>December</u>	<u>January</u>
Rubber Hose	67,274	70,794
Tire Repair Sheets	70,933	59,356
Rubber Medical Goods	71,028	114,495
Rice Pulling Rolls	54,085	43,608
Rubber Mechanical Goods	166,583	195,563
Electric Tire Covering	270,000	246,800
Rubber Utilizing Goods	15,800	26,100
Total	2,555,877	2,648,447

2. Machinery and Equipment.

a. Cotton Spinning Machinery. To date, export contracts of cotton spinning machinery on a buyer-supplier basis have been signed for a total of 132,024 spindles for delivery in JFY 49, valued at an estimated 2,700,000.

b. Typewriters. Reports from the Japan Business Machine Society indicate that the production of English-letter typewriters is being planned. Recently, a manufacturer completed a test lot of 20 standard-size machines, designed with a 12" carriage. Another manufacturer has completed the detailed design of a portable-size typewriter and has also built the necessary jigs and fixtures for its manufacture. A few months ago, some businessmen believed that it would be necessary to import English-type for the typewriters, but now a local manufacturer is successfully supplying this item. Production of these typewriters will proceed as soon as the industry is able to secure means of financing the project.

FACILITIES - VARIOUS

1. Construction.

a. Reconstruction of Flood, Earthquake Damages. Reconstruction following earthquake, typhoon and flood damage is being accelerated with the consignment of 30,000 MT of cement for various projects throughout Japan for 1st Qtr JFY 49. Of this amount, 7,000 tons go to river flood prevention programs, 6,000 tons for restoration of damaged irrigation projects, 5,000 tons for repairing the flood damage in the upper tributaries of the Tone River in Gumma Prefecture, 2,000 tons for repair of maritime harbor damage and 2,000 tons for restoration of fishing harbors. Government railways are to receive 1,000 tons for rehabilitation and 1,000 tons are to be placed on restoring damaged bridges and culverts of roads. Electric power installations are to receive 5,000 tons in this reconstruction.

b. Housing and Other Buildings. In January 1949, ¥10,380,491 was placed in 48,404 units of housing and other types of buildings throughout Japan, as shown below: (Note: 1 tsubo equals 36 sq. ft.)



(Facilities - Various -- cont'd)

	<u>Urban</u>		<u>Rural</u>		<u>Total</u>	
	<u>Units</u>	<u>Tsubo</u>	<u>Units</u>	<u>Tsubo</u>	<u>Units</u>	<u>Tsubo</u>
Ordinary Dwellings	12,013	139,922	14,226	190,836	26,239	330,758
House & Ship Type	6,259	86,790	1,994	29,447	8,253	116,237
Other buildings	4,558	153,292	9,414	186,635	13,972	339,927
	<u>22,830</u>	<u>380,004</u>	<u>25,634</u>	<u>406,918</u>	<u>48,464</u>	<u>786,922</u>

2. Shipbuilding. Four wooden cargo vessels of approximately 200 gross tons each are being constructed in various shipyards... Two fishing vessels of 140 gross tons each are being converted from purse seiners to tuna clippers... Two vessels that were salvaged are being reconstructed to produce one operable vessel, the fore part of one being joined to the after part of the other to create one operable vessel to be known as the "Daigen Maru" of 890 gross tons.

3. Public Utilities.

a. Reserve electric power equivalent in public utility reservoirs for all Japan on 1 March was 421,500,000 KWH, or 55% of full capacity. Last year, for the same period, reserve power was 31% of full capacity.

b. Total electric power generated by the public utilities for the calendar year 1948 was 31,704,000,000 KWH. This is about 93% of the previous peak of 34,284,000,000 KWH which occurred in the year 1943, and about 191% of 16,603,000,000 KWH, the average annual generation for the five-year period 1930 to 1934.

M. S. VAUGHAN  
Chief, Industry Division  
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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

26 February 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 8, VOLUME 2

COAL (Production)

1. Production for the second ten days of February 1949 amounted to 1,031,600 metric tons, or 99.6% of the planned production. Production by districts for the ten-day period is indicated below: (Unit 1,000 MT)

<u>District</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	311.0	288.3	92.7
E. Honshu	96.7	98.9	102.3
W. Honshu	83.7	78.4	93.7
Kyushu	<u>544.0</u>	<u>566.0</u>	<u>104.0</u>
Total	1,035.4	1,031.6	99.6

2. During this period all districts averaged 8.8 working days, and daily production averaged approximately 117,227 MT as compared with 120,730 MT per day for the corresponding period in January. The cumulative shortage in attaining the 36,000,000 MT goal for JFY 1948 now amounts to 1,333,900 MT.

RAW MATERIALS

1. Ferrous metals. Iron and Steel. January production of pig iron again exceeded all post-war peaks, according to preliminary reports. Decreased production of steel ingot and rolled steel products resulted from first-of-the-year holidays, however, it is anticipated that less noticeable decreases will be indicated in final reports for January. Comparison of production for January (preliminary reports) with that for December (final reports) is shown below: (metric tons)

	<u>December 1948</u>	<u>January 1949</u>
<u>Pig Iron:</u>		
Blast Furnace	82,080	97,209
Electric Furnace	7,656	5,963
Others	<u>2,893</u>	<u>1,815</u>
Total	92,629	104,987



(Raw Materials - cont'd)

	<u>December 1948</u>	<u>January 1949</u>
Steel Ingot:		
Open hearth	163,048	157,530
Electric Furnace	45,714	39,105
Others	34	0
Total	<u>208,796</u>	<u>196,635</u>
Rolled Steel Products:		
Critical Items		
Rails	11,356	9,438
Sheets (below 3mm)	24,509	20,437
Tin Plate	1,587	1,580
Pipe	11,367	10,903
Others	<u>84,932</u>	<u>72,350</u>
Total	<u>133,751</u>	<u>114,708</u>

2. Non-Ferrous Metals. Comparison of production of non-ferrous metals for January (preliminary reports) with that for December (final reports) is indicated below:

	<u>December 1948</u>	<u>January 1949</u>
	(Metric Tons)	
Alumina	3,132	2,897
Aluminum	1,078	1,124
Aluminum Alloy	281	145
Aluminum Rolled Products	2,284	1,893
Aluminum Foil	36	37
Tin Foil	46	42
Blister Copper	6,367	6,232
Refined Copper	5,493	5,836
Copper Rolled Products	1,517	1,181
Brass Rolled Products	4,926	4,095
Bronze Rolled Products	149	169
Electrolytic Zinc	1,103	1,059
Distilled Zinc	<u>653</u>	<u>748</u>
Total Zinc	1,756	1,807
Zinc Plate	976	726
Crude Lead	729	835
Refined Lead	917	940
	(kilograms)	
Antimony	20,348	29,086
Bismuth	2,034	1,081
Mercury	4,029	4,888
Crude Tin	4,730	749
Refined Tin	41,525	41,544

Monthly allocations of 200 kilograms of zinc sheet have been approved for making braille books for the blind in Japan.

3. Non-Metallic Materials.

a. Petroleum. Final reports for January on refined petroleum show that total throughput to stills amounted to 13,501 kiloliters, a decrease of



(Raw Materials - cont'd)

1,989 kiloliters as compared to throughput for December. Total refined production amounted to 12,736 kl of which 11,714 kl were finished products, and 1,022 kl were semi-finished products. Total refined products, including semi-finished products at refineries, at the end of January amounted to 16,584 kl. Six refineries in indigenous crude oil producing area were in operation. Yields of finished products were as follows: (kiloliters)

Gasoline	1,051	Fuel Oil	1,779
Kerosene	2,268	Lube Oil	3,054
Gas Oil	477	Others	1,798
Diesel Oil	1,287	Total	11,714

The continued decrease in overall production was due to the wildcat strike, which was settled the first of February, at the Akita Oil Producing Field.

b. Crude Rubber. Final reports for January indicate that 3,509 MT of crude rubber, 103 MT of latex, and 937 MT of scrap rubber were imported during the month. Purchases outstanding, as of 31 January, totaled 5,870 MT crude rubber and 51 MT latex. Crude rubber allocations during the first 20 days in February totaled 1,896 MT. Of this amount, 173 MT were for export manufacture, 10 MT for Occupation Forces, and 1,713 MT for domestic production. As of 20 February, 11 MT remained to be allocated against 3rd Quarter JFY Allocation Plan for domestic purposes of 7,505 MT, and 4,425 MT against 4th Quarter Plan of 5,465 MT.

c. Mica. Recent receipts of mica bring the total received during 1949 to 12,232 pounds of block and 96,687 pounds of splittings. These receipts plus stocks on hand at the end of December 1948 are expected to meet requirements for the first four months of the year. Negotiations are now under way for the procurement of mica for May and June.

#### PRODUCTION OF COMMODITIES

##### 1. Chemicals.

a. Chemical Fertilizers. At present production of chemical fertilizers is surpassing expectations, except in Hokkaido where output has been drastically curtailed due to extreme power shortage. Improvement of this situation in Hokkaido is not expected for several months.

b. Sulfuric acid. Reconsideration and decision by the Japanese Government to grant a special bonus to pyrite mines and miners have averted the threatened strike. Any interruption in pyrite mining would curtail production of sulfuric acid at this especially critical time when all efforts are being made by producers to accumulate stocks for the forthcoming peak-power season.

c. Salt. The Japanese Government has not yet appropriated necessary funds which would enable the Salt Monopoly Bureau to purchase indigenously produced salt. Consequently, the salt supply situation continues to be extremely critical.



(Production of Commodities - cont'd)

d. Glassware. During 1948 a total of 150,000,000 glass bottles were machine-made, and approximately the same number were made by hand. This provided an average of four bottles per capita per year, which is about 50% of essential requirements... Production of polished glass-prisms for lamps and chandeliers for export is increasing rapidly. During January and February of this year sales to the United States amounted to \$500,000.

e. Paint. December production of varnishes, lacquers, enamels, ship-bottom paints, water paints, and other types of protective coatings reached 2,623 MT, the highest production for any month during CY 1948.

2. Machinery and Equipment.

a. Electrical Equipment. December production of all industrial electric equipment reached a new peak. Production of motors and transformers approximated 300% of January 1946 output.

b. Bicycles. The Ministry of Commerce and Industry places the bicycle industry among the first five in value of export production. The dollar volume of exports from this industry totaled \$1,190,000 during the period 1 January to 15 February 1949. Production during 1948 amounted to 830,298 complete bicycles, or more than 2½ times the volume produced in 1947.

c. Cemented Carbide Tools. December production amounted to 2,617 kg. valued at ¥ 27,140,342. This was the second best production month since the termination of hostilities. Production during 1948 totaled 26,721 kg., or approximately 35% of total capacity. Leading tool makers, especially manufacturers of coal and ore cutters, are endeavoring to improve the quality of their products. It is the consensus throughout the industry that all demands can be met without importing coal or ore cutters.

3. Consumer Goods and Miscellaneous. Tires. Production for January amounted to 72,906 tires, of which 16,262 tires were for export. Compared to the previous month, this was a decrease of nearly 15%, caused by irregular shipments of crude rubber.

FACILITIES - VARIOUS.

1. Construction. Housing. 1,052 Japanese families living in Tokyo will move into new modern homes upon completion (15 March 1949) of a housing project sponsored jointly by Tokyo City Government and the National Government. Conveniences include fresh water supply to each home, electric lights and flush toilets with sewer connections to city lines.. The homes are of frame construction with fire-proof roofing such as tile and corrugated metal. The pipes required to supply water from city mains amounted to 930 meters of 250 mm. size, and 4,511 meters of 100 mm. size. The cost of the project totaled 210 million yen, or an average of 13,000 yen per tsubo. (1 tsubo equals 36 sq. ft.)



(Facilities Various - cont'd)

There are 938 houses of 9.5 tsubo dimension and 114 houses of duplex type, each being 13.5 tsubo. The monthly rental for each 9.5 tsubo type is 600 to 700 yen, and that for the 13.5 tsubo type is 900 to 1,050 yen. The project area, the highest elevation in Tokyo, is located at Toyama-Gahara, north of Shinjuku, formerly a Japanese Army installation. This new community is made more modern in planning by street lighting, fire hydrants and gravel roads.

2. Shipbuilding. Contracts. On 17 February 1949 a contract was signed for the construction of one 18,000 DWT oil tanker for Norwegian interests, and on 19 February 1949, contracts were concluded for one 17,900 DWT tanker and three 5,170 DWT cargo vessels for Danish accounts. Keels were laid for the six whale catchers and two of the 5,170 DWT cargo vessels during the month of February 1949. It is contemplated that within 10 days a contract will be successfully concluded with Philippine interests for the construction of three cargo vessels of 10,000 DWT each.

The above results have been made possible through much negotiation and many conferences between representatives of various foreign interests, the Ministry of Transportation, Japanese Government, Boeki Cho, Economic Stabilization Board, and the Foreign Trade and Commerce Division and Industry Division of ESS. The following is the schedule which will indicate the dollar return for the entire program:

<u>No.&amp;Type of Vessel</u>	<u>Tonnage</u>	<u>Country For</u>	<u>Delivery</u>	<u>Dollar Return</u>
395 wooden tugs & barges	Various	USSR	Various	\$ 5,353,750
2 whale catchers	Approx 470 GT	Norway	Oct 48	580,000
6 whale catchers	Approx 500 GT	Norway	Oct 49	1,920,000
1 oil tanker	18,000 DWT	Norway	May 50	2,445,000
1 oil tanker	17,900 DWT	Denmark	Aug 50	2,250,000
3 cargo vessels	5,170 DWT	Denmark	Dec 49	3,125,000
			Jan 50	
			Mar 50	
				<u>\$ 15,673,750</u>

3. Public Utilities. Natural streamflow throughout Japan, except for Hokkaido, continued relatively high when the normal trend is a seasonal decline to the winter or season low (which generally occurs in February) and 142% of the past ten-year average for the same period, and 97% of the streamflow of the preceding week. Thermal generation was 97% of the past nine-year average, and 122% of the preceding week.

L. S. VAUGHAN  
Chief, Industry Division  
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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED FORCES  
Economic and Scientific Section  
Industry Division

19 February 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 7, VOLUME 2

COAL (Production)

1. Production for the first ten days of February 1949 amounted to 1,061,000 metric tons, or 93.2% of the planned production. Production by districts for the ten-day period is indicated below: (Unit — 1,000 MT)

<u>Districts</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	326.0	281.6	86.4
E. Honshu	106.5	101.9	95.7
W. Honshu	96.7	84.2	87.1
Kyushu	608.7	593.3	97.5
	<u>1,137.9</u>	<u>1,061.0</u>	<u>93.2</u>

2. During this period all districts averaged 8.8 working days, and daily production averaged approximately 127.800 MT as compared with 96,800 MT per day for the corresponding period in January. The cumulative shortage in attaining the 36,000,000 MT goal for JFY 1948 now amounts to 1,330,100 MT.

