DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78-3-18

COTTON TEXTILE EXPORT SALES

	June	July	August	September Quantity	September Value
Cotton Fabric	$38,639,871	$12,475,024	$15,713,843	36,977,279 yds	$8,786,515
Cotton Yarn	3,840,580	1,142,482	1,411,200	286,788 lbs	211,636
Made-up Goods	359,738	610,550	1,086,780		1,115,632
Total	$42,840,189	$14,228,056	$18,211,823		$10,113,783

The unfavorable comparison of September SILK FABRIC sales of only $4,750,575. with the August figure of $6,334,963. was due to the fact that August sales included heavy forward buying. Sales of RAW SILK have remained well over the $2,000,000 per month mark for the last six months and, when September sales are received from the New York Office, total raw silk sales will probably approximate the August figure.

SILK TEXTILE EXPORT SALES

	June	July	August	September Quantity	September Value
Raw Silk	$2,525,160	$2,214,131	$2,975,873	5,859 bls	$2,125,841 a/
Silk Fabric	776,382	659,854	6,334,963	8,361,000 yds	4,750,575
Total	$3,301,542	$2,873,985	$9,310,836		$6,876,416

a/: Excludes New York Office raw silk sales

The consummation during September of many large sales that have been under negotiation for some time expanded RAYON sales from $484,413 in August to $1,252,094 in September. Although this is a gain of more than 150 percent, the volume is still far below the export goal for this industry.

RAYON TEXTILE EXPORT SALES

	June	July	August	September Quantity	September Value
Rayon Fabric					
Filament	$333,916	$135,991	$250,388	2,014,562 yds	$701,758
Spun	53,127	132,795	37,810	173,803 "	61,022
Rayon yarn					
Filament	151,237	135,772	29,215	615,000 lbs	430,814
Spun	20,305	61,080	167,000	80,000 "	58,500
Total	$558,585	$465,638	$484,413		$1,252,094

The increase of $549,512, which brought Sept. WOOL textile sales to $775,879, was principally from yarns spun out of wool to be imported under processing contracts. With the establishment of the raw wool purchase program, price stabilization, and quality controls on manufacturing in the last few months, the industry is now in a position to compete with English, Belgian, Italian and French products. Suppliers are now permitted to negotiate prices with buyers, within limits set by the Board of Trade, which enables them to work out more satisfactory contracts than heretofore.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

The LINEN INDUSTRY has emphasized the production of fine quality yarns and fabrics during the last two years and as a result has regained much of the technique which was lost during the war. They are now able to produce the lighter grades of fabric in acceptable export quality and at competitive prices.

WOOL AND MISCELLANEOUS TEXTILE EXPORT SALES

	June	July	August	September Quantity	September Value
Wool					
Fabric	$604,774	$382,178	$214,938	70,822 yds	$199,714
Yarn	0	0	0	212,385 lbs	561,827
Other tex.	12,728	4,400	11,429		14,338
Total	$617,502	$386,578	$226,367		$775,879
Linen Prod.	4,427	64,121	51,006		50,642
Ramie Prod.	10,040	0	0		0
Manila Rope	0	14,473	0		0
Jute Prod.	1,683	0	0		0
Ind. Leather	1,181	167	0		0
Total	$17,331	$78,761	$51,006		$50,642

PRODUCTION FOR THE MONTH OF AUGUST

COTTON YARN PRODUCTION declined to 21,584,000 pounds in August, partly as a result of the reduced supply of suitable grades and staples for spinning mixtures. A similar situation existed in weaving as there was a lack of suitable yarns to meet the mills trademark specifications.

COTTON YARN AND THREAD PRODUCTION AND SPINNERS' STOCKS
(thousands of pounds)

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Yarn	23,243	51,189	a/ 21,584	28,433	44,340
Thread	816	1,191	749	576	1,364

a/: Revised

COTTON FABRIC PRODUCTION was 76,140,000 square yards in August, compared with 77,839,000 square yards in July. The largest category in August cotton fabric production was 30,721,000 square yards of print cloth, most of which was earmarked for export. Jeans made up 9,609,000 square yards out of total production and sheeting came next with 8,609,000 square yards. Drills, plain and striped, totalled 4,949,000 square yards. About 7,000,000 square yards were of fabric approximately 18 inches wide, which included gauze, bandage cloth and kimono cloth for domestic consumption.

COTTON FABRIC PRODUCTION AND MILL STOCKS

Unit: Thousands	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Woven fabric (square yards)	77,839 a/	110,935 a/	76,140	91,312	95,763
Knit fabric (pounds)	1,009	185	89	138	136

a/: Revised

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78018

Cotton fabric deliveries increased 18,586,000 square yards over July, the largest movement being to dyeing and finishing plants whose stocks of cotton gray goods were 63,698,000 square yards.

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The reeling of 11,993 bales of RAW SILK in August surpassed the July post-war record by four percent.

In order to meet the demands of the expanding export markets, the RAW SILK PRODUCTION GOAL has been increased to 13,000 bales monthly. The prewar European silk hosiery industry which is now being revived is drawing upon Japanese supplies and will reduce stocks of 13/15 denier silk and it may soon be necessary to return to reeling the finer denier in larger volume.

RAW AND WASTE SILK PRODUCTION AND MILL STOCKS

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Raw silk (bales)	11,521	11,432	11,993	13,137	10,288
Waste silk (thousands of pounds)	414	1,034	394	475	953

SPUN SILK YARN AND SILK THREAD PRODUCTION AND MILL STOCKS
(thousands of pounds)

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Pure yarn	428	1,263	422	385	1,300
Mixed yarn	243	1,168	233	120	1,281
Thread	91	64	141	86	119

SILK FABRIC PRODUCTION decreased in August as anticipation of price increases restricted the flow of yarn from spinners to weavers. The apparent increase of from 9,281,000 square yards in July to 11,294,000 square yards in August was due to the fact that production figures for the Fukui-Ishikawa earthquake area were not available for July.

SILK FABRIC PRODUCTION AND MILL STOCKS

Unit: Thousands	Production July a/	Stocks 31 July b/	Production August	Deliveries August	Stocks 31 August
Woven fabric (square yards)					
Filament	7,797	16,702	9,523	7,718	18,507
Spun	1,484	3,988	1,771	2,006	3,753
Mixtures	728	1,390	546	714	1,222
Knit fabric (pounds)					
Filament	12	22	14	10	26
Spun	4	6	4	2	8

a/: Excludes production in Fukui-Ishikawa area

b/: Revised

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78-3-12

RAYON STAPLE FIBER production was down 459,000 pounds in August after an unbroken climb from 1,483,000 pounds in January to 4,075,000 pounds in July. RAYON FILAMENT production continued the upward trend begun in January with an output of 3,593,000 pounds, an increase of 222,000 pounds over July production. Lower staple fiber production is in line with present production plans which give greater emphasis to filament yarn output because of improvement in its export potential.

RAYON STAPLE FIBER AND FILAMENT YARN
PRODUCTION AND PRODUCERS' STOCKS
(thousands of pounds)

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Staple Fiber	4,075	5,884	3,616	3,320	6,180
Filament	3,371	8,868	3,593	3,567	8,894
Spun yarn	2,052	8,714	2,059	2,609	8,164

There was a reduction in RAYON FABRIC PRODUCTION in August compared with July. The apparent increase of from 6,589,000 square yards in July to 8,073,000 square yards in August, was due, as in silk, to the inclusion of August production in the Fukui-Ishikawa earthquake area when comparable data was not available for July.

RAYON FABRIC PRODUCTION AND MILL STOCKS

Unit: Thousands	Production July a/	Stocks 31 July b/	Production August	Deliveries August	Stocks 31 August
Woven fabric (square yards)					
Filament	2,384 b/	5,632	3,591	2,228	6,995
Spun	4,205	11,157	4,482	4,802	10,837
Knit fabric (pounds)					
Filament	3	7	1	2	6
Spun	19	30	29	13	46

a/: Excludes production in Fukui-Ishikawa area

b/: Revised

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On the basis of a study of actual export sales of wool fabrics for the past nine months, a MANUFACTURING PROGRAM was approved in August authorizing production of 764,000 linear yards of staple WOOL FABRICS, consisting of 400,000 yards of serge, 70,000 yards of gabardine, 70,000 yards of flannel and 24,000 yards of tropicals.

Production of 1,958,000 pounds of WOOL YARN in August was slightly under the July output and the 2,460,000 square yards of WOOL FABRIC woven in August exceeded the previous month's total by 105,000 square yards.

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WOOL YARN PRODUCTION AND SPINNERS' STOCKS
(thousands of pounds)

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Woolen	1,736	3,939 a/	1,710	1,203	4,446
Worsted	295	856	248	218	886

a/: Revised

WOOL FABRIC PRODUCTION AND MILL STOCKS

Unit: Thousands	Production July	Stocks 31 July a/	Production August	Deliveries August	Stocks 31 August
Woven fabric (square yards)					
Woolen	1,927	1,385	1,905	1,970	1,319
Worsted	428	341	555	517	379
Knit fabric (pounds)	3	1	7	4	4
Felt (pounds)	319	721	379	225	875

a/: Revised

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There were minor fluctuations in hard and bast fiber yarn, thread and fabric production with the exception of JUTE FABRIC which jumped from 67,000 square yards in July to 223,000 square yards in August as a direct result of large receipts of Indian jute purchased in the early Spring. Further expansion is expected.

HARD, BAST AND WASTE FIBER PRODUCTION AND MILL STOCKS

Unit: Thousands	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Linen					
Yarn (lbs)	1,212 a/	2,478 a/	1,231	1,311	2,398
Thread (lbs)	92	210	102	130	182
Fabric (sq yds)	1,289 a/	3,546 a/	1,163	1,521	3,188
Ramie					
Yarn (lbs)	219	437	229	210	456
Thread (lbs)	13	66	6	7	65
Fabric (sq yds)	387 a/	397 a/	341	311	427
Hemp					
Yarn (lbs)	151	333 a/	128	146	315
Thread (lbs)	51	278	30	37	271
Fabric (sq yds)	91 a/	193 a/	76	61	208
Jute					
Yarn (lbs)	523 a/	287	674	487	474
Thread (lbs)	120	133	79	39	173
Fabric (sq yds)	67	85	223	7	301
Waste fiber					
Yarn (lbs)	1,340	7,285 a/	1,794	1,833	7,246
Fabric (sq yds)	1,014	2,134 a/	823	936	2,021

a/: Revised

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77-0-76

The ROPE AND CORDAGE INDUSTRY is making an effort to reach capacity production before the cold weather electrical restrictions in order to build up stocks to supply the needs of the domestic fishing industry. Rope production increased from 4,077,000 pounds in July to 5,841,000 pounds in August.

ROPE AND CORDAGE PRODUCTION AND MILL STOCKS
(thousands of pounds)

	Production		Mill Stocks	
	July	August	July	August
Rope	4,077 a/	5,841	4,020 a/	5,215
Cord	250	240	158 a/	106
Twine	2,073 a/	2,329	1,573 a/	1,422

a/: Revised

Since the first allocation of cotton procured with GARIOA funds in April, over 2,000,000 pounds of raw cotton purchased with this fund have been consumed in the manufacture of FISH NETS, and approximately 1,708,000 pounds of cotton fish nets have been delivered to fishermen.

The industry anticipates a considerably expanded production as a result of the allocations to fishing use of 35,494,935 pounds of abaca, ramie and substitute fibers from 1948 GARIOA fund purchases.

FISH NETTING PRODUCTION AND MILL STOCKS
(thousands of pounds)

	Stocks				
	Production July	31 July	Production August	Deliveries August	31 August
Cotton	1,298 a/	1,034 a/	2,210	2,115	1,129
Silk	7	8	10	9	9
Abaca	240	161	321	251	231
Coir	90	81	68	50	99
Others	19	5	5	3	7
Total	1,654	1,289	2,614	2,428	1,475

a/: Revised

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Manufacturers of both JAPANESE and WESTERN STYLE CLOTHING restricted production in August because of a shortage of linings, trimmings and other auxiliary materials.

