DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

THE NATIONAL ARCHIVES OF THE UNITED STATES

GHQ/SCAP Records(RG 331)
Description of contents

(1) Box no. 3353

(2) Folder title/number: (9)
110.4

(3) Date: Dec. 1945 - Dec. 1946

(4) Subject:

Classification	Type of record
621	S

(5) Item description and comment:

(6) Reproduction: (Yes) No

(7) Film no. Sheet no.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

LIBRARY
SRS

ECONOMIC SERIES: 93 (Continued)

ITEM 2 Basic Commodity Production Still In a Depressed State - Nippon Sangyo Keizai - 19 Dec 45. Translator: Y. Murata.

110.4

Extracts:

According to the statistics issued for staple commodity production during the period July to October 1945, by Commerce and Industry Ministry on 18 December, the following conclusions can be drawn as to the actual results of this production. However, black market merchandise is disregarded. The statistics were based on investigations conducted by various control associations. Total amount of production is believed to be somewhat greated than the estimated amounts.

1. The general reason for the industrial depression is the slowness of industrial recovery and a serious shortage of labor, coal, and other materials.

2. The conspicuous phenomenon in the period form July to October is a prompt reconversion of special steel products industries to production of civilian goods. These include the production of items made from pulp, motor cars, bicycles, trucks, and kettles.

3. The chemical industry is not in a favorable condition because of the poor production of coal and iron ore.

4. The production of rayon, rayon pulp, special pulps, ammonium sulphate, nitro-lime, leather, shoes, and kettles increased considerably since October.

Among the goods whose production had been small during the war and remains so, are: AP pulp, industrial paper, soda ash, caustic soda, cement for miscellaneous uses, fatty acid, absolute alcohol, pig iron, kerosent, volatile oil, light oil, heavy oil, motors, transformers, farming tools, rubber soled TABI (TN: Japanese shoes.), needles, wire, gas, and electricity.

The following chart show production of commodities by months.

STAPLE COMMODITY PRODUCTION

Item	Unit	JULY	AUGUST	SEPTEMBER	OCTOBER
Cotton yarn	bales	0,680 (TN: Sic)	5,433	4,347	4,951
Rayon yarn	pounds	196,700	158,102	67,170	240,890
Staple fiber	pounds	1,509,248	445,727	471,100	937,900
Rayon pulp	tons	1,409	318	600	638
S.P. pulp	tons	1,378	1,919	3,976	4,898
G.P. pulp	"	4,866	4,055	8,359	10,005
K.P. pulp	"	63	16	185	386
A.P. pulp	"	37	34	28	11
Paper	100 pounds	12,027	6,583	9,886	14,661

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 93 (Continued)

ITEM 2 (Continued)

(Continued)

Item	Unit	JULY	AUGUST	SEPTEMBER	OCTOBER
Industrial paper	100 pounds	231	—	84	0
Ammonium sulphate	tons	9,477	4,474	5,898	12,100
Nitro-lime	"	5,566	2,688	3,452	5,638
Monopoly salt	"	14,292	20,168	24,863	25,300
Table salt	"	600	2,004	4,073	2,100
Industrial salt	"	0	0	0	0
Soda ash	"	2,100	1,000	0	143
Caustic soda	"	4,000	1,600	100	500
Cement	"	93,904	38,901	36,600	37,700
Cement for miscellaneous use	"	1,155	260	280	35
Carbide	"	13,784	7,648	4,943	6,358
Fatty acids	"	622	386	246	238
Absolute alcohol	Kiloliters	6,927	2,556	0	0
Alcohol	"	12,530	6,762	0	761
Hides	tons	350	280	270	300
Leather goods	"	251		142	117
Tires and tubes for motorcars	"	80	50	206	
Tires and tubes for bicycles	"	60	30	228	
Pig iron	"	53,339	15,211	9,467	9,568
Ingots	"	77,187	19,056	4,159	
Steel	"	44,775	5,253	3,352	4,737
Special steel	"	15,000	35,000	0	0
Copper	"	2,229	567	200	604
Lead	"	1,701	627	183	585
Zinc	"	1,917	566	185	553
Mercury	"	14,270	10,487	3,776	

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 93 (Continued)

ITEM 2 (Continued)

(Continued)

Item	Unit	JULY	AUGUST	SEPTEMBER	OCTOBER
Aluminum	tons		6,000		
Coal	1000 tons	2,712	1,700	903	545
Coalite	" "	110,000	92,500	83,927	88,810
Crude oil	Kiloliters	22,570	21,020	20,546	22,299
Processed crude oil	"	28,555	16,649	13,255	16,100
Refined Volatile oil	"	3,543	2,336	2,552	2,995
Kerosene	"	6,066	2,918	2,586	1,343
Light oil	"	1,641	917	654	1,100
B heavy oil	"	3,599	2,736	4,123	3,387
C heavy oil	"	307	230	0	0
Trucks		239	187	104	573
Bicycles			1,214		
Motors		9,702	0	0	
Transformers		3,000	0	0	
Radio Receivers	Sets	0	0	0	
Vacuum tubes	1000 yen	41,666	41,200	40,000	38,000
Electric lamps	per unit	370,000	183,000	349,000	226,000
Boiler	" "	0	0	0	0
Internal Combustion engines	" "	0	0	0	0
Farming tools	1000 yen	2,960	2,832	4,842	1,958
Wood working machines	1000 yen	2,000	1,000	500	1,200
Spinning machines	per unit	0	0	0	0
Weaving machines	" "	0	0	0	0
Pans	" "				400,000
Iron pots	" "				40,000
Kettles	" "				
Needles	" "				

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 93 (Continued)

ITEM 2 (Continued)

(Continued)

Item	Unit	JULY	AUGUST	SEPTEMBER	OCTOBER
Shoes	pairs	0	0	0	35,000
Rubber-soled TABU	"	1,802	1,100	671	
Soap	tons	420	25	77	45
Nails	"	1,730	1,250	300	100
Zinc plate	"	250	118	200	211
Shovels	"	45	82	140	45
Pick axes, and hammers	"	40	26	15	35
Pipes	"	0	0	0	100
Electric wire	"	940			
Gas	100 C.M	43,065	25,460	21,549	22,186
Electric power (Water)	1000 KWH	1,746,500	1,285,800	1,055,000	1,204,696
Electric power (Coal)	" "	53,400	24,700	9,200	368
Total Electric power	" "	1,979,900	1,310,500	1,064,200	1,205,064

931.6-444 21 Dec 45

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 1806 DATE: 13 Mar 46

ECONOMIC SERIES: 425

ITEM 1 Conditions of the Major Industries -- Jiji Shimpo - 11 Mar 46.
Translator: S. Kinoshita.

110.4

Summary:

Now that the currency and price control measures are in operation, the Government's anti-inflation policy has arrived at its second stage. Following these measures, a new step should be taken for speedy progress in production, upon which the success of the Government policy chiefly depends. Should the Government policy not succeed, there will surely arise a financial crisis which will be difficult to remedy. So the Government is urged to take drastic steps to increase production, at the same time, the wholehearted co-operation of the people is solicited. The following is a brief survey we have made on present conditions and the outlook for important industry.

(1) Coal:

There has been a gradual increase in the output of coal, since last November when a record low of 519,000 tons was reached. The output was about 840,000 tons - last December, about 1,187,000 tons in January, and about 1,340,000 tons in February. The March supply is expected to be about 1,620,000 tons that will be enough to meet the present requirements of such important industries as railways, fertilizer, and salt production. Thus, although it seems that the coal shortage is being alleviated, we cannot entertain optimism for the future.

The increased output can be attributed mainly to the increase in the number of coal miners employed. The increase in the proportion of working miners to idle ones is due to special food rations and improved treatment. However, it will be difficult to maintain this proportion if the food supply is not drastically improved.

What matters most is the decrease in productivity. The monthly output, per miner, was 4.28 tons in September; 4.12 tons in October; 3.81 tons in November; 5.25 tons in December; 6.06 tons in January; and 5.88 tons in February. It does not equal even 40 per cent of the average of 14.9 tons per miner reached in 1939. It is pointed out that this decrease is caused by a greater unwillingness of the miners to work, the food shortage, and the increase of the proportion of unskilled workmen to skilled ones. However, the fundamental reason is the unsatisfactory policy taken by the Government toward the coal mines during war. Unless a drastic change of the Government's attitude towards the coal industry takes place, there is no hope of any further progress.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 425 (Continued)

ITEM 1 (Continued)

(2) Steel and Iron:

The average output of pig-iron in JAPAN was 27,000 tons monthly in 1939; in 1942 it increased to 28,000 tons. Subsequently it began to dwindle. In 1944, it fell to 24,000 tons; in the first half of 1945, to 13000 tons; last September, to 9,400 tons; and last January, to 7,500 tons. This decrease was due mainly to the shortage of coal. The quota of coal for January was 42,000 tons; for February, 56,000 tons; and for March, 83,000 tons. The supply is hardly enough to keep iron production at its present level.

In view of the great part steel and iron must play in rebuilding peaceful JAPAN, their increased production should be pushed through at any cost; for this purpose, the utilization of scrap iron is highly recommended. At present, there are stock piles of scrap iron amounting to about 3,000,000 tons; this is enough to produce about 2,500,000 tons of iron. A 300,000 tons monthly supply of coal is required to produce this amount. The Government is urged to make a sufficient supply of coal available to this industry.

(3) Fertilizer:

For many reasons, the production of ammonium sulphate has been steadily decreasing since the 1941 peak of 1,131,000 metric tons annually. At the time immediately prior to the end of the war, it was only about 20,000 metric tons monthly.

The annual output during the four years since 1941 is as follows:

1941	1,131,000	metric tons
1942	963,000	" "
1943	835,000	" "
1944	544,000	" "

The output in 1945, and the beginning of this year, is as follows:

April / June	1945	60,000	metric tons
July	"	9,368	" "
August	"	3,912	" "
September	"	5,300	" "
October	"	12,927	" "
November	"	14,632	" "
December	"	15,431	" "
January	1946	21,147	" "
February	" (approximately)	23,000	" "

The decrease in last year's production was largely due to the air raids, in which almost all ammonium sulpahte plants were destroyed. It is obvious that the current depression in this industry is also attributable to a shortage of coal, as well as other raw materials. However, it must not be overlooked that the biggest factor of the depression is the abnormally large difference between the official selling price and the actual production cost. The selling price is set at 600 yen per ton by the Ministry of Agriculture and Forestry; while the production cost of even the most efficient plants is 790 yen per metric ton, resulting in a loss of 190 yen per ton.

Production during the coming three years is scheduled as follows:

1946	700,000	metric tons
1947	1,400,000	" "
1948	1,650,000	" "

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

If these quotas are met, the 1941 peak will be surpassed. However, unless the output of nitrolime is increased at the same time, the total supply of fertilizer will not be enough to meet the requirements of the whole country, which amount to 1,952,000 tons. All of the 14 ammonium sulphate plants have resumed operation, but only a few of them are operating at full capacity.

(4) Vehicles:

In 1939, production of railway rolling stock was 8,699, including 337 steam locomotives, 3 electric locomotives, 448 passenger cars and 7911 freight cars. In 1940 it increased to 10,531, including 361 steam locomotives, 16 electric locomotives, 448 passenger cars and 9,706 freight cars. Production during the subsequent years is as follows:

1941	5,521
1942	4,997
1943	6,009
1944	6,399
1945	unknown

Rolling stock damaged during the war totaled 13,239, including 852 steam engines, 39 electric locomotives, 2,228 passenger cars, 9,557 freight cars and 563 others.

According to the Transportation Ministry's plan, the manufacture of 310 steam engine, 86 electric locomotives, 1,200 passenger cars, and 2,100 freight cars is scheduled for 1946. However, it would be very difficult to meet this schedule because of shortage of electric motors and other necessary materials such as coal, coke and carbide.

(5) Spinning:

Undamaged production facilities are, at present, only about 3,500,000 spindles, of which about 800,000 spindles are not operating. The figures are less than 10 per cent of the pre-war level. However, the facilities are enough to handle the 450,000 tons of raw cotton which are reported to be imported in the near future.

labor is the most important problem. The manufacturers are now endeavoring to collect young people who will graduate from primary schools this spring. Looking to the future, the industrialists are expecting to supply large quantities of goods to the countries of the Far East.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 3 Endeavor for Increased Production to be Made by Labor Unions - Mainichi Shimbun - 5 Apr 46. - Translator: T. Kitagawa.

110.41

Summary:

The major problem we are facing now is the increase of industrial production. It is not the legal problem of deciding who, capitalists or workers, - should administer production.

In spite of the industrialists and capitalists struggle to overthrow workers from administration, plants in practically every industry have entered into the stage of workers administrations of procudtion.

The reasons the workers have gained a firm footing in production are:

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 3 (Continued)

(1) Unions belonging to independent factories have developed into national industrial units;

(2) This development in the construction of the union resulted favorably for them in coping with many bottlenecks of finance, raw material and marketing.

The factories where the administration of production is carried on by workers with success are as follows:

(1) Metal industry: Iron Works at TSURUMI, JAPAN Steel Pipe (NIPPON KOKAN TSURUMI SEITETS-Jo), TOHOKU Dock, Oriental Valve (TOYO BARUBU), YOKOHAMA Electric Wire (YOKOHAMA DENSEN), and KANEKO Iron Works (KANEKO SEITETSU-Jo).

(2) Chemical industry: ONODA Cement (ONODA SEMENTO), Aquatic chemicals (SUISAN KAGAKU), TOYAMA Plant at NISSAN (NISSAN KAGAKU, TOYAMA KOJO, JAPAN Shoe Making Co (NIPPON SEIKA), TOKYO OPTICS (TOKYO KOGAKU) JAPAN Fodder (NIPPON SHIRYO), and Imperial Aquatic (NIPPON SUISAN).

(3) Machine and tool industry: ADACHI plant of HITACHI Precision Machine Company (HITACHI SEIKI ADACHI KOJO), NAGOYA plant of JAPAN Vehicle Manufacturing Corp. (NIPPON SHARYO NAGOYA KOJO), YOBE Plant of TOKYO SHIBAURA Works (TOKYO SHIBAURA, YORE KOJO), SHIRAKO Plant, and Railway Machines of HAYAMI Works (HAYAMI SEISAKU-JO SHIRAKO KOJO).

(4) Publishing business: YOMIURI HOCHI and Northern Times (HOKKAI TAIMUSU)

(5) Cotton Reel Industry: TSU Plant of KURASHIKI Industry (KURASHIKI KOGYO TSU KOJO)

(6) Wood works: SUWA Plant of JAPAN Small Size House, Corp.

(7) Electrical industry: KANTO Electric Distribution (KANTO HAIDEN)

(8) Mineral Industry: Mines at MIUTA of MITSUI and MITSUBISHI

(9) Miscellaneous: Central Hospital of JAPAN Red Cross, (NIPPON SEKIJUJI CHUO BYOIN), FURUKAWA Electric Works, (FURUKAWA DENKI).

As an example of successful workers' administration, let us consider the EDOGAWA Industrial Works (EDOGAWA KOGYO-SHO)

This factory, which has been manufacturing formalin metanol, and sheets of bakelite, has been under workers' management since 1 March.

The percentage of workers' attendance and production since 1 February, when the first application for workers' management was made, has been on the up grade as shown in Table No. 1, and No 2.

Table 1. Workers Attendance Rate

	Jan	Feb	Mar
First 10 days	83.6	92.3	93.1
Second 10 days	87.4	93.6	92.8
To the end of the month	91.6	94.6	91.5

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 524 (Continued)

ITEM 3 (Continued)

Table 2 Output of Formalin

	Before Workers Administration	After Workers Administration
Packing	360	430
Baskets	80	130
Roping	105	170

Output of Bakelite Sheets (in kilogram)

Fan	Feb	Mar
559	100	2,600

Daily Output of Metanol etc.

	Before Workers Administration (in pieces)	After Workers Administration
Boxes of glue packed ...	1,300	2,300
Output of bakelite	1.5 tons	3.5 tons

The Railway Machine Company persuaded the company's authorities to pay for materials for production.

TSURUMI Iron works of Japan Steel Pipe Company, which had ceased to manufacture iron due to the very slow circulation of capital, has begun the production of tin plate.

Production, having been bottlenecked by the lack of funds, negotiated, with success the borrowing of 500,000 yen at YOKOHAMA KOSHIN Bank. Though this became unnecessary because understanding between the employers and workers was reached, the facts show the current situation of labor unions. Who should receive the proceeds of sales?

Imperial Petroleum (TEIKOKU SEKIYU) is still under worker's administrations. The Government is reported not to favor the workers' administration of this industry, as was the case in the coal disputes sometime ago. Imperial Petroleum has roughly 7,000 employees, involving white collared men and technicians, who had established a federation.

So far three plants are under workers' management. These are in AKITA, HOKKAIDO and OMORI. The plant in AKITA is said to have increased production by 10 percent.

A New contract has to be made with KYODO KIGYO, since the old contract expired on 31 March. Whether the proceeds of sales will be paid to the union or to the company under the new contract is the question. Workers are said to be determined to walk out if it should be paid to the company.

TOKYO SHIBAURA labor union: The union of TOKYO SHIBAURA, which has been controlling production since 29 March, conceded that the payment might be deposited, but the Ministry of Transportation declared its apposition to the plan. The workers ceased the production of locomotives except those to be exported as collaterals to KOREA. They will form a united front with the union of the JAPAN coal company in fighting it out. Representatives from eight unions in addition to these two unions, held a meeting on 1 April in the convention room of the JAPAN Coal Company and decided to "Reopen production under workers control.

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

COPY

110.4

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 2403 DATE: 14 Apr 46

554

ECONOMIC SERIES:

ITEM 1 Plan of Production and Supply of Staple Commodities April to July Revealed by the Ministry of Commerce and Industry - Nippon Keizai Shimbun (Tokyo) - 13 Apr 46. Translator: T. Ukai.

Full Translation:

The plan of production and supply of staple commodities during the first three months of 1946 (April - July) has been revealed by the Ministry of Commerce and Industry as follows:

Supply and Distribution of Coal
According to Specified Areas and Industries

	HOKKAIDO	The East	The West	KYUSHU	Total
	1,000 metric tons	1,000 m. tons	1,000 m. tons	1,000 m. tons	1,000 m. tons
Supply					
Production	1,400.0	560.0	370.0	2,770.0	5,100.0
Release from Stock	120.0	-	60.0	200.0	380.0
Total	1,520.0	560.0	430.0	2,970.0	5,480.0
Transportation					
Between areas	(=) 576.0	(+) 1,100.6	351.0	(-) 1,375.6	-
Balanced Supply	944.0	1,660.6	1,281.0	1,594.4	5,480.0
Capacity	944.0	1,537.6	1,281.0	1,594.4	5,357.0
Allotment					

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

DATE: 14 Apr 46

No. 2403

554

ECONOMIC SERIES:

ITEM 1 Plan of Production and Supply of Staple Commodities April to July Revealed by the Ministry of Commerce and Industry - Nippon Keizai Shimbun (Tokyo) - 13 Apr 46. Translator: T. Ukai.

Full Translation:

The plan of production and supply of staple commodities during the first three months of 1946 (April - July) has been revealed by the Ministry of Commerce and Industry as follows:

Supply and Distribution of Coal
According to Specified Areas and Industries

Supply

1,000 metric tons	HOKKAIDO	The East	The West	KYUSHU	Total
		1,000 m. tons	1,000 m. tons	1,000 m. tons	1,000 m. tons
Production	1,400.0	560.0	370.0	2,770.0	5,100.0
Release from Stock	120.0	-	60.0	200.0	380.0
Total	1,520.0	560.0	430.0	2,970.0	5,480.0
Transportation					
Between areas	(-) 576.0	(+) 1,100.6	(+) 851.0	(-) 1,375.6	-
Balanced Supply Capacity	944.0	1,660.6	1,281.0	1,594.4	5,480.0
Allotment	944.0	1,537.6	1,281.0	1,594.4	5,357.0

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 554 (Continued)

ITEM 1 (Continued)

Distribution	HOKKAIDO 1,000 metric tons	The East 1,000 m. tons	The West 1,000 m. tons	KYUSHU 1,000 m. tons	Total 1,000 m. tons
For Coal mines	265.5	24.0	15.0	278.4	582.9
Occupation Army	16.1	23.0	13.6	13.3	66.0
Export	-	-	-	264.0	264.0
Transportation	279.0	912.9	556.5	307.5	2,055.9
Power (electric)	-	0.9	-	45.0	45.9
Gas and Coke	3.0	109.0	97.0	84.0	293.0
Steel	65.8	54.5	41.2	210.5	392.0
Mine refinery	1.5	7.9	7.1	1.5	18.0
Metal	0.6	10.5	11.9	1.5	24.5
Skip manufacture	3.0	30.3	23.6	6.9	63.8
Ceramics	12.6	68.1	44.7	42.9	168.3
Fertilizer	16.8	70.1	192.0	69.8	348.7
Chemicals	2.7	39.2	46.5	90.6	179.0
Liquid fuel	25.5	5.8	1.5	33.8	66.6
Textile	52.1	60.2	30.4	22.1	164.8
Salt (including industrial salt)	-	0.6	118.0	15.0	133.6
Foodstuffs	13.2	38.9	13.5	8.8	76.2
Government	3.0	15.9	15.6	5.5	40.0
Briquettes	-	47.8	45.1	10.3	103.2
Heating, etc.	120.0	-	-	50.0	170.0

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

(Continued)

DISTRIBUTION	HOKK-IDO 1,000 metric tons	The East 1,000 m. tons	The West 1,000 m. tons	KYUSHU 1,000 m. tons	Total 1,000 m. tons
Local use	43.5	18.0	6.0	33.0	100.5
Total	943.9	1,537.6	1,281.0 (sic)	1,594.4	5,356.9

Supply of Commodity according to items

		Itematized (Production	Stock on hand)
Steel and Iron:-			
Ordinary steel	95,000 metric tons	54,000 metric tons	41,000 metric tons
Secondary Steel Products	16,950 " "	15,900 " "	1,050 " "
Pig-iron	75,700 " "	46,000 " "	29,700 " "
Secondary Pig-iron Products	4,400 " "	4,050 " "	350 " "
Non Ferrous Items:-			
Electric copper	6,000 metric tons	4,000 metric tons	2,000 metric tons
Copper once used	6,000 " "	-	6,000 " "
Lead	7,000 " "	600 " "	6,400 " "
Electric Zinc	4,500 " "	1,300 " "	3,200 " "
Tin	700 " "	-	700 " "
Quick Silver	75,000 " "	7,000 " "	68,000 " "

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77505/5

Textiles:-

		Production	Stock on hand
Cotton Yarn	7,440 1,000 pounds	35,000 pounds	-
Wool cording	3,000 "	3,000 "	-
Spun wool	10,000 "	10,000 "	-
Staple fibre	3,140 "	3,140 "	-
Yarn	3,800 "	3,800 "	-
Flax	3,150 "	3,150 "	-
Total	30,530 "	30,530 "	-
Pulp for Yarn Manufacture	6,500 tons	4,500 tons	2,000 tons
" " Paper	54,000 "	34,000 "	20,000 "
Paper	36,700 1,000 pounds	36,700 1,000 pounds	-
Craft Paper	2,300 "	2,300 "	-
Paper for Newspapers	46,500 "	46,500 "	-
Chemicals:-			
Cement	230,000 metric tons	230,000 metric tons	-
Carbide	3,280 " "	3,280 " "	-
Plate-glass	200,000 cases	200,000 cases	-
Fat Acid	2,475 metric tons	2,475 metric tons	-

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 774505

Chemicals:- (Continued)		Production	Stock on hand
Alchohol	7,000 kilo litre	4,000 kilo litre	3,000 kilo litre
Ammonium Sulphate	135,000 metric tons	135,000 metric tons	-
Lime-Nitrogen	60,000 " "	60,000 " "	-
Pelts and Rubber:-			
Pelts	2,750 metric tons	2,750 metric tons	
Tannin	1,800 " "	200 metric tons	1,600 metric tons
Rubber, unfinished	5,000 " "	-	5,000 " "
" , reclaimed	1,500 " "	1,500 " "	--

Distribution:	Ordinary Steel metric tons	Cast-Iron m. tons	Copper (incl. copper once used and electric copper. m. tons	Lead m. tons	Textile pounds	Cement m. tons	Carbide m. tons	Plat-glass cases
Land Transportation Railway	15,000	4,500	700	650	700	6,000	450	7,000
Short Distance Transportation	3,500	800	100	190			50	-
Marine Transportation	7,000	3,500	900	370	500	1,000	510	-
Communication	1,530	300	200	1,000	250	2,000	-	1,500
Foodstuff	3,000	1,500	150	180	1,740	6,000	50	-
Construction	2,000	400	150	600	430	12,000	50	10,000

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77505/5

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDC NO. 77505/S

ECONOMIC SERIES: 554 (Continued)

ITEM 1 (Continued)

Distribution: (Continued)	Ordinary Steel metric tons	Cast-Iron metric tons	Copper (incl. copper once used and electric copper) L.C. tons	Lead m. tons	Textile 1,000 pound	Cement m. tons	Carbide m. tons	Plate-glass cases
Welfare								
Industry	31,500	7,300	1,350	1,700	550	33,000	1,500	60,000
Special machinery	4,000	2,500	1,400	1,000	-	-	-	-
Medicine	300	50	30	20	-	-	-	-
Commodities for daily use	600	1,000	100	40	17,320	-	-	-
Export	3,000	1,000	200	100	4,440	-	-	-
Others	850	150	120	250	-	2,000	3,220	46,500
Central Stock	2,320	1,700	600	400	4,610	153,000	300	55,000
Local "	3,000	1,000	500	-	-	15,000	350	20,000
General Manufacture	17,200	4,300	-	500	-	-	-	-
Total	95,000	32,000	6,500	7,000	30,530	230,000	3,280	200,000

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

COPY

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 3222 DATE: 31 May 46

ECONOMIC SERIES: 774

ITEM 1 Reopening of Production in the KANSAI Industrial World - Magazine: Tokyo Keizai Shimpo (Weekly) - 18 May 46 Issue. Translators: E. Kumata, T/5 Yonemitsu.