RAW MATERIALS.

1. Ferrous Metals.

a. Blast Furnace. The No. 5 blast furnace, Kawasaki Plant, Nippon Kokan (Japan Steel Tube Co.) produced an average of 700 tons per day during the period 1 to 15 February. Record production for this furnace is over 800 tons for one day although rated capacity is 600 tons. This remarkable increase in production is attributed to the use of high quality imported iron ore, use of high quality coke made from low ash U.S. East Coast coal blended with Japanese coal, and use of scrap turnings in the charge.

b. Sheet Mill. The current production of the Tsurumi Sheet Mill of Nippon Kokan is showing considerable improvement in quality, quantity and yield. This is attributed to recommendations made by the U.S. rolling mill expert from United States who was recently on temporary duty in Japan.

c. Steel Consultants. Two steel consultants from the United States have completed a week of conferences and inspection trips in the Tokyo area and are presently in the Kobe-Osaka area giving technical assistance to steel

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(Raw Materials - cont'd)

mill producers. Upon completion of work in that area they will proceed to Yawata for continuation of their present assignment. It is anticipated that considerable improvement will be shown in efficiency, quality, and yield in production as a result of recommendations made by these experts.

2. Non-Ferrous Metals.

a. Aluminum. The export of 930 tons of aluminum has been approved for the 4th Quarter JFY. This includes aluminum circles which will be made according to buyers' specifications.

b. Brass. 3,000 tons of brass fabricated products have been approved for export in the 1st Quarter JFY 1949.

c. Cyanide Mill. Plans which are considered fundamentally sound are being formulated for dewatering the mine and reconstructing the cyanide mill at Kushikino Gold Mine of Mitsui Boshu in Kyushu. With necessary construction completed approximately three tons of gold per annum can be obtained from this property within one year, and six tons per annum can be obtained within two to two and one-half years.

3. Non-Metallic Materials.

a. Railroad Ties. Deliveries of approximately 5,028,000 railroad ties have been made to the Ministry of Transportation and other industries during the period April through December 1948, representing 90% of the total requirements for 1948 JFY. Approximately 551,200 ties have been earmarked for delivery during the remainder of 1948 JFY which will bring total deliveries to 5,579,200 ties, or 100% of requirements and allocations.

b. Petroleum Products. The following petroleum products were imported during the month of January: (kiloliters)

Gasoline	14,827
Kerosene	4,034
Gas Oil	28,883
Navy Special Fuel Oil	84,053
Lube Oil	8,199
Paraffin and Grease	299 tons

These products are distributed by the Petroleum Distribution Kodan under the supervision of SCAP. The majority of imported petroleum products are consumed by the fishing industry, land and marine transportation, and industrial uses. In addition to the above products, 2,906 kiloliters of bunker oil were consumed on SCAJAF vessels carrying petroleum products from the Persian Gulf.

c. Crude Oil. February reports on estimated production for six refineries in the indigenous crude oil producing area indicate that 12,375 kiloliters of crude oil and 281 kiloliters of semi-finished products will be



(Raw Materials -- cont'd)

processed during the current month. The expected yields of finished products are as follows: (in kiloliters)

Gasoline	1,278	Fuel Oil	2,072
Kerosene	2,067	Lube Oil	2,199.2
Gas Oil	350	Others	1,729
Liesel Oil	810		

d. Crude Rubber. Deliveries of crude rubber to plants during October, November and December totaled 7,446.4 metric tons. Of this total 6,155.2 metric tons were for domestic production and the remaining 1,291.2 MT were for export production. Total crude rubber deliveries to plants in January totaled 2,368.5, of which 1,718.5 tons were for domestic purposes and 650 tons for export manufacture.

#### PRODUCTION OF COMMODITIES.

##### 1. Chemicals.

a. Carbide. Approximately 36,000 MT of U.S. anthracite coal, expected to arrive by 15 March, will replenish the rapidly diminishing stocks and provide for scheduled production until the receipt of further shipments, due in May. With assured supplies of anthracite, the carbide and calcium cyanamide industry will be able to continue producing a quality of cyanamide which is not possible from indigenous carbon materials alone.

b. Calcium Superphosphate. During the first 10 days of February, approximately 32,000 MT of superphosphate were produced. Should this rate be maintained throughout the month, March production will be approximately 95,000 MT, or 6,000 MT more than planned. Favorable delivery of pyrites was responsible for this accelerated rate of production.

c. Salt. It is feared that a serious shortage of salt may develop during April and May, due to the failure of imports to arrive as originally anticipated. Present stocks are approximately equal to two months' requirements, and, according to present information, the outlook for any appreciable amount of imports for the next 90 days is quite unfavorable.

d. Abrasives. During 1948, production of abrasive grains was 1,660 MT, representing a gain of 400 MT over 1947. Fused alumina accounted for 990 MT and silicon carbide for 670 MT.

e. Pottery and Porcelain. During the first six weeks of 1949, manufacturers of pottery and porcelain signed export contracts for more than \$10,000,000. Approximately five months' time will be required to manufacture the quantity of goods contracted for.



(Production of Commodities - cont'd)

2. Machinery and Equipment.

a. Electrical Machinery. The Electric Section of the Ministry of Commerce and Industry is instituting a power condenser production program in an effort to cut down line losses in transmission and distribution of electric power. It is anticipated that this program will improve the power factor of the system and save as much current as would be generated by several new power plants, yet require only one-tenth of the quantity of materials. The program, originally scheduled to cover a five-year period, is being carefully studied in an effort to accomplish its aim in three years.

b. Textile Machinery. January's production of 15,810 cotton spindles increased total export production to date to 120,524 spindles or 61.2% of the total programmed for JFY 1948... During the same month, the manufacture of 536 sets of cotton looms increased export production to a current total of 3,228 sets, or 70% of the total program.

c. Coal Mining Machinery. During August through November 1948, the plants designated as principal suppliers for coal mines, produced selected machinery in the following quantities:

Coal Pick	5,540 Sets	Face Loader	7 Sets
Coal Drill	3,336 "	Steel Cars	9,499 "
Coal Cutter	40 "	Mine Lamp	574,170 "

d. Watches and Clocks. The Japanese watch and clock industry has shown a substantial production gain during 1948. During 1948 574,759 watches were produced, or 75% more than the previous year's production. The industry also produced 1,831,542 clocks in 1948, or a gain of 47% over 1947.

3. Consumer Goods and Miscellaneous.

a. Bamboo Furniture. Production has begun on laminated bamboo furniture which is to be exported during March 1949. This furniture consists of 600 bed tables, 600 end tables and 50 card tables... An additional export order for 100,000 square feet of bamboo parquet for flooring and/or panelling is under production, and should be completed by the end of June. The dollar value for the above orders amounts to \$54,900. In 1948, 2,000 end tables and 2,000 square feet of parquet amounted to \$19,000. It is anticipated that exports will greatly assist in the development of this relatively new industry, inasmuch as the present domestic market is limited for furniture of this type.

b. Imported Corn. 9,500 MT of corn, the first lot to be imported, has been processed into corn meal, corn germ, and bran. The meal has been distributed for consumption and the germ oil has been extracted for edible use and soap stock. Approximately 70% of the plants required for this milling program have been equipped for operation.

c. Leather Gloves. A trial order for 2,000 dozen gloves for shipment to Canada has been received by the Japanese leather industry.



FACILITIES - VARIOUS.

1. Construction.

a. Flood Damage Reconstruction. Flood damage reconstruction of the Kitakami River Works in the area of Sendai is being accelerated by the consignment of 7,300 tons of cement to Iwate and Miyagi Prefectures.

b. Road Maintenance. The road maintenance and repair program is receiving a consignment of 5,000 tons of asphalt in addition to the 6,000 tons delivered in December 1948. Deliveries of this second lot (totaling 1,500 tons now received at projects) have been made to the following prefectures: Fukuoka, Gifu, Tottori, Yamanashi, Mie, Shimane, Kagawa, Nagasaki, Kumamoto, Toyama and Kyoto.

2. Shipbuilding.

a. Pump Dredges. Four steel pump dredges of 42 gross tons each will be constructed for the Ministry of Construction at the Atanabe Steel Manufacturing Co., Ltd., in Tokyo.

b. Cargo Vessels. Six 2E type cargo vessels will be converted from semi-diesel to steam reciprocating engines in various shipyards.

c. Oil Tanker. Construction of an 18,000 DWT oil tanker for Norwegian interest will begin at once as a contract for this vessel was signed 17 February 1949.

3. Public Utilities.

a. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline to the winter dry season low (which generally occurs in February), being 145.0% of the past 10-year average for the same period, and 105.0% of the streamflow of the preceding week. Thermal generation was 79.0% of the past 9-year average, and 106.0% of the preceding week.

b. Reserve electric power equivalent in public utility reservoirs for all Japan on 11 February was 461,105,000 KWH, or 60.0% of full capacity. Last year, for the same period, reserve power was 45.0% of full capacity.

W. S. VAUGHAN  
Chief, Industry Division  
ESS



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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

12 February 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 6, VOLUME 2

COAL (Production)

1. Revised figures for the month of January 1949 indicate that 2,938,600 metric tons were produced against a quota of 3,139,900 metric tons, or 93.6% of quota.

2. Production shortage in attaining the 36,000,000 MT Goal for JFY 48 for the first ten months of JFY 48: (Unit 1,000 metric tons)

<u>Date</u>	<u>Quota</u>	<u>Production</u>	<u>Loss</u>
1 April thru 30 Nov 1948	22,944.3	22,046.8	- 897.5
Month of December 1948	3,341.5	3,187.1	- 154.4
*Month of January 1949	3,139.9	2,938.6	- 201.3
Total	29,425.7	28,172.5	-1,253.2

\*Preliminary figures

3. Kyushu and Joban continue to lead other mining areas by achieving 100% or more of their goals. However, the production rate of Hokkaido lowers the total production for Japan, and is a major factor in retarding the accomplishment of the 36,000,000 MT Goal for JFY 48. The cumulative shortage as of 1 February 1949 was 1,253,200 MT.

RAW MATERIALS

1. Ferrous Metals. Iron and Steel.

a. Final reports for December show postwar peaks in overall production of pig iron, steel ingots, and rolled steel products; however, electric furnace pig iron and steel ingots continued to show a slight decrease as compared to previous months due to seasonal decrease in the hydro-electric supply. Final December production is shown below:

<u>Pig Iron:</u>		<u>Steel Ingots:</u>	
Blast Furnace	82,080	Open Hearth	197,414
Electric Furnace	7,656	Electric Furnace	11,348
Others	2,893	Others	34
Total	92,629	Total	208,796



(Raw Materials — cont'd)

Rolled Steel Products:

Critical Items

Rails	11,356
Sheets (below 3 mm.)	24,509
Tin Plate	1,587
Pipe	11,367
Others	<u>84,932</u>
Total	133,751

b. Following completion of statistical data on iron and steel production in the calendar year 1948, comparison has been made of the average monthly production of pig iron, steel ingots, and rolled steel products during the last three years. This comparison shows tremendous increases in production year by year, and especially notable is the increase in 1948 over 1947 which is attributed to increased imports of vital raw materials, i.e., coking coal, iron ore, fuel oil, and manganese ore, as well as the general economic recovery of Japan. Along with the increases in production, substantial progress has been made in improving the efficiency of operations and decreasing consumption of raw materials required per ton of product. Monthly averages of production by years are shown below:

	<u>1946</u>	<u>1947</u>	<u>1948</u>
Pig Iron:			
Blast Furnace	11,701	20,534	55,219
Electric Furnace	4,806	8,365	8,761
Others	26	676	3,355
Total	<u>16,533</u>	<u>29,575</u>	<u>67,335</u>
Steel Ingots:			
Open Hearth Furnace	13,687	40,213	96,672
Electric Furnace	<u>33,350</u>	<u>38,232</u>	<u>46,138</u>
Total	47,037	78,445	142,810
Rolled Steel Products:	30,106	45,635	92,738

2. Non-Ferrous Metals:

a. Bauxite. 8,000 tons of bauxite arrived from Bintan, N.E.I. during the month of February, and have been delivered to the Showa Denko K.K. alumina plant at Yokohama. This shipment completes the current contract with N.E.I. for bauxite. Approximately 300 tons will be transferred to the ceramics industry and the remainder will be used in the production of aluminum.

b. Zinc. Due to increased power allocations to the zinc industry, and due to considerable improvement in operations by two major lead-zinc producers, Hosokura Refinery of Mitsubishi Mining Company and Aizu Plant of Nippon Soda Company, it is expected that overall zinc production in JFY 1949 will increase by approximately 16,000 tons, of which a large portion is scheduled for export.



(Raw Materials-- cont'd)

c. Antimony. In order to conserve the limited quantities of antimony and antimonial lead, recommendations were made to the Mitsui Mining Company to obtain specifications from battery companies as to the antimony content required in battery metal and to remelt high antimony lead scrap with additional lead or scrap in the appropriate ratio required. This should correct the past inefficient practice of consuming only high antimony lead scrap for producing against orders for low antimony metal requirements.

d. Aluminum Sheet and Copper Wire. 1,500 tons of aluminum sheet and 2,000 tons of bare copper wire have been made available to the Foreign Trade and Commerce Division of ESS for export from Japan.

### 3. Non-Metallic Materials.

a. Mine Timber. Deliveries of 96,642,610 cubic feet of mine timber have been made to the coal mines during the period April through December 1948, which represent 76% of the total allocation for 1948 JFY. Of this total, 90,666,720 cu. ft. have been consumed, and the remaining 5,975,890 cu.ft. have increased the reserve supplies necessary for winter stockpiling to 44 days as compared to 31 days at the end of December 1947. 29,612,390 cu.ft. have been earmarked for delivery during the remainder of 1948 JFY which will bring the total deliveries to 126,255,000 cu.ft., or 100% of requirements and allocation.

b. Receipt of Graphite. Receipts in December were as follows: 1,356 tons of amorphous, 231 tons of crystalline from Korea; 50 tons of crystalline lump graphite from Ceylon. Since that time, shipments amounting to 2,550 tons of amorphous and 250 tons of crystalline have arrived from China. In addition to these imports, 1,000 tons of crystalline are expected to arrive from China in the near future. Supplies of amorphous graphite are currently satisfactory. However, supplies of crystalline graphite have been below minimum requirements, and the above imports, combined with the recent arrival of 8,575 tons of calcined petroleum coke to be used in lieu of crystalline, will greatly alleviate the short supply.