There were 25,731 dozen sets of hand knit babywear shipped to the United States in July and August. Additional orders will be taken in October when new knitting yarn will be released to knit goods manufacturers for export contracts.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 79-01-18

WOVEN FABRIC AND KNIT CLOTHING PRODUCTION AND MILL STOCKS
(thousands of unts)

	Production July	Stocks 31 July	Production August	Deliveries August	Stocks 31 August
Japanese ready-made clothing	417	84	201	201	84
Western style ready-made clothing	3,468	2,982	2,903	2,690	3,195
Underwear	3,127	4,541 a/	6,049	4,937	5,653
Outer wear	180	324	252	132	444
Gloves (pair)	1,224	3,012	1,032	456	3,588
Hosiery (pair)	1,992	6,396 a/	2,940	1,860	7,476
Tabi (pair)	4,739 a/	2,657	3,714	2,151	4,220
Others	631	986	479	521	944

a/: Revised

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There was an increase of 12,134,000 square yards in fabrics DYED and FINISHED in August, bringing the month's total to 57,161,000 square yards, a postwar record high. The greatest increase was in cotton cloth which jumped from 29,892,000 square yards in July to 38,063,000 square yards in August. The printing of cotton goods for export increased 4,435,000 square yards, which includes a substantial quantity of fabrics put into process late in July.

PROCESSED FABRICS
(thousands of square yards)

	Processed July	At mills 31 July	Processed August	Shipped August	At mills 31 August
Cotton	29,892	21,228 a/	38,063	27,041	32,250
Woolen	2,098	3,844	2,031	2,256	3,619
Worsted	815	1,245	1,059	986	1,318
Filament Silk	6,320	10,141 a/	10,785	8,878	12,048
Spun Silk	1,052	1,131 a/	1,072	1,007	1,196
Filament Rayon	1,120	2,883 a/	1,313	1,248	2,948
Spun Rayon	1,137	1,182	956	930	1,208
Hard and Bast Fiber	1,812	1,566	1,199	1,184	1,581
Wool Felt b/	68	242	85	50	277
Knit Fabrics b/	18	-	1	1	-
Others	781	113	683	671	125

a/: Revised

b/: Thousands of pounds

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The production of tanned LEATHER dropped from 819,000 pounds in July to 598,000 pounds in August as tanneries shifted from the heavier imported hides to the lighter domestic hides.

Output of industrial leather products, especially belting, picker and apron leather expanded considerably, but footwear production dropped because of unbalanced supply of parts.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSG NO.

LEATHER GOODS PRODUCTION
(thousands of pounds)

	July	August
Industrial goods	183	449
Consumer goods		
Shoes	369	267
Others	107	193
Total	659	909

RAW MATERIAL SUPPLIES

The receipt of 22,270,000 pounds of RAW COTTON in August brought the total imports from 1 January through 31 August 1948 to 157,646,000 pounds, 104,872,000 pounds of which came from the United States, 5,222,000 pounds from Egypt and 47,552,000 pounds from India. There remains 64,046,000 pounds of raw cotton (principally American) to be delivered against outstanding validated contracts.

STATUS OF 1948 RAW COTTON
PROCUREMENT AND IMPORTS
as of 30 Sept 1498
(thousands of pounds)

Country of Origin	Received July	Received August	Received September	Received in 1948	Undelivered cotton on out-standing contrac
United States	12,281	10,471	0	104,872	56,906
Egypt	0	0	0	5,222	6,286
India	31,651	11,799	1,372	47,552	854
Totals	43,932	22,270	1,372	157,646	64,046

The 1948 SPRING COCOON CROP collection is estimated to have yielded about 63,876,000 pounds of reelable cocoons. This is an increase of approximately 21.5 percent over last year's crop of reelable cocoons, and is the result of both weather conditions which were favorable to the production of better quality cocoons and the government increase in cocoon prices.

The supply of RAYON PULP and RAW COTTON LINTERS at the end of August was sufficient to cover rayon producers requirements for several months, but the industry continued to operate on a week to ten days supply of processing chemicals.

STATUS OF RAYON RAW MATERIAL PROCUREMENT
as of 30 Sept 1948
(metric tons)

	Received August	Received September	Received in 1948	Undelivered raw materials on out-standing contracts
Pulp				
Rayon	1,491	3,150	12,722	11,278
Cotton linters	405	-	4,371	1,434
Raw cotton linters	-	-	2,222	-
Acetone	80	-	169	310
Acetate flakes	44	-	74	-

DECLASSIFIED E.O. 12065 SECTION 3 402/MNDC NO:

August imports of RAW WOOL were 6,180,000 pounds (greasy weight) 4,499,000 pounds of which were shipped from Australia. September receipts were only 376,000 pounds. This brought the total imports for 1948 up to 20,333,000 pounds. Delivery of the remaining 1,374,000 pounds on outstanding contracts is expected to be completed by the end of October. Purchase of about 5,000,000 pounds of wool rags, waste and shoddies from suppliers in the sterling area was completed in September. These materials will be used for domestic purposes.

STATUS OF WOOL PROCUREMENT AND IMPORTS
as of 30 September 1948
(thousands of pounds, greasy weight)

Country of Origin	Received August	Received Sept	Received in 1948	Undelivered wool on outstanding contracts
Australia	4,499	0	7,457	626
New Zealand	15	0	15	80
South America	1,232	208	6,790	200
South Africa	284	0	5,405	50 a/
England	150 a/	168 a/	614 a/	418 a/
China	0	0	52	0
Total	6,180	376	20,333	1,374

a/: Wool tops

Following the announcement in March of the availability of GARIOA funds for use in providing nets, lines and twine for the Japanese fishing industry, an import program covering abaca, ramie and substitute fibers was established. Out of the 53,928,000 pounds of such fibers received so far in 1948, 18,725,000 pounds of abaca, 567,935 pounds of ramie and 16,202,000 pounds of henequen, sisal and other fibers have been allocated to the manufacturers of fishing equipment. In addition, part of the funds were allocated for the purchase of 10,400,000 pounds of raw cotton for the fishing program.

HARD AND BAST FIBER IMPORTS
as of 30 Sept 1948
(thousands of pounds)

Country of Origin	Fiber	July	August	September	Total 1948
Philippines	Abaca	6,790	3,344	0	32,055
Philippines	Maguey	0	0	0	1,151
China	Ramie	239	701	455	1,395
United States	Henequen Binder twine	0	0	0	5,207
United States	Henequen Fiber	0	8,465	0	8,465
North Africa	Sisal	0	1,111	2,387	3,498
Ceylon	Coir Fiber	168	0	402	1,674
India	Coir Yarn	0	0	538	538
India	Jute	1,687	144	1,836	5,565
Totals		8,884	13,765	5,620	59,548

HIDES received in August by tanneries totaled 1,321,000 pounds compared with July receipts of 1,650,000 pounds. Collection of domestic cattle hides increased from 527,000 pounds in July to 756,300 pounds in August, following a seasonal trend. But the decrease in tannery receipts of cattle hides from July's 1,284,000 pounds to August's 995,800 pounds was due to reduced deliveries of imported hides.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

HIDES RECLIVED BY T.NNERILS
(thousands of pounds)

	July	August
Cattle	1,284	996
Horse	87	98
Pig	219	164
Sheep and Goat	11	1
Shark	49	62
Total	1,650	1,321

THE TEXTILE INFORMATION BULLETIN is publish[illegible] month by the Textile Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers. This Bulletin is published primarily for the information of SCAP sections, and the Eighth Army organizations. It is also distributed to other interested parties as a matter of information. All data used in this report are based on official statistics of the Japanese Government or other data available to the Textile Division.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [illegible]

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

APO 500
23 September 1948

TEXTILE INFORMATION BULLETIN NUMBER 8

REVIEW OF THE TEXTILE INDUSTRY'S PROGRESS IN THE THIRD YEAR OF THE OCCUPATION

The expansion of the textile industry during the third year of the occupation continued to be limited by the inability of the Japanese to widen their contacts with foreign markets and expand exports, and also because of shortages of raw materials and trained labor. Reduced receipts and the limited supply of raw cotton during the first six months of 1948 restricted the expansion program of both industries and although the rayon industry met their production goals, their supplies of many critical materials dropped to as low as a few days supply at times and at no time was there a safe operating margin.

An earthquake which occurred in the Fukui and Ishikawa Prefectures on 28 June 1948 and the following fire and flood damaged approximately 50 percent of the silk and rayon weaving machinery in the area and 15 percent of the total silk and rayon loom capacity of Japan.

In spite of the difficulties encountered, however, postwar production records were broken in cotton fabric, raw silk, rayon staple and rayon filament yarn.

The average monthly COTTON YARN PRODUCTION dropped from 24,478,000 pounds during the second year of the occupation to 20,590,000 pounds during the year 1947-48, the lowest being 15,201,000 pounds in November, 1947. The peak of 25,907,000 pounds, reached in April, 1948, was 3,417,000 pounds short of the postwar high attained in June, 1947.

There were 592,922 bales (500 pounds each) of raw cotton imported during the year 1947-48, approximately the same as a year previous, and stocks rose from a low of 82,700 bales in September, 1947, to a high point of 431,966 bales as of the end of January, 1948. There was another lag in imports in the first half of 1948, which reduced stocks of raw cotton to 180,000 bales as of the end of June and curtailed second quarter fiscal year production of cotton yarn about 12 percent below the rate for the corresponding period of 1947. The receipt of 55,000 bales in July improved the stock position and based on the expected arrival of 140,000 bales programed for importation by the end of September, the industry may be able to relax production restrictions slightly.

The average monthly COTTON FABRIC PRODUCTION for the present year is 63,673,000 square yards compared with 51,662,000 square yards last year, and postwar production records were consistently surpassed from February through May, 1948.

Production for domestic use showed a significant increase during the last few months as a result of measures taken by the Japanese Government to prevent hoarding of domestic allotments of yarn by the weavers.

The present spindle capacity is adequate for the production scheduled but wider width looms are being rehabilitated to meet the export market demand for wider fabrics.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

SILK: Cocoon stocks were adequate to meet the 1947-48 production program of 10,000 bales of raw silk a month, but due to a lag in the expansion of export markets, actual monthly production was reduced to an average of 9,253 bales which was only 78 bales more than the 1946-47 average. During the usual seasonal slump in January, production dropped to 6,309 bales but favorable production conditions of spring and summer months plus accelerated export sales pushed raw silk reeling to a new postwar record of 11,521 bales in July. The stabilization of dollar prices for both raw silk and fabrics at relatively low levels caused these products to move rapidly into export channels.

The 1948 production of silk fabrics rose sharply from 4,726,000 square yards in December, 1947, to 13,110,000 square yards in May as a result of the expanded export weaving program.

RAYON: Although a satisfactory import program for cotton linters, and cotton linter and rayon wood pulp has been established, the supply of coal and electricity has been barely adequate to meet the production schedule and supplies of sulphuric acid, carbon disulphide and caustic soda have been critically short. Any further major expansion of the industry will be limited by the short supply of these materials.

The upward trend in RAYON FILAMENT and STAPLE PRODUCTION which began in February, 1948, has continued to the present time. Production of rayon filament yarn increased from a low of 1,626,000 pounds in September, 1947, to 3,371,000 pounds in July, 1948, and staple production from a low of 1,257,000 pounds in November, 1947, to 1,913,000 pounds in March, 1948. Yarn stocks have been mounting since February, due to restriction on imports which now exist in some of Japan's former markets.

The industry restricted the WEAVING of FABRICS from an average monthly output of 7,541,000 square yards in the second year of the occupation to 5,380,000 square yards in the third year and placed the emphasis on improving quality so as to more nearly meet the standards demanded in world markets.