Full Translation:

A key to the solution of the major economic problems which face our country is to restore production to normalcy. Unfortunately, however, production is at an extremely low ebb. It may be safely said that a similar situation exists in the KANSAI industrial district. The productive power of the KANSAI district occupies an important position in the productive potential of our country. According to factory statistics of 1938, the amount produced in OSAKA, HYOGO and KYOTO prefectures was:

	OSAKA, HYOGO, KYOTO Prefs. (in millions of yen)	The Whole Country (in millions of yen)	Percentage of Nation's Production
Spinning & Weaving	898	3657	24.6 %
Metals	1487	4463	33.3 %
Machinery	1029	3589	28.7 %
Ceramics	102	421	24.2 %
Chemicals	853	3657	23.3 %
Lumber & Lumber Products	79	450	17.6 %
Printing & Bookbinding	73	265	27.5 %
Food	372	1753	21.3 %
Miscellaneous	231	689	33.5 %
Manufacturing Charges & Repairs	267	724	37.9 %
Total	5391	19668	27.4 %

Some changes may have occurred in the above-listed percentages during the war, but the fact remains that the KANSAI district played an important role in our wartime economy. Since the end of the war, however, most of the enormous industries of this district have fallen into a lethargic state. Nonetheless, the KANSAI district has recently started to show some

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

signs of vigor. The cotton spinning industry and other related industries are expected to be restored through the importation of raw cotton from the UNITED STATES, and the miscellaneous goods industry and various manufacturing industries are being revived to turn out commodities which are to be exchanged for imported goods. The wool industry also has bright prospects, because it has a large stock of wool on hand, and has the greatest chance next to the cotton industry, of being permitted to import raw materials.

The importance of the textile industry and the miscellaneous goods industry was greatly overshadowed by the rapid strides which the heavy industries made during the war. It would be, therefore, an unwarranted conclusion to say that as a result of the revival of these few industries, KANSAI industries will be restored to their former status. We have good reason, however, to believe that the restoration of these industries will serve as a stimulus to put in motion the bulky machinery of all industries in this district. In the following pages, we shall look at the staple industries of the KANSAI district.

The Cotton Spinning Industry

Since the importation of American raw cotton has been arranged through the United Nations, our cotton spinning industry is reviving swiftly. Toward the end of the war, the stock of raw cotton was almost gone and thus, the industry had a dreary future.

Of 340,000 tons of American raw cotton (560,000 bales) which was permitted to be imported, 60 percent is to be exported in the form of finished goods and the remaining 40 percent will be allotted for domestic consumption. The Ministry of Commerce and Industry has decided on the following methods of receiving imported raw cotton and of ordering and supplying finished goods to be exported.

A. Receiving Raw Cotton.

1. The Association for Buying Raw Cotton (MENKAKONYU KYOKAI) will receive the merchandise on behalf of the Trade Board and deliver it to cotton spinning mills.

B. Ordering and Supplying.

2. The Trade Board, working out a production plan, will give orders for cotton yarn and cloth through the Association for Buying Raw Cotton to cotton spinning mills.

2. Cotton spinning mills will deliver finished goods for export to the Union for Exporting Cotton, Yarn and Cloth, (MENSHIFU YUSHUTSU KUMIAI) and the latter will supply them to the Trade Board.

3. Cotton spinning mills with the approval of the Trade Board will deliver cotton yarn to textile manufacturers, and the latter, when they have finished the weaving, will deliver their goods through the Union for Exporting Cotton Yarn and Cloth, to the Board of Trade.

As far as the relations between specialist weavers and cotton spinning mills is concerned, the two bodies have recently held a meeting in which they have decided upon the ratio of cotton yarn to be allotted to cotton spinning mills with 25,000 looms, and specialist weavers with 13,000 looms, each qualified weaver having more than 200 looms.

Next, what measures are being taken in spinning raw cotton? During the war, the cotton spinning industry had to scrap its idle equipment because of a decrease in the supply of raw cotton, and in addition a considerable portion of its equipment was destroyed by air raids. Consequently, the pre-war supply of 13,780,000 spindles has been reduced to 2,860,000

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

spindles, of which only 2,700,000 are workable. As cotton spinning industrialists cannot expect to meet their present requirements with such a small number of spindles, they will add 900,000 spindles by the end of this year. The spindles which escaped the flames and are easily repairable will be reconditioned. The cost of repairing these spindles is roughly estimated at 650,000,000 yen.

The employees engaged in the cotton spinning industry numbered 6,545 men and 31,184 women, for a total of 37,729 workers at the end of last February. They are planning to recruit 39,000 more employees. The recruiting of workers presents a great difficulty, because of the additional rationing of staple food for them. It is, however, very gratifying that male workers in the textile export industry have been daily allotted .32 pints extra and female workers in the same industry an extra of .224 pints since April.

The next and last question is, whether or not fuel and repair materials can be secured as the absolute lack of coal is a major hindrance to all our industries at present, it is apparent that a top priority should be given to the textile industry in the distribution of coal. The same can be said of repair materials. As we have seen, there are still many problems unsolved, but it is reassuring that preparations are being steadily made for the resumption of normal production. Textile export goods will gradually appear by summer, while goods for home use, such as hosiery, sewing thread, cotton cloth, fishing nets, and medical supplies will also find their way into the markets by autumn. When we consider that the KANSAI district is the home of the cotton spinning industry and its many related industries, it is hoped that the revival of the cotton spinning industry will serve to prime the pump of production in KANSAI.

The Woolen Textile Industry

Next to the cotton spinning industry the woolen textile industry is the most promising one. When the war came to an end, the Japanese Army had in stock about 170,000 bales of raw wool, out of which, the use of 130,000 bales has already been permitted by SCAP.

The woolen textile industry, however, is very slow in reopening production, the chief reason for this being a shortage of labor. During the war, 70 percent of the workers in the industry were students, but now that the war is over, those students are back at their studies. Furthermore, being hindered by the lack of supplementary materials, the resumption of production in the industry has been greatly delayed.

Our woolen textile industry is making great efforts to consume the above-mentioned 170,000 bales of raw wool by October of this year, as is shown in the following tabulation:

Operational Goal

1946	Wool Combing Spindles in Operation	Wool Spinning Looms in Operation
March	95,180	176
April	125,349	266
May	147,802	291
June	179,286	309
July	214,526	318
August	247,138	331
September	266,816	356
October	286,912	356
November	317,194	362
December	341,966	362

The wool combing department sustained staggering losses during the wartime

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

scrap collections. Out of the prewar stock of 1,620,000 spindles, no less than 770,000 went to the scrap heaps. In addition, because of overseas transfer, conversion to other textile industries, and air raids, the pre-war equipment has been decreased to about one-fifth of the original amount, or 376,000 spindles. It is, however, expected that they can increase the existing number of spindles to 550,000, through repairs and restoration.

In the wool spinning department, nearly 70 percent of the prewar equipment is on hand. We are told that, when repairs and restoration are completed, 90 percent of prewar strength can be reached.

Since the world's demand for wool is as great as that for cotton, it may be expected that our woolen textile industry, which ranked second in the world before the war, will play an active part in the reconstruction of our country.

According to the new price system, the prices of 36 count combed crewel (all wool) and five count spun wool (70 percent wool) have been fixed at 34 yen 16 sen per 10 pounds, and 17.00 yen per 10 pounds respectively. If there is no sudden change in wages and the price level, woolen textile industrialists will manage to keep out of the red.

The Rayon and Staple Fiber Industries.

Our staple fiber industry had its beginning in the year 1936, when the boycott of Australian wool was started. Since that time, staple fiber was dubbed patriotic fiber as a substitute for cotton and wool, and the Government consistently encouraged its production. As a result of the enforcement of the regulation for consuming textile goods in 1938, manufacturers were forced to spin 30 percent of their staple fiber into yarn. As the war went on, the percentage of staple fiber to be spun increased. JAPAN embarked upon a period of all staple fiber for civilian textile goods. Accordingly, our production capacity of staple fiber was rapidly expanded, as can be seen in the table below.

	Production Capacity (per day, in tons)	Output (per annum in 1000 lbs.)
1937	676,780	175,494
1938	1,200,791	326,384
1939	1,213,113	301,267
1940	1,213,964	285,816
1941	1,229,309	296,604
1942	954,107	174,451
1943	527,318	121,739
1944	469,413	83,308

On the other hand, because of the lack of raw materials, the output of staple fiber gradually decreased after 1941. When the Pacific War broke out, the equipment of the staple fiber industry had to pass through several readjustments. As a consequence, JAPAN's per day production capacity of staple fiber was eventually cut down to 469 tons in 1944, showing a 60 percent decrease as compared to her capacity of 1941, while the reduction in the output was far more drastic. In 1944 they produced only 28 percent of the output of 1941. Fortunately, however, the equipment of our staple fiber industry came through the war unscathed.

Let us next turn our attention to our rayon industry. As we will be clear from the following table, the productive power of our rayon industry gradually decreased since 1937.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

	Producing Capacity (per day, in tons)	Output (per annun, 1000 lbs.)
1937	799,927	324,750
1938	741,749	202,928
1939	741,749	229,641
1940	749,266	208,250
1941	749,266	159,365
1942	573,144	79,049
1943	243,333	45,569
1944	181,580	19,200

Our rayon industry suffered more from wartime readjustments than did our staple fiber industry. The 1944 capacity of our rayon industry showed a 76 percent decrease as compared to the capacity of 1941. The rayon output in 1944 was even worse, with only 12 percent of the 1941 production being realized. The equipment of our rayon industry safely survived the war.

As indicated in the following table, the trend of rayon and staple fiber production after the war has been gradually on the upgrade, although it is still far from satisfactory.

	Rayon (in pounds)	Staple Fiber
July 1945	196,700	1,509,248
August	158,102	445,727
September	67,170	471,100
October	240,890	937,900
November	391,900	1,037,950
December	317,150	1,083,935
January 1946	205,700	966,870
February	254,000	1,401,000

The main cause of the unsatisfactory condition is the shortage of coal and salt. Even when operating at high efficiency, coal requirements for producing each ton of rayon and staple fiber were seven tons and five tons respectively. Under the present conditions, where only five to ten percent of the equipment is in operation, coal requirements amount to 10 tons in each case.

Coal is also indispensable in the production of other necessary raw materials for these industries, such as pulp, carbon bisulphide, sulphuric acid, and caustic soda. The same can be said of salt. It is, therefore, safe to say that the supply of coal and salt will determine the future of our rayon and staple fiber industries.

It may be added here that our rayon and staple fiber industrialists, instead of resigning themselves to conditions, should make greater efforts to boost their production by electrifying their industries and by encouraging the increased output of salt.

The Chemical Industry.

The production of paints and drugs in the chemical industry of the KANSAI district is worthy of note. With the increased demand for paint in reconstruction work and a similar demand for drugs as barter goods, the industry is growing increasingly important. In the past, one-half of the nation's entire paint and drug production was centered in the KANSAI district. Moreover, its loss of equipment from incendiaries was lighter than that of any other section in the country.

PAINTS

Before the war, the JAPAN Paint and the KANSAI Paint Companies, the two largest, manufactured 64 percent of the entire nation's paint. The central plants of these two companies, the JAPAN Paint Company (NIPPON

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

PEINTO) and the NIPPON Paint Company (NIPPON TORYO) were damaged, but they have been practically rebuilt. Because of the intensive destruction of paint factories in the TOKYO area, it is believed that OSAKA, and the vicinity will provide 85 percent of the nation's entire production.

The paint manufacturing capacity in the KANSAI district at the present time is 5,250 metric tons per month. However, due to a scarcity of material, last February's total was only 456 metric tons or only 8.7 percent of capacity. Originally, the greatest part of the raw materials used in paint production was imported. Tallow came from CHINA and MANCHURIA, vegetable tallow from the South Sea Islands, lead from AUSTRALIA, and zinc from the UNITED STATES. As an example, in the manufacture of paints, about 20,000 metric tons of zinc and 15,000 metric tons of lead were required during the course of a year, of which 60 percent and 95 percent respectively were imported. For other industries beside the paint and drugs industries, from 25,000 to 30,000 metric tons of resin were imported. Until 1937, the production of resin in JAPAN was negligible, and there are no signs of future increase. Also, among materials which were chiefly imported were the various diluents used in the manufacture of paints. Consequently, during the war, production was continued with the stocks on hand. The variety of products were necessarily limited, and many substitute materials were utilized. Besides these measures, it became necessary to control the consumption of the materials with the utmost efficiency.

After the war, there was a stoppage of trade and many new difficulties were encountered by the paint industries. For example, in order to manufacture 5000 metric tons of paint, 1100 metric tons of vegetable oils and 644 metric tons of benzine were needed. However, the figures for February 1946 show that only 170 metric tons of vegetable oil were supplie or 15.5 percent of the necessary total, and only 53 metric tons of benzine or 8.25 percent of the necessary total were obtainable.

Some material is being returned from military stocks and other stores are being made available, but unless a new system of distribution is evolved, the immediate future of the paint industry promises little hope. There is a great demand for paints at present, but this demand cannot be met. It is hoped that normal production will be resumed very soon.

Value of Paints and Pigments Produced in 1938

Unit — 1000 yen

Place	Paints	Pigments
HYOGO	10.542	5,220
TOKYO	20.608	16,900
KANAGAWA	5,178	1,249
OSAKA	22,755	18,712
	95,982	44,743

Drugs

The KANSAI district will realize approximately 65 percent of the nation's total drug production. Its pre-war production was handled by three large drug manufacturing concerns; namely, the TAKEDA, SHIONOGI and TANABE drug companies. In the KANSAI district, the war damages were confined to the SHIONOGI factories at KANZAKI and NAKATSU. On the whole, damages to the factories were comparatively light. The value of drugs manufactured in 1938 amounted to approximately 277,000,000 yen, or roughly 3.40 yen per capita, assuming the nation's population at that time to have been 79,000,000 people. The total number of drug manufacturing factories in JAPAN at the end of hostilities was 636, of which 104 were in the KANSAI district. Calculated on the basis of revised prices as of September 1945, the factories are capable of production amounting in value to 1,703,000,000 yen. Thus, the production value at the 1938 price levels amount to 680,000,000 yen. If only 30 percent of the present capacity were realized, the mini-

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

mum domestic requirements would still be met. Actually, however, only 10 percent of the capacity is being produced. The cause lies in the scarcity of materials. Such essentials as coal, tar, sodium, phosphorus, and many acids and salts are very scarce. Most of these are produced by the same heavy chemical industries on which the drug manufacturers depend so greatly.

Production of Drugs in 1938

Unit — 1000 yen

Place	Value
TOKYO	51,088
OSAKA	57,111
HYOGO	12,641
TOYAMA	8,804
OTHERS	25,665
TOTAL	155,309

Quantity of Materials Required for the Manufacture of Drugs Based on the Present Production Capacity

Material	Metric Tons
Coal	200,000
Salt	5,000
Soda Ash (Commercial Anhydrous Sodium Carbonate)	25,000
Caustic Soda	3,300
Muriatic Acid	8,100
Nitric "	3,125
Sulphuric "	8,669
Glacial Acetic "	3,600
Carbolic "	3,900
Creesol	5,700
Hydrated Alcohol	20,326
Formal Dehyde	4,150
Ether	9,933
Glycerin	4,008
Soy Bean Oil	3,702
Peanut "	4,170
Potato Starch	10,715
Grape Sugar	3,518
Sugar	5,606

The Machine Industry

During the war, the damage inflicted on the heavy chemical industry, was tremendous. Added to these damages, to make production more difficult we have a scarcity of one of the most important items of production; namely, coal. This makes production doubly difficult. Moreover, if coal were available, the KANSAI district lies a great distance away from the coal producing area. The fact that the dissolution of the ZAIBATSU is still undecided and the fear that many factories may be confiscated by the Allied Forces combine to hinder the progress of production. The establishment of secondary companies through the receiver system has not as yet made progress. On the other hand, the industries which were appropriated for use by the Japanese army during the war, are being gradually restored to their pre-war status. The manufacture of spinning machines, bicycles, and radio receiving sets is proceeding, although normalcy has not yet been reached. Apart from the deficiency of coal, which affects every industry, the lack of steel and iron material is another stumbling block in the machine industry.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

Iron and Steel

Steel Production in the KANSAI District for January and February 1946

Unit — Metric Tons

	January	February
Pig Iron	2,764	313
Iron Ore	3,466	5,832
For Making Ordinary Steel Plates	2,550	4,812
For Special Steel Plates	376	144
To be Wrought	167	201
To be Cast	373	575
Semi-Finished Goods	65	13
Ordinary Steel Plates	2,887	5,855
Special Steel Plates	171	471
Wrought Steel Goods	54	287
Cast Steel Goods	25	565

The coal shortage is hampering the iron and steel industry. The monthly coal ration in the KANSAI district rose from 3850 metric tons in January to 10,150 metric tons in March, but out of that ration 3,500 metric tons a month were utilized by the HIROHATA Works of the JAPAN Steel Corporation which worked its coke furnaces on a 24 hour basis. Consequently, the rations of the other factories were impaired, and only one other furnace at a KOBE plant is in operation. All other plants are now using electric furnaces for production.

The AMAGASAKI Works of the DAI-DO Steel Corporation has made comparative increases in its production. In February the plant's output of finished special steel plates was 203 metric tons, or roughly half of the total production in the KANSAI district. The KAWASAKI Works produced 992 metric tons of ordinary steel plates in January and that was nearly doubled in February. The KOBE Steel Corporation produced 527 metric tons of ordinary steel plates in January and tripled its output in February.

Anticipated Steel Production in the OSAKA District for April to June 1946 Inclusive.

Company	Metric Tons
AMAGASAKI Steel Corp.	1800
KAWASAKI Heavy Industries	3050
KOBE Steel Corp.	4000
FUSO KINZAKU (AMAGASAKI Factory)	1700
(OSAKA Factory)	2500
DAIDO Steel Corp.	500
NICHI-A Steel Corp.	500
YODOGAWA Steel Corp.	500
NAKAYAMA Steel Corp.	500
DAI WA Steel Corp.	300
Total	15,350
Nation's Total	67,400

Spinning Machines

The NAGOYA and KANSAI districts were the two largest spinning machine manufacturing areas in the country. The pre-war value of machines produced in the KANSAI district, including machine parts, was over 50 percent of the nation's total. The OSAKA Industrial Machinery (KIRO) and the OSAKA Machine Manufacturing (KIKAI SEISAKU) Works together produced over 40 percent of the nation's total. About 60 percent of the nation's fabric dyeing machines were produced by the KYOTO Machinery Company, and 90 percent of the nation's "travelers" (IN TORABERA - Pin which carries thread back and forth on loom) were made by the KANSAI Heavy Industry Company. About 70

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

percent of the nation's towel weaving machinery was manufactured in the KANSAI district. The KAWANISHI Machine Factory manufactured wool weaving machines. Linen spinning machines were produced by the UEDA Iron Works, and weaving machines by the DAIDO Manufacturing Company, the KOCHI Iron Works and the KOTOBUKI Heavy Industries.

The damages to the factories which manufactured spinning machines were comparatively light. Most of the companies which had turned to the manufacture of war materials are now being reconverted. However, among the large factories, it is feared that many will be confiscated by the Allied Forces. This has delayed reconversion proceedings. That factor, and the shortage of materials are the reasons why production is not yet normal.

Production of Spinning and Weaving Machines
for 1938

Unit —— 1000 yen

Machine	JAPAN's Total	KANSAI District
Spinning	36,218	23,437
Weaving	11,417	704
Dyeing	601	443
Cloth Adjusting and Finishing	3,894	3,013
Knitting	1,343	870
Others	17,520	10,562
Parts and Accessories	39,732	28,163
Total	110,726	67,122

The Bicycle Industry

The city of SAKAI was the heart of JAPAN's bicycle industry. It supplied 80 percent of the national total and in comparison to JAPAN's other factories, it suffered only slightly from the bombings. Previously, the KANSAI district had supplied 70 percent of the nation's free running gears, 100 percent of the spokes, 30 percent of the rims, 50 percent of the crank assembly, 30 percent of the mudguards, and 8 percent of the bicycle saddles. However, tires, tubes, plating material and paints are lacking, and bicycle production of about 2800 a month has not yet been met.

Radio Receiving Sets.

Radio sets are expected to be in great demand, and the production plans for April, May, and June for JAPAN have been placed at 663,700 sets. Out of this total, the KANSAI district will manufacture 390,470 or over one-half. Aside from damages suffered by the home plant of the OSAKA Radio Company, war damages were slight, and only the scarcity of certain essential lumber is holding up production. However, the actual production for the month of February in the KANSAI district was 11,900 sets manufactured by the following companies:

MATSUSHITA Electric Industry	2,500 sets
HAYAKA Electric Industry	3,700 "
OSAKA Radio	1,100 "
TONE "	2,000 "
FUTABA "	2,600 "

With the present ceiling prices on vacuum tubes, the margin of profit is too small to make manufacture profitable. SHIBAURA Electric's ABOSHI plant manufactured 7,400 vacuum tubes, while JAPAN Electric's OTSU plant produced 15,700 tubes

Miscellaneous

Because the war damages were so extensive in the TOKYO area, upwards of 8(

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

percent of the nation's electric bulb supply is manufactured in the KANSAI districts, and future plans call for about 1,000,000 a month. Actual production in February 1946 was:

Company			No. of Bulbs
SHIBAURA Electric,		ABOSHI Plant	41,000
"	"	OSAKA Plant	49,000
MATSUSHITA	"	Industry	113,000
JAPAN	"	Company	101,000

March production of electric bulbs was upped to 800,000.

The KANSAI district is also the manufacturing center of the Tiger brand adding machines, producing 95 percent of the nation's total. The OSAKA Safety Cable Company is the sole manufacturer of safety cables in JAPAN, and the JAPAN Machine Manufacturing Company is the sole manufacturers of battery-driven cars. About 95 percent of the nation's drive chains are manufactured by the TSUBAKI MOTO Chain Company. Also, about 50 percent of the nation's farm implements are produced in the KANSAI districts.

Fabrics and Miscellaneous Goods

In order to combat the food crisis, as well as the increase of the supply of materials, increased imports of goods into JAPAN, through the barter system is essential. This is especially true in the KANSAI districts. The importance of the production of fabrics and sundry goods for use in foreign trade cannot be underestimated.

The famed NISHIJIN fabrics were considered a luxury item during the war, but now a great many manufacturers are placing their hopes in these fabrics as one of their chief goods for barter in foreign trade. Production had scarcely begun when loans were recently stopped and the future again looked dark for the industry. At the beginning of March 1946, the number of power weaving machines in operation was 3,915, and there were 6,768 manually operated weaving machines, making a total of 10,683 machines. This was an increase of 1,000 machines over the total at the end of the war. However, there is still a deficiency of approximately 20,000 machines as compared with pre-war figures.

Table of Equipment and Workers

	1942	March 1946	Decrease
Power Weaving Machines	13,400	3,915	9,485
Hand Weaving Machines	16,800	6,768	10,032
Total of Machines	30,200	10,683	19,517
Total Number of Workers	34,762	6,092	28,670

The equipment on hand at the end of the war was less than one-third of that in use in 1942. However, the decrease in the allotment of yarn for the same period was even more drastic. In 1942 there were 2591.9 tons of yarn allotted the industry as compared to 91.34 tons allotted in 1944 and 15.99 tons in 1945.

Production Total

	Ration (Tons)	Value of Amount Produced (1000 yen)
1942	2591.9	67,318
1943	399.02	53,822
1944	91.34	13,278
(Undelivered)	87.62	—
1945	15.99	12,504

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

This rationing was not confined to the NISHIJIN Fabric Company alone. During the war, the fabric industry was shackled by a set of rules limiting the yarn ration, establishing price control, limiting the sale of luxury goods, and the use of various equipment. Several rules still exist to hinder the industry's progress, but the manufacturers have geared their industries to the manufacture of various souvenir items from waste and remnant silk. In this way, the industrial wheels were kept in motion, and the number of machines and workers increased definitely in the month of March.