4. Requirements. The Economic Stabilization Board proposed allocation plans for critical raw materials for the 1st Quarter JFY 1949 have been circulated among the various claimants for screening against projected production plans.

## PRODUCTION OF COMMODITIES

### 1. Chemicals.

a. Chemical Fertilizers. Production of chemical fertilizers for January far exceeded initial production schedules due to good deliveries of pyrites and coal against allocations, and the extra hydro-electric power during the unseasonably warm weather. Production of Ammonium Sulfate totaled



(Production of Commodities-- cont'd)

81,292 MT, or 124% of original production plan; Superphosphate, 98,491 MT, or 109%; and Calcium Cyanamide, 17,173 MT or 122%.

b. Salt. Receipts of imported salt during January totaled 89,993 MT, compared with 134,041 MT during December. The decrease was due, partly, to price difficulties in supply areas.

c. Synthetic Oils. Production of 113 varieties of essential synthetic oils which are used in the production of pharmaceuticals, cosmetics and food products, totaled 159 MT during JFY 47 and increased to 184 MT during April--December 1948. This represents 58% of the 316 MT goal for JFY 48 of the Ministry of Commerce and Industry. However, the total demand for the same period is estimated at 1,283 MT.

d. Pottery and Porcelain. Firm export contracts during the four weeks ending 15 January 1949 amounted to \$2,762,850.

e. Cement. Cement production for the month of January (preliminary reports) amounted to 173,677 MT, or approximately 34,000 MT less than that of the previous month. The main cause for this decline was the restriction of coal deliveries for the month to 25% of the total quarterly allocation... Production of Type III cement amounted to 82,228 MT, or enough to fill export and PD requirements... Export shipments also dropped from the December figure of 57,580 MT to 38,835 MT, due to delays in shipping.

## 2. Consumer Goods and Miscellaneous.

a. Ajinomoto. Export of Monosodium Glutamate, a vegetable seasoning commonly called "Ajinomoto", has been increased from 60 MT in the 3rd Qtr 48 to 120 MT in the 4th Qtr 48 and 130 MT in the 1st Qtr 49. So far, 60% of the total requirement has been produced.

b. Ice. The construction plan inaugurated in the summer of 1948 has increased ice-making from 13,500 tons to 14,000 tons per day. In 1946, the usable capacity amounted to only 9,000 tons per day. Ice production in 1948 reached 1,800,000 tons as compared to 900,000 tons in 1946.

c. Pulp and Paper. Paper exports for the 3rd Qtr. 48 JFY amounted to 3,250 ST, or four times the exports of either the first or second quarters. This great increase was due to consummation of sales which had been pending for a long time. Although such an increase will not continue through the 4th Qtr, it is expected that January, February and March sales will be at least 1,800 tons. The prospect for 1949 paper exports, therefore, are bright.

d. Fountain Pens. The highest monthly production of the Japanese fountain pen industry in 1948 was reported during December when 56,915 dozen pens were manufactured -- an increase of 10% over that of November. Increase of sales to Asiatic markets, particularly the low cost gilt nib pens, has resulted in approved export contracts for 9,045 dozen pens in January 1949.



(Production of Commodities - cont'd)

e. Leather Products. 10,300 MT of hides will be required during USFY 1949 for machinery and equipment with which to manufacture textiles, ceramics, and similar goods for export.

3. Machinery and Equipment.

a. Sewing Machines. The rapid strides being made by the Japanese sewing machine industry are shown by the production of home-type sewing machines in December 1948 which amounted to 17,970 units, or an increase of 11% over the previous month, and 58% more than production in January 1948. It is expected that export of Japanese sewing machines will experience a marked increase during 1949, judging by the 8,243 units contracted for during January.

b. Machine Tools. The Siamese Government recently ordered several large machine tools for its railway shops amounting to ¥ 22,710,922. This is the first sizable foreign purchase of machine tools since termination of hostilities. Total production for December amounted to 1,018 units, weighing 629 MT, valued at ¥ 94,798,700. This represents only about 12% of capacity; therefore, increases in export will be welcomed by the industry.

c. Textile machinery. Exports of textile machinery during JFY 1949 are expected to show considerable gains over JFY 1948. Cotton Spindle exports are likely to increase 50%, while cotton looms and silk-rayon looms are expected to increase by 180 and 140% respectively.

FACILITIES - VARIOUS.

1. Construction.

a. Harbor Repair. The harbor repair and construction program for JFY 1948 included an expenditure of approximately 419 million yen on seven major harbors and 1,710 million yen on 44 second-class harbors. 112 third-class harbors received 903 million yen. Harbor reconstruction for earthquake damage and for port facilities, such as warehouses for oil and other industries, amounted to 1,300 million yen for 1948.

b. Road Maintenance. To supplement the road maintenance program of the Japanese Government, 193 pieces of Eighth Army surplus heavy equipment have been transferred this week to the Road Section of the Ministry of Construction through the Office of the Foreign Liquidation Commissioner, and in turn, Boeki Cho.

2. Shipbuilding. Of 19 vessels, totaling 49,163 gross tons, permission has been given to construct 12 vessels with a total gross tonnage of 41,480. The remaining 7 vessels, totaling 7,683 gross tons, are being held for further study and consideration... The "Shunzan Maru", a steel cargo vessel of approximately 910 gross tons, is being reconditioned at Niigata Dockyard.



(Facilities -- Various cont'd)

3. Public Utilities. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline to the winter dry season low (which generally occurs in February), being 140.0% of the past 10-year average for the same period, and 104.5% of the stream-flow of the preceding week. Thermal generation was 74.0% of the past nine-year average, and 84.0% of the preceding week.

I. S. VAUGHAN  
Chief, Industry Division  
ESS



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

5 February 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 5, VOLUME 2

COAL (Production)

1. Coal production for the third ten-day period of January 1949 totaled approximately 1,179,300 metric tons against a quota of 1,142,500 metric tons. This was 103.2% of quota. Total production for the month of January was 2,931,500 MT against a quota of 3,139,700 MT, or 93.4% of quota.

2. Production by districts for the third ten-day period of January and for the month of January 1949, was as follows: (Unit 1,000 MT)

<u>District</u>	<u>3rd 10 Days, January 1949</u>			<u>Month of January 1949</u>		
	<u>Goal</u>	<u>Production</u>	<u>Percent</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	337.2	325.5	96.5	905.0	789.8	87.3
E. Honshu	105.3	110.5	104.9	291.9	284.9	97.6
W. Honshu	94.2	88.3	93.7	261.5	229.0	87.6
Kyushu	605.8	655.0	108.1	1,681.3	1,627.8	96.8
	1,142.5	1,179.3	103.2	3,139.7	2,931.5	93.4

3. The production rate for the third ten-day period of January was 131,033 MT per day, for the nine days worked, as compared with the average daily rate of 117,815 MT for the whole month.

4. The cumulative production shortage for JFY 48, which was slightly reduced by the increased production during the third ten days of January, is now approximately 1,251,000 MT.

RAW MATERIALS

1. Ferrous metals.

a. Hot Rolled Strip. The Tobata Strip Mill, Nippon Seitetsu, K.K., continues to show steady increases in production, and on 1 February set a new record of 420 tons of hot rolled strip for one eight-hour turn. This remarkable increase in production is due to improved techniques as recommended by the U.S. rolling mill expert on temporary duty in this theater. The production record prior to the arrival of this expert was only 180 tons.

b. Pig Iron. Preliminary reports for January show new postwar peaks in the production of blast furnace pig iron at all plants, with a total of 97,052 tons produced. It is anticipated that final reports for



(Raw Materials - cont'd)

the month will show production in excess of 100,000 MT. This increase is attributed to the steady supply of domestic and imported coking coal and the use of high grade iron ore. Individual plant production was as follows:

	<u>Metric Tons</u>
Kawasaki Plant, Nippon Kokan	20,500
Yawata Plant, Nippon Seitetsu K.K.	49,900
Kamaishi Plant, Nippon Seitetsu K.K.	15,300
Wanishi Plant, Nippon Seitetsu K.K.	11,352

2. Non-Ferrous Metals. 10 tons of chromium metals have been made available for export sale. Additional quantities will be offered at a later date, provided the market exists.

3. Non-Metallic Materials.

a. Pulp Logs. Deliveries of 57,152,890 cubic feet of pulp logs have been made to the paper and pulp industries during the period April through December 1948, and represent 93% of the total allocation for 1948 JFY. Of this total 48,161,117 cubic feet have been consumed, amounting to 10% greater than that consumed for the entire 1947 JFY. The remaining 8,991,773 cubic feet have been delivered to provide a stockpile necessary for minimum reserve. 4,227,110 cubic feet have been earmarked for delivery during the remainder of 1948 JFY which will bring the total deliveries to 61,380,000 cubic feet, or 100% of requirements and allocations.

b. Crude Rubber. December crude rubber consumption was 2,667.8 MT as compared to 1,621.5 MT in November 1948. Consumption of latex during December was 20.7 MT as against 24 MT in November. 3,208.6 tons of crude rubber were received during December, and the balance of stocks at the end of the month was 3,898.6 tons... Crude rubber allocations for the domestic economy for the first half of the U.S. Fiscal Year 1949 total 12,683 MT, or an average of 2,114 tons per month. Programmed requirements for the period were 2,633 MT monthly, indicating 80% accomplishment. During the same period, 2,191 tons of crude rubber were allocated for export rubber goods manufacture.

c. Graphite. Contracts have been completed for the import of 1,600 tons of Ceylon graphite crucible chips for use in the metal industries. First deliveries are expected before the end of March and will alleviate the dire shortage of this type graphite. Efforts are being made to revive the export of crucibles and it is expected that 200 to 300 tons of crucibles will be exported in the coming year.

d. Fluorspar. Fluorspar consumption in December was 2,400 tons, with 1,280 tons consumed in the iron and steel industry, 787 tons in the aluminum industry, 220 tons in the chemical industry, and the balance in various other industries. No imports were received during the month, and stocks decreased from 15,100 tons of all grades to 12,700 tons. There have been no mines producing fluorspar since the first of 1946 until December when one mine reported 8 tons production plus 60 tons of previously unreported stocks.



(Raw Materials - cont'd)

e. Coke. Coke production report for December shows 306,796 tons were produced in the following industries:

	<u>Metric Tons</u>
Chemical	26,452
Iron and Steel	116,768
Gas	115,330
Others	48,246
	<u>306,796</u>

## PRODUCTION OF COMMODITIES

### 1. Chemicals.

a. Chemical Fertilizers. Unseasonably warm weather has maintained hydro-electric power above expected supply and made possible greater production of chemical fertilizers than originally anticipated. Larger production, however, has cut further into already meager stocks of pyrites required for sulfuric acid.

b. Dyes. December dye production of 692 MT was valued at ¥ 453 million, or an average of ¥ 630 per kilogram. (Includes 89 different dyes produced in 46 plants of 41 companies.) This production represents post-war peaks in tonnage, value, and the number of different dyes produced for the first time. Eleven types of dyes were produced in December for the first time.

### 2. Consumer Goods and Miscellaneous.

a. Hand Sewing Needles. A new post-war production record of 217,000,000 hand sewing needles has been reported for the month of December 1948. In comparison, monthly averages for 1946, 1947 and 1948 were 6,000,000; 30,000,000; and 112,500,000 needles, respectively... The Ministry of Commerce and Industry reports that the total export production for 1948 was 371,000,000 needles, of which 239,000,000 were exported during the October-December period.

b. Cosmetic Markets. The first post-war private trade export contract for the Japanese cosmetic industry has been made with a firm in India. There were large cosmetic markets in the Far East prior to the war, but present trade restrictions and general Asiatic economic disruptions have raised obstacles to resumption of business.

### 3. Machinery and Equipment.

a. Railway Rolling Stock. Final inspection is being completed on the freight cars now being built for the U.S.S.R., the last car being scheduled for delivery by 31 March 1949. The entire contract includes 160 covered freight cars, 100 open-top cars, 30 tank cars and 30 steam locomotives. Completion of locomotives is expected by the end of May 1949.



(Production of Commodities - cont'd)

b. Automotive Equipment. The automobile manufacturers of Japan, under the sponsorship of the Ministry of Commerce and Industry, are exerting considerable effort to improve the mileage performance of their standard size trucks to cope with the fuel shortage problem and the requirements for quality in overseas markets... The Society of Automotive Engineers reports that recent comparative tests made in December 1947 and November 1948 show that there has been a 20% average increase in distance traveled per unit of fuel consumed. Vehicles of four principal manufacturers were used in these tests. This improvement is reported to be due to greater mechanical efficiency of working parts, made possible by increased precision attained in the manufacture of parts.

#### FACILITIES - VARIOUS

##### 1. Construction.

a. Housing. A summary of completed housing construction as of 31 December 1948 is as follows:

##### Japanese Housing Construction by Tsubos

(1 tsubo equals 36 sq. ft.)

<u>Year</u>	<u>Urban</u>	<u>Rural</u>	<u>Total</u>	<u>Cumulative Total</u>
1945	120,000	37,000	157,000	
1946	211,845	76,916	288,761	445,761
1947	222,775	182,071	404,846	850,607
1948	292,028	375,804	667,832	1,518,439
	<u>846,648</u>	<u>671,791</u>	<u>1,518,439</u>	

During the past four years urban construction increased  $2\frac{1}{2}$  times while rural construction increased 10 times. However, the total rural construction is now approximately  $\frac{3}{4}$  the total urban construction. With  $\frac{1}{4}$  of the required 6 million tsubo construction completed, and based on present building trends, it is hoped that the reconstruction program will be achieved within the next five years.

b. Public Works. For emergency repairs of harbors which were damaged by "Ione" Typhoon, 4,000 tons of cement were consigned this week to the following Prefectures: Miyagi, Iwate, Kanagawa, Chiba, Tokyo To, Shizuoka, Hyogo, Yamaguchi, Kochi, Saga and Nagasaki.

##### 2. Shipbuilding.

a. Converted Vessels. "No. 2 Asahi Maru", a wooden fishing vessel, is being converted into a cargo vessel of 165 gross tons... Nine 2E-type vessels are being converted from semi-diesel engines to steam reciprocating engines... Two wooden vessels are being converted by replacing the present main engines with those of larger horsepower and making minor related changes.



(Facilities - Various - cont'd)

b. Amendment of SCAPIN 6177-A, 15 November 1948, Subject: "Request for Permission to Resume Construction Work of a Large Sized Oil Tanker", will change the horsepower of subject oil tanker from 5,000 to 8,500.