There were practically no imports of RAW WOOL since the end of the war until wool purchased under the recent import program started to arrive in April. Stocks of clothing wool dropped from about 20,000,000 pounds in April, 1946, to 888,000 pounds in March, 1948, and combing wool supplies dropped from about 5,500,000 pounds to 67,000 pounds during the same period. The April-June purchases of wool which began to arrive in July raised stock levels to 1,295,000 pounds for clothing wool and 2,139,000 pounds for combing wool.

An allotment of funds has been made for the purchase of wool rags and waste materials to supplement domestic stocks which have been almost completely exhausted during the past three years when raw wool supplies were reduced to a minimum.

WOOLEN YARN PRODUCTION, which hit a postwar low in January, 1948, of 1,229,000 pounds, increased to 1,888,000 pounds in March as a result of the industry using up old stocks of yarn in coarse mixtures for domestic use in anticipation of new raw wool receipts in April. Worsted yarn showed the same trend but a stop order was issued in April which provided that the processing, beyond tops for worsteds and scouring for woolens, may not be completed except on specific export orders. This measure was taken to prevent the production of unmerchantable products.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78-01-8

JULY TEXTILE PRODUCTION

YARN AND FABRIC PRODUCTION a/

Fiber	July 1947	June 1948	July 1948	Inc/Dec July '48 over June '48	Percent of Inc. and Dec.
Cotton					
Yarn	25,285	23,369	23,036	- 333	1.4
Fabric	62,557	77,273 b/	77,864	+ 591	0.8
Silk					
Raw	9,281	9,283	11,521	+ 2,238	24.1
Fabric c/	3,896	8,099	7,797	- 302	3.7
Rayon					
Staple	1,930	3,609	4,075	+ 466	12.9
Yarn					
Filament	1,522	3,238	3,371	+ 133	4.1
Spun	1,601	2,075	2,052	- 23	1.1
Fabric					
Filament c/	5,365	2,449	2,381	- 68	2.8
Spun c/	2,872	4,483	4,205	- 178	4.0
Wool					
Yarn					
Woolen	1,815	1,795	1,736	- 59	3.3
Worsted	675	250	295	+ 45	18.0
Fabric					
Woolen	1,393	1,759	1,782	+ 23	1.3
Worsted	495	401	428	+ 27	6.7

a/: Units: Yarn - 1000's of pounds
Fabric - 1000's of square yards
Raw Silk - bales of 132 pounds each

b/: Revised

c/: Exludes silk and rayon weaving in the Fukui-Ishikawa earthquake area.

SOURCE: Ministry of Commerce and Industry
Raw Silk Bureau, Ministry of Agriculture and Forestry

The hoarding of yarn by spinners in anticipation of price increases continued to restrict COTTON FABRIC PRODUCTION by independent weavers in July, but a slight increase in total output was maintained by the big spinner-weaving companies who were able to draw upon stocks of yarn from their own spinning sheds.

RAW SILK REELING recovered from a seasonal slump in June to a new postwar production record of 11,521 bales in July.

SILK FABRIC PRODUCTION, outside of the earthquake area, was restricted in July owing to reduced stocks of silk and filament and spun silk yarn. The silk reeling and spinning mills have been holding stocks for anticipated price increases.

The upward trend in RAYON STAPLE and FILAMENT YARN PRODUCTION was unbroken in July. Stocks of yarn have been increasing because of restricted export demands.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770012

A comparison of RAYON FABRIC PRODUCTION for Japan in July, outside the earthquake area, shows a decline in output as a result of emphasis on the production of higher quality goods.

RAW MATERIALS

Although RAW COTTON imports increased in July over June, mill receipts continued the downward trend. The industry attributed this situation to the reestablishment of the chop (or trademark) system. The limited supply of the various grades and staples of cotton on hand in the warehouses will not permit adequate distribution of the types desired by the mills to weave materials in accordance with the specifications of the company's trade-mark fabrics.

The 150,000 bales of raw cotton scheduled for import by the end of September will provide sufficient variety to permit proper distribution.

STATUS OF 1948 RAW COTTON
PROCUREMENT AND IMPORTS
as of 20 Aug 1948
(thousands of pounds)

Country of Origin	Received July	Received August	Received in 1948	Undelivered cotton on outstanding contracts
United States	11,472	9,225	103,161	57,408
Egypt	0	0	5,256	4,879
India	14,729	17,235	34,589	14,343
Total	26,201	26,460	143,006	76,630

RAYON: Receipts of cotton linter and rayon wood pulp in July were satisfactory but the stock levels of caustic soda, sulphuric acid and carbon disulphide continued to fluctuate between a ten-day to two-week supply.

Delivery will be completed on the outstanding contracts of RAW WOOL by the end of October. The only purchases now being negotiated are for wool rags, waste and shoddies to be procured in sterling areas.

STATUS OF 1948 RAW WOOL
PROCUREMENT AND IMPORT
as of 31 August 1948
(thousands of pounds
greasy weight)

Country of Origin	Imported in July	Imported in August	Total imported in 1948	Undelivered contracts 31 August 1948
Australia	2,167	4,499	7,457	386
New Zealand	0	15	15	80
South Africa	0	284	5,405	50 a/
England	0	150 a/	445 a/	605
China	0	0	52	0
South America	2,039	1,232	6,582	408
United States	0	0	520	0
Total	4,206	6,180	20,476	1,529

a/: Wool tops

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [redacted]

Eleven shipments of abaca, purchased with GARIOA funds, amounting to 18,180,250 pounds, were received from the Philippines during April through June, 17,781,500 pounds of which have been allocated to the fishing industry.

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EXPORT SALES

Sales contracts were completed in August for 64,617,000 yards of cotton fabrics valued at $15,713,843. of which 70 percent, or 45,480,000 yards, represented sales in sterling areas. There was also a sale of 20,000,000 yards of cotton textiles made in Sudan in August for payment in sterling, but the contract was not validated until September.

Sales of silk piece goods jumped from 1,281,190 yards in July to 9,375,236 yards in August, valued at $6,334,963., of which $212,873. were sales to traders in the sterling area. Beginning with August, sales of silk fabrics produced against specific export orders were permitted as well as from planned production, thereby making the entire export weaving output for the remainder of 1948, estimated at 18,000,000 yards, available for immediate sale. August sales and September commitments have almost consumed available stocks of silk fabrics for 1948 so that it has been necessary for the Board of Trade (Boeki Cho) to call for a new inventory of raw materials and weaving capacity, in order to schedule deliveries for the remainder of the year in line with probable production.

EXPORT SALES
as of August 1948
(Thousands of dollars)

Fiber	June	July	August	Total to date 1948
Cotton Yarn	3,841	1,142	0	8,194
Cotton Fabric	38,640	12,475	15,714	83,844
Total Cotton	42,481	13,617	15,714	92,038
Raw Silk	2,525	2,214	2,976	28,956
Silk Fabric	776	669	6,335	16,415
Total Silk	3,301	2,883	9,311	45,371
Wool Yarn	0	0	0	22
Wool Fabric	605	382	215	3,379
Total Wool	605	382	215	3,401
Rayon Yarn				
Filament	151	136	29	890
Spun	20	62	167	1,096
Rayon Fabric				
Filament	334	136	250	2,478
Spun	54	133	38	266
Total Rayon	559	467	484	4,730
Others	499	1,146	2,560	3,401
TOTAL SALES	47,444	18,495	28,284	148,941

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [redacted]

EARTHQUAKE: A survey team, appointed by the Ministry of Finance, Ministry of Commerce and Industry, and the Economic Stabilization Board, proceeded to the Fukui-Ishikawa earthquake area in August to make a physical check of damage for the purpose of estimating the emergency financial assistance that would be necessary for immediate rehabilitation and protection of stocks and equipment from winter weather.

The wreckage from the factory buildings which still obscures both equipment and stocks made more than the roughest estimates impossible.

Upon the recommendations of the commission it was determined that a minimum of 1,514,058,000 yen would be necessary to clear the debris of fallen and burned buildings, salvage the slightly damaged equipment, and provide shelter for stocks and equipment before winter snows. As the capital of the local banks is inadequate for long term construction loans, the Reconstruction Finance Bank has agreed to furnish 1,131,376,000 yen and also to back local banks that make up the remaining 382,682,000 yen.

The reports on machinery damage indicated that there was slightly more damage in Fukui Prefecture than had previously been estimated and slightly less in Ishikawa Prefecture.

DAMAGES TO TEXTILE EQUIPMENT
in Hokuriku area

	Mills		
	Number of Mills	Damaged Mills	Percent of damage
Fukui Prefecture	1,200	632	53
Ishikawa Prefecture	574	54	9
Total	1,774	686	39

	Looms			
	Number of Looms	Damaged Looms	Percent of Damage	Percent of Damage to all Japan
Fukui Prefecture	36,981	15,949	43	13
Ishikawa Prefecture	15,825	2,266	14	2
Total	52,806	18,215	35	15

EXTENT OF DAMAGE TO LOOMS

	Heavy Damage	Medium Damage	Slight Damage	Total Damage
Fukui Prefecture	4,428	7,269	4,252	15,949
Ishikawa Prefecture	499	691	1,076	2,266
Total	4,927 (27%) a/	7,960 (44%) b/	5,328 (29%) c/	18,215 (100%)

a/: Will take about 2½ years to repair
b/: Expected to be operable by June 1949
c/: Can be put into operation by small repairs with salvaged parts as soon as shelter can be rebuilt

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

Stock damage reports are being rechecked and a report will be made at a later date.

Production figures are not available but indications are that weaving output has already started to recover, as workers from inoperable plants have been transferred to other mills where they are now working double shifts.

The electric power generation in the area recovered more rapidly than production needs, as indicated by the fact that power was furnished to other prefectures from the Hokuriku area during July. This, of course, was in some measure due to the fact that many mills were unable to receive electric power because of damage to their own power lines.

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THE TEXTILE INFORMATION BULLETIN is published each month by the Textile Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers. Data are secured from the Japanese Government and industrial sources. This Bulletin is published primarily for the information of SCAP Sections, and the Eighth Army organizations. It is also distributed to other interested parties as a matter of information.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78018

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

APO 500
12 August 1948

TEXTILE INFORMATION BULLETIN NUMBER 7

EARTHQUAKE DAMAGE: The heart of the silk and rayon weaving industry of Japan is located in Fukui and Ishikawa Prefectures, which were struck by the earthquake of 28 June, with estimated damages to more than one third of the productive capacity of the area.

The following table shows a comparison of damages by earthquake and fire to the productive capacity of the Hokuriku Area (earthquake area of the two prefectures) with the total capacity of Japan.

DAMAGES TO TEXTILE EQUIPMENT IN HOKURIKU AREA

	Number of Mills	Number of Looms	Number of Damaged Looms	% of Damaged to Total Installed Looms	% Damaged to all Japan
Fukui Prefecture					
Fukui City	93	2,272	2,272	100	
Other	1,107	34,709	16,577	47.7	
Total	1,200	36,981	18,849		15.1
Ishikawa Prefecture	574	15,825	1,000	6.3	0.8
Gr. Total	1,774	52,806	19,849	37.6	15.9

It is estimated that from two to three years will be required to complete rehabilitation of the damaged equipment.

The largest proportion of fabrics woven in the Hokuriku Area are high-grade filament silks and rayons for the export market. The following table shows a comparison of the average monthly production during the first four months of 1948 in the earthquake area, compared with the total output of Japan.