Table of Machines and Workers for March 1946			
	1 March 1946	31 March 1946	Increase
Number of Weaving Machines	4214	4531	317
Power Weaving Machines	1739	1792	53
Hand Weaving Machines	2475	2739	254
Number of Workers	6092	6800	708

Heretofore, the Fabric Manufacturer's Association had purchased raw materials and acquired working capital by offering their finished goods as security. However, the financial measure taken by the Government on 22 March put an end to the acquisition of loans.

Of the goods manufactured last year, 70 percent is still being held by the association. The authorities should open these stocks to the public for use as soon as it is practicable. The existing controlling rules should be re-examined.

Miscellaneous

The total value of the chief export goods in 1937 was 107,250,000 yen of which OSAKA contributed 25.9 percent or goods worth 27,790,000 yen; and KOBE contributed goods worth 39,290,000 yen (36.6 percent). OSAKA and KOBE combined to supply 62.5 percent of the nations total, thereby showing the KANSAI district's superiority in the line of sundry commodities. HYOGO-Ken produced 93.4 percent of the nation's camphor and 80.7 percent of the nation's matches. OSAKA and KOBE produced 85.3 percent of the nation's brushes of all types, 76.2 percent of the nation's celluloid, 61 percent of the enamel ware, and 45 percent of the glassware, bicycles, medicines and drugs produced by JAPAN. However, the KANSAI district accounted for only 7.4 percent of the nation's toys. About 40 percent of the exports, totalling 43,160,000 yen, were sent to MANCHURIA, CHINA, KWANTUNG, SIAM, MALAYA, INDIA, The PHILIPPINES, East Indian Islands, and AUSTRALIA.

The products of our home industries are usually inferior in technique and materials. The sole advantage has been the fact that our products could be produced very cheaply. With the call for higher priced commodities and finer techniques, there can be no return to the old system.

Government authorities who represent the industries and the merchant trade should encourage the production of sundry goods and should give aid in the acquisition of capital and materials.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 774 (Continued)

ITEM 1 (Continued)

Table of Exports and Production of Sundry Goods
(Export Figures From The Foreign Trade Annual of 1937; Production Figures from the Industrial Statistics of 1938)
Unit —— 1000 yens

EXPORTS

Goods		OSAKA	KOBE	OSAKA & KOBE	Others	Nation's Total
Enamel-ware	Amount	7,581	3,348	10,929	2,097	13,027
	%	58.2	25.7	83.9	16.1	-
Bicycles and Accesso-ries	Amount	2,918	718	3,638	1,586	5,222
	%	55.9	13.7	69.6	30.4	-
Drugs and Medicinals	Amount	1,415	610	2,025	828	2,852
	%	49.6	21.4	71	29	-
Camphor	Amount	97	4,672	4,769	5	4,774
	%	2.0	97.9	99.9	1	
Matches	Amount	12	2,089	2,101	2	2,103
	%	.6	99.3	99.9	1	-
Celluloid	Amount	1,474	6,619	8,093	1,146	9,239
	%	15.9	71.6	87.5	12.5	-
Brushes	Amount	1,086	5,687	6,773	143	6,916
	%	15.7	82.2	97.9	2.1	-
Glass & Glassware	Amount	10,625	4,809	15,434	5,389	20,823
	%	51.0	23.1	74.1	25.9	-
Toys	Amount	2,588	10,740	13,328	28,967	42,295
	%	6.1	25.4	31.5	68.5	-

Production

		OSAKA	KOBE	OSAKA & KOBE	Others	Nation's Total
Enamel-ware	Amount	10,517	2,767	13,284	8,435	21,719
	%	48.4	12.7	61.1	38.9	-
Bicycles and Accessories	Amount	18,867	3,080	21,947	26,587	48,534
	%	38.9	6.3	45.2	54.8	-
Drugs and Medicinals	Amount	57,112	12,541	69,753	85,556	155,308
	%	36.8	8.1	44.9	55.1	-
Camphor	Amount	58	7,914	7,972	68	7,040
	%	0.8	984	99.2	.8	-
Matches	Amount	409	10,736	11,145	2,158	13,303
	%	3.1	80.7	83.8	16.2	-
Celluloid	Amount	15,373	11,355	26,728	8,341	35,069
	%	43.8	32.4	76.2	23.8	-
Brushes	Amount	4,173	108	4,281	613	4,894
	%	85.3	2.2	87.5	12.5	-
Glass & Glassware	Amount	20,246	19,417	39,663	48,027	87,690
	%	23.1	22.1	45.2	54.8	-
Toys	Amount	935	87	1022	12,711	13,733
	%	6.8	.6	7.4	91.6	-

Electric Power

The heavy industrial zones were adjacent to the railways in the KANSAI district, and damage to the electric power distributing equipment was comparatively heavy. This was especially true near the end of the war when concentrated raids by the Allies rendered most of the coal-powered stations useless. Eleven power transmission stations were destroyed, as well as 10

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 774 (Continued)

ITEM 1 (Continued)

power sub-stations. In AMAGASAKI, the east power station was partially destroyed, while power stations number one and two were completely destroyed. The KASUGA power station was also destroyed. The primary sub-station at YAO was totally destroyed and the poles and transformers were burned.

Table of Damaged Electrical Equipment Etc.

	Units
Poles	56,233
Wires	15,975.2 Kilometers
Transformers	41,661

	Homes
Electrically Illuminated	623,825
Electrically Powered	69,309

Damage Percentage
(According to Figures Complied as of 1 Mar 1945)

Locality	Percentage of Total Equipment Damaged				
	Poles	Wires	Transformers	Homes Electrically Illuminated	Homes Electrically Powered
OSAKA	33.8	45.0	42.1	64.1	70.8
SAKAI	27.0	38.8	39.5	40.0	39.8
KOBE	42.5	58.5	45.3	57.8	74.5
NISHINOMIYA	35.8	38.2	35.6	51.8	62.1
AKASHI	40.6	55.7	55.5	56.8	83.0
HIMEJI	31.6	51.0	39.4	41.6	46.1
WAKAYAMA	66.1	74.8	71.1	84.5	77.7

During the war, the power demands were lessened considerably as each succession air raid eliminated more and more of the munitions works. According to the figures of September 1944 it had decreased to 38 percent of the pre-war demands. However, limitations on the supply of electricity have since been lifted, and the supply is rapidly becoming normal.

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

110.4

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 2764 DATE: 6 May 46

ECONOMIC SERIES: 642

ITEM 1 Data of the Result of Commodity Production For the Month of March Published - Nippon Keizai Shimbun - 3 May 46. Translator: Y. Kurata.

Full Translation:

The Ministry of Commerce and Inudstry published on 2 May the results of an investigation of the production of 84 commodities for the month of March. According to the investigation, the production of 66 commodities shows an increase, while that of 14 shows a decrease, and that of four items remains unchanged, as compared with the previous month. This accounts for a 25 per cent increase in the production of commodities during March. It can be said, therefore, that commodity production had been on a steady upward course since the beginning of this year up to the end of March. According to the classified survey, there is a significant increase in the production of such goods as kitchen utensils and farming tools, rather than of basic commodities. This indicates that producers have begun turning out necessary commodities by the use of their stock materials on hand. Among goods, the production of which had greatly increased as compared with the previous month, are pots (seven times), telephone apparatus (five times), electric tubes (twice), farming tools (five times), motor cars (twice), lumber machines (three times), and pans (five times). There is a slight increase in the production of non-ferrous goods and chemical fertilizers, but it is still far from the goal. On the other hand, the production of bicyles, rubber goods, silk goods, radio sets, and vacuum tubes has not yet shown any encouraging signs because of the shortage of materials and gas.

It must be borne in mind, however, that , although the figures given above have shown a steady increase of commodity production since the beginning of this year, yet, when they are compared with those of pre-CHINA Incident period, they are equal to the figures on electric power production only; the production of coal and of manufactured goods follows, showing 50 and 15 per cent productive capacity as compared with the pre-incident capacity. At present, our economic situation is so critical that it is well-nigh impossible to foresee, on the basis of this investigation, any prospects of future commodity production in our country. However, supposing that commodity production is able to proceed along the present lines, we might well be optimistic over the prospects. However, there is a fear of reduced production of caustic soda because of the salt shortage, and of the consequent decrease in the production of pulp, plate glass, and staple fiber. Under the circumstances, since there is a fair possibility that special demands may prevent the smooth oper tion of the production program, it is generally observed that the demand and supply program will inevitably face equal difficulties in its future operation.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 642 (Continued)

ITEM 1 (Continued)

Staple Food Production Data
for the Month of March

(X-means reduced production)

Item	Unit	March	Percentage Compared with February	Percentage Compared with the original Progra
Coal	1,000 tons	1,632	22%	116%
Bituminous Coal	"	239	22	96
Coke	"	109	13	-
Gas	100 liters	25,034	27	95
Crude Oil	kilolitre	18,531	11	-
Disposed Amount of Crude Oil	"	22,669	25	105
Refined Benzine	"	3,013	29	98
Refined Kerosene	"	2,448	8	109
Refined Light Oil	"	707	49	212
Refined Heavy Oil (B)	"	6,916	49	118
Refined Heavy Oil (C)	"	725	124	242
Refined Machine Oil	"	4,611	53	127
Semi-Solidified Machine Oil	"	1,141 X	6	57
Absolute Alcohol	"	124	-	28
Diluted Alcohol	"	1,144 X	52	79
Electric Power Generation (Coal)	1,000 KWH	15,251 X	68	-
Electirc Power Generation (Water)	"	2,163,746	19	-
Pig Iron	Ton	10,575	11	48
Ordinary Iron Bars	"	22,366	21	146
Gold	Gram	29,773	1,890	-
Silver	Kilogram	2,133	217	-
Electrical Copper	Ton	811	30	-
Sulphur	"	878	29	-
Lead	"	217 X	28	-
Zinc	"	1,060	27	-
Mercury	Kilogram	3,114	-	-
Electric Wire	Ton	2,322 X	9	113
Nails and Wire	"			
Zinc and Iron Plate	"			
Shovel and Scoop	"	Unreported		
Hammer and Pick	"			
Cast Iron Tubing	"			
Lumber Machine	DAI	151	155	-
Farming Tools	1,000 yen	27,000	357	540
Spinning Machines		1,400	23,233	60
Weaving Machines	DAI	167	288	33
Motors for General Use	"	5,805	80	71
Transformers for General Use	"	2,749	35	92
Radio Receivers	"	22,420	60	14
Vacuum Tubes		85,632 X	55	9
Electric Tubes		2,745,548	122	161
Telephone Apparatus	DAI	11,050	370	41
Watches		20,838	62	47
Trucks	DAI	1,115	98	111
Bicycles	"	2,255 X	58	11
Sulphates	Kilogram	56,562	28	95
Soda Ash	Ton	2,716	117	73

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 642 (Continued)

ITEM 1 (Continued)

Caustic Soda	Ton	2,187	26	65
Cement	"	68,933	80	103
Carbide	"	10,325	40	64
Fatty Acids	"	533	47	96
Cattle Hides	"	49	500	-
" Leather	"	-	-	-
Industrial Leather Goods	"	300	-	-
Tire (For Bicycle)		292,060 X	1.4	-
Tubes For Bicycle		292,060 X	1.4	-
Tires For Motor Cars		4,895 X	55	-
Tubes For Motor Cars		4,570 X	74	-
"Kraft" Paper	1,000 pounds	668	616	43
Paper for the Press	"	11,773	16	119
Paper for General Use		13,349	19	68
Rayon Pulp	English Ton	50	-	-
S.P. Paper Pulp	"	4,354	48	73
G.P. Paper Pulp	"	7,858	12	91
K.P. Paper Pulp	"	279	70	34
A.P. Paper Pulp	"	28 X	52	34
Plate Glass		64,981	20	52
Ammonium Sulphate	Ton	28,906	32	70
Calcium Nitrogen	"	11,450	17	57
Superphosphates	"	3,404	54	41
Cotton Yarn	1,000 pounds	2,980	12	-
Woolen Yarn	"	2,123	29	-
Rayon Yarn	"	379	31	-
Staple Fiber Yarn	"	1,195	38	-
Staple Fiber	"	1,544	10	-
Cotton Goods	1,000 sq. yds.	3,984	13	-
Silk Goods	"	326 X	50	-
Woolen Goods	"	1,339	29	-
Rayon Goods	"	295	46	-
Pans		1,624,167	377	312
Pots		241,186	589	20
Kettles		7,849	684	4
Rubber Shoes		170	20	-
Rubber-soled Tabi		1,229 X	16	-
Soap	Ton	1,347	23	81

Commodity Production Data For 1945
(Including the data up to the end of March 1946).

Item	Unit	From January to March, 1946	Total Production for 1945.
Coal	1,000 tons	4,179	22,323
Bitumious Coal	"	582	1,560
Coke	"	251	1,007
Gas	100 liters	64,758	423,819
Crude Oil	Kilo-liter	53,275	240,012
Disposed Amount of Crude Oil	"	56,172	262,191
Refined Benzine	"	8,301	37,868
Refined Kerosene	"	6,591	33,301
Refined Light Oil	"	1,648	12,561
Refined Heavy Oil (B)	"	15,994	43,759
Refined Heavy Oil (C)	"	1,135	6,393
Refined Machine Oil	"	10,089	39,092
Semi-Solidified Machine Oil	"	4,229	24,003

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 642 (Continued)

ITEM 1 (Continued)

Absolute Alcohol	kiloliter	174	31,034
Diluted Alcohol	"	3,896	50,984
Electric Power Generation (Coal)	1,000 K.W.H.	108,934	539,382
Electric Power Generation (Water)	"	5,720,168	25,431,784
Pig Iron	Ton	29,801	467,967
Ordinary Iron Bars	"	55,985	396,314
Gold	Gram	31,327	1,862,067
Silver	Kilogram	3,225	72,347
Electrical Copper	Ton	2,191	25,330
Sulphur	"	2,402	28,311
Lead	"	684	9,108
Zinc	"	2,663	16,915
Mercury	Kilogram	6,454	77,192
Electric Wire	Ton	6,534	13,835
Caustic Soda	Ton	5,192	34,499
Cement	"	135,960	862,977
Carbide	"	25,548	138,574
Fatty Acid	"	1,115	3,968
Cattle Hides	"	122	3,188
Cattle Leather	"	356	1,140
Industrial Leather Goods	"	738	1,076
Tires For Bicycles	1,000	843	843
Tubes For Bicycles	"	843	843
Tires For Motor Cars	"	28	28
Tubes For Motor Cars	"	31	31
"Kraft" Paper	1,000 pounds	761	2,274
Paper For Press	"	28,946	147,171
Paper For General Use	"	34,419	156,386
Rayon Pulp	English Ton	50	10,417
S.P. Paper Pulp	"	9.108	41,417
G.P. Paper Pulp	"	20,988	39,358
K.P. Paper Pulp	"	518	3,364
A.P. Paper Pulp	"	119	526
Plate Glass		138,842	314,461
Nails and Wire	Ton	3,000	15,222
Zinc and Iron Plate	"	310	1,639
Shovels and Scoops	"	370	1,183
Hammers and Picks	"	150	596
Cast Iron Pipes	"	510	2,281
Lumber Machine		238	238
Farming Tools	1,000 yen	34,320	55,314
Spinning Machines	DAI	1,406	1,406
Weaving Machines	"	227	238
Electric Motors For General Use	"	11,819	31,430
Transformers For General Use	"	5,720	13,025
Radio Receivers		47,112	51,702
Vaccuum Tubes	1,000	338	416
Electric Tubes	"	4,693	11,179
Watches		39,966	70,141
Telephonic Apparatus	DAI	15,097	15,097
Trucks	"	2,091	5,482
Bicycles		13,805	15,165
Sulphates	Kilogram	140,319	371,182
Soda Ash	Ton	5,516	29,396

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 642 (Continued)

ITEM 1 (Continued)

Ammonium Sulphate	Ton	71,967	201,872
Calcium Nitrate	"	30,579	93,230
Superphosphates	"	7,378	19,801
Cotton Yarns	1,000 pounds	7,981	31,911
Woolen Yarn	"	5,130	5,130
Staple Fibre Yarn	"	2,748	12,786
Rayon Yarn	"	838	3,715
Cotton Goods	1,000 sq. Yds.	10,378	10,378
Silk Goods	"	1,565	1,565
Woolen Goods	"	3,287	3,287
Rayon Goods	"	665	665
Staple Fibre Goods	1,000 pounds	3,911	16,656
Pans	1,000	2,193	2,808
Pots	"	324	542
Leather Shoes	1,000 Pairs	160	365
Rubber Shoes	"	453	1,017
Rubber Soled Tabi	"	3,421	3,723
Soap	Ton	3,909	6,466

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 The Direction of Industrial Reconstruction (Necesrity to Accelerate Development of Precision and Chemical Industry) - Magazine: Toyo Keizai (Weekly) - 20 Jul 46 Issue. Translators: Osuki, Hoshikawa.

Summary:

Since the termination of hostilities, the depressed state of production in JAPAN has been very marked. The supply of staple materials such as iron and coal as well as other important materials such as kerosene, salt, gum, copper, lead, zinc, mercury etc. is very short.

Till now the above products have come mainly from KOREA, FORMOSA, MANCHURIA and the South Sea areas, which are no longer ours.

The output of iron in May 1946 was registered at only 36,700 tons, including 14,700 tons of pig iron and 22,000 tons of steel (materials) which in annual production figures will be estimated at 440,000 tons. The output of coal in May, was barely 1,695,000 tons. This is far short of the monthly goal of 2,000,000 tons, and the estimated annual productic figure of 20,000,000 tons. Comparing these production figures for iron and coal in JAPAN, with those in AMERICA, it seems that JAPAN's output of iron and steel is only one-two hundredth of that in AMERICA, and of coal about one twenty second.

These adverse conditions in material production must of necessity result in considerable difficulties in the resumption of production in various industries.

110-4

Apart from this dire shortage of staple materials, war damage and the heavy burden of reparations are also handicapping the revival of Japanese industries. Production capacity in industrial plants in JAPAN will be cut to approximately thirty-five per cent of wartime production, it is estimated.

Then what is the best way to reconstruct Japanese industries with these limited materials and facilities? On this question we would like to call special attention to the necessity for promoting the development of the precision and chemical industries, which can make the best and fullest use of such limited materials as there are.

In JAPAN, under the present conditions of dire shortage in iron and steel the value of a ton of steel corresponds to two hundred tons of steel in AMERICA. Accordingly while AMERICA may use iron materials unsparingly in building ships and iron-bridges, in JAPAN, it may be more desirable to engage exclusively in precision manufacture of watches, sewing-machines, tools, utensils, etc. Thus it is important to accelerate the development of the precision industry.

Mr KAGAWA and professor TOMIZUKA of the TOKYO Imperial University have said that they strongly advocate the manufacture of watches. Lately the Social Democrats have stressed the necessity for developing the precision industry in their program. However, the actual progress of production in such industries is regrettably slow. In watch manufacture the output in May was only 48,529 watches, that is, 18 per cent of the average output in 1937. Production of sewing-machines has scarcely begun.

It is regrettable that these industries, whose importance has been so greatly stressed since the end of the war, are still in such depressed

[illegible] necessary for us to strive in promoting the development of the chemical industry, utilizing especially the abundant hydroelectricity so easily accessible in this country. The utilization and development of electricity is vital to the restoration of our industries, particularly in view of the fact that our industrial fields are so troubled with scarcity of fuel, owing to the shortage of coal. In utilizing electricity, however, the greatest precautions should be taken to avoid wastage of this precious power. On this point, the government policy on the use of electricity in producing salt, (an expensive form of electric power is involved), is censurable. Materials such as salt should be purchased by import without recourse to home-production by the use of valuable electricity. At all events, before JAPAN can reopen foreign trade, she must mobilize her industries for contribution to the peaceful world market. We should be fully alive to the future prospects of production in our country, we should appreciate the defects of Japanese industry, and, finally, we should lose no time in establishing appropriate measure for the reconstruction of those industries.

110-4

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 Production of Daily Necessities On the Increase - Tokyo Shimbun - 17 Jul 46. Translator: T. Ogawa & Y. Akabane.

Summary:

The production of vital necessities has remarkably increased as compared with the period after the end of war. Despite this fact, these goods have never been delivered to the market through regular channels. Especially, lots of banned goods, including pans, cooking pots, and other daily necessities are being sold openly at the blackmarkets. Accordingly, the household delivery of these goods is made very seldom, except for a very small quantity, which is distributed by lot to air raid victims and repatriates on rare occasions. Above all, the daily necessities on the list of controlled goods, such as various kinds of paper, candles, needles, toilet articles, etc, have been hardly delivered. According to the production schedule drafted by the Commerce and Industry Ministry, it is reported that the producers of these goods are increasing their efficiency in making and supplying the market. A considerable quantity of these goods, however, goes to the blackmarkets due to price and other reasons, causing a hindrance to the distribution schedule.

The producing efficiency and the distribution schedule of these commodities ascertained by the Commerce and Industry Ministry are as follows:

110.4

1. Coarse toilet paper: Approximately 1,500,000 SHIME(one SHIME equals 2,000 sheets) have been produced during the period from January to May of this year. This paper has been distributed to the citizens at 45 sen per 50 sheets per person during April and May. We cannot, however, expect favorable production of this paper in the future, because of the hardship obtaining coal, pulp, and other materials. The abolition of control over waste paper is also detrimental to future production. The authorities are said to be doing their best to raise the price from 18 to 35 sen per SHIME, and to distribute two sheets per person per day in big cities, 1.5 sheets in middle sized cities, and 1 sheet in local districts, but such a distribution is thought to be impossible as there is a bottleneck in production.

2. Tooth powder and brush: Owing to the destruction of factories, the supply of tooth powder was not sufficient during the war; but with its termination, tooth powder was collected from different places and released, centering around TOKYO, resulting in a smooth distribution to a certain extent. At present, monthly production of tooth powder reaches about 800 metric tons because of the rehabilitation of destroyed factories. Its distribution is not necessarily bad, as it is sold at the high price of 1 yen 20 sen against official price of 50 sen per bag, due to the rise in price of materials such as carbonate of lime, powder soap, perfumery, etc. Tooth paste in tubes will not be available for some time, due to the difficulty in obtaining glycerine. As regards to tooth brushes, they were once very scarce on account of the devastatio of their productive centers in OSAKA, but thanks to the efforts of the producers in different places, no inconvenience in their supply is expected for the present, as there is sufficient production of hog bristl for this year's consumption. The price is 80 sen for bamboo brush, two yen for a celluloid and two yen 50 sen for a bone brush.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

SOCIAL SERIES: 876 (Continued)

ITEM 2 (Continued)

3. Cream (TN: Face creams etc.): As there is a certain amount of stearin the most important ingredient of cream, held in reserve, creams are distributed equally at the ceiling price of 10 yen for 500 grams. When winter comes, the demand for stearin will increase as it is used for anti-chap lotions. The distribution of cream, it is feared, will therefore become difficult. The importation of oils, such as soy bean oil from MANCHURIA, sardine oil from KOREA, or coco oil from the South Seas would be helpful. In addition, about 1,500,000 yen worth of the materials on hand are to be exported, resulting in a smaller quantity for home use. Cold cream requires solid paraffin, this increasing the original cost, but as this is likewise controlled by the same ceiling price of 10 yen, producers are not inclined to manufacture cold cream. Besides, 120 percent tax is charged on the producer's price for cream.

4. Perfumed hair oil: Vegetable oil is used, but as this is appropriated for cooking, hair oil does not appear in sufficent quantity. As vegetable wax, an important material for pomade, is destined for export, it will be difficult to secure the desired pomade in the future. Several famous factories of pomade have begun their operations with the materials on hand; so there is a possibility of its distribution to a certain extent in the future. A 120 percent tax is also imposed on pomade.

5. Candles: Materials are paraffin and fatty acids, but the former is not produced in JAPAN and must be imported from abroad. At present, however, candles are produced with the materials on hand by the producers and distributed at the rate of two pieces for a family once every two months, one piece weighs .52 ounce (four monme) and costs 35 sen. Blackmarket price is about two yen. But materials in store will be exhausted soon, and so the present distribution will not continue long. The authorities have succeeded in manufacturing substitute candles with special materials supplied by petroleum companies. They are of a different color, but have almost the same intensity of light as the genuine ones.

110.4

6. Sewing needles: About 70 per cent of the home production was produced in HIROSHIMA, but since it was destroyed by the atomic bomb, the production of needles has not been satisfactory. Furthermore, due to the difficulty in getting iron wire, prospect of needle distribution for this year is said to be gloomy. Previously, needles were supplied at 14 sen for 25 pieces to the prefectural offices which fixed the local price, taking into account the various commodity prices in the respective prefectures. Since March last, however, they have been designated as No.2 goods, and controlled by price regulations. Accordingly, it is expected they will circulate more, if the price is reasonably increased.