3. Public Utilities.

a. Natural streamflow throughout Japan, except for Hokkaido, continued relatively high when the normal trend is a seasonal decline to the winter dry season low (which generally occurs in February), being 130.0% of the past 10-year average for the same period, and 102.0% of the streamflow of the preceding week. Thermal generation was 91.0% of the past 9-year average, and 97.0% of the preceding week.

b. Reserve electric power equivalent in public utility reservoirs for all Japan on 31 January was 493,895,000 KWH, or 64.0% of full capacity. Last year, for the same period, reserve power was 54.0% of full capacity.

c. Japan received unseasonal extra rainfall during the month of December. The hydro-electric power generation by public utilities in all Japan during December 1948 was 2,661,470,000 KWH, which was 206.3% of the 5-year average hydro-electric power generation for December over the years 1930-34, and 94.0% of the previous high of the last twelve months (May 1948). Compared to the hydro-electric power generated in December of years 1945-46-47, the hydro-electric power generation of December 1948 was 163.5, 111.5, and 133.4, percent, respectively. General industrial production level for December was 64.0% of the 1930-34 level.

W. S. VAUGHAN  
Chief, Industry Division  
ESS



715012

G.S.

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

29 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 4, VOLUME 2

COAL (Production)

1. Coal production for the second ten days of January totaled 1,074,500 metric tons against a quota of 1,114,600 metric tons. This is 96.4% of the planned quota.

2. Production by districts for the second ten days of January 1949 was as follows: (Unit 1,000 metric tons)

<u>District</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	313.4	284.3	90.7
E. Honshu	105.0	104.0	99.0
W. Honshu	94.1	88.6	94.2
Kyushu	<u>602.1</u>	<u>597.6</u>	<u>99.3</u>
Total	1,114.6	1,074.5	96.4

3. During the second ten days of January the production rate was 120,730 MT per day. Hokkaido's production of 71% of goal for the first ten-day period jumped to 90.7% for the second ten-day period of January, amounting to an increase of about 104,300 MT. Production for Kyushu increased from 79.3% during the first ten-day period to 99.3% for the second ten-day period of January, making a gain of approximately 222,400 MT. These increases are due partly to the fact that Hokkaido mines worked 8.7 days and Kyushu mines worked 8.9 days during the second ten days of January as against 6.7 days and 7.2 days, respectively, during the first ten days of January. The production shortage for the first 20 days of January added to the cumulative shortage result in 1,274,200 MT below quota for JFY 1948.

RAW MATERIALS

1. Ferrous Metals.

a. Pig Iron. The Kawasaki Plant of Nippon Kokan (Japan Steel Tube Company) has been producing 670 tons of pig iron per day for the first 23 days of January in their 600-ton blast furnace. This excellent production record is attributed to the use of high quality imported iron ore and the blending of East Coast U.S. low ash coking coal with Japanese coal.



(Raw Materials cont'd)

b. Steel Production Program. Approximately 9,000 tons of coal have left the U.S. and are expected to arrive in Japan on 4 March. This is the first shipment against a new contract for 400,000 tons of coking coal to be used in the JFY 1949 steel production program.

2. Non-Ferrous Metals.

a. Zinc. An additional furnace will be completed in February at the Hikoshima Plant, Mitsui Mining Company, Ltd., at Shimonoseki. This furnace is expected to produce 120 tons of zinc per month beginning in March.

b. Mercury. 200 flasks (6.9 tons) of mercury owned by Nomura Mining Company have been approved for export.

3. Non-metallic Materials.

a. Coke. Supplementary allocation of 44,700 tons of coke has been approved for the 4th Quarter JFY in response to requests from the local bureaus of the various ministries; allocation tickets will be issued by those bureaus, and coke will be supplied from the stocks of the distribution kodan. This additional coke is expected to meet the requirements of many small claimants not included in previous allocations.

b. Pitch Coke. Allocations of pitch coke for the 4th Quarter JFY have been approved and are shown below in comparison with 3rd Quarter allocations:

	<u>3rd Quarter</u>	<u>4th Quarter</u>
	(Metric Tons)	
Iron and Steel Industry	200	150
Metal Industry	1,200	1,000
Machine Industry	200	200
Shipyards Industry	290	250
Private Railways	10	10
Ceramics Industry	5,175	3,796
Chemical Fertilizer	200	300
Miscellaneous Industries	0	300
Total	<u>7,275</u>	<u>6,006</u>

Decrease in allocation to the ceramics industry is due to lack of electric power to produce artificial electrodes in the dry months of January, February, and March.

c. Cork. Deliveries of abemake (Japanese cork) products to industries for the calendar year 1948 were 10,210 tons as compared to 7,027 tons in 1947. This represents a 47% increase which is attributed to elimination of black market by tighter controls on deliveries.

d. Crude rubber. The crude rubber allocation plan for 4th Quarter JFY has been finalized, and quantities of rubber allocated during this quarter as compared with the 3rd Quarter are shown below:



(Raw materials cont'd)

	3rd Quarter		(Metric Tons) 4th Quarter	
	Domestic Use	For Export	Domestic Use	For Export
Crude Rubber	7,505	1,500	5,465	2,000
Latex	132	0	137	5
Scrap Rubber	6,888	20	3,794	20
Reclaimed Rubber	1,740	0	1,410	30
Total	16,265	1,520	10,806	2,055

4th Quarter allocation drop is necessitated by decrease of imports.

e. Petroleum Products. Allocations of petroleum products for export goods to "Mining and Industry" for the month of February as compared to January allocations are as follows: (Metric Tons)

	January	February
Gasoline	205	203
Kerosene	98	122
Gas Oil	95	93
Diesel O.l	330	242
Fuel Oil	10	55
Lube Oil	487	525
Grease	0	24
Wax	23	21.1
Asphalt	85	84.8
Total	1,333	1,369.9

4. Requirements. The ESB proposed coal allocation plan for the 1st Quarter JFY 1949 is now being reviewed by the various claimants. Preliminary figures show that despite increased allocations of coal to industrial categories, proposed allocations are approximately 600,000 metric tons below minimum requirements to meet the demands of accelerated production programs.

#### PRODUCTION OF COMMODITIES

##### 1. Chemicals.

a. Ceramics. During 1948 manufacturers of ceramic products sold approximately \$20,800,000 worth of goods for export. This was divided as follows:

- (1) Pottery industry, including chinaware, wall tile, sanitary ware, and porcelain insulators - \$11,700,000.
- (2) Glass Products, including glassware, sheet glass, scientific glass, and glass ornaments - \$3,680,000.
- (3) Cement and cement products - \$3,980,000.
- (4) Porcelain enamelware, including cloisonne - \$1,440,000.



(Production of Commodities cont'd)

Indirect exports of ceramic items such as glass containers for medicine and beverages, glass and porcelain parts, etc., were appreciable, but difficult to estimate. The value of exports of optical glass and instruments alone amounted to \$1,548,000.

For 1949 total export sales of all ceramic items are estimated at \$45,000,000, divided as follows:

(1) Pottery	\$20,000,000
(2) Cement	16,000,000
(3) Glass Products	6,000,000
(4) Porcelain Enamelware	3,000,000

This estimate is based on the assumption that the yen-dollar ratio will be such that profitable operations will be possible.

b. Dyestuffs. Lye production reached another postwar peak in December, with the production of 690 MT, approximately 9% above the previous postwar record of 633 MT, produced in November. Total production during the calendar year 1948 was 5,335 MT, almost double the amount produced in 1947, or approximately 2,700 MT.

2. Machinery and Equipment.

a. Coal Mine Machinery. On 20 January 1949, the Ministry of Commerce and Industry presented certificate awards to representatives of 25 coal mine machinery and equipment manufacturers. These plants were selected by the Japanese Government on the basis of overall production efficiency during the period 1 November 1947 — 31 October 1948. Special production flags were awarded to each of the three leading manufacturers of industrial machinery, rolling stock and electrical apparatus for coal mine use.

b. Textile Machinery. During December, 765 sets of cotton and rayon looms were manufactured for export, bringing the total export production of looms to 4,925 as of 31 December 1948.

c. Electrical Equipment. During December the repair work of power generating and transmitting equipment under the Power Rehabilitation Program was valued at ¥297,500,000. This was more than double the amount of work done in May 1948 when the Program went into the 1948 peak. It should be noted that this was achieved with the use of fewer man-hours and smaller consumption of electric power than was required in May, at which time only ¥126,000,000 worth of equipment was put into operating condition.

3. Consumer Goods and Miscellaneous Goods.

a. Hardware. Building hardware production during the first 11 months of 1948 totaled 19,239 MT. According to data compiled by the Ministry



(Production of Commodities cont'd)

of Commerce and Industry, 811 MT were produced for the Occupation Forces, and 785.9 MT, totaling \$355,854, for export during 1948. Of the 785.9 MT for exports, 757 MT were produced during the last three months of the year.

b. Tires. December production of tires reached a postwar peak with a total production of 85,290 tires. Of this amount, 20,615 tires were earmarked for export and these consumed 294 MT of the imported rubber. The arrival of 500 tons of channel black and the purchase of higher quality of crude rubber make it possible now to produce tires of standard quality. These are being checked against American tires, procured for testing purposes.

#### FACILITIES - VARIOUS

1. Construction. General construction in Japan is being expedited through bulk delivery of cement by a 3,500-ton bulk cement transport ship which operates between the base plant at Ube and the unloading and packing plant at Osaka, with storage capacity of 9,000 tons... This transport ship, the only one of its kind in Japan, is named the "Kiyotada Maru", and is the property of the Ube Cement Company, one of the highest production plants in Japan. Cement is mechanically loaded and unloaded by two systems, one being a belt conveyer with bucket elevators, and the other a ten-inch pipe line under pressure from ship to shore... One load of cement aboard the "Kiyotada Maru", 3,500 tons, would require 350 freight cars of ten tons each. Also, in regular water shipment, this same load of cement would require 280 barges and 13 tug boats, which are not needed due to the mechanical system.

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a. From 10 December 1948 to 10 January 1949 the Japanese shipyards completed repairs on 346 vessels, totaling 588,738 gross tons.

b. From 20 December 1948 to 20 January 1949, six steel cargo vessels totaling 8,381 gross tons, were launched and eleven steel cargo vessels, totaling 7,100 gross tons were completed. During the same period, two steel fishing vessels, totaling 4,000 gross tons were completed. Also, one wooden ship of 250 gross tons was completed.

c. From 20 December 1948 to 20 January 1949, six wooden tugs and 16 wooden barges were completed for the U.S.S.R. During the same period, 14 wooden tugs and eight wooden barges, previously completed, were exported to Russia.

d. Contracts were signed on 24 January 1949 for six whale catcher boats of approximately 470 gross tons each, to be constructed for export account to Norwegian interests.



(Facilities - Various cont'd)

3. Public Utilities.

a. Electricity. Natural streamflow throughout Japan, except for Hokkaico, continued relatively high when the normal trend is a seasonal decline to the winter dry season, being 127% of the past ten-year average for the same period, and 89% of the streamflow of the preceding week. Thermal generation was 53% of the preceding week and 94% of the past nine-year average.

Reserve power in public utility reservoirs for all Japan on 21 January 1949, was 535,580,000 KWH, or 70% of full capacity. Last year, for the same period, reserve power was 60% of full capacity.

b. Gas. The Japanese Government has taken steps to prohibit the use of gas booster pumps by private industries to exhaust gas from low-pressure mains. This will minimize drawing air into the mains which frequently results in back-flash explosions. In those cases where industrial plant production is decreased by restricting the use of these boosters, efforts will be made to transfer production to similar plants in areas where gas supply is continuous at the required pressure.

W. S. VAUGHAN  
Chief, Industry Division  
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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

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29 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 4, VOLUME 2

COAL (Production)

1. Coal production for the second ten days of January totaled 1,074,500 metric tons against a quota of 1,114,600 metric tons. This is 96.4% of the planned quota.

2. Production by districts for the second ten days of January 1949 was as follows: (Unit 1,000 metric tons)

<u>District</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	313.4	284.3	90.7
E. Honshu	105.0	104.0	99.0
W. Honshu	94.1	88.6	94.2
Kyushu	602.1	597.6	99.3
Total	1,114.6	1,074.5	96.4

3. During the second ten days of January the production rate was 120,730 MT per day. Hokkaido's production of 71% of goal for the first ten-day period jumped to 90.7% for the second ten-day period of January, amounting to an increase of about 104,300 MT. Production for Kyushu increased from 79.3% during the first ten-day period to 99.3% for the second ten-day period of January, making a gain of approximately 222,400 MT. These increases are due partly to the fact that Hokkaido mines worked 8.7 days and Kyushu mines worked 8.9 days during the second ten days of January as against 6.7 days and 7.2 days, respectively, during the first ten days of January. The production shortage for the first 20 days of January added to the cumulative shortage result in 1,274,200 MT below quota for JFY 1948.

RAW MATERIALS

1. Ferrous Metals.

a. Pig Iron. The Kawasaki Plant of Nippon Koken (Japan Steel Tube Company) has been producing 670 tons of pig iron per day for the first 23 days of January in their 600-ton blast furnace. This excellent production record is attributed to the use of high quality imported iron ore and the blending of West Coast U.S. low ash coking coal with Japanese coal.

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(Raw Materials cont'd)

b. Steel Production Program. Approximately 9,000 tons of coal have left the U.S. and are expected to arrive in Japan on 4 March. This is the first shipment against a new contract for 400,000 tons of coking coal to be used in the JFY 1949 steel production program.

2. Non-Ferrous Metals.

a. Zinc. An additional furnace will be completed in February at the Hikoshima Plant, Mitsui Mining Company, Ltd., at Shimonoseki. This furnace is expected to produce 120 tons of zinc per month beginning in March.

b. Mercury. 200 flasks (6.9 tons) of mercury owned by Nomura Mining Company have been approved for export.