AVERAGE MONTHLY PRODUCTION OF SILK AND RAYON FABRICS IN HOKURIKU AREA
(000's Sq. Yds.)
(January - April - 1948)

	Rayon				Silk			
	Filament	% of Japan Prod.	Total Rayons	% of Japan Prod.	Filament	% of Japan Prod.	Total Silks	% of Japan Prod.
FUKUI PREFECTURE	891	36.4	917	17.8	1,956	29.4	2,163	25.7
ISHIKAWA PREFECTURE	362	14.7	366	7.1	1,424	21.4	1,602	19.1
TOTAL	1,253	51.1	1,283	24.9	3,380	50.8	3,765	44.8

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 776012

The Ministry of Commerce and Industry, the Ministry of Finance, and the Economic Stabilization Board prepared a preliminary plan for emergency repairs, which was presented to the Cabinet on 6 August by the Hokuriku Area Rehabilitation Counter Measures Commission. A fund of 400,000,000 yen was granted to provide temporary shelter for the stocks and equipment and necessary small parts and materials for repairs to equipment that can be put into production in the near future. The Commission is conducting a survey of the area and the Ministers of Commerce and Finance will meet with the Commission and ESB in the Hokuriku Area on the 14th and 15th of August to determine what further allocations of funds will be necessary for repairs before the winter snows.

4,000 looms will be repaired from salvaged parts, and the workers from non-operable mills will be transferred to operable mills and to those that can be repaired in the near future. Insofar as the electric power supply will permit, the operable mills will run two shifts to increase production.

Thirty-four percent of the PRINTING capacity for silk and rayon fabrics in Japan and 28.3 percent of all the BLEACHING and DYEING capacity of the country was located in the earthquake area. No firm statement can be made as to the extent of damage.

It is also apparent that damage to the electric power generation and distribution system, as well as to railroad lines in the region, will seriously affect the mills which were not physically damaged by the quake.

The weaving mills which are now in position to operate have reported that yarn deliveries have been held up. Rail traffic in July was only 50 percent of normal. By the end of August, freight movement is expected to be restored to 70 percent. In any event, construction materials and relief goods will be given an important share of the freight space, with the result that the textile mills cannot expect deliveries approaching normal for some time. It is estimated that through lines may be restored to capacity by December. Trucks are being mobilized to fill in gaps where private railways which connect to the Government system cannot resume service.

Widespread damage to the electric power system is also of serious concern to the textile mills. There are many very small weaving mills in the Fukui area, which are served by household power lines, rather that special direct lines which are in many cases provided for larger industrial consumers. While larger mills may have their service restored with the repair of their special lines, the many small mills which in the aggregate make up an important fraction of the nation's weaving capacity, will have to wait until general consumer service is restored.

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FLOOD DAMAGE: It is estimated that 250,000 persons were made homeless by the flood which inundated large areas of Fukui, Ishikawa and Toyama Prefectures on 25 July. Although the damages to industrial establishments has not been determined it is evident from the first surveys that more damage has been done to rail and automobile roads and bridges than was done by the earthquake. The damage to transportation has greatly hampered the movement of raw materials and supplies needed for relief and rehabilitation to both the earthquake and flood areas.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDC NO: [illegible]

Yarn and Fabric Production *

	May	June		May	June
Cotton			Rayon		
Yarn	23,948	23,369	Fil. Yarn	3,069	3,238
Cloth	78,746	77,197	Staple	3,244	3,609
Silk			Spun Yarn	2,035	2,075
Raw Silk	10,536	9,283	Fil. Cloth	3,268	2,449
Spun Yarns	759	746	Spun Cloth	4,756	4,483
Cloth	10,631	8,099	Ramie		
Wool			Yarn	125	188
Woolen Yarn	1,699	1,795	Cloth	202	259
Worsted Yarn	274	250	Jute		
Woolen Cloth	1,573	1,759	Yarn	21	45
Worsted Cloth	487	401	Cloth	15	12
Flax (Linen)			Hemp		
Yarn	1,199	1,255	Yarn	193	184
Cloth	1,385	1,517	Cloth	110	55

Other Products

	May	June		May	June
Knit Goods (000 dozen)			Rope and Cordage (000 lbs.)		
Underwear	177	215	Rope	2,313	2,474
Outerwear	13	13	Cord	224	198
Gloves (doz.pr.)	143	119	Twine	640	730
Hosiery (doz.pr.)	127	117	Thread	210	241
Selected Clothing Items (000 pieces)	4,687	4,729			

* SOURCE: Ministry of Commerce and Industry
Federation of Japanese Textile Associations
Raw Silk Bureau, Ministry of Agriculture and Forestry.

' UNITS.: Raw Silk in bales of 132 pounds
Other yarns in thousands of pounds
Fabrics in thousands of square yards

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Although stocks of RAW COTTON were reduced to about 180,000 bales as 30 June, July imports of approximately 55,000 bales improved the stock position at the end of July. In addition there are some 140,000 bales of raw cotton programmed for importation by the end of September. (All quantities expressed in terms of American 500 pound bales).

STATUS OF 1948 RAW COTTON
IMPORTS AND PROCUREMENT
As of 23 July 1948
(thousands of pounds)

Country of Origin	Received 23 June - 23 July	Received In 1948	Programmed imports outstanding as of 23 July
American	11,472	93,935	35,276
Egyptian	0	5,256	2,704
Indian	14,729	17,353	30,782

The curtailed raw cotton consumption in June was reflected in a further decline in COTTON YARN PRODUCTION from the levels reached last spring.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO.

On July 15th manufacturers' selling price for pure cotton yarn was increased from ¥ 9,920 to ¥ 20,789 per bale of 400 pounds. As a result of the spinners holding yarn for the anticipated price increase, their stocks increased almost 10,000,000 pounds in the last four months, but the yarn is now expected to move to the mills for August weaving.

COTTON FABRIC production showed the first decline in June since the upswing from 50,000,000 square yards last December to 80,000,000 square yards in May. The decrease was chiefly in export weaving, as domestic fabrics showed a slight increase. Inadequate deliveries of yarn was the principal restricting factor, as the mills had less than one month's supply of yarn on hand at the end of June.

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SILK: 33,000,000 pounds of NEW SPRING CROP COCOONS moved to the mills in June. The total crop is estimated at slightly in excess of 77,000,000 pounds.

The decline in RAW SILK production was attributed to the normal seasonal slackening which occurs each year in June between cocoon crop movements. 9,861 bales were delivered to the port in June for export, 2,269 bales were allocated for export weaving and 11,632 bales were delivered to the mills for domestic weaving.

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RAYON: Imports of cotton linter and wood pulp are progressing satisfactorily, but rayon production schedules are being restricted by critically short supplies of caustic soda, sulphuric acid and carbon disulphide. The bottleneck in sulphuric acid and carbon disulphide production is in the movement of pyrites; and increased production of caustic soda is dependent upon additional allocations of imported salt.

Although RAYON STAPLE AND FILAMENT YARN production continued to surpass previous postwar records, the rate of increase was somewhat less than in previous months.

As a result of slow export sales, stocks of filament yarn in the producing and consuming mills have increased from around 5,000,000 pounds in January to 11,000,000 pounds.

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Recent imports of RAW WOOL have raised the stocks from the postwar low in March of 888,000 pounds of clothing wool and 67,000 pounds of combing wool to 1,171,000 pounds and 1,585,000 pounds, respectively in June.

In spite of more favorable raw wool supply, there was only a slight increase in WOOLEN YARN production and WORSTED spinning was slightly retarded in June because the processing of the yarns can only be completed upon receipts of specific export orders.

Production trends in WOVEN FABRICS were the same as in yarn.

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The first two shipments of JUTE, consisting of 1,895,000 pounds arrived from India in June.

18,180,250 pounds of Manila ABACA were received from April through June, and 17,781,500 pounds were allocated to the fishing industry.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 77035

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

APO 500
12 July 1948

CCC file

TEXTILE INFORMATION BULLETIN NUMBER 6

The production of silk filament cloth, rayon staple and rayon filament continued to surpass previous postwar production levels. Cotton yarn production was restricted in May to conserve raw cotton stocks. The recent raw wool imports did not get into production lines until the latter part of the month so that only slight increases were reported in production.

Yarn and Fabric Production *

	April	May
Cotton		
Yarn	25,749	23,948
Cloth	76,981	78,843
Silk		
Raw Silk	10,310	10,536
Spun Yarns	808	759
Cloth	9,237	10,631
Wool		
Woolen Yarn	1,635	1,699
Worsted Yarn	260	274
Woolen Cloth	1,355	1,571
Worsted Cloth	474	486
Flax (Linen)		
Yarn	1,090	1,199
Cloth	1,351	1,385
Rayon		
Fil. Yarn	2,689	3,069
Staple	2,655	3,242
Spun Yarn	2,028	2,026
Fil. Cloth	2,983	3,268
Spun Cloth	3,731	4,756
Ramie		
Yarn	175	125
Cloth	208	202
Jute		
Yarn	24	21
Cloth	13	15
Hemp		
Yarn	273	193
Cloth	130	110

Other Products

	April	May
Knit Goods (000 dozen)		
Underwear	240	177
Outerwear	14	13
Gloves (doz. pr.)	94	143
Hosiery (doz. pr.)	132	127
Rope and Cordage (000 lbs.)		
Rope	2,298	2,313
Cord	191	224
Twine	682	640
Thread	197	210
Selected Clothing Items (000 pieces)	3,254	3,990
Fish Netting & Twine (000 pounds)		
Cotton		
Net	1,654	1,156
Twine	241	169
Manila Abaca	141	116
Hemp	3	1
Silk	12	23

* SOURCE: Ministry of Commerce and Industry
Federation of Japanese Textile Associations
Raw Silk Bureau, Ministry of Agriculture and Forestry.

UNITS: Raw silk in bales of 132 pounds
Other yarns in thousands of pounds
Fabrics in thousands of square yards

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COTTON: The retrenchment in raw cotton consumption resulted in a decrease of 1,801,000 pounds in May production of pure cotton yarn and further decreases are reported for June as imports of raw cotton were further reduced.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

STATUS OF 1948 RAW COTTON
IMPORTS AND PROCUREMENT
As of 30 June 1948
(thousands of pounds)

Country of Origin	Received thru 22 June	Received In 1948	Programmed imports outstanding as of 22 June 48
American	0	82,463,126 lbs.	22,848,400 lbs.
Egyptian	652,500 lbs.	5,256,250 "	253,750 " *
Indian	1,012,144 "	2,624,832 "	43,550,808 "

* Correction: Published May report - 2,521,000 lbs.
Correct figure - 906,250 lbs.

The SCAP TRADE MISSION which recently returned from a cotton buying mission to India and Pakistan, reported that these countries showed great interest in developing trade with Japan.

In spite of the fact that better quality cotton is in short supply in both countries and export has been prohibited, India allocated 55,000 bales and Pakistan 20,000 bales to Japan. A total quantity of 107,200 bales of all kinds of cotton were procured.

The mission procured 14,000 bales of raw jute in addition to 7,000 bales previously contracted for. As a result of technical difficulties which the mission was able to clear up, the first shipment of jute, consisting of 6,628 bales, went forward to Japan in May.

Both countries want assurance that reciprocal action will be taken by Japan at an early date and have submitted lists with specifications to SCAP for commodities which are desired in return for cotton, jute and other raw materials needed in Japan.

These countries have an extensive industrialization program, both for the development of big industry and the small cottage industries along the lines of the Japanese economic structure before the war. A great deal of both large and small capital equipment will be needed.

India has sent a trade commissioner to Japan to work with the Japanese and SCAP officials in developing a trade pattern. The leader of the recent SCAP Trade Mission to India and Pakistan. has been appointed temporarily as coordinator for trade with India and Pakistan.

The upward trend in COTTON FABRIC production was maintained by the independent weavers whose May output exceeded April by 4,875,000 square yards, but due to construction changes the Big Ten mills showed a reduction of 3,018,000 square yards, leaving a net increase of 1,859,000 square yards.

There was a 28 percent increase in domestic fabric production as a result of the drive (reported in Bulletin #5) to stimulate domestic weaving and discourage hoarding of raw materials and finished products.

Retroactive to 1 April 1948 forty percent of the cotton yarn production has been allocated to the Japanese for domestic consumption. From June 1946 through June 1947 they received 20 percent and from July 1947 to the end of March 1948 they received 30 percent. In all cases the processing wastes are supposed to go into domestic channels.