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 3719 DATE: 1 Jul 46

ECONOMIC SERIES: 238

Item 1 The Production of Staple Items - Nippon Keizai Shimbun - 28 Jun 46.
Translator: Z. Konishi.

110.4

Full Translation:

The Ministry of Commerce and Industry, on 27 June, announced the production figures of staple items in May. According to this statement, the productions of 47 articles increased over the preceding month, in which 16 articles decreased and 13 articles were steady. Although there has been talk recently about an industrial crisis, the figures, as a rule, show an upward trend.

Following are the statistics showing the percentages of increased production over January:

Industrial articles:
pig iron 50 percent; steel bars 50 percent; electric copper 50 percent; refined oil 50 percent; coal 45 percent; soda 12 percent; cement 250 percent; electric motors 320 percent; trucks 300 percent; fertilizer 80 percent.

Daily necessities:
paper eight percent; pots and kettles 300 percent; soap 12 percent; shoes 300 percent; light bulbs 600 percent; matches 180 percent; watches 700 percent.

Of the above, the production of watches, fertilizer and light bulbs has increased steadily since January. Meanwhile, the production of sawing and lumber machines, silver and bicycles had 1500,500 and 200 percent increases respectively. Such great increases are due to previous low production in these items. The following is a production chart of staple items in May.

Item	Unit	Production Figures	Increase or Decrease (%)	Ratio of actual to Plant & Production (%)
Coal	1,000 tons	1,695	75	96
Briquettes	1,000 tons	195	(-) 10	81
Coke	1,000 tons	107	7	
Coal gas	1,000 cubic meters	29,581	(-)481	106
Domestic crude oil	1,000 L	19,834	1,196	94
Processed crude oil	1,000 L	24,765	1,706	101
Refined benzine	1,000 L	3,086	150	95

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 938 (Continued)

ITEM 1 (Continued)

Item	Unit	Production Figures	Increase or Decrease (%)	Ratio of actural to Plant & Production (%)
Kerosene	1,000 L	2,283	674	97
Light oil	1,000 L	734	(-) 171	86
"B" heavy oil	1,000 L	9,492	943	168
"C" heavy oil	1,000 L	722	722	240
Machine oil	1,000 L	3,374	(-)1,102	107
Semi-solid machine oil	1,000 L	1,433	(-) 46	43
Anhydrated pure alcohol	1,000 L	69	14	17
Hydrated alcohol	1,000 L	932	203	68
Electric power (coal-power)	1,000 KWH	30,417	12,197	
Electric power (water--power)	1,000 KWH	2,314,369	174,773	
Pig iron	ton	14,676	4,013	105
Common steel bars	ton	22,007	(-) 3,419	97
Gold	gm.	132,004	38,004	
Silver	kg.	8,304	6,879	
Electric copper	ton	1,103	139	82
Sulpher	ton	1,894	569	31
Lead	ton	365	(-) 25	182
Zinc	ton	1,068	146	
Mercury	kg.	3,149	1,323	157
Electric wire	ton	2,467	113	122
Nail, wire and iron wire		no report		
Sheet-zinc		no report		
Shovels and scoops		no report		
Picks and hammers		no report		
Cast iron pipes		no report		
Aluminium	ton	396	1	80
Sawing machine	1	1,755	1,638	
Farm machines and tools	1,000 yen	36,000	6,000	72
Spindles		0	0	
Spinning machines	1	133	(-) 111	22

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 938 (Continued)

ITEM 1 (Continued)

Item	Unit	Production Figure	Increase or Decrease (%)	Ratio of actual to Plant and Production (%)
Electric motors	1	9,194	(-) 924	64
Transformers	1	3,394	(-) 33	74
Radio sets	1	34,653	4,405	62
Vacuum tubes	1,000	150	33	15
Light bulbs	1,000	3,639	953	103
Watches	1	48,529	24,637	
Trucks	1	1,272	(-) 130	72
Bicycles	1	8,264	5,242	82
Telephones	1	10,487	2,439	22
Sulphuric acid	ton	71,645	8,690	84
Soda ash	ton	2,098	253	42
Cement	ton	86,725	3,880	124
Caustic soda	ton	2,080	(-) 29	51
Carbide	ton	14,783	(-)3,228	41
Fatty acid	ton	836	(-) 94	105
Oxhides		no report		
Cow Hides		no report		
Leather products for industry		no report		
Tires and tubes for bicycles	1,000	332	(-) 94	
Tires and tubes for motor-cars	1	18,480	1,275	
"Craft" paper	1,000 pounds	195	(-) 131	16
Newsprint	1,000 pounds	14,858	322	104
Paper for general use	1,000 pounds	17,741	3,752	90
Rayon pulp	ton	1,003	1,003	35
"S.P." made paper pulp	ton	4,822	361	70
"G.P." made paper pulp	ton	11,983	2,041	98
"X.P." made paper pulp	ton	160	(-) 45	23
"A.P." made paper pulp	ton	81	36	135
Plate-glass	box	69,735	4,080	105
Ammonium sulphate	ton	41,702	9,797	82
Superphosphate of lime	ton	9,438	1,428	73

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 938 (Continued)

ITEM 1 (Continued)

Item	Unit	Production Figures	Increase or Decrease (%)	Ratio of actual to Plant and Production (%)
Nitro-lime	ton	14,783	1,811	64
Woolen year	1,000 pounds	2,508	246	
Rayon yarn	1,000 pounds	704	209	
Staple-fiber yarn	1,000 pounds	2,425	929	
Silk yarn	1,000 pounds	130	10	
Cotton year	1,000 pounds	2,821	(-) 145	
Rayon cloth	square yard	534	(-) 29	
Silk cloth	square yard	1,178	(-) 154	
Cotton cloth	square yard	5,771	1,493	
Woolen cloth	square yard	1,471	133	
Kettles	1,000	576	(-) 54	29
Pots	1,000	272	(-) 129	66
Leather shoes	1,000	126	(-) 2	
Rubber boots	1,000	286	(-) 4	
Rubber soled socks	1,000	1,824	(-) 210	
Soap	ton	1,644	(-) 19	122
Matches	ton	14,050	2,049	84

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 3864 DATE: 10 Jul 46

ECONOMIC SERIES: 984

ITEM 1 Five-fold Increase in the Production of Basic Commodities - Nippon Keizai Shimbun - 8 Jul 46. Translator: S. Kinoshita.

Summary:

The Ministry of Commerce and Industry has made public a monthly production index of important commodities from September 1945 to May 1946, taking figures of last September as a base of 100. The index shows that during the period the production of important commodities has advanced an average of 5.3 times. The index also shows that the output of production material including coal, iron, soda and the like increased only 3.7 times, while that of consumer goods including textile, soap, paper and the like advance 6.6 times.

Sluggish progress in the output of production materials is attributable mainly to the fact that the coal supply lagged behind the requirements of industry.

110-A

It must not be overlooked that production, which took a marked upward turn in February and March, dropped again in April. The drop is consider to have been a result of the lack of industrial operation funds due to the Emergency Financial Measures enforced in March. This is proved by the fact that the decline was greater in theproduction of consumer goods than in that of production materials.

The outcome of the government indemnity problem will have a big bearing upon future developments, and there are some people who are very pessimistic over the outlook of consumer goods production.

(See the Chart)

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 74505/5

110-A

Output and Production Indexes Of Important Commodities

(A) Production Materials

		1945 Sep.	Oct.	Nov.	Dec.	1946 Jan.	Feb.	Mar.	Apr.	May
Pig Iron	Output (Metric ton)	9,393	9,630	7,688	9,829	9,742	9,484	10,877	10,663	14,676
	Index	100	103	82	105	104	101	116	114	156
Steel	Output (Metric ton)	6,273	5,026	9,402	11,375	14,925	18,006	25,376	25,426	22,007
	Index	100	80	150	181	238	287	405	405	351
Electric Copper	Output (Metric ton)	758	728	1,097	701	747	633	811	964	1,102
	Index	100	96	145	93	98	83	107	127	146
Petroleum	Output (Kilolitre)	12,460	12,526	10,558	9,545	14,199	14,227	19,561	19,974	21,174
	Index	100	101	85	76	114	114	157	160	169
Coal	Output (1,000 Metric tons)	1,017	718	691	1,020	1,381	1,641	1,980	1,927	1,997
	Index	100	70	68	100	136	161	195	190	196
Soda	Output (Metric ton)	739	1 261	2,688	2,554	3,725	2,967	4,903	3,954	4,178
	Index	100	171	364	346	504	401	663	535	561
Cement	Output (Metric ton)	36,600	39,065	50,050	71,322	34,060	38,283	68,933	82,845	86,725
	Index	100	107	137	195	93	105	188	226	236
Electric Motors	Output (Units)	9,702	1,608	3,109	5,192	2,804	3,901	5,655	10,118	9,194
	Index	100	17	32	53	29	40	58	104	94
Trucks	Output (Units)	104	572	335	440	415	561	1,115	1,402	1,272
	Index	100	551	322	423	399	539	1,072	1,348	1,223
Fertilizer	Output (Metric ton)	9,393	18,909	23,343	24,642	30,634	31,914	40,494	44,877	56,485
	Index	100	201	249	262	326	340	431	478	602
Arithmetic Average Index		100	150	162	183	204	217	339	309	373

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDC NO. 747015

Output and Production Indexes
Of Important Commodities
(Continued)

(B) Consumer Goods

		1945				1946				
		Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Cotton Tissue	Output (10,000,000 yds)	5,508	4,164	5,440	3,439	2,872	3,522	3,984	4,278	5,771
	Index	100	76	99	62	52	64	72	78	104
Silk Tissue	Output (10,000,000 yds)	4,612	4,193	3,684	4,397	576	649	826	1,331	1,177
	Index	100	91	80	95	12	14	18	29	26
Paper	Output (1,000 pounds)	23,493	32,813	30,747	22,865	16,949	22,183	26,490	29,413	17,826
	Index	100	140	131	93	72	95	113	125	76
Kettels & Pans	Output (1,000 units)	80	80	365	394	277	375	1,865	773	847
	Index	100	100	456	493	346	469	2,331	966	1,060
Shoes	Output (1,000 pairs)	51	51	306	250	121	162	330	410	412
	Index	100	100	600	490	227	318	647	804	808
Rayon Tissue	Output (10,000,000 yds)	4,607	2,573	2,239	2,816	169	191	295	563	534
	Index	100	56	49	61	4	4	6	12	11
Electric Bulbs	Output (1,000 units)	249	641	924	780	654	1,234	2,745	2,866	3,639
	Index	100	257	371	313	263	496	1,102	1,151	1,461
Matches	Output (Metric tons)	5,346	6,860	6,326	8,277	7,970	8,767	10,853	12,002	14,000
	Index	100	128	118	154	149	164	203	224	262
Watch	Output (Piece)	7,050	8,442	7,930	13,804	6,312	12,816	20,838	23,892	48,529
	Index	100	120	112	196	89	182	296	339	688
Soap	Output (Metric tons)	77	45	1,000	990	1,474	1,088	1,347	1,659	1,644
	Index	100	58	1,299	1,286	1,914	1,413	1,749	2,155	2,135
Arithmetic Average		100	113	331	324	314	322	654	588	663
Average Index of Production Materials and Consumer Goods		100	132	248	254	259	270	497	476	530

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 Will Routine Goods Be Avail[illegible] his Year? - Provincial Newspaper Jomo Shimbun (Maebashi) - 17 Aug 46. Translator: H. Shindo.

Summary:

There was a scarcity of all types of goods during the first year of rehabilitation in GUNMA-Ken. However, now that the second year of rehabilitation has started, will goods be made available? A section of commerce and industry of this prefectural government has inquired into the economic state of this prefecture.

Electric Bulbs: No electric bulbs have so far been available to consumers except in the black-market. The WADA Factory, TATEBAYASHI, has a productive capacity of 100,000 electric bulbs per month. It has been agreed between the prefectural government and the Ministry of Commerce and Industry that, out of this figure, 60,000 electric bulbs will be made available to consumers of this prefecture beginning this month.

Electric Instruments: Since almost all of the former war factories are manufacturing electric instruments and machines, these articles have been overproduced. Because production is increasing and stock-piles are becoming over abundant, some shops are selling these articles at prices lower than the fixed ones.

110.4

Furniture and Fittings: It is anticipated that these articles may be considerably over produced because there are a large number of ex-service amature artisans and war factories converted into furniture production. This industry has also been mechanized and mass production will be possible with lumber easily available in this prefecture. In spite of the decrease in purchasing power, many coarse articles are made. It is foreseen that the prices of furniture and fittings will decline speedily this autumn.

Mats: There is only one mat maker in this prefecture. His factory however is run on a very small scale with monthly output of about 6,000 mats. This small output does not count.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1331 (Continued)

ITEM 2 (Continued)

Recently 37,000 mats arrived from OKAYAMA-Ken. However, demand made not only by war-devastated residences but general households will not be met by this importation.

Foot-gears: Clog production favored by abundant lumber, has reached a saturation point. More than 500,000 clogs are produced each month and several tens of thousands of clog thongs are manufactured. Such an overproduction will lead to decreased prices.

Candles and Umbrellas: Both of these articles are controlled articles because of the shortage of raw materials. Not much is expected in their production. The output of paper umbrellas is likely to increase this autumn to about two or three times the current production rate of 10,000 per month.

Glass and China Wares: The output of glass and china wares of this prefecture is unworthy of consideration. Production conditions have been improved in other prefectures and these articles will be brought in from these areas. Their prices will decline considerably in late autumn.

Shoes: The 6,000 pairs of men's shoes produced monthly barely meet this demand. There is also a shortage of shoes for ladies, young people and babies. Releases of hoarded hides and skins will be enough to meet two years' demand. There is also a supply of cloth for shoes. Shoes production will increase gradually.

Rubber Goods: The monthly production of raincoats for the young people reaches 10,000 monthly and that of tires and tubes, 20,000. There is little expectation in regard to the production of rubber goods.

Toys: Sixty factories now produce 600,000 wooden toys monthly and toys for domestic use have reached a saturation point.

Toilet Articles: About 15 tons of toilet articles are manufactured, mainly in KIRIFU-Shi and made available to the populace. The consumption for pomade and cream is large, and over production will make them cheaper hereafter.

Soap: 1,524,635 pieces of soap are scheduled for distribution within the month. The distribution of 4 pieces of soap per capita per year is expected for the time being, and the current state of affairs will remain unchanged.

Textile Goods: The actual distribution of textile goods reached 21,400,000 items last year while 4,400,000 items were distributed from January to June of this year. Distribution will barely reach 10,000,000 items by the end of this year. Favored by the best conditions, the acute state of textile goods will be relieved not within this year but probably next year.

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4764 DATE: 22 Aug 46

ECONOMIC SERIES, 1305

ITEM 1 Reconstruction of Industries in Hyogo-Ken During the One Full Year Since the End of the War -- Provincial Newspaper: Kobe Shimbun (Kobe) 16 Aug 46. Translator: H. Sato.

Full Translation:

Judging from the investigation into war damage suffered by factories (including small work shops) in KOBE, conducted just after the end of the war by the HYOGO-Ken Chamber of Commercial and Industrial Economy and the Machine and Tool Industry Association (KIKAI KIGU KOGYO KUMIAI), amounting to about 5,000, roughly 70 to 80 per cent are considered to have sustained major or minor war damages. The reconstruction of these factories during one full year after the end of the war is outlined here.

The MITSUBISHI Dock Company (MITSUBISHI ZOSENJO), which caused much discussion in industrial circles by completing the construction of the dry dock, and repairing many merchant ships and trawlers, and building ships, deserves our attention. The foundry shop of this factory was hit by a one-ton bomb and 40 per cent of its work shops sustained damages, but speedy reconstruction was carried out, and it is now engaging in the production of salt manufacturing machines, pumps and gasoline tanks, besides shipbuilding, with 85 per cent of the productive capacity of the remaining workshops. What troubles this company most at present is the shortage of fuel. Extreme difficulties are being felt in obtaining coal and coke.

The MITSUBISHI Electric Company (MITSUBISHI DENKI), neighboring the MITSUBISHI Dock, sustained war damages to 40 per cent of its buildings and machines, but it has recently finished the repairing of damaged sections. It is manufacturing electric car motors, elevators, switch-boards and dynamos,, with an average output valued at seven million yen per month. The wartime output was four million yen per month, but the quantity produced at present is far below the wartime production level, because of the high cost of production. This company was able to recruit the nessary number of white-collar workers, but the number of factory workers, which amounted to 6,000 in wartime, is now less than one fourth of that number. "We are most earnestly awaiting the return of the former factory operatives to our workshops," was the candid confession of this company.

The Central Rubber Company (CHUO GOMU), one of the big factories which sustained the severest war damage, was once considered to have no chance of recovery because 85 per cent of its buildings was destroyed. The company, however, established a reconstruction headquarters and made an effort to promote production by using those materials that were stored in remote places and fortunately escaped the fire. As a result of this effort, 1,200 operatives are now engaged in the production of 100 tires and tubes for home built trucks, and 1,000 tires and tubes for bicycles.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1305 (Continued)

ITEM 1 (Continued)

The KOBE Steel Manufacturing Company (KOBE SEIKO) suffered air raids five times, with the first one on 8 March 1945. In the air raids, 80 per cent of the YAMATE factory, 20 per cent of the HIGASHI KAIGAN factory, and 30 per cent of the NISHI KAIGAN factory were destroyed. Parallel to reconstruction, the company speeded up reconversion into peacetime industry. It is now producing ammonium sulphate manufacturing machines, cable and daily necessities such as pots and pans and flour milling machines. The number of operatives now amounts to 3,000, which is one-fifth of that of wartime. But the company has launched the recruiting of skilled workers, and it will begin, in the future, the manufacture of wire and rolling stock.

All factories affiliated with the KAWASAKI Heavy Industry Company (KAWASAKI JUKOGYO) sustained major or minor war damages, but they have done their utmost to make the best use of those materials and equipments that escaped fire. As a result of the advance of labor union movements, the production activities in these factories show satisfactory results. But severe difficulties are being felt in obtaining labor and fuel due to the food shortage. Here, also, is another obstacle in the reconstruction of factories.

Products of each factory are as follows:

MITSUBISHI Ship Building Co. (ships, electric machines).
The KOBE Iron Manufacturing Company (KOBE SEITETSU JO) (iron plates).
The NISHINOMIYA factory (steel).
The Rolling Stock Company (SHARYO). (locomotives, passenger cars and freight cars).
The KITAHARI factory (gear-wheel, rayon manufacturing machines).
The AKASHI KITAI factory (agricultural implements, kitchen utensils and travelling bags).
The KOBE Metal Industry Company (KOBE KINZOKU KOGYO) (rolling-stock and bicycle parts)
The AKASHI SANKI factory (oxygen inhalers).

The following are the factories in HYOGO-Ken making rapid strides in reconstruction.

The TEIKOKU Precision (TEIKOKU SEIMITSU) at OIKE on the SHINYU line (wood working machines).
The ITANI factory of the SUMITOMO Electric (SUMITOMO DENKI) (ultra hard alloy metals)
The JAPAN motor (NIPPON HATSUDOKI) (motors for SAKE — distilling).
The AMAGASAKI factory of the SUMITOMO Metal Industry (SUMITOMO KINZOKU) (steel pipes)
The INAGAWA factory of the OSAKA Machine and Tool (OSAKA KIKO) (spinning machinery, machine tools)
The AMAGASAKI factory of the YAMAOKA Internal Combustion Engine (YAMAOKA NAINENKI) (internal combustion engines for agriculture and fisheries)
The HACHISHIKA factory of the GUNZE Industrial Company (radio receiving sets, pots and kettles)
The WAKIHAMA factory of the JAPAN Brake Manufacturing Company (NIPPON SEIDOKI) (oil brakes)
The TSUCHIYAMA factory of the TOA Metal Company (TOA KINZOKU) (nickel chrome wire, agricultural implements)
The KOBE factory of the KAWANISHI Machine Company (electric bulbs, spinning machines)
The OKUBO factory of the same company (vacuum tubes and electric medical instruments)
The AMAGASAKI factory of the KUBOTA Iron Works (cast-metal of various kinds, cast iron tubes and wood-working machinery).

The YOSHIWARA Oil Manufacturing Company (YOSHIWARA SEIYU) at NISHINOMIYA

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1305 (Continued)

ITEM 1 (Continued)

which started operation sooner than all of the factories in HYOGO-Ken after the end of the war, is suffering from shortage of raw materials and is now trying to convert to the manufacture of salt, chemicals and soap. The NITTO Aircraft Company (now called NITTO Industrial Company) converted to the manufacture of artificial rice. Besides the problem of the cancellation of the war indemnity payments, to be put into practice in the near future, JAPAN's industries will have to overcome many bottlenecks such as the difficulty in obtaining materials, the meager supply of labor due to hard living and poor welfare facilities. We cannot view the situation with optimism, but the future of JAPAN's industries will be rosy, if no effort is spared in tiding over every difficulty by combined efforts of labor and capital.

110-A

110.4

Construction Of Democratic New Japan Depends Upon Rehabilitation Of Economy.

Grand Spectacle Of Companies Striving For Reconstruction Of Peaceful Industries In Okayama Prefecture.

Various economic difficulties which Japan is undergoing are inherent to any defeated nation, as proven by history. Inflation, unemployment, starvation—all these factors, as a rule, harass a nation who loses a war. However, we should not resign ourselves to fate.

It is up to the Japanese people to keep well in mind the causes of trouble leading them to such a miserable state of affairs on the one hand and, on the other, to do their best in getting out of that bad shape. Needless to say, it is not an easy job to do. We have to undergo many and hard trials although some may hardly stand such hardships. But this is the inevitable path along which we should proceed on account of our past mistakes.

Opinions vary as to means and ways for an early improvement of the situation confronting the Japanese. Nevertheless, an increased production power of daily commodities is the prerequisite to the general improvement of the situation, including the food problem.

Thanks to some of the considerate industrialists the production capacity of some commodities is being expanded to a certain extent. The general tendency, however, is far from satisfactory.

In studying the latest conditions of the countryside, let us visit Okayama prefecture in Chugoku area, Honshu. The prefecture is noted as an agricultural center of the land.

With the Chugoku mountain ranges forming as the background, the prefecture has a vast area of paddy fields. The rice crops this year are expected to be the best in recent years with more than 1,700,000 koku of rice expected for harvest. A wide expanse of paddy fields west of Kojima Bay are cultivated after the American agricultural system —the factor mainly responsible for a better output of agricultural products than other prefectures.

The Kojima peninsula stretching along the bay is noted for the production of salt. It produces more than 10 per cent of Japan's salt production which is aimed at 400,000 tons per year.

Peaches and pears are among the popular fruit grown in the prefecture. Their delicious taste is known throughout neighboring prefectures, cultivators anticipating to reach the prewar mark in a year or two.

Sericulture used to be an important industry in the prefecture with a long history. With a marked reduction in the mulberry plantation in honor of rice plantation during the war period, it is still premature to commence a large scale undertaking for the time being, but local authorities are encouraging sericulturalists in every way possible in view of the importance attached to silk industry.

The textile industry is another important enterprise in Okayama, Minami Kojima district being the center of textile production. The locality is said to produce a large percentage of the nation's fabric output, which consists mainly of textile for student's uniforms.

Other local products include straw plaits, which were popular items among Japanese merchandise in overseas markets, export of which reached a considerable amount. It will not be long before the straw plaits industry will flourish as it used to be.

The Sansho Electric Company, Inc. is doing extensive electrification work in Okayama prefecture and neighboring prefectures under the able leadership of its president, Shunzo Matsumoto. With an ambitious plan to electrify all the surrounding agrarian districts and fishing villages, the company even lents out its electric motors to farmers' and fishermen's associations.

This company also handles the high class products of outstanding firms of this country in the capacity of a sole agent.

President Matsumoto is a man of business acumen and is full of vitality. His idea of the company is to make it a large family with his workers as the principal occupants. As a matter of fact, his company has the air of a large and amiable family. Most of his employees are graduates of technical colleges and are doing all they can to make a contribution to the reconstruction of the country.

The Nakashima Iron Foundry needs a special mention here. This firm has been known for long as the maker of propellers for large and small motor fishing vessels. Due to the nature of its business, which is indispensable in the fishing industry, the firm is doing rushing business since the termination of the war. In fact, the Mitsuwa trade mark on the propeller is accepted as the mark of genuine excellence throughout the country.

The firm that made fly papers one of the most important products of the country is **the Kamoi Fly Paper Manufacturing Co.** The Kamoi fly paper and Kamoi fly ribbon are known as the best in the country. In 1933, Toshiro Kamoi marketed an insecticide called Kamoi Killimetz in conjunction with his former products. This insecticide is now a pass-word among fruit raisers and private families.

Since the death of Mr. Kamoi, Susumu Yamamoto, who has been the general manager since the days of the founder, is carrying on the business with the assistance of Messrs. Taniguchi and Fukushima.