3. Non-metallic Materials.

a. Coke. Supplementary allocation of 44,700 tons of coke has been approved for the 4th Quarter JFY in response to requests from the local bureaus of the various ministries; allocation tickets will be issued by those bureaus, and coke will be supplied from the stocks of the distribution kodan. This additional coke is expected to meet the requirements of many small claimants not included in previous allocations.

b. Pitch Coke. Allocations of pitch coke for the 4th Quarter JFY have been approved and are shown below in comparison with 3rd Quarter allocations:

	<u>3rd Quarter</u>	<u>4th Quarter</u>
	(Metric Tons)	
Iron and Steel Industry	200	150
Metal Industry	1,200	1,000
Machine Industry	200	200
Shipyards Industry	290	250
Private Railways	10	10
Ceramics Industry	5,175	3,796
Chemical Fertilizer	200	300
Miscellaneous Industries	0	300
Total	<u>7,275</u>	<u>6,006</u>

Decrease in allocation to the ceramics industry is due to lack of electric power to produce artificial electrodes in the dry months of January, February, and March.

c. Cork. Deliveries of abemake (Japanese cork) products to industries for the calendar year 1948 were 10,210 tons as compared to 7,027 tons in 1947. This represents a 47% increase which is attributed to elimination of black market by tighter controls on deliveries.

d. Crude rubber. The crude rubber allocation plan for 4th Quarter JFY has been finalized, and quantities of rubber allocated during this quarter as compared with the 3rd Quarter are shown below:



(Raw materials cont'd)

	3rd Quarter		(Metric Tons) 4th Quarter	
	Domestic Use	For Export	Domestic Use	For Export
Crude Rubber	7,505	1,500	5,465	2,000
Latex	132	0	137	5
Scrap Rubber	6,888	20	3,794	20
Reclaimed Rubber	1,740	0	1,410	30
Total	16,265	1,520	10,806	2,055

4th Quarter allocation drop is necessitated by decrease of imports.

e. Petroleum Products. Allocations of petroleum products for export goods to "Mining and Industry" for the month of February as compared to January allocations are as follows: (Metric Tons)

	January	February
Gasoline	205	203
Kerosene	98	122
Gas Oil	95	93
Diesel O.1	330	242
Fuel Oil	10	55
Lube Oil	487	525
Grease	0	24
Wax	23	21.1
Asphalt	85	84.8
Total	1,333	1,369.9

4. Requirements. The ESB proposed coal allocation plan for the 1st Quarter JFY 1949 is now being reviewed by the various claimants. Preliminary figures show that despite increased allocations of coal to industrial categories, proposed allocations are approximately 600,000 metric tons below minimum requirements to meet the demands of accelerated production programs.

#### PRODUCTION OF COMMODITIES

##### 1. Chemicals.

a. Ceramics. During 1948 manufacturers of ceramic products sold approximately \$20,800,000 worth of goods for export. This was divided as follows:

- (1) Pottery industry, including chinaware, wall tile, sanitary ware, and porcelain insulators - \$11,700,000.
- (2) Glass products, including glassware, sheet glass, scientific glass, and glass ornaments - \$3,680,000.
- (3) Cement and cement products - \$2,980,000.
- (4) Porcelain enamelware, including cloisonne - \$1,440,000.



(Production of Commodities cont'd.)

Indirect exports of ceramic items such as glass containers for medicine and beverages, glass and porcelain parts, etc., were appreciable, but difficult to estimate. The value of exports of optical glass and instruments alone amounted to \$1,548,000.

For 1949 total export sales of all ceramic items are estimated at \$45,000,000, divided as follows:

(1) Pottery	\$20,000,000
(2) Cement	16,000,000
(3) Glass Products	6,000,000
(4) Porcelain Enamelware	3,000,000

This estimate is based on the assumption that the yen-dollar ration will be such that profitable operations will be possible.

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(Facilities - Various cont'd)

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Reserve power in public utility reservoirs for all Japan on 21 January 1949, was 535,580,000 KWH, or 70% of full capacity. Last year, for the same period, reserve power was 60% of full capacity.

b. Gas. The Japanese Government has taken steps to prohibit the use of gas booster pumps by private industries to exhaust gas from low-pressure mains. This will minimize drawing air into the mains which frequently results in back-flash explosions. In those cases where industrial plant production is decreased by restricting the use of these boosters, efforts will be made to transfer production to similar plants in areas where gas supply is continuous at the required pressure.

W. S. VAUGHAN  
Chief, Industry Division  
ESS



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

22 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 3, VOLUME 2

COAL (Production)

1. Final production figures for the first nine months of the Japanese Fiscal Year, ending 31 December 1948, indicate that 25,243,000 tons of coal were produced against a quota for the same period of 26,285,800. This was 96.0% of the goal.

2. Production gains and losses for the first eight months of JFY 48, and for the month of December 1948, are as follows: (Unit 1,000 metric tons)

<u>1948</u>	<u>Quota</u>	<u>Production</u>	<u>Gain or Loss</u>
April thru Nov.	22,944.3	22,046.8	- 897.5
Month of Dec.	<u>3,341.5</u>	<u>3,196.2</u>	<u>- 145.3</u>
	26,285.8	25,243.0	- 1,042.8

3. The cumulative shortage through December 1948 is 1,042,800 tons. When this amount is added to the quota already established for the last three months of the fiscal year it becomes necessary to step up production to 110.7% in order to produce the goal of 36,000,000 tons. Further, the decline in the first ten days of January 1949 is a serious handicap in making up any great amount of the cumulative losses during January. A special effort must be made to speed up production to 125% of quota during the months of February and March if the 36,000,000 ton goal is to be achieved.

RAW MATERIALS

1. Ferrous Metals. Iron and Steel.

Preliminary reports for December show production of steel ingot and rolled steel products again exceeded all postwar records. It is anticipated that finalized reports for December will show a new high for pig iron production. Electric furnace pig iron and steel ingot continue to show decreases in production due to seasonal decrease in the hydro-electric supply. Comparison of preliminary December production reports with final reports for November is shown below:

FILE



(Raw materials -- cont'd)

	<u>November</u>	<u>December</u>
	(metric tons)	
Pig Iron:		
Blast Furnace	79,319	82,080
Electric Furnace	9,084	6,770
Others	<u>3,788</u>	<u>2,263</u>
Total	92,191	91,113
Steel Ingot:		
Open Hearth	141,322	161,413
Electric Furnace	51,079	35,372
Others	0	34
Total	<u>192,401</u>	<u>196,819</u>
Rolled Steel Products:		
Critical Items		
Rails	5,440	10,784
Sheets (below 3 mm.)	20,028	22,132
Tin Plate	2,171	1,001
Pipe	12,277	11,571
Others	<u>76,653</u>	<u>83,891</u>
Total	116,569	129,379

## 2. Non-Ferrous Metals

a. Copper and Nickel Sulfate. The Hitachi Smelter and Refinery of the Nippon Mining Company is now producing 1,150 tons of copper and two tons of nickel sulfate per month. The nickel sulphate, by-product in the copper refinery, is of a purity satisfactory for nickel plating. Wire bar production in the refinery is moderately handicapped by a shortage of fuel oil.

b. Platinum. Completed study indicates a requirement for 1.1 tons of platinum for use in the Japanese domestic economy during the five-year period 1949-1953 and action will be taken to make this platinum available to various consuming industries as required.

c. Comparison of preliminary December production with final November production of non-ferrous metals is shown below. Decrease in antimony production since the end of the war was reached in the production of crude and refined tin; increase is due to removal of price control on this product.

	<u>November</u>	<u>December</u>
	(metric tons)	
Blister Copper	6,324	6,367
Refined Copper	4,908	5,493
Copper Rolled Products	1,227	1,517
Brass Rolled Products	4,874	4,926
Bronze Rolled Products	153	149
Electrolytic Zinc	1,097	1,103
Distilled Zinc	<u>746</u>	<u>653</u>
Total Zinc	1,843	1,756



(Raw Materials--cont'd)

	November	December
	(metric tons)	
Zinc Plate	759	976
Crude Lead	852	729
Refined Lead	1,003	854
	(Kilograms)	
Antimony	34,052	20,348
Bismuth	1,895	2,034
Mercury	5,120	4,029
Crude Tin	0	4,730
Refined Tin	30,131	41,525

3. Non-Metallic Materials.

a. Petroleum Products--Allocation. Allocation of petroleum products to "Mining and Industry" for the month of February, excluding those for export production, compared to January allocation, is as follows: (In Kiloliters)

	January	February
Gasoline	1,914	1,922
Kerosene	858	867
Gas Oil	1,178	1,189
Diesel Oil	3,003	3,073
Fuel Oil	24,179	24,179
Lube Oil	4,931	4,971
Grease	709	621
Wax	241.5	91.5
Asphalt	1,295	1,321
Total	38,308.5	38,234.5

Allocations of petroleum products for export production in January are presently being finalized. An additional allocation of wax totaling 150 tons, which is included in the figures above, was made for the month of January; this wax being of low quality was allocated as follows: (In kiloliters)

Oil paper for seed beds	90
Processed paper	10
Matches, pencils for export, & electrical apparatus	50
Total	150

Due to increased availability of wax and asphalt, increased allocations of these products are being considered for the month of February and succeeding months.

Efforts are being made to increase supplies of insulating oil, for the electric power, transportation, mining, and manufacturing industries. Allocations in the past have been considered insufficient to meet the requirements for repairing, rehabilitating, and maintaining existing transformers, and filling new transformers.



(Raw Materials -- cont'd)

b. Refined Petroleum. Final December refined petroleum reports show total throughput to stills amounted to 15,490 kiloliters, a decrease of 4,986 kl as compared to November. Total refined production amounted to 14,710 kl of which 13,703 kl were finished products and 1,007 kl were semi-finished products. Total refined products including semi-finished products at refineries at the end of December amounted to 17,223 kl. Six refineries in indigenous crude oil producing areas were in operation. Yields of finished products were as follows: (In kiloliters)

Gasoline	998
Kerosene	2,639
Gas Oil	296
Diesel Oil	1,617
Fuel Oil	2,370
Lube Oil	3,542
Others	2,241

The decrease in overall production was due to the wildcat strike at the Akita Oil Producing Field, which to date has not been settled.

c. Petroleum Products--Imported. The following products were imported during the month of December: (In kiloliters)

Gasoline	43,601
Diesel Oil	34,722
Navy Special	
Fuel Oil	51,192
Lube Oil	12,846
Grease	56

These products are distributed by the Petroleum Distribution Kodan under the supervision of SCAP. The majority of imported petroleum products are consumed by the fishing industry, land and marine transportation, and industrial uses. In addition to the above products, 2,906 kl of bunker oil were consumed on SCAJAP vessels carrying petroleum products from the Persian Gulf.

d. Coke. Final distribution report of coke for the month of November totaled 257,018 MT, an increase of 5,578 tons over the preliminary report.

e. Calcined Petroleum Coke. 8,763 MT of calcined petroleum coke are expected to arrive in Shimizu 25 January. It is contemplated that the entire cargo will be allocated to the production of electrodes. This material is arriving at an opportune time inasmuch as there is a considerable increase in requirements for electrodes in the months of March, April, and May when the availability of electric power is greatest.

f. Mica. The Japanese Government is in the process of calculating requirements for mica for the first six months of the calendar year 1949; these are expected in the near future, and after screening, recommendations will be made for procurement.



(Raw Materials — cont'd)

4. Requirements. Coal Allocations. The 4th Quarter JFY standard coal allocation plan has been revised, transferring 36,000 tons from "Cement" and 20,000 tons from "Transportation", to the following categories: (tons)

Bunker, Foreign Ships	10,000
Chemical Industry	12,000
Ceramics	8,000
Shipyards	9,000
Alcoholic Beverages	4,000
Lime and Dolomite	3,000
Rubber Manuf. Goods	10,000
Total	<u>56,000</u>

Additional allocations of substandard coal were made for the 4th Quarter JFY 48 as follows: (tons)

Medicines	10,000
Paper Pulp	7,000

#### PRODUCTION OF COMMODITIES

##### 1. Chemicals.

a. Cotton Linters. Scheduled imports of raw cotton linters are arriving in Japan. The bulk of the linters is to be allocated to the rayon industry with smaller amounts to be furnished to the celluloid, cellulose nitrate, and cellulose acetate producers. This will partially relieve the shortage of cellulose-bearing raw materials to these industries and also improve quality of the products principally used in export production, i.e., handicraft, textiles, film, etc.

b. DDT. December was the fourth consecutive month in which previous production records for DDT concentrate have been exceeded. December production of 49 MT was 22% above the November figure of 40 MT, while stocks of domestically manufactured DDT concentrate likewise rose from 50 MT to 68 MT. December production was carried on by six companies, one of which produced DDT in December for the first time.

c. Cement. Cement production during the month of December again hit a post-war high of 202,485 MT. This exceeded by 13,663 the previous record of 188,822 MT produced in November. Export shipments also set a new record of 57,580 MT, nearly tripling the previous best figure of 20,920 MT shipped during September of last year.

d. Pottery and Porcelain. A trial shipment of 250 MT of kaolin has been received from Cornwall, England, for the manufacture of dinner sets for export to the United States. Preliminary tests indicate that this clay is of excellent quality and better than any received from other sources since the beginning of the Occupation.



(Production of Commodities -- cont'd)

e. Glassware. Production of vacuum bottles for export continues to expand. During November 150,000 pieces were made, which is approximately 50% of foreign demands. Clinical thermometers are being made at the rate of 1,000,000 per quarter.

2. Consumer and Miscellaneous Goods.

a. Food Cans. 980,000 tin cans for packing crab meat are now being manufactured at Otaru, Hokkaido, to be sent to South Korea. An equivalent tonnage of tin plate will be furnished as a replacement from allocations which have been made to Korea.

b. Imported Corn. Milling of the first shipment of corn from the United States was begun at Yokohama on 13 January 1949.

3. Machinery and Equipment. Automotive. Performance tests made by the Society of Automotive Engineers of Japan on electric passenger cars and buses recently showed marked increase per battery charge. It is now possible to run a bus from 61 to 97 miles per charge as compared to only 30 to 60 miles previously. Likewise, with passenger cars, the mileage has increased from a range of 41 to 61 miles per battery charge to a range of 49 to 146 miles. ... Improved design of electric motors and the use of thin (2 mm.) electrode plates have contributed to this increased efficiency.