A release of 41,000,000 square yards of fabric has been made to the Japanese which represents 10 percent of the cotton yarn production from October 1947 through March 1948. This, in effect, makes the 40 percent allocation retroactive from 1 October 1947.

Fifty million square yards of fabric have been released for domestic consumption in lieu of an equivalent amount of yarn from the current fiscal years' allocation.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

Velveteen was produced in June for the first time since the war and inspectors reported the quality to be equal to prewar production. Private traders also made favorable comments. Long staple Egyptian cotton is used in this material.

Export sales of cotton fabric were 144,236,598 linear yards in June which brought the total for 1948 up to 215,822,125. Yarn export sales were 4,382,400 pounds for the month making a total of 7,082,400 pounds for the current year.

EARTHQUAKE DAMAGE: Total damage is as yet undetermined but as the two cotton mills located in Fukui and Ishikawa Prefectures represent only 2.2 percent of the spinning and .5 percent of the weaving capacity of the cotton industry, production will not be seriously affected.

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SILK: The SPRING CROP OF COCOONS started moving in June. The estimated yield is 77,379,000 pounds, an increase of 14,881,000 pounds over the 1947 spring crop. The industry estimates that 123,509,000 pounds of reelable cocoons will be collected from both crops in 1948 which, with the carryover of 44,040,000 pounds from 1947 crops, will make a total of 167,539,000 pounds of reelable cocoons available for 1948 reeling. This amount will be adequate to meet the raw silk production schedule.

May silk filament fabric weaving exceeded the previous prewar record achieved in April by 1,394,000 square yards; 7,127,000 square yards of the total production was against export production schedules.

Following is the status of raw silk and silk fabric sales and exports:

SILK SALES COMMITMENTS
As of 30 June 1948

	Sales		Exports		Outstanding Commitments	
	Bales/yds	$ Value	Bales/yds	$ Value	Bales/yds	$ Value
Raw Silk						
May	16,792	5,642,675	8,645	2,980,000	-	-
Jan-May	64,345r	18,766,637	35,323	11,537,465	-	-
31 May	--	--	--	--	18,936	6,256,000
June	7,652	2,525,160	12,433	4,102,890	-	-
Jan-June	71,997	23,759,010	53,674	17,712,420	-	-
30 June	-	-	-	-	18,324	6,046,590
Fabric						
May	1,080,000	743,478	4,320,610r	1,944,274 r	-	-
Jan-May	19,244,475r	8,481,868r	12,261,177r	5,517,539 r	-	-
31 May	-	-	-	-	5,750,000	2,302,000
June	1,163,825	776,381	2,311,268	946,459	-	-
Jan-June	20,408,300	9,258,241	14,572,445	6,463,998	-	-
30 June	-	-	-	-	5,835,855	2,795,243

r: revised

PURCHASE OF RAW SILK: The functions of the Raw Silk Association have gradually been eliminated since it was closed as a control association last November. The two principal functions of the Association originally were the endorsement of cocoon purchasing notes for the filatures and the exclusive right to buy and sell all of the raw silk produced in Japan.

Private banks are now endorsing the filatures' notes, which are guaranteed by the Bank of Japan.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 71803

About 350 dealers have been licensed by the Ministry of Agriculture and Forestry to purchase raw silk and act as dealers in domestic and export distribution. On 30 June an order was issued relieving the Raw Silk Association of the purchase and distribution function and assigning it to the newly established dealers.

In order to tide the mills over the period of the first few weeks until a smooth financing plan can be instituted for the dealers and to avoid a break in the flow of silk for export, the following interim measures have been taken:

1. The Raw Silk Association will be permitted to purchase SpAAA 13/15 and 20/22 denier stocks which are in excess at the reeling mills.

2. The Textile Foreign Trade Kodan will purchase directly from the filatures tested stocks those quantities of raw silk for which there is immediate demand for export. They have agreed to buy all of the 20/22 denier silk of grade AA or lower as these are the grades most sure of ready market, but they will not purchase any 13/15 denier.

EARTHQUAKE DAMAGE TO SILK AND RAYON WEAVING: There are 52,806 silk and rayon looms located in the earthquake area, which during 1948 have produced an average of 5,132,000 square yards of filament and spun rayon fabric, and 15,061,000 square yards of filament, spun and mixed silk fabric. These figures represent 25 percent of the rayon and 45 percent of the silk fabric production in Japan. The area is the center of silk and rayon filament weaving, since over half of the country's production comes from the Fukui and Ishikawa Prefectures.

The Silk and Rayon Weavers Association estimates that 51 percent of the looms in the area have been damaged, which is 38 percent of the silk and rayon weaving capacity of Japan.

The Textile Bureau of the Ministry of Commerce and Industry are making an official survey but their findings are not available at the present time.

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RAYON: May production of rayon staple and filament exceeded the postwar records achieved in April by 589,000 pounds and 380,000 pounds, respectively.

Of the pure spun rayon yarn produced in May, 535,133 pounds were to be exported, 211,315 pounds were allocated for export weaving, and the remainder was allocated for domestic weaving. All of the 1A and 2A quality filament yarn, about 85 percent of the total production, was earmarked for export either as yarn or fabric.

SALES COMMITMENTS
as of 30 June 1948

	June Pounds/sq.yds.	Jan-June Pounds/sq.yds.
Yarn		
Filament	187,400	897,800
Spun Rayon	22,000	1,018,000
Fabric		
Filament	1,055,411	6,547,568
Spun Rayon	161,200	264,900

4,684 metric tons of rayon wood pulp were received in June from Scandinavian countries and 5,000 metric tons of high calory coal imported from the Philippines, were allocated to the rayon industry.

Two 3,000 pound shipments of nylon waste arrived at Yokohama from the United States in April. This is the first nylon received in Japan and has been allocated to Teikoku Seni K.K. for experimental blending with crimped rayon staple fiber.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

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WOOL: The Australian-New Zealand raw wool purchasing mission returned to Tokyo on 25 June. They were successful in establishing brokers for the purchase of raw wool during the calendar year 1948 on a private business basis. The full approval of the Australian government was obtained on the procedure. Purchases of approximately 7500 bales of wool valued at $2,000,000 were completed.

Procurement in New Zealand will be held in abeyance until the wool buying season opens in the fall of 1948, but buying procedures were established and clearances with all interested New Zealand Government agencies obtained.

The recent raw wool imports did not get into production lines until the latter part of the month so that only slight production increases were reported.

The following IMPORTS OF RAW WOOL were received in June:

South Africa	3,490,800 pounds
South America	929,000 "
England	28,000 "

250,000 pounds sterling has been allocated for the procurement of rags, waste and shoddy suitable to meet domestic consumer goods requirements. Purchases must be made in sterling areas and Hongkong as dollar funds are not available for this purpose. The Japanese Board of Trade has been authorized to proceed, within the limits of the fund, with purchase negotiations and to submit recommendations to SCAP for final approval.

A $200,000 order for blankets was received from the Ryukus and the raw materials have been contracted for.

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The DYERS AND FINISHERS reported the processing of 49,030,000 square yards of material in May which set a postwar record. The largest item was 24,642,000 square yards of cotton fabrics, the printing of 4,620,000 square yards of which was also a postwar high. Increased receipts of packing and baling materials enabled the processers to move the greatest quantity of finished materials in the postwar period.

EARTHQUAKE DAMAGE: 28.3 percent of the silk and rayon bleaching and dyeing mechanical capacity and 34 percent of the silk and rayon printing capacity is located in the earthquake area. Preliminary reports indicate that 60 percent of the finishing capacity of this area will be out of production for approximately 2 months, and that 20 percent will be out of production for approximately one year. No estimate can be made at this time as to when electric power can be restored.

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Severe damage was suffered to a large LINEN MILL at Daishoji in Ishikawa Prefecture. The mill operates 4,392 spindles, all of which were damaged, and 2,185 spindles not in place were almost destroyed. The greatest damage to the mill's operations was in the preparatory processing machinery. During 1948 this mill has produced an average of 33,090 pounds of flax yarn per month. Reconstruction plans are already being developed.

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BLACK MARKET ACTIVITIES:

SCAP is currently working on an intensified program to retard black market activities. The basis for the program will be a more effective control of allocation and distribution of designated production materials. Provisions of the Joint Ministerial Ordinance No. 1 dated 15 June 1948 will be widely publicized to familiarize the Japanese public with the mechanics of the allocation procedure and the penalties for violating the provisions of said regulation. As soon as the program is finalized it will be transmitted to the Military Government teams so that they will be acquainted with the procedures of the program.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78051

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THE TEXTILE INFORMATION BULLETIN is published each month by the Textile Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers. Data are secured from the Japanese Government and industrial sources. This Bulletin is published primarily for the information of SCAP Sections, and the Eighth Army organizations. It is also distributed to other interested parties as a matter of information.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO. [illegible]

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

APO 500
9 June 1948

TEXTILE INFORMATION BULLETIN NUMBER 5

Postwar production records were broken in cotton cloth, silk yarn and cloth, and rayon filament yarn and staple, but 1947 highs have not been surpassed in the production of cotton yarn, raw silk, rayon cloth, and wool yarn and cloth.

Yarn and Fabric Production*

	March	April		March	April
Cotton			Rayon		
Yarn	23,181	25,749	Fil. Yarn	2,275	2,689
Cloth	72,093	76,981	Staple	2,354	2,655
Silk			Spun Yarn	2,000	2,049
Raw Silk	10,106	10,310	Fil. Cloth	2,847	2,983
Spun Yarns	722	808	Spun Cloth	3,206	3,731
Cloth	7,135	9,237	Ramie		
Wool			Yarn	162	175
Woolen Yarn	1,888	1,635	Cloth	168	208
Worsted Yarn	386	260	Jute		
Woolen Cloth	1,166	1,354	Yarn	31	24
Worsted Cloth	479	474	Cloth	2	13
Flax (Linen)			Hemp		
Yarn	926	2,048	Yarn	285	273
Cloth	1,319	1,351	Cloth	132	130

Other Products

	March	April		March	April
Knit Goods (000 dozen)			Selected Clothing Items		
Underwear	245	218	(000 pieces)	2,221	3,198
Outerwear	14	14	Fish Netting & Twine		
Gloves (Doz.pr.)	109	88	(000 pounds)		
Hosiery (doz.pr.)	135	132	Cotton		
Rope and Cordage (000 lbs.)			Net	1,355	1,654
Rope	2,076	2,298	Twine	232	241
Cord	163	191	Abaca	91	141
Twine	834	682	Hemp	15	3
Thread	165	197	Silk	6	12

* SOURCE: Ministry of Commerce and Industry
Federation of Japanese Textile Associations
Raw Silk Bureau, Ministry of Agriculture and Forestry

UNITS: Raw silk in bales of 132 pounds
Other yarns in thousands of pounds
Fabrics in thousands of square yards

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COTTON: Raw cotton stocks were reduced to 137,983,000 pounds (equal to 275,966 American bales) as of 31 April. In order to maintain the necessary backlog of 100,000 bales, consumption will have to be stabilized at the April figure until larger imports can be resumed. May receipts were 390,000 pounds less than April.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78018

STATUS OF 1948 RAW COTTON
IMPORTS AND PROCUREMENT
As of 29 May 1948
(thousands of pounds)

Country of Origin	Received In May	Received In 1948	Programmed Imports Outstanding
American	0	82,463	21,933
Egyptian	1,233	4,604	2,521
Indian	1,616	1,616	35,633

In order to expedite the production of DOMESTIC COTTON FABRICS, the Textile Bureau plans to give the same consideration to domestic weavers in the allocation of auxiliary materials and electricity that has previously been afforded to export cotton weaving.

In line with the procedure advocated by the Textile Division of scaling the allocations of raw materials more closely to the production efficiency of the mills, allocation tickets issued for the first and second quarters of 1948 will be recalled from 36 plants that have not delivered finished fabrics from their January-March 1947 allocations. This represents a total of 1,523 bales of yarn which will be reallocated to 61 factories which have completed and delivered their July-September 1947 export quotas and 28 plants which have produced and delivered 50 per cent of their July-September 1947 domestic quotas and all allocations for domestic goods prior to this period. It is estimated that these two groups have a presently idle capacity of about 8,800 looms.