Since the opening of business in 1896, **Kojima Weaving Mills, Inc.** has been known for its "Dai Nanko Student Suits" and Kokura suiting throughout the country.

Under the able management of Zenbei Iemori, the president, and Sunaji Katayama, the managing director, the company's clothing fabric is sweeping the country. Despite this fact, however, the brains of the company never relax their efforts to improve their product.

The Nippon Weaving Company was founded in 1919 by Kanji Watanabe, the president. The company makes sail cloth both for export and for domestic consumption. The strength and durability of the cloth is the pride of the company.

MAINICHI

AUG 27 1946

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 747015

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4745 DATE: 21 Aug 46

ECONOMIC SERIES. 1303

ITEM 1 Ishikawa-Ken Industrial World has taken Steps Towards Rehabilitation - Provincial Newspaper Hokkoku Mainichi (Kanazawa) - 12 Aug 46. Translator: H. Shindo.

Summary:

One year has elapsed since the war's end. How have war industries been converted in ISHIKAWA-Ken?

The industries stopped operation, simultaneously at 1300 hours on 15 August 1945. The rest of the year of defeat elapsed in an atmosphere of inertia. As the new year dawned, conversion began, step by step. Big factories, well experienced in the production of civilian goods, took their first rallying step upon their reconversion as authorized by SCAP early in the new year. The Electro-Metallurgic Company (DENKI-YAKIN KAISHA) is going to resume its former business, weaver-manufacturing and raw silk reeling. The TSUDAKOMA, ISHIKAWA Factory and HOKURIKU Machine Company are planning to manufacture weavers and spindles. The KOMATSU Factory, formerly an arsenal and at one time leading the prefectural industry, has been converted into a tractor, manufacturing concern.

The big war industries, which had been enlarged by war demand, all have common troubles. Factories, which had manufactured aircraft par' are particularly difficult to convert because they were run by amateu
110.4 enterprisers. The WAJIMA Aircraft and KANAZAWA aircraft companies, completing conversion comparatively early, have gone in for mass production of lacquer wares and automobile body manufacture, respectively. The conversion of small business is easy compared with that of big one They have all completed conversion in one year after the war's end.

The ISHIKAWA-Ken silk and artificial silk industry, whose annual output was valued at more than 160 million yen in its most flourishing year, had its silk-weavers reduced to 14,000 or 60 per cent. It has done its utmost to recruit weavers and raw silk since the war's end, while the shortage of raw silk once led it to an impasse. The silk industry has regained vigour since it succeeded in gaining 3,308,000 pounds (400,000 kan of cocoons and short-fibre raw silk at the end of last year. What is more, 200,000 pounds of raw silk in stockpiles at hand have recently been released for use by SCAP. Keeping pace with this, the KANAZAWA Factory of the YAMATO Spinning Company (YAMATO BOSEKI KAISHA) set about reconstructing itself at once at the end of the war. The fishing net industry, which is peculiar to this prefect had net-knitting machines reduced by one-half during the war, and has imported an allocation of raw cotton exceeding its knitting capacity.

Badly hit during the war, the porcelain and lacquer ware industry has reverted to its former prosperity with the impetus given by inflation and exports to foreign countries as collateral goods. KANAZAWA gold leaf for folding screens is coming into its own again. It will not be long before its name becomes renowned throughout the world.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1303 (Continued)

ITEM 1 (Continued)

110.4

There is a perceptible change in the industrial world of ENUMA county also. The lumber industry has made remarkable progress and the fibre industry has become active again. It is expected that the former will come to a standstill unless a new field of operation is opened up, and the latter is slow in rehabilitation because of a shortage of women weavers. Generally speaking, the industrial world of ENUMA county will develop in the textile field.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4622 DATE: 15 Aug 46

ECONOMIC SERIES . 1260

ITEM 1 Condition of Industrial Reconversion in Hachinoe - Provincial Newspaper Too Nippo (Aomori) - 6 Aug 46. Translator: R. Aoki.

Summary:

In the following article, the reconversion of industries in HACHINOE, the industrial center of remote AOMORI-Ken, is summarized. The one most notable event in the industrial life of this remote province is the shipment of 30 metric tons of silicon to the UNITED STATES as collateral goods. This silicon is made by the MORIOKA Electric Works (MORIOKA DENKA KOGYOSHO) in HACHINOE, which processes the silicon ore mined in nearby IWATE-Ken. This product, as materials for de-oxidizing agents or for silicon steel plates, is specially demanded by vehicle makers. The present prospects show that the order from the Allied authorities to ship each month 30 tons of the no. five product with 75 percent silicon and 70 tons of no. four product with 45 percent silicon, will be fitted without difficulty if coke is delivered according to the present schedule.

110.4

HACHINOE is proud of the great fertilizer works, the NITTO Chemical Works (NITTO KAGAKU KOGYO KAISHA) located there. This plant produces, at present, 60 metric tons of ammonium sulphate a day on the average. The production on 2 August even reached 82 tons, and it is expected that the production goal for August, which was set at 1,600 tons, will be met with ease. From September, when the repair of the 300 litre sulphate acid tank and the 8,000 litre ammonium tank are completed, production will be doubled at once, making the plant the biggest ammonium sulphate producer in the TOHOKU region.

The NIPPON Iron Sand Company (NIPPON SATETSU KAISHA) of HACHINOE is a peculiarity in TOHOKU. The Company produced vanadium and sponge iron out of iron sand found in abundance in the vicinity, but now has re-emerged as a producer of sulphate of copper to be used by the manufacturers of agricultural chemicals. The factory showed resourcefulness in overcoming labor troubles during the reconversion. The product is made out of scrap copper, and the production output is estimated at 30 metric tons a month. The NIPPON Iron Sand Company is further planning to start the manufacture of farm machineries and instruments and ammonium sulphate fertilizer. The latter product will be made of old iron sand waste.

The giant of HACHINOE industry is the IWAKI Cement Company. It produce 20,000 metric tons of cement per month during the war. After the end of the war, the plant was in a state of suspension due to lack of coal. Since June, it has begun to resume operation, however. The present production capacity is 15,000 metric tons per month, as one of the four rolling furnaces was damaged during an air-raid. Since a day's suspension causes the loss of 100 metric tons of coal energy, the operators are anxious to have a continuous supply of coal for the economical production of cement.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4651 DATE: 16 Aug 46

ECONOMIC SERIES: 1271

ITEM 1 Survey of Industry Reconstruction in SHIKOKU - Magazine: Toyo Keizai (Thrice Monthly) 10 Aug 46.Issue. Translators: T/5 T. Sugihara. T. Masumura.

Summary:

General Conditions

Approximately 80 percent of the total area of the island of SHIKOKU, which consists of the prefectures of KAGAWA, EHIME, TOKUSHIMA and KOCHI, is mountainous. This geographical feature, together with a scarcity of mineral resources, has delayed industrial modernization. Until recent times SHIKOKU's main industries have been autochthonous ones such as fishing and forestry.

These seemingly backward conditions were, however, intrumental in putting the islanders back on the road to recovery. soon after the war. Marine and agricultural products stabilized the lives of the inhabitants, and no labor problem exists. The production of timber has speeded the rebuilding of homes in bombed cities.

Agriculture, Forestry, and Fishing

110.4

SHIKOKU's rice yield this year is expected to approximate 3,000,000 koku (TN: 15,000,000 bushels) while the wheat harvest should reach 2,000 000 koku. The amount of crops should be sufficient for SHIKOKU to export to other areas.

KOCHI-Ken, famous for its long distance fishing activities, will be aided by the SCAP directive, permitting the extension of JAPAN's fishing area. However, in JAPAN, as in most other countries, fishermen are handicapped by the lack of boats.

In KOCHI, EHIME, and TOKUSHIMA-Ken large amounts of lumber are being produced for reconstructing homes and factories. In May the lumber production in KOCHI-Ken almost equaled the planned production figure of 10,000 koku (TN: 100,000 cubic feet; a koku, used as a unit for the volume of lumber, is equal to 10 cubic feet). Difficulties in transportation have retarded shipments, causing considerable worry among lumbermen. We must keep in mind that the extravagant use of lumber during the war resulted in many trees being cut down prematurely.

EHIME, TOKUSHIMA, and KOCHI-Ken are important silk-raising areas in western JAPAN. Following a Government order, the prefectural governments in the three prefectures recently established five-year plans for the rehabilitation of sericulture. The plans are now being put into effect.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4651 DATE: 16 Aug 46

ECONOMIC SERIES: 1271

ITEM 1 Survey of Industry Reconstruction in SHIKOKU - Magazine: Toyo Keizai (Thrice Monthly) 10 Aug 46 Issue. Translators: T/5 T. Sugihara. T. Masumura.

Summary:

General Conditions

Approximately 80 percent of the total area of the island of SHIKOKU, which consists of the prefectures of KAGAWA, EHIME, TOKUSHIMA and KOCHI, is mountainous. This geographical feature, together with a scarcity of mineral resources, has delayed industrial modernization. Until recent times SHIKOKU's main industries have been autochthonous ones such as fishing and forestry.

These seemingly backward conditions were, however, intrumental in putting the islanders back on the road to recovery. soon after the war. Marine and agricultural products stabilized the lives of the inhabitants, and no labor problem exists. The production of timber has speeded the rebuilding of homes in bombed cities.

Agriculture, Forestry, and Fishing

110.4

SHIKOKU's rice yield this year is expected to approximate 3,000,000 koku (TN: 15,000,000 bushels) while the wheat harvest should reach 2,000 000 koku. The amount of crops should be sufficient for SHIKOKU to export to other areas.

KOCHI-Ken, famous for its long distance fishing activities, will be aided by the SCAP directive, permitting the extension of JAPAN's fishing area. However, in JAPAN, as in most other countries, fishermen are handicapped by the lack of boats.

In KOCHI, EHIME, and TOKUSHIMA-Ken large amounts of lumber are being produced for reconstructing homes and factories. In May the lumber production in KOCHI-Ken almost equaled the planned production figure of 10,000 koku (TN: 100,000 cubic feet; a koku, used as a unit for the volume of lumber, is equal to 10 cubic feet). Difficulties in transportation have retarded shipments, causing considerable worry among lumbermen. We must keep in mind that the extravagant use of lumber during the war resulted in many trees being cut down prematurely.

EHIME, TOKUSHIMA, and KOCHI-Ken are important silk-raising areas in western JAPAN. Following a Government order, the prefectural governments in the three prefectures recently established five-year plans for the rehabilitation of sericulture. The plans are now being put into effect.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

Modernized Industry

The rush, during the war, of large industrial concerns into SHIKOKU, such as KAWASAKI Aircraft (KAWASAKI KOKUKI), TOKYO SHIBAURA Electric Works (SHIBAURA DENKI), and YAMASHITA Steamship (YAMASHITA KISEN), has rapidly developed hitherto small industries, although the extent of development in general is far below that found in other industrial districts. Textile manufacturing, the building of mordern ships, and paper manufacturing are the chief industries of SHIKOKU.

It is of interest to note here that the city of NIIHAMA, the only area on the island where heavy industries are concentrated, was spared from air raids. NIIHAMA is the birthplace of the SUMITOMO ZAIBATSU. The so-called "Five Companies" of the SUMITOMO clan are found in that locality, surrounding the BESSHI Copper Mine (BESSHI DOZAN). The big five consists of the SUMITOMO Mining Industry (KOGYO), the SUMITOMO Electric Company (DENKYOKU), the SUMITOMO Machine Manufacturing Company (KIKAI), the SUMITOMO Chemical Manufacturing Company (KAGAKU), and the SUMITOMO Light Metal Industry (KEIKINZOKU). The chemical plant is now producing fertilizer, the May production total being 8,500 metric tons.

110.4

Salt Manufacturing and Bittern *

The manufacture of salt has always been considered one of the more important industries in SHIKOKU. Of late, in conjunction with the salt industry, the bittern industry has become active. During the war bittern was used as an ingredient in air-plane fuel, in explosives, in making medical products, and in producing metallic magnesium. Now it is serving as raw material in manufacturing potassium fertilizer. The industry is so equipped that an annual production of 6,000 metric tons of bittern can be expected.

Mineral Resources

In mining circles in SHIKOKU copper mining is considered to have the most hopeful outlook. EHIME-Ken has consistently been the second or third highest copper-producing prefecture in the country. The BESSHI mine has been one of the leaders in the field. The following table gives the 1934 figures for domestic copper output (in metric tons):

Prefecture	Production
AKITA	17,646
TOCHIGI	10,854
EHIME	10,671
IBARAGI	9,611
OITA	8,406
Others	9,814
Total	67,002

In the case of other minerals, such as manganese and limestone in KOCHI-Ken, and iron sulfide in EHIME-Ken, there is also some hope.

Problems of the Future

In view of the geographical nature of SHIKOKU, the greatest problem of the future pertaining to industrial development will be that of improving transportation facilities, particularly lines of communication with HONSHU.

*In warm climates seawater is evaporated in large flat ponds by the heat of the sun. The salt so obtained is known as solar salt. The mother liquor, known as bittern, contains magnesium salts and bromides.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

The proposed undersea tunnel between SHIKOKU and HONSHU should receive careful study.

The utilization of the YOSHINO River as a source of electrical power and water supply is another problem that requires immediate solution. The farmers in the EHIME and KAGAWA areas, who would benefit by the water supply, face the possibility of a drought every year.

There is a need for abolishing the sectarianism and provincialism among the various prefectures. These sentiments have arisen because of the geographical conditions and the undeveloped transportation facilities which have induced isolation.

The Textile Industry

In recent times the textile industry in SHIKOKU has developed very rapidly. The textiles produced by the industry in 1938 were valued at 172,000,000 yen, representing 37 percent of the total value of industrial goods produced on the island in that year. Textile production was sharply curtailed during the war years because much equipment was convert by war industries. Production capacity is now much lower than before the war.

110-4

Cotton Yarn

Most of the cotton yarn plants in SHIKOKU have completed reconversion and begun operation. The plants now operating, those that will reopen soon, and the number of spinning machines of each are listed in the following tables (as of July 1946):

Plants Now Operating

Company	Plant	Number of Spinning Machines
TOYO BOSEKI	KOMATSUJIMA	39,292
	SANBONMATSU	25,200
	IMAHARU (No 2)	37,740
KURASHIKI BOSEKI	MARUGAME	51,660
	KANNONJI	59,184
	HOJO	61,200
FUJI BOSEKI	KAMANOE	36,000
	TOYOHAMA	40,000
SHIKISHIMA BOSEKI	KOCHI	60,928
	MIKAME	54,960
	Total	466,164

Plants Still Reconverting or Planning

Company	Plant	Number of Spinning Machines
TOYO BOSEKI	FUCHIZAKI	28,000
	IMAHARU (No 1)	50,000
KURASHIKI BOSEKI	SAKAIDE	30,000
FUJI BOSEKI	MISHIMA	40,000
	Total	148,000

The 466,000 figure represents about 16 percent of all spinning machines in JAPAN. In June, with the arrival of raw cotton from AMERICA, the plants began to operate, and capacity production is expected soon.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

Most of the plants were built recently and so the equipment is in good condition. The chief worry of the manufacturers is that of labor, food, and material shortage. The producers must rely on evacuees from war-damaged metropolitan areas as a source of labor, and this group has the common shortcoming of having a lack of enthusiasm for increasing production.

Manufacturing Thread

More than 60 percent of the industrial textile equipment in SHIKOKU is concentrated in EHIME-Ken, in which prefecture lies IMAHARU, famous for textile production. Before the war there were 8,000 weaving machines to make broadcloth and 1,000 to make towels. During the pre-war period, 6,000,000 dozen towels were produced annually. But with the advent of war the industry was converted to making airplane parts and subsequently, suffered considerable damage from bombs. Fortunately, however, some of the main plants escaped unscathed and have already resumed operation. The total number of weaving machines now available for use in making broadcloth and towels is 1,714 and 585, respectively.

Other well-known textile cities are YAWATAHAMA, which has the SAKAROKU plant, and TOKUSHIMA, where the TOKUSHIMA Cotton Manufacturing Company (TOKUSHIMA MENGYO) is located.

Artificial Silk Industry

110-A

The artificial silk industry in SHIKOKU has highly developed equipment. Luckily, it escaped damage during the war. The production capacity of artificial fibers, some 3,600,000 pounds monthly, is 40 percent of the national total. The capacities of the various plants are as indicated below (in 1,000 pound units):

Company and Plant	Monthly Capacity
TOYO Rayon, EHIME Plant	957
KURASHIKI Artificial Silk Manfg Co (KURASHIKI JINKEN) SAIJO Plant	997
TEIKOKU Textile Manfg Co (TEIKOKU SENI), TOKUSHIMA Plant	907
FUJI Mercerized Fabrics Co (FUJI GASU BOSEKI) TOFUKAWA Plant	739
Total	3,600

TOYO Rayon's EHIME Plant is especially famous for its mass production system. During the war it produced military uniforms, bandages and various other articles for war use. Currently the emphasis is on muslin, poplin, and other materials which the Nation needs.

The SAIJO Plant of the KURASHIKI Artificial Silk Manufacturing Company has resumed full operation since it was ordered by SCAP to produce artificial silk for export to CHINA and AFRICA. Shortages of necessary raw materials, such as coal, still exist, but a sufficient supply of salt, which is essential for synthesizing rayon, is available.

The Knitting Industry

The knitting industry in SHIKOKU hitherto has been concerned largely with the subsidiary firms of companies in the HANSHIN district. Gloves and stockings were the chief products, 600,000 dozens pairs of the former being exported to the UNITED STATES and CANADA annually. During the war

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

200 machines were damaged by air raids, leaving 1,600 machines capable of producing annually 720,000 pairs of gloves and 200,000 pairs of stockings.

The Silk Thread Industry

Reconversion has already been accomplished throughout most of the silk thread industry and production has been resumed. The chief producers are the GUNZE Thread Company (GUNZE SEISHI), with the UWAJIMA plant and nine other in EHIME-Ken, and the KATAKURA Thread Company (KATAKURA SEISHI), with its KAMOSHIMA (Plant) and five others in TOKUSHIMA-Ken. Although limited production has continued throughout the war until the present time, a shortage of cocoons has forced some plant to come to a standstill. The difficulty in expanding the area of mulberry farms makes capacity production in the near future doubtful.

The following tables show general sericultural conditions in SHIKOKU.

A. The Number of Sericultural Farms (in thousands)

Year	EHIME-Ken	TOKUSHIMA-Ken	KOCHI-Ken
1931	54	39	56
1935	41	38	50
1940	35	34	43
1945	18	20	23

B. Area of Mulberry Farms (in 100 acres). (TN: Figures in parentheses is equivalent area in 100 chobu)

Year	EHIME-Ken	TOKUSHIMA-Ken	KOCHI-Ken
1931	336 (137)	236 (96)	245 (100)
1935	279 (114)	223 (91)	201 (82)
1940	226 (92)	191 (78)	179 (73)
1945	61 (25)	69 (28)	51 (21)

C. Cocoon Yield (in units of 10,000 pounds) (TN: Figure in parentheses is equivalent weight in 10,000 kan)

Year	EHIME-Ken	TOKUSHIMA-Ken	KOCHI-Ken
1931	2,423 (293)	1,852 (224)	1,472 (178)
1935	1,679 (203)	1,472 (178)	1,100 (133)
1940	1,431 (173)	1,431 (173)	1,142 (138)
1945	289 (35)	372 (45)	215 (26)

Machine Manufacturing

Since the manufacturing of machines in SHIKOKU had been conducted generally on a small scale, as subsidiary firms of large munitions factories, reconversion has been accomplished quite readily and there is no worry of removal of equipment for reparation. Among the major factories that have begun production are the SHIKOKU Machine Manufacturing Company (formerly the SUMITOMO Machine Manufacturing Company), the IMAHARU Plant of the TOKYO SHIBAURA Electric Company, and the MATSUSHITA DENKI). The first concern is producing machines for mining refineries and the chemical industry, and motors for farm village use. The latter two companies are making electric light bulbs. The IMAHARU Plant has a monthly capacity of 500,000 light bulbs but only 20 per cent of full capacity was expected last year because of extensive damages from air raids Since then repairs have been made, and in March 210,000 bulbs were produced. The second of the two firms was left undamaged, and currently its monthly output is about 300,000 bulbs. The MAKITA Iron Works (MAKITA TEKKOJO) proposes to build sufficient numbers of small engines every year so that their combined power output would be 20,000 horsepower.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

The following gives a comprehensive view of the activity among industrial concerns in SHIKOKU, according to prefectures:

	Plant Name	Goods mfd During War	Goods Mfd Postwar
KAGAWA-Ken			
1.	MAKITA Iron Works	Ship engines	same
2.	NODA Industrial (NODA SANGYO)	Engine parts, farm tools	farm tools
3.	KOYO Precision Instruments	Aircraft bearings	bearings
4.	MATSUSHITA Electric Implements, TAKAMATSU Plant	Light bulbs	same
EHIME-Ken			
1.	SHIKOKU Machine Manufacturing	Cranes, various machines, presses, electrical instruments, weapons parts	same except for weapons parts
2.	TOKYO SHIBAURA Electric, IMAHARU Plant	Light bulbs	same
110.A 3.	IZEKI Farm Tools (IZEKI NOKI)	Aircraft engine parts, farm tools	farm tools
4.	KIDO Iron Works (KIDO TEKKOJO)	Ship engines	farm tools
5.	DAIDO Manufacturing (DAIDO SEISAKUJO)	Threading machines, reamers cutters	farm tools
6.	TOA Metals (TOA KINZOKU KOGYO) IMAHARU Plant	Aircraft engine parts	farm tools, motors
KOCHI-Ken			
1.	MATSUSHITA Electrical Implements, SUZAKI Plant	Electrolysis products, manganese	same plus M_nS_2 and glucose
2.	NAKAYAMA Steel (NAKAYAMA SEIKOTO) TOSA Chemical Plant	Caustic soda liquid oxygen	caustic soda, saponification products
3.	NOMURAGUMI Construction (NOMURAGUMI KOSAKUJO)	Ship, auto equipment	autos, street cars
4.	TOSA Compression Equipment (TOSA KOATSU KOGYO)	Compressed oxygen, machine tools	same
5.	NANKAI Automatic Hammer (NANKAI TANATSU KI)	Automatic hammers	same, grain milling machines
6.	KOCHI Marine Engine (KOCHI HAKUYO NAINENKI)	Marine engines	same
7.	TOSA Electro-Steel (TOSA DENKI SEIKOTO)	Steel pig-iron	same
YOKUSHIMA-Ken			
1.	TOKUSHIMA Machine Manufacturing (TOKUSHIMA KIKAI KOGYO)	Aircraft engine parts, automatic riveters, oxygen masks	daily household metallic needs
2.	KASHIWABARA Rivet (KASHIWABARA NENRYO KOSAKUTO)	Rivets	screws, nails, farm tools, general machine

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

Modern Shipbuilding

Because of the insular nature of SHIKOKU the building of wooden ships was developed early in the island's history and subsequent demand for vessels has enlarged the industry. Capacity production at present is about 145,000 metric tons per year. Plans for this year call for 104 engine-equipped ships, totaling 5,200 metric tons, and 40 fishing and cargo boats without engines, totaling 150 metric tons. These ships are now under construction at the SAKAIDE shipyard of the MITSUI Modern Vessel Company (MITSUI MOKUSEN), the SHIKOKU Dock Company (SHIKOKU DOKKU), the TACHIBANA Shipyards (TACHIBANA ZOSEN), and the TOKUSHIMA Shipyards (TOKUSHIMA ZOSEN). Manufacturers of engines for boats are experiencing a current boom and are expanding as much as possible.

Salt Production

SHIKOKU is an important salt-producing district. Production has dropped because of labor troubles and coal shortage but normally it was 50 percent of the national total. The yield was particularly low last year because of frequent air raids and bad weather. The table below shows the 1945 production figures. The figure in parentheses is the amount of salt planned by the Government.

Prefecture	For Goverment Use (In 1,000 metric tons)	For Producer's Use (In metric tons)
KAGAWA	69 (219)	337 (2,000)
TOKUSHIMA	20 (56)	61 (2,000)
EHIME	15 (43)	396 (5,000)
KOCHI	- (-)	482 (4,000)
Total	104 (318)	1,276(13,000)
National total	183 (600)	38,413(200,000)

The amount of salt that the Government Monopoly Bureau (SEMBAI KYOKU) wants SHIKOKU to produce in 1946 totals 269,400 metric tons. Listed by prefectures, the amounts are as follows: KAGAWA, 184,300 metric tons; TOKUSHIMA, 51,500 metric tons; and EHIME, 33,600 metric tons. The total is 54 per cent of the amount planned for the entire Nation's facilities.