FACILITIES -- VARIOUS

1. Construction.

a. Road Repair. 5,000 tons of asphalt (MC-3) are being made available to the various prefectures of Japan this week from Eighth Army stocks in Yokohama for road repair and maintenance. This asphalt will help to improve the prefectural highways and, more especially, those roads used by both Occupation and Japanese traffic.

b. Koto River Dam. Construction work has been resumed on the Koto River Dam. This dam was 85% completed by the Japanese prior to the end of the war, and then work halted until demands for more water for industrial and domestic areas in Ube and Yamaguchi Prefectures justified immediate continuation of this work. The control gates and other iron and steel structures for this dam are being processed in the mills at Ube. Concrete work is in progress, and completion of the dam is scheduled during the present year.

c. Coal Mine Housing. The following construction has been completed as of 31 December 1948 on the 1948 Coal Mine Housing Program:

	<u>Units Authorized</u>	<u>Units Completed</u>
New Housing	20,469	10,602
New Dormitories	270	94
New Welfare Facilities	1,677	1,114
Repairs (All types)	15,593	14,314



Facilities--Various (cont'd)

2. Shipbuilding.

a. Wooden vessels. Authorization was given to convert ten non-powered wooden vessels into cargo vessels and to have propulsion machinery installed. At present these vessels have no power and are towed, and it is necessary that they be powered to expedite movement of cargo.

b. Ex-Naval Vessels. Permission was given to convert two ex-Naval vessels, Nos. ASC 89 and ASC 148 into fisheries training vessels to be used at the Hakodate and Kagoshima Fishery Colleges and to change the engine from Hot-bulb to Diesel in one steel tuna vessel, the "No. 1 Azuma Maru".

c. Steel Barges. Permission was also given to convert two steel barges, the "Koyo Maru", approximately 380 gross tons, the "Koryu Maru", approximately 400 gross tons, and one tugboat, the "Kocho Maru", approximately 73 gross tons, into cargo vessels. The steel barges were originally planned and built as cargo boats and later used for salvaging. After conversion they will be used to transport goods between Hanshin and Kyushu. The engines and boilers were removed from the tugboat because they were inoperative. Now the owner will remodel the vessel into a cargo boat and install second-hand engines.

3. Public Utilities.

a. Natural streamflow throughout Japan continued relatively high, when the normal trend is a seasonal decline for the winter dry season, being 144% of the past ten-year average for the same period, and 85% of the streamflow of the preceding week. Thermal generation was 167% of the preceding week and 62% of the past nine-year average.

b. Reserve power in public utility reservoirs for all Japan on 11 January, was 556,875,000 KWH, or 72% of full capacity. Last year for the same period, reserve power was 63% of full capacity.

c. During the period from 26 December 1948 to 6 January 1949 a net increase in hydro-electric generating capacity for Honshu became available in the amount of 78,370 KW of which 870 KW were new capacity, 95,100 KW were capacity restored after repairs, and 17,600 KW were taken out of service for repair.

W. S. VAUGHAN  
Chief, Industry Division  
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22 January 1949 F

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 3, VOLUME 2

COAL (Production)

1. Final production figures for the first nine months of the Japanese Fiscal Year, ending 31 December 1948, indicate that 25,243,000 tons of coal were produced against a quota for the same period of 26,285,800. This was 96.0% of the goal.

2. Production gains and losses for the first eight months of JFY 48, and for the month of December 1948, are as follows: (Unit 1,000 metric tons)

<u>1948</u>	<u>Quota</u>	<u>Production</u>	<u>Gain or Loss</u>
April thru Nov.	22,944.3	22,046.8	- 897.5
Month of Dec.	<u>3,341.5</u>	<u>3,196.2</u>	<u>- 145.3</u>
	26,285.8	25,243.0	- 1,042.8

3. The cumulative shortage through December 1948 is 1,042,800 tons. When this amount is added to the quota already established for the last three months of the fiscal year it becomes necessary to step up production to 110.7% in order to produce the goal of 36,000,000 tons. Further, the decline in the first ten days of January 1949 is a serious handicap in making up any great amount of the cumulative losses during January. A special effort must be made to speed up production to 125% of quota during the months of February and March if the 36,000,000 ton goal is to be achieved.

RAW MATERIALS

1. Ferrous Metals. Iron and Steel.

Preliminary reports for December show production of steel ingot and rolled steel products again exceeded all postwar records. It is anticipated that finalized reports for December will show a new high for pig iron production. Electric furnace pig iron and steel ingot continue to show decreases in production due to seasonal decrease in the hydro-electric supply. Comparison of preliminary December production reports with final reports for November is shown below:



(Raw materials -- cont'd)

	<u>November</u>	<u>December</u>
	(metric tons)	
Pig Iron:		
Blast Furnace	79,319	82,080
Electric Furnace	9,084	6,770
Others	<u>3,788</u>	<u>2,263</u>
Total	92,191	91,113
Steel Ingot:		
Open Hearth	141,322	161,413
Electric Furnace	51,079	35,372
Others	0	34
Total	<u>192,401</u>	<u>196,819</u>
Rolled Steel Products:		
Critical Items		
Rails	5,440	10,784
Sheets (below 3 mm.)	20,028	22,132
Tin Plate	2,171	1,001
Pipe	12,277	11,571
Others	<u>76,653</u>	<u>83,891</u>
Total	116,569	129,379

## 2. Non-Ferrous Metals

a. Copper and Nickel Sulfate. The Hitachi Smelter and Refinery of the Nippon Mining Company is now producing 1,150 tons of copper and two tons of nickel sulfate per month. The nickel sulphate, by-product in the copper refinery, is of a purity satisfactory for nickel plating. Wire bar production in the refinery is moderately handicapped by a shortage of fuel oil.

b. Platinum. Completed study indicates a requirement for 1.1 tons of platinum for use in the Japanese domestic economy during the five-year period 1949-1953 and action will be taken to make this platinum available to various consuming industries as required.

c. Comparison of preliminary December production with final November production of non-ferrous metals is shown below. Decrease in antimony production since the end of the war was reached in the production of crude and refined tin; increase is due to removal of price control on this product.

	<u>November</u>	<u>December</u>
	(metric tons)	
Blister Copper	6,324	6,367
Refined Copper	4,908	5,493
Copper Rolled Products	1,227	1,517
Brass Rolled Products	4,874	4,926
Bronze Rolled Products	153	149
Electrolytic Zinc	1,097	1,103
Distilled Zinc	<u>746</u>	<u>653</u>
Total Zinc	1,843	1,756



(Raw Materials--cont'd)

	<u>November</u>	<u>December</u>
	(metric tons)	
Zinc Plate	759	976
Crude Lead	852	729
Refined Lead	1,003	854
	(Kilograms)	
Antimony	34,052	20,348
Bismuth	1,895	2,034
Mercury	5,120	4,029
Crude Tin	0	4,730
Refined Tin	30,131	41,525

3. Non-Metallic Materials.

a. Petroleum Products--Allocation. Allocation of petroleum products to "Mining and Industry" for the month of February, excluding those for export production, compared to January allocation, is as follows: (In Kiloliters)

	<u>January</u>	<u>February</u>
Gasoline	1,914	1,922
Kerosene	858	867
Gas Oil	1,178	1,189
Diesel Oil	3,003	3,073
Fuel Oil	24,179	24,179
Lube Oil	4,931	4,971
Grease	709	621
Wax	241.5	91.5
Asphalt	1,295	1,321
Total	<u>38,308.5</u>	<u>38,234.5</u>

Allocations of petroleum products for export production in January are presently being finalized. An additional allocation of wax totaling 150 tons, which is included in the figures above, was made for the month of January; this wax being of low quality was allocated as follows: (In kiloliters)

Oil paper for seed beds	90
Processed paper	10
Matches, pencils for export, & electrical apparatus	50
Total	<u>150</u>

Due to increased availability of wax and asphalt, increased allocations of these products are being considered for the month of February and succeeding months.

Efforts are being made to increase supplies of insulating oil, for the electric power, transportation, mining, and manufacturing industries. Allocations in the past have been considered insufficient to meet the requirements for repairing, rehabilitating, and maintaining existing transformers, and filling new transformers.



(Raw materials -- cont'd)

b. Refined Petroleum. Final December refined petroleum reports show total throughput to stills amounted to 15,490 kiloliters, a decrease of 4,986 kl as compared to November. Total refined production amounted to 14,710 kl of which 13,703 kl were finished products and 1,007 kl were semi-finished products. Total refined products including semi-finished products at refineries at the end of December amounted to 17,223 kl. Six refineries in indigenous crude oil producing areas were in operation. Yields of finished products were as follows: (In kiloliters)

Gasoline	998
Kerosene	2,639
Gas Oil	296
Diesel Oil	1,617
Fuel Oil	2,370
Lube Oil	3,542
Others	2,241

The decrease in overall production was due to the wildcat strike at the Akita Oil Producing Field, which to date has not been settled.

c. Petroleum Products--Imported. The following products were imported during the month of December: (In kiloliters)

Gasoline	43,601
Diesel Oil	34,722
Navy Special Fuel Oil	51,192
Lube Oil	12,846
Grease	56

These products are distributed by the Petroleum Distribution Kodan under the supervision of SCAP. The majority of imported petroleum products are consumed by the fishing industry, land and marine transportation, and industrial uses. In addition to the above products, 2,906 kl of bunker oil were consumed on SCAJAF vessels carrying petroleum products from the Persian Gulf.

d. Coke. Final distribution report of coke for the month of November totaled 257,018 MT, an increase of 5,578 tons over the preliminary report.

e. Calcined Petroleum Coke. 8,763 MT of calcined petroleum coke are expected to arrive in Shimizu 25 January. It is contemplated that the entire cargo will be allocated to the production of electrodes. This material is arriving at an opportune time inasmuch as there is a considerable increase in requirements for electrodes in the months of March, April, and May when the availability of electric power is greatest.

f. Mica. The Japanese Government is in the process of calculating requirements for mica for the first six months of the calendar year 1949; these are expected in the near future, and after screening, recommendations will be made for procurement.



(Raw Materials -- cont'd)

4. Requirements. Coal Allocations. The 4th Quarter JFY standard coal allocation plan has been revised, transferring 36,000 tons from "Cement" and 20,000 tons from "Transportation", to the following categories: (tons)

Bunker, Foreign Ships	10,000
Chemical Industry	12,000
Ceramics	8,000
Shipyards	9,000
Alcoholic Beverages	4,000
Lime and Dolomite	3,000
Rubber Manuf. Goods	10,000
Total	56,000

Additional allocations of substandard coal were made for the 4th Quarter JFY 48 as follows: (tons)

Medicines	10,000
Paper Pulp	7,000

#### PRODUCTION OF COMMODITIES

##### 1. Chemicals.

a. Cotton Linters. Scheduled imports of raw cotton linters are arriving in Japan. The bulk of the linters is to be allocated to the rayon industry with smaller amounts to be furnished to the celluloid, cellulose nitrate, and cellulose acetate producers. This will partially relieve the shortage of cellulose-bearing raw materials to these industries and also improve quality of the products principally used in export production, i.e., handicraft, textiles, film, etc.

b. DDT. December was the fourth consecutive month in which previous production records for DDT concentrate have been exceeded. December production of 49 MT was 22% above the November figure of 40 MT, while stocks of domestically manufactured DDT concentrate likewise rose from 50 MT to 68 MT. December production was carried on by six companies, one of which produced DDT in December for the first time.

c. Cement. Cement production during the month of December again hit a post-war high of 202,485 MT. This exceeded by 13,663 the previous record of 188,822 MT produced in November. Export shipments also set a new record of 57,580 MT, nearly tripling the previous best figure of 20,920 MT shipped during September of last year.

d. Pottery and Porcelain. A trial shipment of 250 MT of kaolin has been received from Cornwall, England, for the manufacture of dinner sets for export to the United States. Preliminary tests indicate that this clay is of excellent quality and better than any received from other sources since the beginning of the Occupation.



(Production of Commodities -- cont'd)

e. Glassware. Production of vacuum bottles for export continues to expand. During November 150,000 pieces were made, which is approximately 50% of foreign demands. Clinical thermometers are being made at the rate of 1,000,000 per quarter.

2. Consumer and Miscellaneous Goods.

a. Food Cans. 980,000 tin cans for packing crab meat are now being manufactured at Otaru, Hokkaido, to be sent to South Korea. An equivalent tonnage of tin plate will be furnished as a replacement from allocations which have been made to Korea.

b. Imported Corn. Milling of the first shipment of corn from the United States was begun at Yokohama on 13 January 1949.

3. Machinery and Equipment. Automotive. Performance tests made by the Society of Automotive Engineers of Japan on electric passenger cars and buses recently showed marked increase per battery charge. It is now possible to run a bus from 61 to 97 miles per charge as compared to only 30 to 60 miles previously. Likewise, with passenger cars, the mileage has increased from a range of 41 to 61 miles per battery charge to a range of 49 to 146 miles. ... Improved design of electric motors and the use of thin (2 mm.) electrode plates have contributed to this increased efficiency.

FACILITIES - VARIOUS

1. Construction.

a. Road Repair. 5,000 tons of asphalt (MC-3) are being made available to the various prefectures of Japan this week from Eighth Army stocks in Yokohama for road repair and maintenance. This asphalt will help to improve the prefectural highways and, more especially, those roads used by both Occupation and Japanese traffic.

b. Koto River Dam. Construction work has been resumed on the Koto River Dam. This dam was 85% completed by the Japanese prior to the end of the War, and then work halted until demands for more water for industrial and domestic areas in Ube and Yamaguchi Prefectures justified immediate continuation of this work. The control gates and other iron and steel structures for this dam are being processed in the mills at Ube. Concrete work is in progress, and completion of the dam is scheduled during the present year.

c. Coal Mine Housing. The following construction has been completed as of 31 December 1948 on the 1948 Coal Mine Housing Program:

	<u>Units Authorized</u>	<u>Units Completed</u>
New Housing	20,469	10,602
New Dormitories	270	94
New Welfare Facilities	1,677	1,114
Repairs (All types)	15,593	14,314



Facilities--Various (cont'd)

2. Shipbuilding.

a. Wooden vessels. Authorization was given to convert ten non-powered wooden vessels into cargo vessels and to have propulsion machinery installed. At present these vessels have no power and are towed, and it is necessary that they be powered to expedite movement of cargo.

b. Ex-Naval Vessels. Permission was given to convert two ex-Naval vessels, Nos. ASC 89 and ASC 148 into fisheries training vessels to be used at the Hakodate and Kagoshima Fishery Colleges and to change the engine from Hot-bulb to Diesel in one steel tuna vessel, the "No. 1 Azuma Maru".

c. Steel Barges. Permission was also given to convert two steel barges, the "Koyo Maru", approximately 380 gross tons, the "Koryu Maru", approximately 400 gross tons, and one tugboat, the "Kocho Maru", approximately 73 gross tons, into cargo vessels. The steel barges were originally planned and built as cargo boats and later used for salvaging. After conversion they will be used to transport goods between Hanshin and Kyushu. The engines and boilers were removed from the tugboat because they were inoperative. Now the owner will remodel the vessel into a cargo boat and install second-hand engines.

3. Public Utilities.

a. Natural streamflow throughout Japan continued relatively high, when the normal trend is a seasonal decline for the winter dry season, being 144% of the past ten-year average for the same period, and 85% of the streamflow of the preceding week. Thermal generation was 167% of the preceding week and 62% of the past nine-year average.

b. Reserve power in public utility reservoirs for all Japan on 11 January, was 556,875,600 KWH, or 72% of full capacity. Last year for the same period, reserve power was 63% of full capacity.

c. During the period from 26 December 1948 to 6 January 1949 a net increase in hydro-electric generating capacity for Honshu became available in the amount of 78,370 KW of which 870 KW were new capacity, 95,100 KW were capacity restored after repairs, and 17,600 KW were taken out of service for repair.