In effect, this plan means that plants which are behind schedule on production of domestic goods are going to miss entirely the first two quarters' allocation for 1948. This is a drastic measure since domestic allocations heretofore have never been recalled; but it is believed that the action will stimulate production and discourage hoarding of raw materials and finished products.

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SILK: About 68 per cent, or 6,271,336 square yards, of April production was against export orders; the remainder, with the exception of 28,340 square yards sold to the Army Post Exchange, was allocated for domestic consumption.

In the years 1946 and 1947 there were 49,776 bales of raw silk sold for export, having a F. O. B. value of $39,646,016.00 and 28,506,000 yards of silk fabric, valued at $13,710,500. Export sales of raw silk (including sales in New York from U. S. stocks) in the first five months of 1948 have exceeded the 1946-47 figure by 4,483 bales, and almost half as much yardage has already been sold.

SILK SALES COMMITMENTS
As of May 1948

	Sales		Exports		Outstanding Commitments	
	Bales/yds	$ Value	Bales/yds	$ Value	Bales/yds	$ Value
Raw Silk						
May	16,792	5,642,675r/	8,645	2,980,000		
Jan-May	54,259	17,793,475r/	35,323	11,537,465		
31 May	--	--	--	--	18,936	6,256,000
Silk Fabric						
May	1,080,000	743,478	3,075,000	990,350		
Jan-May	13,959,776	6,178,567	8,309,776	3,876,576		
31 May	--	--	--	--	5,750,000	2,302,000

In addition to exports listed above 4,200,000 yards of silk fabric were shipped against 1947 commitments made by the U. S. Commercial Company valued at $1,559,000.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

The Textile Bureau reported that the first 5,000,000 yard silk program for export is completed and that production on the second program for 9,000,000 yards is very close to schedule.

Another weaving program was announced on 3 May for 8,700,000 yards to fill outstanding contracts and those now under negotiation.

In the future buyers will be permitted to deal directly with the manufacturers, so that much of the production will be against direct buyers' orders and there will be less need for centralized and government controlled production schedules.

The Japanese Government is making a complete inventory of all silk looms to determine the total capacity for weaving fabric of export widths, and also the parts requirements for maintenance and rehabilitation of equipment.

Collection of 1948 Spring Cocoon Crop: The Japanese Government is preparing amendments to Ministerial Ordinance No. 12 of 1946 "Measures to Secure the Raw Silk for Export" to provide for cocoon collection agencies to replace this function of the agricultural associations which were dissolved when the Agricultural Organization Law was abolished.

Temporary measures for the collection and handling of the 1948 Spring cocoon crop, until such time as the above amendments become effective, were set out in instructions from the Minister of Agriculture and Forestry to the Prefectural Governors on 14 May 1948. These provided that:

> "The steps provided in Para. 1 of Article 2 of the Agriculture and Forestry Ministry Ordinance No. 12 of 1946 shall be taken. Any person or organization desiring to act as an agent for the purpose of making consignment sales of reelable cocoons shall furnish evidence that at least ten (10) silk-worm raisers wish to use him as their agent. Any person or organization furnishing such evidence will be permitted to act as a temporary agent, provided he has not been previously convicted of violation of price control, rationing or distribution regulations.
>
> "The persons or organizations designated by the terms of this notification shall sell reelable cocoons only to licensed filatures."

RAYON: Approximately 60 per cent, or 1,605,281 yards, of the April filament fabric production was against export orders; the remainder, with the exception of 18,762 yards sold to the Army Post Exchange, was allocated to domestic use.

Export sales of rayon in 1947 were as follows:

	Quantity	$ Value
Yarn		
Filament	9,292,500 lbs.	8,299,389
Staple Fiber	645,000 lbs.	537,510
Fabric		
Filament	5,375,907 yds.	1,661,291
Spun Rayon	48,000 yds.	27,587

In the first five months of 1948 export sales of spun rayon yarn have already surpassed the 1947 sales by 54 per cent, and spun rayon fabric sales by almost 100 per cent. 1948 export sales up to 31 May follow:

	Quantity	$ Value
Yarn		
Filament	710,500 lbs.	573,322
Staple Fiber	996,000 lbs.	847,860
Fabric		
Filament	5,492,157 yds.	1,758,060
Spun Rayon	94,700 yds.	42,464

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

Kurashiki Kenshoku K. K. has announced the production of a new polyvinyl fiber, which has greater tensile strength than any synthetic fiber so far produced in Japan. This new fiber has been used in the production of clothing fabrics as well as fishing lines and various industrial products. Experiments are now being conducted on other uses. The mill reports a production capacity of approximately 1,500 pounds per month. Future expansion depends upon construction of production facilities. There is no raw material problem foreseen as this fiber is produced entirely from indigenous materials.

The Nippon Nitrogenous Fertilizer Manufacturing Co., Ltd., which has been producing acetate filament experimentally, made application to start commercial manufacture. This is the second mill to start acetate filament production, and at present is producing about 2,000 pounds of filament a month.

Acetate flakes from the United States and olive oil for finishing of cupra yarn from China were imported for the first time in May.

STATUS OF RAYON RAW MATERIAL PROCUREMENT
As of 31 May 1948
(Metric Tons)

	Imports May	Country of Origin	Imports to Date	Programmed Imports Outstanding
Pulp				
Rayon wood	700	Sweden	2,000	16,200
Cotton linter	2,411 (*)	U. S.	2,865	1,635
Raw cotton linters	0	--	2,222	0
Acetone	0	--	79	0
Acetate flakes	30	U. S.	30	44
Olive Oil	4	China	4	0

(*) Because of injuries to the cargo by sea water 251 MT were released for manufacture of parchment paper for use in the rayon industry and to the celluloid industry.

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WOOL: The downward trend in wool yarn production, due to dwindling raw wool stocks, which began in June 1947 was continued through April. However, considerable production increases are scheduled by the mills based on recent imports and procurement commitments of raw wool.

STATUS OF 1948 RAW WOOL *
IMPORTS AND PROCUREMENT
As of 31 May 1948
(thousands of pounds)

Country of Origin	Received in May	Received in 1948	Programmed Imports Outstanding
Australia	518	820	6,150
South Africa	0	1,631	3,769
South America	1,445	2,711	3,870
England	2	2	400
China	2	2	51
United States	0	262	366

* Including shoddies and waste

There were 113,632 yards of wool fabrics (value $299,847.12) sold for export in May which brought the total sales for 1948 to 854,730 yards (revised) (value $2,177,515.21)

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KNIT GOODS: There was a lull in activity in the knit goods industry as one export production program neared completion and allocations for the next had not been received.

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CLOTHING: The drive for increased production of work clothing to meet laborers' rations was continued and a gain of 204,000 garments was reported by the manufacturers.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770014

PRODUCTION SCHEDULES - 1948

Based upon 1947 production and prospective available indigenous and imported raw materials, the textile industries and the Textile Division, Economic and Scientific Section, made the following production estimates in January of probable production for the calendar year 1948:

Cotton: Yarn - 420,000,000 pounds (20's count)
Fabric - 1,180,000 square yards
Operating Spindles - Increased from 1,745,280 in January to 2,450,160 in December

Silk: Raw silk - 120,000 bales
Fabric - 100,000,000 square yards
Operating Basins - Increased from 37,703 in January to 41,878 in December

Rayon: 40,000 M/T of rayon and staple combined divided approximately 55 per cent and 45
37,000,000 square yards filament rayon fabric
45,000,000 square yards spun rayon fabric
Machinery: Staple and filament capacity - adequate
Operable Spindles - increased from 120,000 in January to 250,000 in December

Wool: Woolen and Worsted Yarns - 45,000,000 pounds
Fabrics - 65,000,000 yards
Operable Machinery Increases:
Woolen Cards - from 381 in January to 637 in December
Worsted Spindles - from 51,489 in January to 500,000 in December

Following are comparisons of the monthly production schedules initially set by the industries. Listed for comparison are 1947 production figures and actual production for the first four months of 1948:

COTTON YARN: (thousands of pounds)

	Production 1947	Scheduled Production 1948 Based on 20's Count	Scheduled Production 1948 Based on Actual Anticipated Counts	Actual Production 1948
January	22,798	26,703	19,869	20,025
February	25,108	28,060	20,876	22,139
March	26,505	29,849	22,210	23,246
April	27,394	34,613	25,766	25,907
May	26,918	37,032	27,551	
June	29,324	42,642	31,718	
July	25,520	42,198	33,282	
August	18,582	42,746	33,701	
September	17,678	47,766	37,677	
October	16,803	51,179	40,301	
November	15,201	50,048	39,522	
December	17,348	39,937	31,506	
Total	269,179	472,773	363,979 *	

* Increase of 94,800,000 pounds or 35 per cent over 1947 production.

Due to delays in the functioning of the raw cotton procurement program, the industry has revised the original 1948 production estimates down to 295,000,000 pounds of cotton yarn. Present estimates, based on current commitments and sources of supply, indicate that there will not be more than 720,000 bales of raw cotton available for 1948 consumption. The industry has been instructed to adjust production schedules accordingly.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78018

RAW SILK: (bales)

	Production 1947	Scheduled Production 1948	Actual Production 1948
January	5,807	8,000	6,309
February	8,252	8,000	8,870
March	10,834	9,600	10,106
April	10,429	11,950	10,310
May	10,749	12,001	
June	9,171	10,878	
July	9,281	12,711	
August	8,725	12,426	
September	9,241	12,207	
October	10,049	12,872	
November	9,114	12,311	
December	8,709	11,284	
Total	110,361	134,240 *	

* Increase of 23,879 bales or 22 per cent over 1947 production

The Raw Silk Bureau estimates that the 1948 cocoon crop will yield 138,051,000 pounds of all types of cocoons, compared with 117,897,000 pounds in 1947. The industry predicts that, with satisfactory progress in rehabilitation of basins, the cocoon supply will support the 120,000-bale production goal for 1948.

RAYON FILAMENT AND STAPLE: (thousands of pounds)

	Production 1947	Scheduled Production 1948	Actual Production 1948
January	1,409	3,400	3,156
February	1,585	3,800	3,888
March	1,768	4,017	4,629
April	2,224	5,460	5,342
May	2,734	6,135	
June	2,947	6,405	
July	3,452	7,840	
August	3,704	8,335	
September	3,835	9,010	
October	3,964	9,450	
November	3,845	9,850	
December	3,589	10,050	
Total	35,056	83,752 *	

* Increase of 48,696,000 pounds or 139 per cent over 1947 production

The performance of the mills during the first four months of 1948, together with the prospect of adequate supplies of both indigenous and imported raw materials, and satisfactory progress in spindle rehabilitation, were the factors upon which the synthetic textile industry based a recent upward revision of the production schedule to an aggregate of 53,951 metric tons of rayon filament and staple.

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

WOOL:

Because of the delays and uncertainties experienced so far in the functioning of the raw wool procurement program, the wool industry has not been able to set a monthly production schedule for 1948.

	Woolen Yarn (1,000's lbs)		Worsted Yarn (1,000's lbs)	
	Production 1947	Actual Production 1948	Production 1947	Actual Production 1948
January	1,562	1,229	712	180
February	1,527	1,526	609	266
March	1,660	1,888	557	386
April	2,073	1,635	675	260
May	2,106		677	
June	2,060		597	
July	1,815		675	
August	1,614		514	
September	1,590		369	
October	1,504		343	
November	1,298		261	
December	1,263		198	
Total	20,072		6,187	

Although it is not expected that production will reach the goal set at the beginning of the year, the current firm commitments and programmed raw wool purchases augur well for considerable expansion in the industry by the end of the year.