Lack of coal will prevent the goal from being reached so that the TAKAMATSU Local Monopoly Bureau (TAKAMATSU CHIHO SEMBAI KYOKU) is endeavoring to use electricity in the major Government-owned salt-producing concerns. Also, bureau plans call for the use of former military air fields as salt ponds. Private salt-producing companies are more amenable to increased production, now that special dispensations have been included in the Salt Monopoly Law (SHIO SEMBAI HO), by which the Government permits private producers free use of salt for their daily needs and underwrites financial expenses up to 80 percent of the Construction cost of new salt factories. At present there are 1,557 private factories operating in SHIKOKU whose annual output capacity is about 10,000 metric tons. One hundred eight more are under construction, having a combined annual output capacity of 12,600 metric tons. There are 157 factories being planned, capable of producing 3,200 tons. With the equipment in poor condition, capacity production is not anticipated.

In the Government-controlled salt industry, the April production was only 30 percent of the goal, and in May it was 40 percent. There will be a severe shortage of salt if this condition continues, especially during the critical period of June to October when maximum production is obtaine

DISTRIBUTION "X"

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 Supply and Demand Plan For Essential Materials Formally Released - Nippon Keizai Shimbun - 16 Aug 46. Translator: R. Shibata.

Full Translation:

110.A The Ministry of Commerce and Industry has announced a supply and demand plan for essential materials for the period from July to September. The formulation of the plan had long been delayed due to the undetermined requirements for construction materials of the Occupation Forces, and the final decision was reached at the vice-ministers' conference held on 15 August. Upon general examination of the plan, it is found that the supply of important materials, on the whole, shows a decrease as compared to the previous period, and also that the supply of coal, cement

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 (Continued)

and secondary iron and steel goods for the construction work of the Occupation Forces has sharply increased in contrast to the supply to civilian quarters. However, it seems that even the authorities have little confidence in attaining the goal as set by the plan, because of many unfavorable conditions such as the labor problem, issues relating to food and wages, the hard blow to industrial circles due to the cancellation of indemnities and also the unfavorable season for production.

The Transportation Plan

It is estimated that the quantity of coal, iron ore, iron and steel, non-ferrous metals, cement, coke, pulp, and other materials to be transported by sea will amount to 2,353,000 tons, 1,404,000 tons by freighters, and 949,000 tons by power driven ships, as compared to the actual transportation of 1,984,000 tons and 1,208,000 tons by the respective facilities in the previous period. The figure does not include on informal schedule for transportation of 344,000 tons by power driven ship. In addition, there is a plan to estalish a motor ship company which will mainly handle the transportation of raw materials for iron manufacture and refining.

110.4

The plan for Distribution of Important Materials.

Coal: The production goal is estimated at a total of 5,282,800 tons, including 1,546,400 tons in HOKKAIDO, 552,000 tons in the Eastern District, 472,500 tons in the Western District, and 2,711,900 tons in KYUSHU, which shows an increase of 360,000 tons as compared to the total output of 4,918,000 tons in the previous period. The industries to which an increased distribution of coal is specially assigned are food, those working for the Occupation Forces, electrical, and others. However, there is no assurance as to the extent the plan will be realized in this period.

Salt and Soda: The supply of salt for industrial use is estimated at 50,000 tons, table salt at 138,000 tons, soda ashes at 23,000 tons, and caustic soda at 11,000 tons, respectively representing 111 per cent, 81 per cent, 106 per cent and 126 per cent of the actual figures in the previous period. On the whole, the plan shows a 13 per cent decrease in supplying power as compared to the previous period.

Iron and Steel: The supply of ordinary steel is estimated at a total of 137,700 tons, including 121,000 tons of steel materials and 16,700 tons of secondary finished goods, and the supply of pig and cast iron is estimated at 36,200 tons, including 32,000 tons of raw materials, and 4,200 tons of finished goods. It is expected that there will be further decrease in the supply of iron and steel in the next period.

Non-ferrous Metals: There is a plan to supply 9,500 tons of electrolytic copper, 8,700 tons of electric wires, 9,000 tons of copper, 20,000 tons of electrolytic zinc, 4,800 tons of tin and 75,000 tons of mercury. It is also expected that the supply of these metals will undergo a sharp decrease in the next term.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1280 (Continued)

ITEM 2 (Continued)

Pulp: The supply of pulp is estimated at 6,500 tons for artificial silk, and 45,900 tons for ordinary paper manufacture, of which 41,800,000 pounds are for production of general foreign style paper, 3,700,000 pounds for craft paper, and 48,000,000 pounds for newspaper materials.

Chemical Goods: The supply of cement is planned at 290,000 tons, which is an increase of 30,000 tons compared to the previous period, and the supply of carbide amounting to 6,800 tons is also a considerable increase; however, a very small quantity of this is to be given to civilian industries since the large portion is being assigned to construction work for the Occupation Forces and ship dismantling works. The same thing can be said in the case of slate glass of which a supply of 208,000 boxes, is planned. It is estimated that 3,800 tons of fatty acids will be used for production of 60,000,000 pieces of soap. It is also planned to supply 134,000 tons of ammonium sulphate and 56,000 tons of lime nitrogen, respectively representing an increase of 14 per cent and 22 per cent as compared to the previous period.

110.4

Leather and Rubber: The supply of leather amounting to 5,000 tons does not include imported articles. Raw rubber will be supplied for 4,000 tons, but no supply of high grade rubber to be used for production of tires is planned.

(TN: The above figures include special articles but not the concealed and hoarded materials). The following table will present more detailed figures:

Plan on Distribution of Principal Materials (unit: ton)

	Ordinary Steel		Pig & Cast Iron		Copper	
	Raw Material	Secondary Finished goods	Raw Material	Secondary finished goods	& Electrolytic Copper	Cemen
Construction Work for the Occupation Forces	17,000	5,970	3,000	2,500	1,700	159,5
Export	1,900	160	600	-	200	-
Coal	20,000	3,295	4,000	450	400	18,0
Chemical Fertilizer	17,450	642	5,000	20	1,200	20,0
Railway	14,750	700	3,200	60	520	10,0
Land Transport other than Railway	3,500	178	800	-	150	5
Sea Transport	6,200	485	2,700	-	760	2,5
Communication	1,144	363	150	-	220	2,0
Food	2,500	285	750	-	150	5,0
Public Works	1,100	690	235	350	150	9,4
General Industries	5,685	1,532	2,245	790	600	26,0
Machine	6,441	125	3.990	1,300	500	-
Medicine	200	85	30	-	40	8
Utensils	380	90	600	-	90	-
Miscellaneous	550	155	100	-	620	2,2
local Reserves	1,200	755	500	-	200	4,0
Central Reserves	1,000	770	600	80	690	30,0
Raw Materials for Production	20,400	-	4,000	-	-	-
Total	121,000	16,780	32,500	4,250	9,000	290,00

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4661 DATE: 16 Aug 46

ECONOMIC SERIES, 1277

ITEM 1 Outlook of Our Industrial Circles - Mainichi Shimbun - 15 Aug 46.
Translator: Y. Kurata.

110.4

Summary:

One year has elapsed since the end of the war. Japanese industry is now on its way to reconstruction. The industrial activities of JAPAN, which were almost paralyzed during the war on account of the repeated bombing by B-29's, had small hope of revival. Since then, our industry has been face to face with great difficulties, either in getting coal or in restoring efficiency, which has been considerably reduced due to the acute shortage of food. Under the circumstances, the Government at the beginning of this year decided on a fundamental policy for industrial reconstruction, giving top priority to the increased production of coal and chemical fertilizers. In accordance with this, other industrial plans have thus far been directed properly. It is, therefore, quite worthwhile to trace back the way in which our industry has been reconstructed and, at the same time, to make a survey of its actual plight, while attempting to forecast its future prospects.

According to the post-war production index compiled by the National Economy Research Institute (KOKUMIN KEIZAI KENKYUKAI), the following contrast can be seen between the index of September of last year and that of June this year:

(1935 - 1937 Average = 100)

Classification	September 1945	June 1946
Textile Industry	6.0	8.6
Chemical "	11.1	26.7
Steel "	3.0	8.2
Machine "	1.3	43.4
Ceramic "	5.6	22.2
Foodstuff Manufacturing	28.0	60.6
Non-ferrous Metal Refining Industry	8.7	12.5
Crude Oil	71.3	64.2
Coal	25.7	46.5
Electric Power	48.4	113.0
Gas	19.6	27.0

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 1 (Continued)

Meanwhile, the raw material index compiled by the same Institute on such items as pig iron, ordinary steel bars, electric copper, motors, motor cars, petroleum, soda, sulphate of ammonium, cement and coal, shows 7.7 for the month of September and 28.3 for June of this year. On the other hand, the consumer goods' index, completed on such articles as cotton yarn, rayon and staple fiber, paper, soap, rubber shoes, electric tubes, salt, cigarettes, canned goods, soya sauce, beer, flour, butter, and condensed milk, registers 31.6 for the month of September and 38.1 for June of this year. Thus we can see a gradual increase in the production of the above-listed industries. However, questions still remain unsettled in regard to the following two points:

(1) In what relationship does the actual industrial production stand with the demand?

(2) Is it possible for our industry to maintain the upward trend which has thus far been shown in production?

To answer these questions, we will take up the problems that confront our industrial circles.

(1) Coal: Coal production, which had been reduced to about 500,000 tons during the two months of October and November last year, has just reached a monthly output of 1,600,000 to 1,700,000 tons after considerable efforts by the authorities concerned. However, there is no prospect of a further increase in the coal output. This is due to careless mining during the war and the resultant poor condition of mining facilities. As a result of this low production of coal, the Government railway service, being supplied with only about 500,000 tons, while the monthly demand is 630,000 tons, has shown a 50 to 60 per cent decrease in its transportation capacity as compared with war time. Steel production is now in an almost hopeless position, its coal supply being only sufficient to fire a minimum number of furnaces. Other industries, with the exception of the chemical industry, are generally handicapped by the extreme shortage of fuel.

110.4

(2) Steel: The above-mentioned coal shortage has threatened a nationwide shutdown of the steel industry. With the production goal of pig iron being 1,980,000 tons and that of steel bars 3,000,000 tons for the 1946 steel year, the production figures for the first quarter showed only 40,400 tons of pig iron, 73,300 tons of ordinary steel bars, and 22,700 tons of special steel bars. This shows a considerable deficiency in the balance between the demand and supply of steel. At present the demand for steel is so great, in view of the urgent necessity for industrial reconstruction, that it is generally observed that the steel shortage will assume more serious proportions in the near future.

(3) Machine Industry: The machine industry, which depends largely upon the steel industry for its supply of raw materials, is tapering off as the supply of coal and steel dwindles.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

Thus a pessimistic view prevails in regard to the future prospects of this industry.

(4) Chemical Industry: Lack of repair of the facilities of the chemical industry is responsible for the present considerable slowdown in the production of chemicals. For instance, the recent decrease of 9,000 tons in the production of sulphate of ammonium is ascribable mostly to the machinery breakdowns resulting from the lack of reconditioning. Meanwhile, soda production is being smoothly carried out, but this is only possible at the sacrifice of the production of rayon, paper, pulp and plate glass. Likewise, the dyestuff industry shows a monthly production of less than 200 tons, due to the serious shortage of benzol.

110.4

(5) Textile Industry: The cotton industry, though it has enough materials for increased production, is faced with an acute shortage of labor. As a result, the operating rate of this industry was only 45 per cent during the month of July.

As may be clearly understood from the above, Japanese industry is not strong enough in basic machinery and, consequently, great difficulties are being encountered. Major bottlenecks in our industrial reconstruction can be summarized as follows:

(1) Machines and equipment in every industry are almost worn out due to careless maintenance during the war.

(2) The present production rate of coal and steel can not possibly meet the demand for the reconditioning of the above-mentioned worn-out machines and equipment.

(3) All the industries have thus far been dependent upon stockpiles for the supply of raw materials, but there is no hope of a further supply from now on.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4569 DATE: 13 Aug 46

ECONOMIC SERIES, 1239

ITEM 1 Plans to Concentrate Production - Weekly magazine Toyo Keizai - 10 Aug issue. Translator: F. Tsuneishi.

Summary:

The decisive step taken by the JAPAN Steel Co. (NIPPON SEITETSU) to concentrate production at YAWATA factory, is not a production restoration measure for this company alone. It will, no doubt, become a good precedent for promotion of production in all companies. The purpose of thi production concentration is to utilize the rationed coal and materials t the maximum, and obtain maximum results, at the same time resuming operations. The WANISHI, KAMAISHI, FUJI and HIROHATA factories have suspended their operations, and all the coal allotment to these factories will be centralized at the YAWATA factory. Factories whose furnace fires have burned out are dead factories. Recent research indicates that the restarting of these 'dead' factories is not quite as hard as had been considered; the fires may be allowed to go out in some furnaces, but the workers cannot resign themselves willingly to such things, for to them whether production be suspended or not is of vital importance. Other problems, too came up as soon as this concentrated production plan was submitted to the council meeting of the JAPAN Steel Company, but the draft was passed under the condition that the suspension from work of laborers in these closed factories would be postponed. How much can be expected from this concentrated production scheme? According to the project of the company, between July of this year to March of next year, the figures, as compared to results under the old system will show an increased production of 12,450 tons of pig iron and 26,700 tons of steel.

110-A

	Production by present method		Centralized production	Difference
Coal	837,900	tons		
Steel	116,100	"	142,800	26,700
Pig iron	121,650		134,100	12,450

Besides the above products, through utilization of natural gas, about 24,000 tons of steel, light oil, benzol and ammonium sulphide can be produced. The income from these will be enough to cover all losses durin this period, amounting to about 75,000,000 yen, besides carrying forward 100,000,000 yen as capital. The income from stock products will be enough to cover the production cost. By this project bankruptcy from shortage o capital can be prevented

This plan assumes the availability of 837,900 tons of coal during this

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1239 (Continued)

ITEM 1 (Continued)

period, but if the output of coal by March, can be increased to 2,450,0 tons from 1,600,000 tons, the estimated amount, more coal can be allott to the steel manufactories. The present allotment to the JAPAN Steel Company is an average of 80,000 tons monthly, i.e, only 4.6 per cent of total allotments. This means that the above program is based on a mini coal allotment. Reoperation of suspended factories may also be possibl by increased coal distribution. During this period of concentrated pro- duction, the suspended factories will not be just onlookers, but will try to continue operations, if possible. Some factories may use stock coal to keep the furnaces burning. These are just plans, and many probl may arise when they are put into operation. There is no question that t concentrated operation of the JAPAN Steel Co. will decide the fate of th company. The JAPAN Steel Company is a restricted company, so the future plans as to whether the five factories will act as one, or will become independent companies, are as yet unsettled. Until then, these factorie must not pass the time idly. No doubt by autumn, the concentrated produ tion project of the JAPAN Steel Company will have shown good results, and will be considered a good measure.

110 A

Industrial policies of JAPAN have in the past called for the centralization of important industries, but this was never realized, because of lack of materials, inequalities in the industries, and certain all round policies which paralyzed the factories. This must not happen in the future, because the scale of industry has diminished, and materials are scarce. In order to carry out production under restrictions, thorough concentration of important production is essential. The suspension of compensation to munitions factories is necessitating a great readjustmen of factories. These regulated factories will start out as second com- panies. The JAPAN Steel Company which is the forerunner for this new policy, may show good results, and point out the way for other industrie in the future.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ALLIED TRANSLATOR AND INTERPRETER SECTION

PRESS TRANSLATIONS

No. 4383 DATE: 5 Aug 46

ECONOMIC SERIES:

1170

ITEM 1 Facing Another Crisis - Magazine: Diamond (Twice Monthly) - 21 Jul 46 Issue. Translator: Y. Asada.

Full Translation:

The Ministry of Commerce and Industry has published a table, with a set index, of the production of vital commodities since the end of the war, and is proud of the increase in production. The following is the table as set up according to the investigation in September 1945.

Products	Nov 44	Mar 45	May 45
pig iron	104	116	186
steel	150	406	351
electrical copper	145	107	140
petroleum	85	157	169
coal	68	195	190
soda	364	663	560
lime	137	138	206
artificial fertilizer	249	431	601
cotton	99	72	103
silk	80	18	25
rayon	49	6	12
foreign paper	131	113	76
pots and pans	436	647	808
shoes	600	649	809
soap	1299	1749	2135
electric light bulbs	371	203	262
matches	118	203	262
clocks and watches	112	296	686

110-A

Comparing the production in May with that directly after the end of the war, the production of basic materials doubled and the production of consumers' goods increased six times. The increase of soap production is especially remarkable. For instance, soap production in Nov 44 showed an increase of 10 times over the production of Sept 44, and of 21 times in May. If things went on like this there would be nothing to worry about; however, if one look at the May column, unfavorable signs can be seen in the various fluctuations.

We must recognize the fact that the production of many articles increased, but, at the same time, we cannot overlook the unusual form of the increase. That is, the unbalanced ration between the production of basic materials and the consumers' goods. Increase in the former is rather slight compared with very high increases in the latter. This gives forebodings of the dullness likely to predominate, in the future, over general industrial circles.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1170 (Continued)

ITEM 1 (Continued)

The production of coal, steel and soda increased at one point but began to decrease in May. That is really unfavorable sign. Moreover, the production of coal, steel and fertilizer in June is much less than the planned amount, due to the ever growing food shortage and inflation. For instance, coal production for June was 1,600,000 tons, which is less than the amount produced in March.

The dullness in industry is due to the coal shortage; the coal shortage is blamed on the food shortage and the food shortage is the result of the lack of fertilizer. Seeing that the food situation will become worse in July and August, we have little hope of seeing the food problems solved. Even if the Government should pass emergency coal measures, we cannot expect an increase in the production of coal. One can readily guess the terrible results that this will lead to.

The conversion of industries, right after the end of the war, was carried out by utilizing old stocks and by the skillful management of foodstuffs. However, now that the old stocks have run out and the food situation is at its' worst, production faced with a crisis closely related the aggravating food problem.

Meanwhile, the Government is merely taking emergency measure such as the emergency coal measure and the emergency measure for the increase in production of chemical fertilizer, leaving the matter entirely up to the Economic Stabilization Board, and shirking all responsibility. It is well that the Economic Stabilization Board is given the job. However, the crisis is too close at hand for anyone to be passing the buck. Furthermore, the present condition cannot be solved by mere separate emergency measures. A fundamental composite measure, based on the whole economic situation must be taken.

110. A

As their first objective, they must plan an increase in the production of basic materials, although this will temporarily delay the production of consumers' goods. The Government's intention seems to be to have the Economic Stabilization Board plan and adjust composite measures. If this is so, they should have them carried out as soon as possible.

The fluctuation of production, which was very noticable in May, is indicative of future difficulties in June. We are not sure if the future difficulties in production can be solved by the YOSHIDA Cabinet, but we do expect them to do their best. Without reconstructing industries, the curbing of inflation and the rebuilding of Japanese economy is only a dream. Therefore, the Government must make up its mind now to break down this unparalled difficulty at all costs.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

1104

Production Indices Reveal Record Low

Output Seen Less Than Half Of the Average for the Years 1931-33

1104

By Our Financial Observer

The industrial production of Japan has fallen in May, this year, to less than one half of what was produced at the beginning of the Manchurian incident.

Previous to the outbreak of the Pacific War, production indices of Japan were made public by the Commerce and Industry Ministry, the Oriental Economist, the Diamond, and others. But publication became impossible as censorship was clamped on it to protect military secrets. Since May, this year, the Commerce and Industry Ministry resumed announcement of production figures of important branches of industry, and thus it has become possible to calculate production indices again.

The Toyo Keizai Shimpo-sha (Oriental Economist) has announced the production indices ahead of any other organ, and according to this, the total production index for the country in May, this year, was 46.7, taking the average of the three years 1931, 1932, and 1933 as 100. This figure shows an increase of 7.4 per cent compared with the 43.5 for April. This index shows the collapse of Japan's productivity brought about by the unjustifiable war.

Production indices since April, 1945, when the air raids on Japan turned particularly intensive are as follows:

1945,	April	72.8
	May	72.0
	June	63.6
	July	48.6
	August	23.5
	September	22.0
	October	24.1
	November	25.9
	December	29.5
1946.	January	34.1
	February	34.9
	March	42.4
	April	43.5
	May	46. 7

When we notice that the production index in 1939 stood at 180.8, the low figure now obtaining will be particularly impressive.

If the indices for electricity and gas production are excluded, the average of the remaining categories in May, this year, falls as low as 27.6. Production indices, classified into categories, in May, this year, are as follows:

Mining	58.4
Iron and Steel	10.7
Chemical industry	68.3
Ceramic industry	27.3
Paper Manufacture	27.9
Spinning and weaving	5.3
(Average for the above items	27.6)
Electricity and gas	123.1

The outstanding feature of the above indices is that production is far more depressed than the people generally realize, and also that no harmony is maintained among the different branches of production, causing a notable unevenness in industry.

In compiling the indices, of course, some materials are lacking, but they clearly show the present production condition of Japan. It is because of this that it is urged that both labor and capital must fully realize this condition, and cooperate for increasing production.

NIPPON TIMES AUG 5 1946

Ammonium Sulphate Production Tops Goal

1104

The production of ammonium sulphate during July and August reached 45,199 tons, exceeding the production goal by 7 per cent, it has just been announced by the Commerce Office.

In addition, the output of nitrolime totaled 14,600 tons, or 80 per cent of the production goal, due to the damage to machines, the cholera case, and a strike by employees.

MAINICHI SEP 9 1946

Rise Seen in Output Of Vital Materials

Ministry Statistics Reveal Gains on 40 Items and Drop on 23

1104

Production of vital materials on the whole continued to increase in June, according to a statement issued by the Commerce and Industry Ministry on August 1, reports Kyodo.

There was an increase in 40 kinds of vital materials, compared with the previous month, and a decrease in 23 kinds. In 13 kinds the increase or decrease did not exceed four per cent.

The more important of the materials whose production registered an increase, with their rate of increase, were kraft pulp, 221 per cent; kraft paper, 342 per cent; pulp for rayon, 185.9 per cent; rayon textiles, 69.1 per cent; quick silver, 137.8 per cent; lime nitrogen, 21.9 per cent; ammonium sulphate, 2.5 per cent; and super-phosphate of lime, 16.8 per cent.

The marked increase in kraft paper was made possible by a special effort made toward increasing the output of paper for wrapping fertilizer and cement.

Chemical fertilizer registered an increase, compared with the previous month, but it was not large enough, being 80 per cent of the goal in the movement to increase the material.

Among the goods whose production declined in June were bicycles which fell 37.3 per cent due to scarcity of parts; silk textiles, which dropped 54.2 per cent because of the freezing of raw silk; semi-solid machine oil, which declined 42.7 per cent as the result of a shortage of receptacles for it, electric bulbs, which dropped 16.2 per cent because gas supply was deficient, and matches, which fell 16.2 per cent because there was not enough match wood.

NIPPON TIMES AUG 5 1946

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SEIRES: 1475 (Continued)

ITEM 14 Every Day Commodity Production Not Yet Favorable, Will Improve by March Next Year - Nihon Keizai Shimbun - 14 Sep 46. Translator: T. Ukai.

Summary:

Production of everyday commodities is still lagging, though some items, such as pots and pans, shoes and watches, etc., have become relatively plentiful. A moderate increase in production may not be expected before March 1947, the Everyday Commodity Section (NICHIYO HIN KA) of the Commerce-Industry Ministry said recently.

As to the production of pots and pans, the Commerce-Industry Ministry, on the 4th, instructed all local governors to send in exact figures of demand and supply for these items in their localities. Distribution from July to December will be carried out according to these figures. The figures will have been compiled by the 30th of this month.

Items produced in the first quarter of 1946 (April - June) were exclusively assigned to war-sufferers and repatriates. 3,600,000 aluminum and 750,000 iron pots and pans, and 93,000 iron cauldrons were the production goods for that period, but the actual production amounted to 2,000,000, 160,000 and 69,000, respectively. Light metal cauldrons, however, exceeded the goal, attaining the figure of 1,079,000. In the second quarter, production of 1,512,000 pots and pans and 1,035,000 cauldrons is planned. They will be distributed among repatriates, as a bonus for efficient deliverers of wheat, potatoes, etc, and as a reward for increased production of salt, woods, coal and charcoal. Furthermore, 600,000 lunch-boxes and the same number of cold rice steamers, wash-basins, canteens, and kettles will be produced and distributed generally at official prices beginning sometime in October.

Only 150,000 umbrellas were produced in 1945. The program in 1946 calls for a monthly production of 150,000 or 160,000. The probable monthly production, however, may range from 30,000 to 50,000, since the use of silk fabrics is restricted by SCAP. The monthly production of Japanese style umbrellas (WAGASA) varies from 150,000 to 200,000, the bottlenecks being scanty supplies of paper, oil and starch or paste. The shortage of umbrellas may not be easily relieved. A goodly number seems to be flowing into the black market.

110.4

At present, sharkskin and whaleskin shoes are not being produced. Fifty thousand machine-made shoes were produced in April, 150,000, in more recent months, while 170,000 are planned for September. In June 230,000, hand-woven shoes were produced, in July 234,000, and in August 204,000. There are also an estimated 2,500,000 pairs of military shoes. The shortage of shoes will gradually disappear.