W. S. VAUGHAN  
Chief, Industry Division  
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GENERAL HEADQUARTERS  
 SUPREME COMMANDER FOR THE ALLIED POWERS  
 Economic and Scientific Section  
 Industry Division

15 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT  
REPORT NUMBER 2, VOLUME 2

COAL (Production)

1. Coal production for the first ten-day period of January 1949 totaled 691,300 tons against a quota of 882,600 tons. This is 78.3% of the planned quota.

2. Production by districts for the first ten days of January 1949 was as follows: (Unit 1,000 metric tons)

<u>District</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	254.4	180.5	71.0
E. Honshu	81.6	70.5	86.1
W. Honshu	73.2	65.1	88.9
Kyushu	473.4	375.2	79.3
Total	882.6	691.3	78.3

3. The first ten-day period of January contained two Sundays and one holiday. Planned production is based on a seven-day period. However, coal miners took an additional unauthorized holiday on 3 January, further decreasing production by approximately 129,000 tons. A similar situation developed in January 1948 but some of the lost production was regained in the last half of the month. The Japanese Coal Board has been requested to use its influence in encouraging the miners to make up production lost during the first ten days of January 1949... The overall estimated shortage to date in meeting the 1948-49 Japanese Fiscal Year Goal is now 1,109,300 metric tons.

RAW MATERIALS.

1. Ferrous Metals. Iron and Steel.

a. Final reports for November show postwar peaks in overall production of pig iron and steel ingots; however, electric furnace pig iron and steel ingot dropped below previous peaks due to seasonal decrease in the hydro-electric supply. Final November production is shown below: (In metric tons)

<u>Pig Iron:</u>		<u>Steel Ingot:</u>	
Blast Furnace	79,319	Open Hearth	141,322
Electric Furnace	9,084	Electric Furnace	51,079
Others	3,788	Others	0
Total	92,191	Total	192,401



(Raw Materials — cont'd)

Rolled Steel Products:

Critical Items	
Rails	5,440
Sheets (below 3 mm)	20,028
Tin Plate	2,171
Pipe	12,777
Others	<u>76,153</u>
Total	116,569

b. Four experts from the U. S. have arrived in Japan to survey the ferrous scrap and steel industry for the purpose of determining availability of and requirements for scrap, and recommending improvements in operations and techniques within the Japanese iron and steel industry.

2. Non-Metallic Materials.

a. Lumber. The allocation of 78,729 koku (1 koku equals 120 board feet) of lumber required during the Fourth Quarter 1948 Japanese Fiscal Year to complete packaging of 54,100 metric tons of repair and equipment has been approved.

b. Rock Wool. The rock wool industry has completed a commentary film showing the benefits of rock wool, particularly as a material that will limit the spread of fires when used in construction. This film is expected to receive wide distribution in Japan.

c. Mine Props. Consumption of mine props per ton of coal from 1930 to 1944 was .2 koku as compared to the present consumption of .364 koku (1 koku equals 10 cubic feet), an increase of 82%. This increase is attributed in a large measure to added precautions now being taken to increase safety factors in the coal mines.

d. Petroleum Products. The following petroleum products were imported during the month of November: (Kiloliters)

Gasoline	35,159
Kerosene	6,539
Diesel Oil	31,986
Navy Special Fuel Oil	94,881
Bunker Fuel Oil Grade 2	7,927
Lube Oil	14,740

These products are distributed by the Petroleum Distribution Kodan under the supervision of SCAP. The majority of imported petroleum products are consumed by the fishing industry, land and marine transportation, and industrial uses. In addition to the above products, 592 kiloliters of bunker oil were consumed on SCAJAP vessels carrying petroleum products from the Persian Gulf.

e. Cryolite. The import of 750 tons of cryolite has been approved and shipment is expected to arrive in Japan by the end of March. This cryolite will reduce the requirements of fluorspar in the production.



(Raw Materials -- cont'd)

of aluminum for the 1949 Japanese Fiscal Year by 1,500 tons.

f. Coke. An additional allocation of 18,000 tons of coke has been made to the ammonium sulfate industry making a total allocation of 98,000 tons for the Fourth Quarter Japanese Fiscal Year 1948.

g. Rubber. Japanese Government officials have been informally instructed that irregularities in the rubber industry must be eliminated and better utilization made of available supplies including those stocks that are from time to time recovered from hoarded and excess inventories and illegal dealings prior to considering any increase in imports of rubber.

h. Crude Rubber and Latex. Preliminary reports for December show 3,188 tons of crude rubber and 52 tons of latex were imported during the month. It is anticipated that imports in January will equal those of December and stocks will be sufficient for normal consumption.

i. Coal Allocations. The following revisions have been made in the Fourth Quarter Japanese Fiscal Year 1948 coal allocation plan:

- (1) 2,000 metric tons of standard coal have been transferred from the electrical manufacturing industry to electric glass in order to increase the export of electric light bulbs.
- (2) 15,000 metric tons of standard coal have been transferred from electric power to gas for readjustment of utilities service.
- (3) 20,000 metric tons of substandard coal have been allocated to cement to blend with imported petroleum coke in order to improve the efficiency of operations and to produce higher quality cement for export.
- (4) 10,000 metric tons of substandard coal for alcoholic beverages in order to utilize excess stocks of sweet potatoes.
- (5) 13,000 metric tons of substandard coal for the chemical industry to supplement previous standard coal allocations.

#### PRODUCTION OF COMMODITIES.

##### 1. Chemicals.

a. Chemical Fertilizers. Because of the critical power shortage in Hokkaido, the only ammonium sulfate plant in the area and the one calcium cyanamide factory have had to suspend operations. No production of either type chemical fertilizer in Hokkaido is anticipated for January. The allocation of power was reduced to the point that only sufficient electricity is being made available to operate maintenance equipment.



(Production of Commodities -- cont'd)

b. Caustic Soda. 15,200 MT of solid caustic soda were exported in the calendar year 1948. This represents about 14% of domestic production for the year. Previous net export of caustic soda reached a maximum of 24,300 MT in 1939, which, however, was only 6% of domestic production. Prospects for future exports of caustic soda are dependent upon several factors, such as the world supply and demand situation and the availability of coal.

c. Industrial Explosives. Authorization for manufacture and use of 20,915 MT of industrial explosives during the calendar year 1949 has recently been approved by SCAP. This represents an 11% increase over the amount authorized for the calendar year 1948. Principal types of explosives to be manufactured are gelatin dynamite and Hagi dynamite, ammonia dynamite and ammonium nitrate explosives and carlit. The authorization was based on the following uses:

- (1) Mining industries: 40,000,000 MT of coal  
3,500,000 MT of lignite  
9,400,000 MT of metal ore  
10,000,000 MT of non-metal ores
- (2) Public works: road construction, river improvement, tunnels, erosion control
- (3) Civil works: harbor development, quarry
- (4) Forestry and agriculture: forest roads, embankments, stump removal, pest extermination, irrigation, land reclamation
- (5) Other miscellaneous uses.

d. Sheet Glass. Allocations of window glass for schools in 1948 were 224,500 cases, each equivalent to 100 square feet of 2 mm glass. Of this amount 145,900 cases consisted of so-called "Ginsen" glass, which has a special pattern and can be used for schools only. Production of Ginsen glass during 1948 was more than sufficient to fill allocations, as it reached 158,000 cases. At the end of 1948, factory stocks were 26,500 cases, and dealers' stocks were estimated at 21,500 cases. The quantity that reached the schools was thus approximately 110,000 cases, or only 75% of the total Ginsen glass allocation. It is difficult to determine how much of the allocation of ordinary glass reached the schools. Allocated Ginsen glass which has not been purchased amounts to 35,900 cases. Many schools in need of glass have tickets but lack the funds, while other schools, mostly private institutions, have enough money but lack the tickets.

2. Consumer Goods and Miscellaneous.

a. Reed Organs. Output of reed organs has made great gains in the postwar period. Monthly averages were 177, 218 and 464 during 1946, 1947 and 1948 respectively. November 1948 output by the four manufacturers totaled 631 organs.



(Production of commodities -- cont'd)

b. Rubber Goods. The largest tire rebuilding and recapping company in Japan has installed new equipment to remake Army Surplus vehicle tires. Several large size tires had been produced in very small quantities in Japan prior to 1948. The present urgent need for these sizes will be met by this new plant which can recap about 3,750 per month.

c. Processed Foods. First shipment of 9,500 MT of corn arrived at Yokohama on 12 January 1949. This material will be milled at plants in the vicinity of Yokohama. Later shipments will be distributed among plants which are located near other port cities throughout Japan.

### 3. Machinery and Equipment.

a. Automotive Equipment. Automotive wood gas generator production has witnessed a steady increase with 2,285 produced in November, as compared to 1,662 in October and only 554 in July. This increase in output is attributed to the fact that the Japanese Government is encouraging the manufacture of wood burners to replace charcoal burners, due to the greater fuel economy and efficiency of the former. It is the desire and plan of the Japanese Government to eventually replace most of the present charcoal burners by wood gas generators for trucks and buses.

b. Mining Machinery. Production of coal mining machinery and equipment for the twelve month period 1 November 1947 - 31 October 1948 inclusive, totaled 6.2 billion yen.

c. Textile Machinery. December's production of cotton spinning machinery for export totaled 19,152 spindles.

### FACILITIES - VARIOUS

#### 1. Construction.

a. Investigation has shown that individuals who are desirous of building permanent homes have refrained from doing so in many cases because of the fact that the present 15 tsubo limit does not permit the incorporation of certain traditional features which are an integral part of homes built before the war. The 15 tsubo limit, however, has and will continue to be the basic limit of size, but certain allowances for larger construction according to individual family need will be considered in the future issuance of building permits.

b. Studies are now underway by the Japanese Government to determine new building policies in respect to housing standards and sizes. In contrast to the United States, which has experienced a considerable amount of medium and above average priced house construction, Japan has limited the size of dwellings and concentrated on low cost housing.



(Facilities - Various — cont'd)

2. Shipbuilding. Permission was granted for the conversion of one semi-cargo vessel, the "Kajo Maru", of approximately 383 gross tons, to a cargo vessel of 350 gross tons. This vessel, originally designed and operated as a coastal passenger ship, hit a mine, sank and was salvaged about 1 October 1948 by present owners who intend to use it to carry coal from mines in Kyushu to Osaka and Kobe Area.

3. Public Utilities.

a. Electric Power. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline toward the winter dry season, being 169% of the past ten year average for the same period, and 86% of the streamflow of the preceding week. Thermal generation was 250% of the preceding week and 37% of the past nine year average.

Of the 327,150 MT of coal allocation for January 1949 to the Japan Electric Generation and Transmission Company for all Japan, only 24,027 MT had been received by 6 January. With 19.4% of the monthly period elapsed, only 7.38% of the allocation had been received.

b. Gas. In executing the coordinated household fuel program established by ESB with particular emphasis on winter operations which provide for extended gas service to relieve some of the load on the electric power system, repairing of leaks in gas mains has been more effective and gas explosions in mains and in consumer establishments have been greatly reduced by maintaining pressure in mains in outlying areas for longer periods.

W. S. Vaughan  
Chief, Industry Division  
ESS



GENERAL HEADQUARTERS  
 SUPREME COMMANDER FOR THE ALLIED POWERS  
 Economic and Scientific Section  
 Industry Division

8 January 1949

CONSOLIDATED WEEKLY OPERATIONS REPORT

REPORT NUMBER 1, VOLUME 2

COAL (Production)

1. Coal production for the third ten-day period of December 1948, totaled 1,130,800 tons, which is 95.9% of the planned quota of 1,179,300 tons. Total production for the month of December 1948 was 3,196,200 or 95.7% of the planned quota of 3,341,500 tons.

2. Production by districts for the third ten-day period of December 1948 and for the month of December 1948, was as follows: (Unit 1,000 MT)\*

District	<u>3rd 10 days Dec. 48</u>			<u>Month of Dec. 48</u>		
	<u>Goal</u>	<u>Production</u>	<u>Percent</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	352.5	305.2	86.6	996.0	863.7	86.7
E. Honshu	105.3	116.0	110.2	299.4	303.4	101.3
W. Honshu	83.1	94.7	114.0	259.4	280.0	107.9
Kyushu	<u>638.4</u>	<u>614.9</u>	<u>96.3</u>	<u>1,786.7</u>	<u>1,749.1</u>	<u>97.9</u>
Total	1,179.3	1,130.8	95.9	3,341.5	3,196.2	95.7

\* Figures are preliminary and include estimates.

3. The 95.7% production rate for the month of December was slightly higher than that accomplished during the month of November. However, the production losses during the month were estimated to be 145,300 tons. During the first 9 months of the 1948-49 Fiscal Year, the Japanese failed to meet the 36,000,000 tons production goal, and the total losses to 1 January 1949 amounted to 1,044,800 metric tons. Under terms of the new wage agreement, which provide for increased wages based on increased production per miner, it will be possible to make up a major part of the accumulated losses which occurred prior to 1 January 1949.

4. The low production rate of Hokkaido continues to pull down the national average. It is noted that the production rate in this district for December was 86.7%, or 9% below that of the total for all of Japan.

RAW MATERIALS

1. Ferrous Metals. Iron and Steel

a. Preliminary reports for December show production at the Yawata Plant of the Nippon Seitetsu K.K. totaled 40,340 tons of pig iron, 64,376 tons



(Raw Materials — cont'd)

of steel ingot, and 45,694 tons of rolled steel, all postwar highs. Preliminary production reports received from Kamaishi Plant, Nippon Seitetsu K.K., also show postwar highs in the production of 14,206 tons of pig iron and 10,034 tons of steel ingot. At the Kawasaki Plant of Nippon Kokan, preliminary reports show a new postwar record was reached in the production of 17,000 tons of pig iron and 18,049 tons of steel ingot.

b. Production of the Tobata Strip Mill, Nippon Seitetsu K.K., has averaged 290 tons per turn for the month of December. This represents an increase of 100% in production that is largely attributable to the assistance rendered mill technicians by the U. S. rolling mill expert.

c. 500 metric tons of pig iron have been made available for the production of cast iron pipe for export during 4th quarter Japanese Fiscal Year 1948. This will represent the first export of cast iron pipe since the end of the war.