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COAL ALLOCATIONS: Moderately larger allocations of coal and lignite have been made to the Textile Industries for the July-September quarter. This increase, together with the fact that coal consumption per unit of production normally declines during that period, indicate that there will be sufficient fuel to support the advanced production programs scheduled.

Allocations for the July-September quarter are: 250,000 metric tons of standard coal, 3,000 tons of rubbly kulm, 44,900 tons of substandard coal and 223,000 tons of lignite. These figures are subject to minor revision before the expiration of the quarter.

In the April-June quarter, 240,300 metric tons of standard coal were initially allocated, to which 6,250 tons have since been added. Allocations of substandard coal were 28,800 metric tons, rubbly kulm 3,000 tons and lignite 202,900 tons.

In addition to this indigenous fuel, 5,000 metric tons of higher-grade imported coal have been allocated to the rayon industry for the April-June period. It is anticipated that further allocations of imported coal will be made to the rayon mills, in order to support the rapidly advancing production schedule.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO: [illegible]

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDC NO. [redacted]

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

APO 500
7 May 1948

TEXTILE INFORMATION BULLETIN NUMBER 4

The increased demands of the cotton, silk and rayon export programs, together with larger receipts of raw materials, were reflected in expanded production throughout the industry during March.

Yarn and Fabric Production *

	February	March
Cotton		
Yarn	22,106	23,191
Cloth	65,714	72,093
Silk		
Raw Silk	8,870	10,106
Spun Yarns	847	722
Cloth	6,021	7,135
Wool		
Woolen Yarn	1,526	1,647
Worsted Yarn	266	386
Woolen Cloth	1,111	1,166
Worsted Cloth	475	479
Flax (Linen)		
Yarn	780	926
Cloth	1,227	1,319

	February	March
Rayon		
Fil. Yarn	1,026	2,275
Staple	1,962	2,355
Spun Yarn	1,713	2,000
Fil. Cloth	2,246	2,844
Spun Cloth	2,118	3,206
Ramie		
Yarn	172	162
Cloth	168	168
Jute		
Yarn	135	31
Cloth	56	2
Hemp		
Yarn	199	285
Cloth	118	132

Other Products

	February	March
Knit Goods (000 dozen)		
Underwear	178	244
Outerwear	13	14
Gloves (Doz.pr.)	115	109
Hosiery (doz.pr.)	130	135
Rope and Cordage (000 lbs.)		
Rope	1,966	2,076
Cord	141	163
Twine	631	834
Thread	154	165

	February	March
Selected Clothing Items (000 pieces)	3,081	2,221
Fish Netting & Twine (000 pounds)		
Cotton		
Net	1,287	1,355
Twine	266	232
Abaca	62	91
Hemp	5	15
Silk	9	6

* SOURCE: Federation of Japanese Textile Associations
UNITS: Raw silk in bales of 132 pounds
Other yarns in thousands of pounds
Fabrics in thousands of square yards

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COTTON CLOTH PRODUCTION in March exceeded the previous postwar high, reached in February, by 6,379,000 square yards and 61,000,000 square yards of the output were earmarked for export. 70 percent of the March yarn production was allocated to export weaving.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDC NO: [illegible]

RAW COTTON IMPORTS in March exceeded February by 19,294,000 pounds.

Raw Cotton Supplies
(thousands of pounds)

	Total Receipts March	Total Receipts June '46-Mar '48	Programmed Imports Outstanding 31 March 1948
American	21,002	643,075	3,998
Egyptian	432	12,945	1,714
Indian	0	67,997	0

Consumption of Raw Cotton Received in Japan
From 1 July 1946 to 31 December 1947
(Millions of pounds)

1.	Actual consumption all raw cotton		448
2.	Raw cotton accounted for by the following factors:		
	a. Waste		62
	b. Absorbent and asbestos		8
	c. Raw cotton in process or pipeline		7
	d. Cotton yarn produced for export	295)	
	e. Cotton yarn produced for domestic	76)	371
	f. Total		446
3.	Total yarn accounted for by the following factors:		
	a. Total export fabric (905 million @ 4 yards/lb)		201
	b. Total export knit goods (3.3 million doz. @ 2.5 lbs/doz)		8
	c. Total export blankets (.46 million pcs @ 4.3 lbs/pc)		2
	d. Total export towels (.86 million doz @ 3.5 lbs/doz)		3
	e. Total export sale yarn (20s)		39
	f. Total export fish net, tire cord, etc.		3
	g. Total domestic fabric (68 million @ 4 yds/lb)		17
	h. Total domestic knitgoods (socks, underwear, etc.)		6
	i. Total domestic fish nets, tire cord, sewing thread, etc.)		20
	j. Yarn waste (from reeling, warping, weaving, etc.)		4
	k. Total yarn stocks		60
	l. Total yarn in process of weaving		8
	m. Total yarn		371

During the above period commitments were made to export 28,000,000 pounds of yarn and 592,000,000 yards of fabric, against which 28,000,000 pounds of yarn and 404,000,000 yards of fabric were shipped, leaving unfilled contracts for 188,000,000 yards of cloth on 31 December 1947.

During the period of 1 January 1948 through 30 April 1948, commitments were made to export 1,000,000 pounds of yarn and 215,000,000 yards of fabric, against which 500,000 pounds of yarn and 100,724,000 yards of cloth had been shipped, leaving total outstanding contracts as of 30 April 1948 for 500,000 pounds of yarn and 302,276,000 yards of cloth.

THE NETHERLANDS EAST INDIES is now completing a contract with the Board of Trade for approximately 130,000,000 yards of cotton cloth for delivery before December 1948. 70 percent of the quantity ordered is for prewar trademark fabrics which require detailed work.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 776019

PRODUCTION OF PURE SPUN SILK YARN reached the highest point since the end of the war as a result of the increased demands of the export weaving program.

EXPORT SALES OF RAW SILK for the period of 1 January through 30 April 1948 were 29,806 bales;and 15,300 bales were shipped against these contracts leaving outstanding commitments of 14,506 bales. An additional 15,700 bales were sold from New York stocks during the same period.

EXPORT SALES OF SILK FABRICS in January and February were 14,500,000 yards, 6,994,000 yards of which had been shipped as of 30 April, leaving commitments of 7,506,000 yards. The industry reports that 80 percent of its capacity is being utilized in the production of high grade fabrics for export.

An additional 1,076,000 yards of silk fabric were sold to the Central Purchasing Office, Tokyo, during the period of October 1947 through 31 March 1948.

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MARCH RAYON PRODUCTION reached new postwar highs in both filament and spun rayon yarn as a result of favorable receipts of raw materials.

FIRST IMPORTS since the war of raw cotton linters and cotton linter pulp were received from the United States in February, acetone from the United States in March, and rayon wood pulp from Sweden in April.

Rayon Raw Material Imports
Metric Tons

	Received to 30 April 48	Programmed Imports Outstanding 30 April 48
Pulp	1,300	18,200
Rayon wood	500*	4,500
Purified cotton linter	2,222	0
Raw cotton linters	79	0
Acetone	0	30
Acetate flakes		

* Short tons

During the period 1 January through 30 April EXPORT SALES commitments have been made for 1,841,700 pounds of filament rayon yarn, 855,000 pounds of rayon staple, and 6,917,555 yards of fabric.

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The lack of an adequate source of RAW WOOL has restricted the rehabilitation of the wool industry since the war. The Chief of the Wool Branch is now in Australia arranging the purchase of Australian and New Zealand wool, in addition to the following import contracts now outstanding:

RAW WOOL IMPORTS
(300 lb. bales)

	Received 1 Jan - 30 Apr	Programmed Imports Outstanding as of 30 April
Australia	1,329	10,267
South America	2,088	23,288
South Africa	5,457	30,563

During this period the industry made export sales commitments for 869,000 yards of fabric.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

KNIT GOODS: 183,255 dozen singlets were completed for export in March, compared with 120,662 in February.

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CLOTHING ITEMS: An increase of 240,000 garments in working clothing manufacture was attained in March as a result of a special drive by the Japanese Government for the production of work clothing as an incentive to workers in other industries.

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ROPE AND CORDAGE: Shipments of Manila abaca received in Japan through March '48 were as follows:

1947	June	440,000 pounds
	October	1,291,950 "
	November	815,100 "
1948	February	1,049,400 "
	Total	3,596,450 pounds

Of this quantity 2,000,000 pounds were used for fishing equipment and the balance was released for the manufacture of rope and cordage, and other domestic items. A small quantity was allocated to the manufacture of export products.

The first shipment of coir fiber arrived in Japan from Ceylon late in February. Coir fiber is made from the hull of coconuts and is used to make rope, cordage and twine. 875,000 pounds of this shipment were allocated to the rope and cordage mills during March and 521,000 pounds were put into process.

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FISH NETTING: March production of cotton and abaca fish nets increased five percent, and hemp 200 percent as a result of increased receipts of yarn. Deliveries of cotton fish nets increased 84,000 pounds which indicate that the distribution system is working more satisfactorily and that the fishermen are receiving more nets.

A SPECIAL FUND from GARIOA has been set up to aid the fishing industry. This fund up through March included $2,000,000 for the purchase of cotton and $4,500,000 for the purchase of rope and cordage fibers, preferably abaca with the substitution of sisal, henequin, or similar fibers as available.

On 22 March 1948 SCAP released 5,694,800 pounds of cotton yarn, purchased from this fund, to the Japanese. Allocations of 2,002,000 pounds were made to 129 net and twine manufacturing plants in 22 prefectures on the basis of their production records and stocks on hand, as this special program is over and above their normal production schedules. The remaining 3,692,800 pounds will be allocated monthly to those mills that meet their production quotas. It is expected that the entire 5,694,800 pounds will be consumed by August 1948.

Purchases of rope and cordage fibers are being made as fast as the market permits. It is estimated that the $4,500,000 worth of fiber (about 25,000,000 pounds) will have arrived in Japan and be manufactured into rope and cordage by the end of July or early August.

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THE TEXTILE INFORMATION BULLETIN is published each month by the TD/ESS/GHQ/SCAP. Data are secured from Japanese Government and industrial sources. This Bulletin is published primarily for the information of SCAP Sections, and the Eighth Army organizations. It is also distributed to other interested parties as a matter of information.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. [illegible]

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

APO 500
31 March 1948

TEXTILE INFORMATION BULLETIN NUMBER 3

I - Production Data

Following production data for the month of February have been reported by the Federation of Japanese Textile Associations and the Raw Silk Bureau, Ministry of Agriculture and Forestry. Raw Silk is in bales of 132 pounds; other yarns in thousands of pounds; fabrics in thousands of square yards. (Figures subject to revision.)

Yarns and Fabrics

	January	February		January	February
Cotton			Rayon		
Yarn	19,983	22,106	Fil. Yarn	1,673	1,926
Cloth	55,906	65,714	Staple	1,483	1,962
Silk			Spun Yarn	1,685	1,713
Raw Silk	6,309	8,870	Fil Cloth	1,721	2,246
Spun Yarns	619	846	Spun Cloth	1,748	2,118
Cloth	4,218	6,025	Ramie		
Wool			Yarn	128	172
Woolen Yarn	1,229	1,526	Cloth	194	168
Worsted	180	266	Jute		
Woolen Cloth	898	1,111	Yarn	33	135
Worsted Cloth	419	475	Cloth	35	56
Flax (Linen)			Hemp		
Yarn	557	780	Yarn	284	199
Cloth	1,057	1,227	Cloth	219	118

Other Products

	January	February		January	February
Knit Goods (000 dozen)			Selected Clothing Items		
Underwear	174	177	(000 pieces)	3,162	3,081
Outerwear	16	12	Fish Netting & Twine		
Gloves (doz. pr.)	73	86	(000 pounds)		
Hosiery (doz. pr.)	105	128	Cotton		
Rope & Cordage (000 lbs)			Net	1,248	1,287
Rope	1,752	1,966	Twine	170	266
Cord	54	141	Abaca	58	62
Twine	352	631	Hemp	28	5
Thread	147	154	Silk	5	9

Continued improvement in deliveries of electric power and raw materials, together with a longer working month permitted a general expansion in February textile production. . .COTTON yarn production continued to recover from the November low and cotton cloth production reached a post-war high. . . Raw SILK output returned to December production level. The inventories of exportable raw silk were adjusted downward from 102,584 bales reported in January to 63,910 bales to eliminate odd types. These will be used domestically. . .The release of partially processed WOOL fibers into production channels will expand output figures slightly during the next quarter but February output was not affected. . . A more adequate supply of raw material and electric power were the reasons reported by the Synthetic Textile Association for the accelerated RAYON production in February. Unstable pulp production will continue to restrict production untilthe import program is firmly established. 260,000 pounds of viscose yarn were allocated for a special export order in addition to the regular month's allocation of 400,000 pounds. . . JUTE - The small increase in Hessian cloth production, used for packing textiles, temporarily increased the movement of export materials. . .Increased distribution of FISH NETTING can be expected in March as final arrangements for the ticket rationing system were completed in February. . . ROPE and CORDAGE mills stepped up operations in order to take advantage of abaca imports scheduled in the near future.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 78-3-12

11 - Fuel and Raw Materials

The delivery records of the Solid Fuels Kodan show that the percentage of allocated FUEL delivered to textile mills is considerably smaller than the over-all industrial average. The appropriate SCAP agency has taken the matter under advisement in order to initiate corrective action.