Production of matches increased during July, because of the recovery of war-raided plants and factories and the commencement of work at plants of the JAPAN Chemical Industry Company (NIPPON KAKO) at TOZUKA in TOKYO and of the KANTO Electric Company (KANTO DENKI KOGYO) at SHIBUKAWA, GUMMA prefecture. At the present production rate, matches will be readily available in May or June of next year.

The Agriculture and Forestry Ministry is now negotiating to obtain 5,000 tons of fish-oil produced in SANRIKU for the manufacture of soap. But, even if the negotiations are successful, the amount will not be sufficient to make more than 150,000,000 bars of the smaller size soap, which will allow a ration quota of two bars per person.

Since zinc plates are scarce, the production of buckets is limited and a monthly output of 200,000 is the current rate. Each prefecture will have a distribution quota of about 2,000 by the end of this month, from the total stock on hand of about 70,000.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 3 Staples Production in July Wavers, Due to Meager Stock of Basic Materials - Nihon Keizai Shimbun - 3 Sep 46. Translator: T. Ukai.

Full Translation:

110.4

According to the Emergency Report on Staples Production (SHUYOBUSSHI SEI-SAN JISSEKI SOKUHO) in July, published by the Ministry of Commerce and Industry, among 102 staple items, the production rate of 47 increased; that of 40 decreased; and 15 remained the same, as compared with the preceding month.

On the whole, production showed a fluctuating tendency because of a meager stock of materials on hand, and the shortage of basic materials, such as coal and steel. From now on, production is expected gradually to fall, except for items produced from imports, such as raw cotton or for export such as silk fabrics.

Items which showed a noteworthy increase in production as compared with June are cotton yarn with a threefold increase brought about by raw cotton imports from the U. S.; silk goods which showed a twofold increase indicating considerable activity in the field of silk fabric export; bicycles which also had a 200 % increase, accomplished by greater circulation of machine parts; machine oils, 60 %; superphosphates and semi-solid machine oils, each 50 %; time pieces, and wire, each 40 %; artificial

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1414 (Continued)

ITEM 3 (Continued)

silk pulp, 35 %; electrolytic copper and silk yarn, each 30 %; and cement 19 %.

Chief items which showed a decrease in production are CHIKATABI (TN: A variety of footwear), 60 %; automobile tires, 50 %; craft paper and artificial silk goods, each 50 %; staple fibre and staple fibre fabrics, a 10 % to 20 % decrease, because of a shortage of coal and conversion of factory equipment to the manufacture of export items; and electric motors; 30 % and transformers, 20 % because of a shortage of silicon steel.

The itemized production record for July follows (+ or — indicates an increase or decrease respectively).

Item	Unit	July	Compared with June
Coal	1,000 Kilograms (TN: sic)	1,618	+ 14
Lignite	"	158	- 12
Coke	"	113	- 17
Gas	1,000 cubic metres	27,299	- 636
Crude Oil, Home Production	Kiloliters	20,322	+1,531
Oils, refined	"	27,737	- 444
Benzene, refined	"	2,674	- 657
Kerosene "	"	1,859	- 1,028
Gasoline "	"	1,187	+ 144
Heavy Oil B, refined	"	8,747	+ 1,956
Heavy Oil C, refined	"	506	+ 36
Machine Oil	"	5,174	+1,951
Machine Oil, semi-solid	"	1,264	+ 443
Electricity, Coal Power	1,000 Kilowatt-hours	36,973	+ 5,393
Electricity, Water Power	"	2,361,807	+ 78,756
Pig Iron	Metric tons	14,109	- 1,036
Steel, Common	"	19,896	- 5,034
" , Special	"	7,665	+ 56
Gold	Grams	67,867	- 52,484
Silver	Kilograms	3,330	- 1,066
Electrolytic Copper	Metric tons	2,445	+ 577
Sulphur	"	2,769	+ 618
Lead	"	407	- 30
Zinc	"	960	- 238
Mercury	Kilograms	6,129	- 1,363

110.4

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1414 (Continued)

ITEM 3 (Continued)

Item	Unit	July	Compared with June
Tin	Metric tons	0	0
Iron Ore	"	67,021	− 160
" " , Sulphide	"	38,478	− 6,522
Gold Ore	Grams	128,712	+ 24,483
Silver Ore	Kilograms	3,455	+ 539
Copper "	Metric tons	1,550	+ 77
Tin "	"	3,900	+ 900
Electrical Wire	"	2,860	+ 410
Electric Cables	"	200	0
Pegs & Nails	"	2,795	+ 138
Wire	"	104	+ 30
Iron Wire	"	1,326	+ 140
Shovels & Scoops	"	342	+ 46
Picks & Hammers	"	93	+ 13
Cast Iron Pipes	"	606	− 68
Aluminum	"	412	+ 14
Machines, for Woodworking	Units	22,154	+ 5,032
Machines, for Agriculture	Thousand Yen	56,000	+ 9,000
Machines, for Spinning	Spindles	18	+ 18
Machines, for Weaving	Units	552	+ 232
Electric Motors, for General Use	"	7,593	− 3,051
Transformers, for General Use	"	2,795	− 690
Radio Apparatus	"	48,119	− 10,629
Vacuum Tubes	1000 Units	217	+ 33
Light Tubes	1000 "	2,561	− 407
Timepieces	Units	65,334	+ 18,028
Cameras	"	1,934	− 550
Saws, Common	(not reported)		
" , Circular	"		
Pumps	Units	(TN; printing not legible) 1,430人-	+ 183
Rock Drills	"	1,700	- -

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1414 (Continued)

ITEM 3 (Continued)

Item	Unit	July	Compared with June
Tubes, for Automobiles	1000 Units	11	- -
Kraft Paper	1000 Pounds	366	- 500
Newsprint	"	15,629	+ 1,062
Paper, for General Use	"	19,446	- 31
Artificial Silk Pulp	British Tons	3,843	+ 973
SP Paper Manufacturing Pulp	"	4,016	- 216
GP Paper Manufacturing Pulp	"	11,677	+ 638
KP Paper Manufacturing Pulp	"	395	- 119
AP Paper Manufacturing Pulp	"	88	+ 15
Yarns, Cotton	1000 Pounds	8,854	+ 5,978
" , Wool	"	2,554	+ 17
" , Artificial Silk	"	924	+ 49
" , Staple Fibre	"	1,179	-1,564
" , Silk	"	177	+ 39
Staple Fibre	"	2,152	- 666
Fabrics, Cotton	1000 Square Yards	8,000	- 34
" , Wool	"	1,255	+ 5
" , Artificial Silk	"	486	- 444
Fabrics, Silk	"	1,127	+ 589
" , Hemp	"	2,398	-
Fishing Nets	1000 Pounds	448	+ 95
Pots & Pans	1000 Units	629	- 251
Cauldrons	"	327	- 63
Shoes & Boots, Leather	1000 Pairs	455	- 22
Shoes & Boots, Rubber	"	232	- 57
CHIKATA-I	"	717	-1,242
Soap	Metric tons	1,629	+ 229
Matches	"	12,297	+ 526
Ceramic Ware	Thousand Yen	16,290	-
Bottles	Metric tons	251	+ 6
Glass Products for Medical Use	"	1,022	+ 81

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1501 (Continued)

ITEM 6 Will Daily Necessities Appear On The Markets? - Asahi Shimbun - 28 Sep 46. Translator: T. Mitsuhashi.

Summary:

Matches: The production goal of matches from September 1946 to March 1947 is set at about 130,000 metric tons, but the actual production is expected to fall short of this by 20 to 30 per cent. Conservatively estimated, the ration will be four sticks per person per day in the cities and adjacent areas, and three sticks elsewhere. The production of the notorious sulphuric matches will cease in due course. The splints of matches will be made inflammable by using 1,700,000 metric tons of paraffin recently released by the Allied Powers. It is possible that the ration of the free sale age, six sticks per person per day, will be realized by next June. Although there are difficulties in obtaining raw materials, the prospects in match production are cheerful.

Candles: Some 23,316,800 candles are expected to be distributed soon, except for the TOKYO area, from existing stocks. Further distribution is uncertain. The number of houses in all JAPAN not provided with electric lights is 1,270,470. These will absolutely require 3,944,215 kan (32,619,400 pounds) of candles during the nine months from July 1946, on, but because of the lack of raw materials, the production program is not yet worked out.

Toilet-paper: Toilet paper production during the third quarter of this year is expected to be 300,000 kan (2,481,000 pounds), which is 40 per cent of the production goal of 750,000 kan (6,202,500 pounds). In this situation, the ration will be only two sheets per person per day in large cities, one and a half sheets in medium cities, and one sheet a day in the country. Three months' production could satisfy requirements for only six days under the present distribution program. The cause for this can be ascribed to the shortage of pulp, coal and waste paper; the latter being due to the removal of control over waste paper.

Leather Shoes: The yearly shoe needs are estimated at 7,000,000 pairs for 10 per cent of the total population, and production is aimed at 5,000,000 pairs. Monthly production has averaged 250,000 pairs, with an April peak of 300,000 pairs. General distribution in September amounted to 271,000 pairs, one per cent of which were for women and 25 per cent for boys and girls. These were distributed through Neighborhood Associations, factories and schools.

Soap: About 110,000,000 cakes of soap are expected to be produced after November, with available raw materials. Since the basic ration is a cake for washing and half a cake for bathing per person per month, a monthly ration will possibly be made during the four months from September to December. Because of the lack of raw materials, 20 per cent of the soap factories will have to cease production. It is planned to obtain 20,000 metric tons of whale oil from the coming catch in the ANTARCTIC OCEAN. Moreover, the use of sardine oil is now being studied, and it is expected to be a reality by next March.

Sewing Needles: The production of sewing needles was 5,800,000 in January, 7,800,000 in February, 10,200,000 in March, and 8,100,000 in April. However, because of the

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

shortage of raw materials, it has declined to 3,000,000 or 4,000,000 since May. Upon the completion of special rationing to repatriates and war-sufferers, general distribution will begin from September on at the rate of five per family.

Japanese and Foreign Style Umbrellas: Umbrellas are a collateral item and their production has showed a marked increase as compared with the 10,000 produced during the period from April 1945 to the month of the surrender. Monthly production averaged less than 50,000 with a June peak of 70,000. A further increase in production cannot be expected since silk has been placed under control. Since artificial silk and cotton umbrellas are now being produced for general use, at the directive of the Ministry of Commerce and Industry, they will appear on the markets within a few months. The production of Japanese style umbrellas has shown an upward trend. It was 400,000 in October, November, and December; 500,000 in January, February, and March; and 600,000 in April, May, and June. Because of the shortage of raw materials, a further increase in production is considered impossible. Present production is still far from that of the pre-war time. Manufacturers believe that a tripled production can be realized if imports of raw materials are permitted.

Pans and Kettles: June production of light metal kettles registered a peak of 380,000 pieces and that of light metal pans, 820,000 pieces; both showing an upward trend since March. However, because of the shortage of raw materials and fuel, production has dropped since July to 330,000 kettles and 630,000 pans. The average monthly production of other wares was 15,000 pieces of YUWAKASHI (a sort of kettle), 13,000 rice steam kettles, 200,000 lunch boxes, and 60,000 wash-basins. The production of iron wares during the first quarter was 160,000 pieces against a goal of 750,000 pieces, including tin products. Sixty nine thousand iron kettles were produced against a goal of 93,000. Because of the shortage of zinc plates, the production of buckets during the period from January to August was no more than 500,000. Distribution of these products was confined to repatriates, war-sufferers, and farming and fishing village residents. General distribution is expected to begin in the cities upon completion of the production goal set for the second quarter of this year.

Electric Bulbs and Radio Sets: The production of electric bulbs was 3,639,000 in May and 3,043,000 in June. However, because of the shortage of coal and gas, it is impossible to produce 200,000,000 within this year, as planned. The average demand is estimated at 500,000,000 per annum. Electric bulbs produced at present are sufficient in quantity only for public utility use. Monthly production of radio sets averaged 50,000 to 60,000 sets, and that of vacuum bulbs, around 200,000. Only vacuum-bulbs have appeared on the markets. Radio sets are being distributed as rewards only to Agricultural Associations, coal mines, and fertilizer plants.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

110.4

Industry Recovering Despite Adversities

5.1 Per Cent Rise Noted in July Index Number Over Previous Month

110.4

By Our Financial Observer

Japanese industry now seems to be on the road to recovery, rugged and winding as the way looks.

According to the production index number published by the Toyo Keizai Shimpo (Oriental Economist) with an average for the years 1941, 1942 and 1943 as 100, the general industrial and mining production index number for July is 30.7, showing a rise of 5.1 per cent over the 29.2 registered for the previous month. The rise increases by 3.7 per cent from 47.7 to 49.5 if the production figures for electric power and gas are included.

Production Index Numbers

Month	Industry & Mining	Industry & Mining Including Electric Power & Gas
June (1945)	52.1	63.6
August	20.2	29.5
October	12.7	24.1
December	15.3	29.5
February (1946)	19.7	34.9
April	25.9	43.5
May	28.3	47.3
June	29.2	47.7
July	30.7	49.5

Comparing the situation in July to that in June by various industries it is seen that increased production took place in spinning, kilning, mining, paper and electric power and gas, while production decreased in chemicals, and iron and steel as follows:

Industry	June	July	Comparison(%)
Spinning	6.7	9.2	37.3
Kilning	29.7	32.9	10.8
Mining	59.3	61.5	3.7
Paper	29.0	29.9	3.1
Electric Power & Gas	121.1	124.8	3.1
Chemicals	75.0	71.3	5.3
Iron & Steel	11.9	9.9	16.6

Increased production in the spinning industry, of course, is the result of revival due to imports of cotton from the United States. In the kilning industry, a greater output of cement was noteworthy, while decrease was marked in the production of common steels and steel materials.

In short, Japanese industry is still low-toned but there is perceptible a tendency to improve. But the basic departments of it are still depressed and there are pronounced differences according to department.

NIPPON TIMES
SEP 9 1946

SLIGHT INCREASE IS SEEN IN PRODUCTION OF GOODS

Survey Notes Output of 55 Items Out Of 120 Upped

110.4

The output of the principal goods in this country for the month of August registered a slight increase of some 6 per cent over that in July, it was announced October 1 by the Commerce and Industry Ministry which conducted a survey of the production of the selected 120 items of the principal goods.

According to the announcement, 55 items of the total 120 items investigated showed an increase in production over the previous month, 24 remained unchanged and 41 indicated decrease. The increase was conspicuous in the production of the consumer goods which registered an averaged increase of 12 per cent over July, while the basic materials indicated sluggishness in their recent upward trend.

Those items which showed relatively great increase or decrease and the percentage of the increase or decrease were announced as follows:

Item	Percentage of Increase (or decrease)
Galvanized iron, paraffin, Kraft paper	200
Gold, leather and hide products	100
Kraft pulp	80
Sulphate pulp	70
Steel and iron tube	60
Time piece	50
Frosted glass, electric bulb, camera, fishing net	40
Ordinary steel materials	30
Cotton thread	26
Cotton textile	20
Ox hide	80 (decrease)
Rayon pulp	70 (decrease)
Mercury, bottles	60 (decrease)
Cement	20 (decrease)

Mercury Found in Cave

Eighty tons of mercury, found in a cave at Yokosuka Naval Base, is in the process of being turned over to the Japanese Home Ministry for use in private industry, Commander Naval Activities, Japan, said. Approximately 37 tons have already been dispatched to the Home Ministry, and the remainder will be transferred before the end of the year.

NIPPON TIMES
OCT 7 1946

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

EDITORIAL SERIES: 1302 (Continued)

ITEM 6 The Opportunity for Reopening Production - 2 Oct 46. Translator: T. Kitagawa.

Summary:

The Ministry of Commerce and Industry reported a slight production increase, in August, of export merchandise, such as, matches, light bulbs, cameras, cotton yarn, cotton textiles, and so forth. However, the same source stated that the output of such commodities as coal and iron remained at a standstill. In addition to this, there is the inevitable winter shortage of power. The present economic situation of JAPAN is not bright. The Nation's attention has been focused on the problem of indemnity cancellation. Nevertheless, we should not neglect the important problem of the recovery of key industries in tiding over the economic crisis. We should not become complacent, even though August's coal output is reported to be the largest since the war's end, since the figure falls far short of our most conservative demands. Production of cement, paper, coal gas and electricity is hampered by the coal shortage. The Government should take action to accelerate coal production.

Such factors as the food shortage or the insecurity of business prospects, due to the indecisive attitude of the Government towards the indemnities problem, have been cleared up; therefore, they will not serve as an excuse for slowness on the part of enterprisers. They should be ashamed of their inactivity, considering their social position. We are at the economic stage where no one can pass responsibility on to another. If the Government is willing to undertake the task of the distribution of materials, and if entrepreneurs and workers are able to overcome together the bottle-necks in production, the prospects of our future industrial situation will be bright.

110-4

Economic stability is merely the result of active production. We urge the Economic Stabilization Board to encourage the output of productive materials and to do its best to restore medium and small industries to activity. We need more than mere plans, which formerly allowed rationed materials to flow into other than official channels. These plans have failed to bring about an increased output. Production cannot wait for the completion of these idealistic plans.

During this confused transition period, we should not adhere to idealistic plans, but should execute any practical scheme which will increase efficiency. LENIN was successful when he acted decisively against the opposition of his political colleagues, in carrying out a practicable economic policy, at the expense of his cherished theory. This policy breeded many undesirable nouveaux riches, but it helped to restore the pre-war production level. It was after this accomplishment that he started the task of instituting the "five-year plan". In order to promote production, the Government is requested to take any effective measures and to appeal to the Nation for its co-operation in realizing this production increase.

For this purpose, new encouraging steps should be taken, not only in the coal industry, but in all key industries. We should follow the Russian example and adopt the bonus system to arouse the workers' enthusiasm in production. Enterprises which proved incapable of increased output, even under this method, should be turned over to the Government for proper management, after ascertaining the opinions of the labor unions.

Discarding bureaucratic formality, industry should be ruled by a new control system which conforms with human instinct. This is the first step in restoring industry to normalcy. We will not presume to formulate plans to dispose of the aftermath of the cancellation of indemnities.

We earnestly hope that the authorities will take this golden opportunity to solve our two major problems -- the food and the cancellation problems -- and formulate new policies to increase production.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 8 Industrial Production in August - Nippon Keizai Shimbun - 4 Oct 46.
Translator: H. Yoshida.

Full Translation:

Acoording to a release by the Ministry of Commerce and Industry, the results of production for August show an increase of production in more than 10 commodities, including galvanized iron sheets. But on the whole, production was unsatisfactory, except for some commodities used by the occupation army and export goods. Detailed figures follow:-

Commodities	Unit	Production	Comparison with July (%)	Comparison with desired goal (%)
Coal	1,000 metric tons	1,779	+9.4	107
Lignite	"	193	+22.2	71
Cokes	"	112	-0.9	--
Gas	1,000 cubic meter	28,325	+3.8	105
Petroleum obtained at home	1 Kilo litre	20,965	+3.1	95
Oil refined	"	28,801	+3.8	106
Gasoline	"	2,136	-20.1	85
Lamp oil	"	2,595	+39.6	94
Light oil	"	728	-38.7	65
Heavy oil B	"	8,675	-0.8	157
Heavy oil C	"	142	-71.9	-
Machine oil	"	4,614	-1.4	93
Grease	1 metric ton	448	+26.6	90
Asphalt	"	683	-29.4	50

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1513 (Continued)

ITEM 8 (Continued)

Parafin	1 metric ton	38	+216.7	271
Electricity (coal power)	1,000 KWH	46,961	+27.0	-
Electricity (water power)	"	2,364,891	+0.1	-
Pig iron	1 metric ton	13,197	-4.3	96
Ordinary steel	"	25,295	+33.6	108
Special steel	"	8,989	+17.3	-
Gold	1 gram	141,663	+108.7	-
Silver	1 Kilogram	5,407	+62.9	-
Electric copper	1 metric ton	2,666	+9.0	157
Sulphur	"	2,344	-12.4	39
Lead	"	409	+0.5	102
Zinc	"	790	-17.7	158
Mercury	1 Kilogram	2,643	-56.9	44
Tin	1 metric ton	20	-	-
Iron ore	"	68,546	-+2.3	-
Pyrite	"	52,072	+35.3	-
Gold ore	1 gram	115,578	-10.2	-
Silver ore	1 Kilogram	3,368	-2.5	-
Copper ore	1 metric ton	1,584	+2.2	-
Tin ore	"	6,462	+65.7	-
Covered wire	"	2,600	-9.1	-
Cable	"	270	+5.0	-
Nails	"	2,402	-14.1	124
Wire	"	114	+9.6	150
Steel wire	"	783	-41.0	-
Galvanized iron sheet	"	997	+229.0	142
Shovels	"	317	-7.3	198
Pickels, hammers	"	94	+1.1	118
Cast iron tubes	"	994	+65.1	83
Aluminium ingot	"	406	-1.4	80
Aluminium plate	"	1,933	+20.9	91
Wood-working machines	1,000 yen	25,181	+13.7	41
Agricultural implements	"	53,350	-8.3	60
Spinning machines	Spindle	0	-	-
Weaving machines	-	476	-8.8	35
Universal motors	-	8,221	+8.3	88
Universal transformers	-	3,302	+18.1	61
Radio sets	-	48,363	-30.5	65
Radio tubes	1,000	192	+11.5	48
Electric bulbs	"	3,665	+43.1	-
Clocks, watches	-	98,469	+50.7	37
Cameras	-	2,680	+38.6	68
Pumps	-	1,439	+0.8	94
Rock-drills	-	6,488	+12.5	61
Internal combustion machines	-	928	+24.7	78
Bearings	1,000 yen	23,450	-26.8	94
Tools	Unknown			
Telephones	-	20,485	+35.8	49
Trucks	-	1,257	-14.3	90
Bicycles	-	10,851	+19.1	84
Sulphuric acid	1 metric ton	90,266	-12.0	90
Soda ash	"	1,554	-19.3	53
Caustic soda	"	2,372	+7.0	64
Cement	"	87,263	-22.0	90
Carbide	"	16,655	-22.9	100

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1513 (Continued)

ITEM 8 (Continued)

Dyes	1 metric ton	260	+33.7	60
Paint	"	1,630	-0.9	119
Celluloid	"	213	-20.2	88
Coal tar	"	5,580	-7.3	78
Absolute alcohol	1 Kilolitre	105	+20.7	70
Ordinary alcohol	"	664	+23.3	66
Glass plates	1 Box	66,705	+1.9	101
Polished glass	"	2,848	+41.7	203
Ammonium suphate	1 metric ton	44,256	+14.4	107
Nitrate of lime	"	14,605	+23.1	80
Super-phosphate of lime	"	17,657	+7.4	77
Fatty acids	"	840	+23.9	47
Hides	"	428	+78.7	-
Leather	"	361	-16.5	-
Industrial leather goods	"	89	+128.2	-
Rubber belts	"	68	+16.0	73
Tires for bicycles	1,000	177	+19.6	-
Tubes for bicycles	"	177	+21.3	-
Tires for automobiles	"	197	+2.7	-
Tubes for automobiles	"	19	+72.7	-
Kraft paper	1,000 lbs	1,079	+194.8	84
Paper for newspaper	"	15,969	+2.2	109
Printing paper	"	19,834	+2.3	106
Rayon pulp	1 British ton	939	-75.6	35
Paper pulp, SP	"	7,112	+77.1	120
Paper pulp, GP	"	12,624	+8.1	114
Paper pulp, KP	"	743	+88.1	10
Paper pulp, AP	"	113	+23.4	161
Cotton yarn	1,000 lbs	11,142	+26.1	-
Woolen yarn	"	2,565	+5.1	-
Rayon yarn	"	1,105	+16.2	-
Staple fibre yarn	"	896	-48.4	-
Silk yarn	"	557	-14.0	-
Hemp yarn	"	1,394	-49.7	-
Staple fibre textiles	"	1,780	-12.3	-
Cotton cloth	1,000 cub yds	17,482	+18.5	-
Woolen cloth	"	1,759	+2.4	-
Rayon cloth	"	2,714	+2.0	-
Silk cloth	"	2,832	-6.2	-
Hemp cloth	"	1,994	-16.8	-
Staple fibre cloth	"	2,920	+24.6	-
Fishing nets	1,000 lbs	638	+42.4	-
Ordinary pots	1,000	514	-18.3	43
Rice pots	"	339	+3.7	103
Leather boots, shoes	1,000 pairs	148	-30.2	-
Rubber boots, shoes	"	308	+32.8	60
Rubber socks	"	614	-14.1	26
Soap	1 metric ton	1,372	-15.8	81
Matches	"	10,817	-12.0	56
Ceramic wares	1,000 yen	20,110	+23.4	-
Bottles	1 metric ton	581	-60.1	-
Glass ware for medical uses	"	1,637	+30.0	-

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 Japan's Productive Activities of Post-War Year Revealed - Tokyo Shimbun - 2 Nov 46. Translator: T. Ono.