2. Non-Metallic Materials. Petroleum Products. Allocation of petroleum products to the category Mining and Industry for the month of January totaled 39,491.5 kiloliters, of which 1,333 were for export production, the balance of allocation being for domestic purposes. The allocations for January are generally the same as those for December and it is contemplated that they will be same for February. The total, 39,491.5 kiloliters, is broken down as follows:

	<u>Domestic</u>	<u>Export</u>	<u>Total</u>
Gasoline	1,914	205	2,119
Kerosene	858	98	956
Diesel Oil	3,003	330	3,333
Gas Oil	1,178	95	1,273
Fuel Oil	24,179	10	24,189
Lube Oil	4,931	487	5,418
Grease	709	0	709
Wax	91.5	23	114.5
Asphalt	1,295	85	1,380
Total	38,158.5	1,333	39,491.5

PRODUCTION OF COMMODITIES.

1. Chemicals.

a. Chemical Fertilizers. As a result of the unexpected availability of electric power, production of ammonium sulfate was accelerated during the latter part of December. It is estimated that 78,000 metric tons were produced during the month, exceeding the production plan of 72,000 metric tons. ... The Japanese Government is currently experimenting with direct application of liquid ammonia solutions to the soil for the purpose of releasing nitrogen to improve crop production. Present methods of application are crude; however,



(Production of Commodities--cont'd)

improvement is expected from use of technical information received on this method, as practiced in several parts of the United States. Should results of the tests prove practical and economical, it is entirely possible that considerable quantities of sulfuric acid and, correspondingly, of pyrites can be saved which otherwise might be consumed for ammonium sulfate production.

b. Dyes. In November 1948, 82 different dyes were produced in 42 plants of 37 companies, while in October 74 dyes were produced in 49 plants of 41 companies. November production included six dyes produced for the first time since the beginning of the Occupation. November production also included the largest total number of colors and the largest number of new colors in any postwar month, as well as the postwar high in tonnage--633 metric tons. The average value for all dyes was approximately ¥595,000 per metric ton.

c. Glassware and Sheet Glass. In 10 of the 13 glass factories with continuous furnaces, labor and management agreed to draw glass during the New Year holidays, thus avoiding the waste of 900 MT of coal required to maintain heat if the glass machines were not operating. This was done in accordance with the appeal of SCAP to conserve critical raw materials. In the three other plants, labor refused to cooperate, and the result was the waste of 50 metric tons of coal... December sheet glass production amounted to 215,550 cases, each equivalent to 100 sq. ft. of 2 mm. glass. This is a new peak since the beginning of the Occupation and compares with 177,584 cases during November. The increase is due to operation of six furnaces during part of December. A drop is expected in January because two furnaces will be closed for periodic repairs... Total production during 1948 was 1,714,450 cases, compared with 1,176,100 cases in 1947. This is 50% of 1936 production, which was 3,395,000 cases.

d. Refractories. Shipments of Iwate clay totaled 7,500 MT during the October-December quarter. This is 500 metric tons below the required goal. As a result of the September floods, railroads were damaged and long truck hauls were necessary. The hiring of sufficient trucks was not possible due to lack of funds.

2. Machinery and Equipment.

a. Automotive Equipment. Recent performance tests, made by the Society of Automotive Engineers of Japan, on three-wheeled trucks show a marked improvement in gasoline economy. The consumption rate now is 43 miles per gallon, compared with the 30 miles per gallon average during June 1947. This improved economy is the result of better engine performance due to increased engine compression ratio, as well as improvement in carburetion, engine cooling and spark plugs.

b. Refrigeration Equipment. The U.S.S.R. recently ordered five ice plants with a capacity of 15 tons each, and one plant with a capacity of five tons. These ice plants will have ammonia gas generating systems with semi-Diesel engines. Total value of these plants will be approximately \$178,850.



## FACILITIES — VARIOUS.

1. Construction. Total completed construction of buildings in Japan during November 1948 was 46,386, which is a sharp drop from the October total of 56,913. Construction started was 47,498, and permits issued were 62,353 for the month of November. Further drop in housing construction is attributed to lack of money in the hands of individuals desiring to build.

### Summary of Building Construction for November 1948.

<u>Type of Building.</u>	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Residential	10,823	13,412	24,235
Combined Residential & Shop	6,952	1,847	8,799
Non-Residential	4,535	8,817	13,352
Total	22,310	24,076	46,386

## 2. Shipbuilding.

a. Permission was granted for conversion of one steel barge, the "Chosei Maru", to a 55 gross ton self-propelled oil carrier; and one 290 gross ton cargo vessel, the "Sumire Maru", to a cement carrier. The first is needed to transport an increased monthly oil allocation to the Japan Steel Tube Company from Tsurumi, and the second needs only installation of cement handling equipment in order to change it from a general cargo to a cement carrying cargo vessel.

b. Permission was also granted to reconstruct a 10,000 gross ton steel vessel, the "Fujisan Maru". This vessel was originally an oil tanker but at the close of the war was being converted to a cargo ship. Due to the present urgent need for vessels to transport oil from the Persian Gulf to Japan, it was deemed advisable to reconstruct subject vessel to original oil tanker type.

3. Public Utilities. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline toward the winter dry season, being 182% of the past ten-year average for the same period, and 103% of the streamflow of the preceding week. Thermal generation was 56% of the preceding week and 15% of the past nine-year average... Reserve power in public utility reservoirs for all Japan on 7 January, was 567,470 KWH, or 74% of full capacity. Last year, for the same period, reserve power was 66% of full capacity.

W. S. VAUGHAN  
Chief, Industry Division  
ESS



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GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Industry Division

31 December 1948

CONSOLIDATED WEEKLY OPERATIONS REPORT

NUMBER 39

COAL (Production)

1. Revised figures received from Japanese Coal Board on 26 December 1948 indicate a total production for the second ten-day period of December of 1,048,400 tons or an increase of 17,900 tons over preliminary figures contained in last week's report. This was 100.9% of quota.

2. Production by districts for the second ten-day period of December 1948 was as follows: (Unit 1,000 metric tons)

<u>District</u>	<u>Goal</u>	<u>Production</u>	<u>Percent</u>
Hokkaido	320.0	290.6*	90.8*
E. Honshu	94.2	92.4	98.1
W. Honshu	82.9	94.9*	114.3*
Kyushu	542.1	570.5*	105.2*
Total	1,039.2	1,048.4*	100.9*

\*Indicates a change from preliminary figures issued in the 23rd December report.

3. A new wage agreement which ties increased wages to increased production was formally signed 27 December 1948 between the coal mine unions and operators. This contract is retroactive from 1 October 1948, and terminates 31 March 1949.

4. A concentrated drive is being made to recover, before the end of the fiscal year, the 918,000 tons of lost production which occurred during the first eight months of the 1948-49 fiscal year.

RAW MATERIALS.

1. Ferrous metals.

a. Rolled Steel. An additional 7,200 metric tons of rolled steel products have been made available for export. This brings the total allocation for ordinary rolled steel for export to 240,000 metric tons for the 1948 Japanese fiscal year, which is in accordance with export plans developed early in the calendar year 1948.

b. Magnesia Clinker. Approximately 6,300 tons of magnesia clinker are being imported from Hamburg, Germany and are expected to arrive 10 February



(Raw Material--cont'd)

1949. The use of this vital material for linings of open hearth furnaces will greatly increase efficiency of operations and decrease fuel consumption.

c. Pig Iron. A shipment of approximately 10,000 tons of pig iron has left Trieste, and is due in Japan in February. Arrival of this shipment will partially relieve the present serious shortage of pig iron.

2. Non-Ferrous Metals. The estimated production of non-ferrous metals for the 1949 JFY is being compiled and it is expected that there will be certain increases depending upon availability of power and fuel. Tin production is expected to increase approximately 100% due to the removal of price control, and increased technical efficiency.

3. Non-Metallic Materials.

a. Rubber. November crude rubber consumption was 1,621.5 metric tons as compared to 2,415 metric tons in October. Consumption of latex was 24 MT against 28 MT in October. 2,042.5 tons of crude rubber were imported in November and the balance of stocks at the end of the month was 3,357.8 tons. Decreased consumption was due to very low imports of rubber in October, 402 MT.

b. Petroleum. The plan of production for December for six petroleum refineries in the indigenous crude producing area indicates that 17,440 kiloliters of crude oil and 437 kiloliters of semi-finished products will be processed during the current month. The expected yields of finished products are as follows: Gasoline 1,542 kl, Kerosene 2,984 kl, Gas Oil 728 kl, Diesel Oil 2,373 kl, Fuel Oil 2,748 kl, Lube Oil 3,798 kl, and others 2,213 kl.

Allocation of petroleum products to mining and industry for the month of January, excluding those for export production, compared to December allocation, is as follows:

	<u>December</u>	<u>January</u>
	(Kiloliters)	
Gasoline	1800	1914
Kerosene	931	858
Gas Oil	1102	1178
Diesel Oil	3057	3003
Fuel Oil	23379	24179
Lube Oil	6529	4931
Grease	843	709
Wax )		91.5
Asphalt)	1294	1295
Total	38,935	38,158.5

PRODUCTION OF COMMODITIES.

1. Chemicals.

a. Chemical Fertilizer. Seasonal decrease in power supply has



(Production of Commodities—cont'd)

adversely affected chemical fertilizer production. Several plants employing electrolytic processes have either decreased production or suspended operation completely.

b. Sulfuric Acid. Production of acid decreased sharply as several large producers exhausted their stocks of pyrites as a result of the recent sea shipping strike. While rail shipment was temporarily substituted for ocean transportation, available rail cars were insufficient to deliver normal required tonnage of ore.

c. Glassware. Manufacturers of thermos bottles produced 155,000 pieces for export during November. This decrease of 20,000 from October, is due to scarcity of lacquers for finishing the cases.

2. Consumer Goods and Miscellaneous. Matches. The manufacture of matches for export has been re-established on the export program beginning January 1949, at an initial rate of 1,000 match tons (7,200 full size boxes equals one match ton) per month which is likely to be revised in the future. The need for emphasis on marketable quality of matches has been recognized by the industry... Current production of matches has reached a level of 240,000 match tons per year, which is necessary to satisfy domestic demands. Present capacity is set at 300,000 match tons.

3. Machinery and Equipment.

a. Electric Equipment. During the months of July, August and September, the 42 companies participating in the power rehabilitation program repaired ¥573,288,400 worth of electrical equipment using 5,700 tons of coal, 3,700 tons of coke, 4,800 tons of steel and 2,200 tons of pig iron.

b. Precision Bearings. November production was the highest in any month since the beginning of the Occupation. During this period 729,483 bearings were manufactured representing a value of ¥144,853,146. Increased demand from abroad, especially from India, has been a factor contributing to the bright outlook for this industry.

c. Automotive Equipment. Steady increase in standard size truck production continues with 1,726 units produced in November. This approximates the average monthly output of 1,738 during 1944 which is well above the 1938 monthly average of 1,421 units... With 1,852 three-wheel trucks produced during November, these manufacturers attained the highest output in the automotive field since the resumption of industrial activity after the war. It is noteworthy that present production well exceeds the highest pre-war monthly average of 1,333 during 1938.

FACILITIES--VARIOUS.

1. Construction.

a. During the past week 3,000 tons of cement were released for the



(Facilities--Various cont'd)

construction of drainage ditches in 138 locations throughout Japan, and for repair of 1,019 public wells.

b. The seven-year plan for construction of the large Ogochi Dam is under way, which is to become the chief source for water supply in metropolitan Tokyo. The program consists of construction of a field office, machine repair shops, and laboratory for testing concrete. A road leading to the site has been repaired and the excavation for the dam site is being cleared of debris washed in by recent floods. Cableway hoists for conveying materials to and from the concrete mixing plant are being installed.

c. Coal Miners Housing.

	<u>Units Authorized</u>	<u>Units Completed</u>
New Housing	20,469	8,273
New Dormitories	270	74
New Welfare Facilities	1,677	781
Repairs (All type units)	15,593	10,948

Proportion of total work completed on the above program according to regions is as follows:

	<u>Completed</u>
Joban	45%
Hokkaido	70%
Yamaguchi	63%
Kyushu	58%

Proportion of total for Japan -- 63% completed.

2. Shipbuilding.

a. Permission was granted for conversion of the following vessels: One ex-naval steel craft, the "Nagasaki Maru", to be converted to a 785 gross ton cargo-passenger vessel. This craft has been released by ComNavFe to the Japanese Home Ministry for use in any peaceful service and investigation indicated that it can be well utilized as a semi-cargo type. Nineteen steel 2E-type cargo vessels of 873 gross tons each to be converted from semi-diesel to coal-burners. Investigation indicated this change would increase economy of operation from a standpoint of both repairs and fuel availability. One small steel ferry, the "Choko Maru", to be converted to a 19-gross ton oil barge needed for service in and around Nagasaki Harbor. Two steel fish carriers of 98 gross tons each and one fish carrier of 157 gross tons to be converted to tuna vessels; changes were deemed necessary in order to increase the efficiency of the fishing fleet.

b. Permission also was granted for construction of the following vessels: Four small steel oil tankers, ranging from 22 to 165 gross tons, needed for servicing of fishing fleets. Two steel floating loaders of 150



Facilities-Various construction

gross tons each, to be used to expedite loading of coal in the Port of Wakamatsu. Six steel fishing vessels ranging from 135 to 320 gross tons each, which will replace old vessels of the fishing fleets during 1949.

c. The 1,500 gross ton steel cable laying ship, "Chiyoda Maru", completed at the Mitsubishi Shipyard, Yokohama, was delivered to the Japanese Ministry of Communications on 22 December 1948. The "Tenyo Maru", a 3,500 gross ton refrigerator vessel constructed at the Kawasaki Shipyard, Kobe, was delivered to the owner on 13 December 1948. The 3,000 gross ton steel cargo ship, "Shinsei Maru No. 1", under construction at the Hitachi Shipyard, Sakurajima, was launched on 19 December 1948. A representative of the Shipyard Industries Unit, CSU Branch, ESS/IND., attended the delivery ceremony of the "Chiyoda Maru", mentioned above.

### 3. Public Utilities.

a. Natural streamflow throughout Japan continued relatively high when the normal trend is a seasonal decline toward the winter dry season, being 147% of the past ten-year average for the same period, and 124% of the streamflow of the preceding week. Thermal generation was 54% of the preceding week and 33% of the past nine-year average.

b. Of the 250,862 metric tons of coal allocation for December to the Japan Electric Generation and Transmission Company for all Japan only 120,477 metric tons had been received by 26 December. With 86.5% of the monthly period elapsed, only 48% of the allocation had been received.

W. S. VAUGHAN  
Chief, Industry Division  
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