Full Translation:

The upward trend of the nation's production since last January has been gradually slowed down in the last few months, the Commerce and Industry Ministry revealed, releasing a report which clarifies the general trends of JAPAN's productive activities during the post-war year. According to the report, the nation's productive activities were on the verge of collapse just after the defeat, and all industrial production was scratching the bottom. Since then, production has exhibited signs of gradual recovery. During the period between January and May of this year, it increased from 20 to 30 percent per month. However, it slowed down and become stagnant from June to August, recording an increase of less than one percent per month.

The Research Section of the Commerce and Industry Ministry, analyzed the above trend of production of cement, trucks, chemical fertilizer, and of consumers' goods, including 10 items (cotton textile goods, silk fabrics, newsprint and other papers, pots and pans, soap, shoes, rayon fabrics, electric bulbs, matches, and clocks and watches). A composite index of production activities has been compiled taking the actual production of September 1945 as a basis. The index is composed of industrial goods, including 10 items (pig iron, steel, electrolytic copper, petroleum, coal, caustic soda, soda-ash, motors for general use, and cement, as follows:

Index of Production
Classified by Principal Goods

	September 1945 (basis)	January 1946	March 1946	May 1946	July 1946	September 1946
Industrial goods	100	204	357	416	435	462
Consumers' goods	100	318	475	735	746	965
Average	100	262	416	575	590	713

Analysis and interpretation of the above index:

1. Although it shows signs of recovery in production during the first half of the year, it is misleading because it is a relative comparison with an abnormally low point of production immediately after the armistice.

2. As a consequence of extreme pressure on production of consumers' goods during the war, its index rose more than 200 percent as compared with that of industrial goods. However, it is clearly seen that the rising curve of consumers' goods production will hit the ceiling soon unless the production of industrial goods expands in the future.

3. Even among the consumers' goods, trends of production are divergent. Contrasting with an exhibition of remarkable increases in production of such goods as clocks and watches (increased 30 times), soap (increased 16 times), and electric lights (increased 15 times), production of silk goods and rayon fabrics has become stagnant, indicating an index of 54 percent and 94 percent respectively.

It is regarded that the future trend of production, for the time being, will be decided by how far such favorable factors as the increased ration of staple foods, increased production of coal during winter, and imports of such raw materials as industrial salt, raw cotton, and so on, can offset such unfavorable conditions as the sluggish trend of production of basic industrial goods, exhaustion of stocks, labor unrest, restriction of electrical power supply during the winter season, and so forth.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1553 (Continued)

ITEM 8 Key Material Demand And Supply Program For Third Quarter Of 1946 - Nihon Keizai Shimbun - 2 Nov 46. Translator: Z. Konishi.

Full Translation:

The Economic Stabilization Board (KEIZAI ANTEI HOMBU), on 1 November, announced the demand and supply program of key materials for the third quarter of the fiscal year 1946. This demand and supply program, however, was set in October in utter disregard of unfavorable conditions, such as coal mine strikes, staged mainly in HOKKAIDO, and restriction on electric power consumption. The authorities, therefore, are pessimistic over the possibility of realizing the program; moreover, the crisis in industrial circles, developing since June, will be aggravated more after October. The material demand and supply program for the third quarter of 1946 was set on the projected coal production of that period, which was 6,120,000 metric tons. Coal production, however, is far behind schedule because of strikes. Actually, the HOKKAIDO coal for Eastern JAPAN in the month of November was supplied only to four factories; the JAPAN Steel Pipe Manufacture (NIPPON KO KAN KAISHA), TOKYO-SHIBAURA Electric Company (TOKYO-SHIBAURA DENKI KAISHA), TOKYO Gas Company (TOKYO GASU KAISHA) and the JAPAN Glass Company (NIPPON GARASU KAISHA). Electric power supply was also cut by 50 percent. Thus, in the overall observation of industrial productivity, the production of key materials, which has been sluggish since June, will be decreased more by next Spring, along with the unstable situation of labor. In preparation for the final crisis, anticipated in the future, the authorities will work out an emergency plan for coal supply, which will guarantee coal distribution. The authorities are also contemplating the enforcement of emergency coal distribution by industries, under respective provincial commerce and industrial bureaus, in preparation for the possibility of removing the crisis from coal to electric power. According to the key material demand and supply program for the third quarter of 1946, the demand of coal for coal-power generation and heating use increased, while coal supply for common industries was seriously restricted. It appears that daily goods production will either remain as is or decrease gradually because of the lack of fuel and raw materials. As to the future of daily goods production, the Ministry of Commerce and Industry's estimate is as follows:

110.4

Pots - Coke supply for pot production for November will be guaranteed. No change will be brought forth on the aluminum supply, raw material for pots, because there are sufficient amount of aluminum scraps from former aircraft manufactures. However, whether we shall have a smooth distribution of these goods is a question, due to the bottleneck in transportation in the future.

Kettles and lunch boxes etc.- Production, including 300,000 pans, 25,000 kettles, 50,000 stew-pans, 200,000 lunch-boxes and 80,000 wash-basins, was planned for October. Due to the fact that coke supply was cut by 60 percent, compared to October, and the grave shortage of high grade aluminum, kettles and stew-pans will be manufactured with duralumin. Just as in the case of pots, there is an ample supply of aluminum for manufacturing pans, lunch-boxes and wash-basins.

Soap - Production capacity necessitates one bar of soap (45 grams) per capita every three months. If soap is distributed twice up to the end of November and December, oil for soap manufacture will be exhausted. Even if 50,000,000 cakes of soap is manufactured by obtaining about 2,300 metric tons of oil, between January and March next year, distribution of one cake for 70,000,000 people is impossible. As remedial action, a production of 12,000 metric tons of fish oil is planned.

Match - For the time being, distribution will be continued, as at present, at the rate of four sticks per capita per day in the six

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 8 (Continued)

major cities and three sticks in other districts.

Rubber boots - Two hundred twenty-two thousand pairs of rubber boots will be distributed by the end of this year, despite 250,000 pairs of rubber boots in the previous quarter period. Crude rubber stock, as of 1 October, was 6,800 metric tons. If this stock is used at the present rate, it will be exhausted by the end of this year; therefore, its use will be controlled. The abovementioned 222,000 pair of rubber boots will be rationed by prefectures, and will be distributed to workers in priority industries such as coal, marine, agriculture, forestry and fertilizer. Furthermore, since rubber boots will be distributed to people in the snow districts on a priority basis, it will not be distributed among the general people.

Tires for bicycle - Two hundred thousand tires are available for immediate distribution for the third quarter of 1946. The distribution of tires for bicycle-trailers can hardly be expected because manufacturers dislike producing them for the reason that three bicycle tires can be produced for every one trailer tire produced. The number of bicycles throughout the country is about 6,000,000. If one tire is consumed a year, 6,000,000 tires are needed. Furthermore, because of the poor quality of tires, they will become useless within half a year's use. The plan of the Ministry of Commerce and Industry calls for a production of 12,000,000 tires. Of this one fourth, or 3,000,000 tires, is needed for the 3rd and 4th quarter of this year, although only 200,000 tires can be produced in the above periods. As the supply of crude rubber for the next fiscal year is not known, the plans for producing rubber items have not yet been set.

ITEM 9 General Bureau of Labor (RODO SOKYOKU) To Be Established. Nihon Keizai - 2 Nov 46. Translator: Y. Bannai.

Summary:

In view of frequent labor disputes, the Government has decided to settle the problem of the Labor Ministry, the establishment of which has long been a great source of anxiety. KAWAI, Minister of Welfare, has been deliberating, these few days, over the two drafts concerning the establishment of the Labor Ministry and the expansion of the Labor Administration Bureau (ROSEI KYOKU), and has at last decided to establish the General Bureau of Labor (RODO SOKYOKU), based upon the draft for the expansion of the Labor Administration Bureau.

In the coming Cabinet meeting, the Government will formally decide this plan, and will demand funds for it from the Ministry of finance. The General Bureau of Labor will be set up as a bureau within the Ministry of Welfare like the Railway General Bureau (TETSUDO SOKYOKU) in the Ministry of Transportation, and will consist of four sections - the Labor Administration Section (ROSEI KYOKU), Labor Standards Section (RODO KIJUN KYOKU), Salary Section (KYUYO KYOKU), and Occupation Section (SHOKUGYO KYOKU), which will absorb the present Labor Bureau (KINROKYOKU).

After this, therefore, the Ministry of Welfare will consist of the General Bureau of Labor, Social Bureau (SHAKAI KYOKU), Health Bureau (HOKEN KYOKU) and three others to be decided soon in connection with the national health problems.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 7 Production of Essential Commodities in September - Mainichi Shimbun - 4 Nov 46. Translator: K. Sato.

Full Translation

Of the 117 important products, according to an investigation made by the Commerce and Industry Ministry, those which increased in production from the previous month, number 53, decreased 38, and no changes were noted in, 26. Outstanding increased percentages are seen in the 120 percent registered in pump industry, 100 percent in cotton fabrics, 100 percent, in heat-engine plants, 80 percent in cotton yarn industry, and 60 percent in KURAFUTO paper industry.

Metal products, other than iron, generally increased while the by products of steel sharply decreased. These included a 40 percent decrease in nails, 30 percent in wires, 70 percent iniron wires, 30 percent in zinc plates, 50 percent in shovels and 40 percent in hammers. All this is due to the shortage of iron and steel.

Among the plants designated for reparations, 70 percent in weaving and 40 percent in ball bearing declined in production. Further, 30 percent decline in rayon pulp, 40 percent in alkali pulp which are due to lack of chemicals, 60 percent in hydrated alchohol and 30 percent in absolute alchohol, due to shortage of coal, may be mentioned. Generally speaking production began to decline since September.

The indices of production, according to the investigation of the Commerce and Forestry Ministry showed an increase from 20 percent to 30 percent since January until May. The high increase percentage during that period was 40 percent. However, since June production has dropped to an increase of about 10 percent or lower. It is feared that the future production will fall into a total decrease because of the deficiency in production materials, unstabilized labor relations, and restriction of electricity. On the other hand attention is drawn to the question of how much of this apprehension can be dispelled by the prosperity of some industries because of increased ration of foods, increased production of coal, and imported raw materials such as cotton, rock phosphate, and salt.

The following table indicates increase and decrease during

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1553 (Continued)

ITEM 7 (Continued)

August and September.

	September	August	Percentage of increase and decrease △ indicates decrease	Units
Coal	1,742	1,770	△ 1.6 %	1,000 metric tons
Cokes	113	112	0.9 "	"
Indigenous crude petroleum	15,629	20,965	△ 25.5 "	Kilo litres
Coal-power generation plants	95,574	46,961	103.5 "	1,000 KWH
Hydroelectricity	2,175,390	2,364,891	△ 8.0 "	1,000 KWH
Pig iron	10,010	13,208	* 24.2 "	1,000 metric tons
Ordinary steel material	28,671	23,698	21.0 "	"
Gold	124,392	141,663	12.2 "	grams
Electrified copper	2,916	2,666	9.4 "	1,000 metric tons
Lead	415	409	1.5 "	"
Zinc	1,169	789	48.2 "	"
Electric bulbs	3,921,089	4,645,760	△ 5.4 "	Pieces
Clocks and watches	93,369	98,469	△ 5.2 "	"
Trucks	1,296	1,257	3.1 "	vehicles
Bicycles	10,854	10,850	0.1 "	"
Sulphuric acid	87,639	90,266	△ 2.9 "	1,000 metric tons
Caustic soda	3,204	2,767	13.7 "	"
Cement	95,340	87,263	9.3 "	"
Ammonium sulphate	45,470	44,256	13.7 "	"
Nitro-lime	16,424	14,605	12.5 "	"
Super phosphates	18,435	17,657	4.4 "	"
White Paper for newspaper	16,836	15,969	5.4 "	pounds

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ECONOMIC SERIES: 1553 (Continued)

ITEM 7 (Continued)

Ordinary white paper	17,963	19,884	△	9.7 "	pounds
Cotton fabrics	35,073	17,482		100.6 "	square yards
Silk fabrics	2,507	2.832	△	11.5 "	"
Staple fiber fabrics	1,531	2,920	△	47.6 "	"
Soap	1,256	1,538	△	18.3 "	1,000 metric tons
Matches	16,361	10,817		51.3 "	"

* This seems to be a decrease instead of an increase.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 4 Democratic Establishment of Nation's Production Goal - Asahi Shimbun - 5 Nov 46. Translator: K. Nagatani.

Summary:

110.4

With the promulgation of the new Constitution, the Government announced its basic policies, requesting the full co-operation of the people. The proposed basic policies aim at the popularization of the new Constitution, reform of the educational system, reform of the administrative structure and the system of public officials, the establishment of local self-government, rehabilitation of our national economy, the solution of labor troubles, and stabilization of the people's livelihood.

The most fundamental of these policies is the rehabilitation of our economy, as the opening part of the announcement declared. Without the establishment of a national economy, any law will become a dead letter, no matter how high its ideals may be. A Japanese democratic revolution can make no progress unless our economy is rehabilitated. This is a principle which applies not only to JAPAN but also to other nations. Since the end of the war, democratic revolutions have been carried out in many countries, victorious and defeated alike. The most important problem now facing these nations is, likewise, the reconstruction of their economies. World peace depends upon the economic revival of all countries. The economic rehabilitation of these nations and the stabilization of the people's livelihood are essential to the development of world-wide democracy. It must be remembered that the reconstruction of Japanese economy will be achieved in conjunction with the economic rehabilitation of the world.

As pointed out by the announcement, the improvement of key industries, such as coal, electricity, steel, and agriculture, is urgently needed. Nevertheless, production statistics for September, recently published by the Commerce and Industry Ministry, indicated that production in key industries is declining.

To be sure, the present stagnancy of production is largely due to frequent labor troubles. However, even if labor troubles are solved by increased wages, a nominal increase in monetary incomes will soon lead to the reduction of real incomes and, accordingly, to new labor disputes, as long as the Nation's production is not increased. The Japanese people cannot support themselves unless our industry is rehabilitated and the Nation's production is increased.

Without the solution of this fundamental question, there can be no permanent peace between Capital and Labor. How can we solve labor troubles? Participation in the management by Labor is the answer.

In the present announcement, the Government urges "The reasonable participation in business administration by Labor." To maintain the people's standard of living at a certain level, the quantity of necessary commodities must be published. Labor unions should be allowed to take part in deciding the quantity of necessary commodities. Only then will Labor's participation in business administrations become effective.

If the Japanese people are to maintain a certain standard of living, our Nation must participate in world trade. For this purpose, the amount of export goods necessary to pay for imports should be clarified.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 13 Industrial Investigation Carried on by the Metropolitan Offic Nippon Keizai Shimbun - 3 Nov 46. Translator: R. Shibata.

110.4

Full Translation:

With a view to ascertaining the actual conditions of the industries in the metropolis, the Metropolitan Office has been hurriedly making a new registry of all plants, and has completed the investigation of plants according to the types of industries as of 30 July 1946. Of the 25,590 plants, ranging from a small sized bean-curd making factory to large industrial plants, a little over 90 percent are in actual operation with 511,843 employees. The number of plants which employs less than 25 workers is about six times that of plants with a larger number of employees, although the total number of employees is in the reverse proportion. That is, the employees of the former number less than half of the employees of the latter. 1. List of Plants According to the Types of Industries (as of 30 July 1946).

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77505/5

ECONOMIC SERIES: 1551 (Continued)

ITEM 13 (Continued)

Name of Industry	more than 25 persons		Less than 25 persons		Total		Percentage	
	Plants	Employees	Plants	Employees	Plants	Employees	Plants	Employees
Metal	217	220,376	1,598	12,641	1,815	33,017	7.1%	6.5%
Machines & Tools Mfg.	915	81,296	3,445	38,721	4,360	120,017	17.0%	23.4%
Ship-building & Vehicles Mfg.	412	38,103	1,068	11,189	1,480	49,292	5.8%	9.6%
Daily Necessities & other Small Goods Mfg.	249	18,961	803	4,724	41,052	23,685	4.1%	4.6%
Electric Tools Mfg.	457	40,723	2,023	18,683	2,480	59,406	9.9%	11.6%
Chemical Ind.	397	35,564	1,259	12,923	1,656	48,487	6.5%	9.5%
Rocks & Clay Ind., including Ceramics & Public Works	231	19,298	760	6,068	991	25,366	3.7%	5.0%
Textiles	218	24,854	3,893	16,134	4,111	40,788	16.1%	8.0%
Wood Works including Wooden-Building Works	282	20,051	2,023	12,752	2,305	32,804	9.0%	6.4%
Food Processing	136	7,399	2,179	10,085	2,315	17,484	9.0%	3.4%
Paper Mfg.	236	33,911	1,228	8,711	1,464	42,622	5.7%	8.3%
Other Industries	120	9,884	1,441	8,773	1,561	18,677	6.1%	3.7%
Total	3,870	350,420	21,720	161,425	25,590	511,843	100 %	100 %

Following the completion of this list, the Metropolitan Office is proceeding with the more detailed investigation of the plants according to the types of industry.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

EDITORIAL SERIES: 1373 (Continued)

ITEM 2 Production Faces Crisis - Nihon Keizai - 14 Nov 46. Translator: K. Higashikawa.

110.4

Summary:

It is quite clear that the prevailing labor unrest and recurring labor disputes are hindering production, but it is not the labor problem alone that is impeding production. Accordingly, the mere solution of the labor problem will not serve to increase production. As a matter of fact, conditions existing in the basic industries indicate that production will inevitably be curtailed even though the labor problem be settled and labor supplied plentifully. For instance, in the coal industry, production facilities both within and without the pits have markedly deteriorated, and unless necessary repairs and replacements are made immediately, it will be difficult to attain the desired increase in coal production. Even if the labor problem is solved, the worst may be expected for production sooner or later. The prevailing labor unrest is bound to precipitate a production crisis. More precisely, a production crisis which might be put off for a year by the solution of the labor problem, might come within six months or less if the present labor unrest persists.

This time element is very important, indeed, for if the production crisis could be put off for a year, some measures for staving off the crisis might be taken in the meantime, whereas if the crisis should come within six months or less, it might be too late to prevent a crisis. Therefore, the Government must let the people know the actual industrial conditions and seek the fullest co-operation of the people. If the people are made to recognize fully the approaching production crisis, not only will they become enthusiastic over production, but settlement of labor disputes will be made easier. This, in turn, might lead to a truce between Capital and Labor.

While some of the labor leaders may be destructive, the majority of the workers are constructive. This is demonstrated by the fact that most of the labor unions which were newly organized after the termination of the war strived to refrain from any act that might impede production. Accordingly, the solution of the labor problem depends upon how much the workers and the general public know of the present economic and industrial conditions in our country.

Increasing production is the only means of overcoming the present economic crisis. The moot point is whether the livelihood of the workers or production increase should be given precedence. It is almost impossible to expect an increase in production without ensuring the livelihood of the workers. Therefore, one way to increase production is to ensure the livelihood of the workers. On the other hand, it is also true that nominal wage increases will not stabilize the living conditions of the workers without an increase in production. As a practical problem, therefore, the guarantee of livelihood and production increases must be considered interdependent. We must, therefore, fully realize that production increases cannot be attained without security of livelihood and that livelihood can be secured only by means of increased production.

Accordingly, this is not a mere conflict between Capital and Labor but is a problem for the Government. The food crisis of last summer was avoided, thanks to the aid of the Allied Powers. In the present production crisis we should also seek the fullest understanding of the Allied Powers, and at the same time by the conclusion of a truce between Capital and Labor we should delay the production crisis for as long as possible, in order to reinforce our defenses against the future crisis.

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 775015

ITEM 2 Japanese Industrial Structure - Nihon Keizai Shimbun - 13 Dec 46.
Translator: H. Shindo.

Summary:

The nation's industry was obliged to carry out a drastic readjustment with the advent of the agricultural panic caused in succession to the financial panic of 1928. Subsequently, export industries such as spinning and miscellaneous goods made rapid progress. Upon the outbreak of the Manchurian Incident, the heavy industry was considerably expanded and it went on developing through the Shino-Japanese Incident. The prosperity of the air-craft industry quickened the progress of the metal and machine industries.

Getting 1930 at 100, industrial output increased to 200 in 1936 and 500 in 1941. Percentage which each industry occupies in the entire production is as follows:

Industries	1930	1936	1941
Metal	9.2 %	18.0 %	19.3 %
Machine and Apparatus	1[illegible].3	13.6	28.6
Chemical	16.1	18.7	18.5
Spinning	35.4	28.5	15.1
Ceramic	2.8	2.7	2.8
Miscellaneous Goods	3.4	3.7	2.3
Others	22.2	14.8	13.4

The industrial structure had great changes and when the war ended, the gap between war and peace industries was further extended. War reparations will aim at the removal of the rapidly swollen war industries such as metal and machines. The industrial structure must be reorganized so that spinning ceramic and miscellaneous goods industries may be encouraged. Therefore, in order to stabilize our industry and people's livelihood, systematic reconstruction is required since it might be impossible to maintain the industrial level of 1928 to 1930.

Changes in our industrial structure will be shown in the following table?

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77505/5

ECONOMIC SERIES: 1622 (Continued)

ITEM 2 (Continued)

Table of Productivity

Doc. No 6		1928	1930	Present	Capacity Excluded from the Interim Reparations Program	Capacity to be Excluded from the Final Reparations Program
Pig Iron	(unit - 10 thousand tons)	110	225	539	249	50
	(Indices)	100	205	490	226	46
Steel	(unit - 10 thousand tons)	190	465	664	383	150
	(Indices)	100	245	249	201	79
Productivity of Machine Tools	(Number of tools)	7,000	22,000	51,000	26,500	10,000
	(Indices)	100	204	729	279	143
Bearings	(unit - 1 million yen)	26.7	35.9	245.0	32	0
	(Indices)	100	134	918	120	0
Sodium	(unit - thousand tons)	34	362	257	75	same with the previous figure
	(Indices)	100	1,065	756	221	
Soda Ashes	(unit - thousand tons)	57	377	835	633	300
	(Indices)	100	661	1,465	1,111	516
Sulphuric Acid	(unit - thousand tons)	868	3,080	3,901	3,208	Not yet Declared
	(Indices)	100	355	449	370	

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77 50/5

ECONOMIC SERIES: 1622 (Continued)

ITEM 2 (Continued)

Table of Industrial Structure
(As of 1930)

Doc No 7

Industries	Number of Plants	Percentage	Number of workers (unit-1,000)	Percentage	Output (unit-- 1,000 yen)	Percentage	Net Output (unit -- 1,000 yen)	Percentage
Metal	4,004	6.4	84	5.0	526,454	9.2	220,346	10.2
Machine	5,604	9.0	168	10.0	615,683	10.7	319,671	14.9
Chemical	3,329	5.3	118	7.0	924,018	16.1	360,308	16.8
Ceramic	3,205	5.2	60	3.6	158,947	2.8	110,314	5.1
Spinning	20,306	32.6	903	53.7	2,027,940	35.4	471,718	21.9
Sawing and Wooden Goods	4,966	8.0	57	3.4	157,550	2.7	37,525	1.7
Provisions	12,309	19.8	138	8.1	949,929	16.6	435,968	20.3
Printing and Binding	2,759	4.4	53	83.2(sic)	179,564	3.1	116.519	5.4
Others	5,286	8.5	91	15.4	193,977	3.4	79,687	3.7
Electric and Gas	466	0.8	7	0.5	Electricity 9,406,062,000 KWH Gas 830,531,400 cubic meters		Output in price not calculated	
Total	62,234	100	1,683	100	5,734,062	100	2,152,056	100

DECLASSIFIED E. O. 12065 SECTION 3-402 / NNDG NO. 77505/5

ECONOMIC SERIES: 1622 (Continued)

ITEM 2 (Continued)

Doc No 8

Table of Industrial Structure
(As of 1934)

Industries	Number of Plants	Percentage	Number of Workers (unit-1000)	Percentage	Output (unit--1000 yen)	Percentage	Net Output (unit--1000 yen)	Percentage
Metal	6,610	8.2	184	8.5	1,463,618	16.2	535,913	16.3
Machine	9,181	11.4	314	14.5	1,082,073	12.0	607,793	18.4
Chemical	4,313	5.5	192	8.9	1,514,868	11.8	693,172	21.0
Ceranic	3,722	4.6	82	3.8	250,859	2.8	173,276	5.4
Spinning	24,399	30.3	969	44.5	2,917,633	32.4	543.452	16.5
Sawing and Wooden Goods	6,730	8.4	76	3.6	218,724	2.4	58,775	1.8
Provisions	13,500	16.8	147	6.8	1,040,682	11.6	460,221	14.0
Printing and Binding	3,234	4.1	56	2.7	192,742	2.1	94,268	2.9
Others	8,070	10.0	130	6.0	337,282	3.7	121,427	3.7
Electric and Gas	552	0.7	8	0.4	Electricity --14,074,301,000 KWH Gas--1,046,639,500 cubic feters		Output in Price not Calculated	
Total	80,321	100	2,453	100	9,018,499	100	3,294,297	100