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One shipload of American COTTON arrived in Japan during February and 1,300 bales were discharged. This brought the total of CCC-2 cotton imported as of 29 February up to 348,417 bales. Of this amount 90,141 bales have been released for spinning, leaving a stock of 258,276 bales on hand. The stocks of CCC-1 cotton have been reduced to 4,287 bales.

A total of 2,500 bales of Egyptian COTTON had arrived in Japan as of 29 February, 1,500 bales of which were discharged during the month and 12 bales were released for spinning.

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More than 5,000 bales of South African WOOL are expected to arrive late in April. This is the largest import since last Summer, when 7,500 bales of Australian wool were landed. Since then, small quantities have been received against specific export manufacturing orders. The quantities being imported currently are negligible, in comparison with the manufacturing capacity of the industry.

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500 short tons of cotton linter PULP and 1,200 metric tons of raw cotton linters were received in February; 500 tons and 1,000 tons, respectively have been shipped for March delivery.

Procurement has been completed on 21,000 tons of cotton linter and rayon pulp against scheduled requirements of 24,000 tons. It is expected that this pulp will be shipped in lots of approximately 2,200 tons per month beginning in April.

A six months' supply of ACETONE for making acetate rayon was received in February and 30 tons of acetate flakes are enroute.

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3,965 bales (275 lbs. each) of MANILA ABACA were received in February and negotiations are under way for the purchase of material to meet minimum requirements of the basic industries. The abaca so far received and future procurements will be utilized chiefly by the rope and cordage industry to expand production of urgently needed fishing equipment. The following production goals have been set by the industry, the accomplishment of which are dependent upon the success of the abaca procurement program. (Figures are in thousands of pounds.)

	Rope	Twine
April	3,344	810
May	5,225	1,265
June	6,688	1,619
July	8,360	2,024
August	8,360	2,024
September	8,360	2,024

Negotiations are under way for the purchase of sufficient Indian JUTE to relieve the present acute shortage of this fiber, particularly for the manufacture of Hessian cloth urgently needed for packing export textiles.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

111 - Other Developments

The Ministry of Commerce and Industry is in the process of formulating regulations to implement ESS instructions on the conservation of DYES and finishing chemicals. A list of domestic articles which may be finished, and a list of dyestuffs which may be used for this purpose, will be included. Local Commerce and Industry Bureaus will then be in a position to enforce these instructions insofar as the operations of individual dyeing plants are concerned.

Plans have been developed by the appropriate SCAP agencies to complete the liquidation of all remaining control organizations in the textile field. A conference was held at which representatives of all these organizations -- now designated by the Economic Stabiliz tion Board to continue their activities temporarily -- to explain the program to them. Plans are being developed by the industries concerned to form legal trade associations as soon as the new Trade Associations Law is officially adopted.

The Textile Bureau of the Ministry of Commerce and Industry is being given 45 days' notice of associations to be closed for liquidation. This will permit the Bureau to recruit personnel to handle the essential allocation functions, and other necessary work, presently performed by the control organs.

The responsible agencies of the Japanese Government have been advised by SCAP to adopt a more conservative view toward development of the silk reeling industry, until a clearer view can be obtained of the market for silk and silk products. A copy of the memorandum outlining SCAP's views on this subject is attached to this Bulletin.

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THE TEXTILE INFORMATION BULLETIN is published on the last day of each month by the Textile Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers. Unless otherwise indicated, statistics and other data are secured from appropriate Japanese Government and industrial sources. This Bulletin is published primarily for the information of other SCAP Divisions and Sections, and the Eighth Army Military Government organizations. It is also distributed to other interested parties as a matter of information.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNBS NO.

C. Copy of TD-30.

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

423 (8 Mar 48) ESS/TD
Refer to: (TD-30)

APO 500
8 Mar 48

MEMORANDUM FOR: Raw Silk Bureau, Ministry of Agriculture and Forestry
Textile Bureau, Ministry of Commerce and Industry

SUBJECT: Silk Industry Program

1. Reference is made to the revised "Five-Year Plan for the Rehabilitation of the Raw Silk Industry", as submitted to the Textile Division, Economic and Scientific Section, under date of 3 February 1948.

2. A study of the reference program indicates that a conservative approach to rehabilitation of the silk-reeling industry should be adopted, pending further determination of the size of the world market for Japanese raw silk and silk products. The reduction in goals made by the reference program, as compared with the previous Five-Year Plans, is considered desirable at this time.

3. It is desired in this connection, that every effort be made to accomplish the following, within the limitations imposed by the necessity for parallel development of other industries within Japan:

a. Stabilize production of raw silk at an average of 10,000 bales per month during the remainder of 1948, adjusted only to meet requirements as advised by SCAP.

b. Encourage the reeling industry to rehabilitate up to 45,000 operable reeling basins during 1948.

c. Continue the allocation of as much raw silk as is necessary for the manufacture of silk fabrics and other products for export (initially 10,000 bales per month); and to encourage maximum improvement in the quality of this production.

d. Encourage maximum use of unexportable types of raw silk (below E Grade in 13/15 and 20/22) and all grades of other deniers not specifically desired for export, for domestic consumer and industrial purposes.

e. Encourage mulberry farmers to stabilize acreage at approximately 165,000 cho, in order to support raw silk production of around 120,000 bales a year, and slightly more if later deemed desirable.

f. Encourage the development of a total of 200,000 cho of "finished" mulberry acreage as soon as agricultural conditions in general warrant re-planting of recently uprooted acreage.

g. Encourage the silk reeling industry to maintain and continue to improve the present high quality of their output.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

s/ Carl C. Campbell

t/ CARL C. CAMPBELL
Acting Chief
Textile Division

Copy for Information
Textile Section, ESB

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770018

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

APO 500
29 February 1948

TEXTILE INFORMATION BULLETIN NUMBER 2

I - Production Data

Following production data for the month of January have been reported by the Federation of Japanese Textile Associations and the Raw Silk Bureau, Ministry of Agriculture and Forestry. Raw Silk is in bales of 132 pounds; other yarns in thousands of pounds; fabrics in thousands of square yards. (Figures subject to revision.)

Yarns and Fabrics

	December	January
Cotton		
Yarn	17,277 a/	19,983
Cloth	45,504	55,906
Silk		
Raw Silk	8,709	6,309
Spun Yarns	695	619
Cloth	3,504	4,218
Wool		
Woolen Yarn	1,263	1,229
Worsted Yarn	198	180
Woolen Cloth	816	898
Worsted Cloth	365	419
Flax (Linen)		
Yarn	882	557
Cloth	1,094 a/	1,057
Rayon		
Fil. Yarn	1,644	1,673
Staple	1,945	1,483
Spun Yarn	1,365	1,685
Fil. Cloth	1,462	1,721
Spun Cloth	2,029	1,748
Ramie		
Yarn	113	128
Cloth	168 a/	194
Jute		
Yarn	63	33
Cloth	23 a/	35
Hemp		
Yarn	214	284
Cloth	41 a/	219

Other Products

	December	January
Knit Goods (000 dozen)		
Underwear	272	174
Outerwear	9	16
Gloves (pr)	79	73
Hosiery (pr)	71	105
Rope & Cordage (000 lbs)		
Rope	1,444	1,752
Cord	49	54
Twine	340	352
Thread	187	147
Selected Clothing Items (000 pieces)	1,685	3,162
Fish Netting & Twine (000 pounds)		
Cotton		
Net	1,139	1,248
Twine	194	170
Abaca	48	58
Hemp	11	28
Silk	6	5

a/ Revised

Improved ELECTRIC POWER supply for certain important textile producers permitted irregular increases in production. Year-end holidays tended to limit the gains. . .COTTON yarn and cloth production continued to recover from the recent lows. The New Year's holidays cost the mills about 4,000,000 pound's production. . . Raw SILK output was the lowest in a year. Several reeling mills took holidays for the entire month. Electric power consumption by the industry was reduced, and coal deliveries were unsatisfactory. The stockpile of "exportable" raw silk held by the distributing agencies at the end of January had been reduced by 8,300 to a total of 102,600 bales. . . Raw material shortages in RAYON staple mills caused output to drop to the lowest level since the middle of 1947. A small gain was shown in the filament branch of the industry. The precarious fuel and raw material supply situation continued to hang over the mills. . . The WOOL industry continued to approach the end of their slim supply of raw fiber. The weavers increased cloth output slightly by drawing on their yarn stocks. . . ROPE and CORDAGE manufacturers increased production by drawing on stocks of recently-imported manila abaca. . . Special efforts made by the local governments to facilitate delivery of electric power to the FISH NET mills resulted in a small production increase, in reversal of the normal seasonal trend.

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DECLASSIFIED E.O. 12065 SECTION 3 402/MDS NO.

II - Fuel and Raw Materials

The improved COAL production in Japan has made possible slightly increased allocations to the textile industries for the April-June quarter. The quantities were based on production potential during that period, taking into consideration a seasonal improvement in hydro-electric power. Granting smooth flow of raw materials, the various textile industries have planned significant increases in output for that quarter.

Allocation to the textile industries for the April-June quarter are as follows: Coking coal, 375 metric tons (to be used for gassing spun silk yarns); other standard coal, 215,925 metric tons; rubbly kulm, 3,000 metric tons; substandard coal 28,800 metric tons; lignite 199,900 metric tons. In addition special allocations have been made against the first few months' requirements for standard coal for the drying of silkworm cocoons, and for lignite for flax retting.

Approximately 122,000 bales of raw COTTON and spinnable waste arrived in Japan during January under the CCC-2 Import Program. This virtually completed the scheduled import of 350,000 bales. About 20 per cent of this cotton had been released to the spinners for processing as of the end of January. The first Import Program for 170,000 bales (Indian bales of 400 pounds) of Indian cotton had been completed during December. Less than 10 per cent of this quantity had been released for processing by the end of January. One shipment of Egyptian cotton, totaling 1,000 bales (Egyptian bales of 700 pounds) arrived during January, out of a total of 5,000 purchased.

End-January reports listed 380,512 bales (in terms of 500 pound bales) of raw cotton in spinning mills and in warehouses. On 31 December this stock had amounted to 305,154 bales.

There has been some discussion of an arrangement for imports of raw WOOL from Australia on a barter basis. No quantative details of such an arrangement have been finalized as yet.

As of a recent date, imports of approximately 13,000 metric tons of rayon pulp (including sheeted cotton linters) had been arranged, against a total requirement of 24,000 metric tons for the year.

Procurement status of other textile raw materials has changed little since publication of Textile Information Bulletin No. 1.

The Textile Bureau of the Ministry of Commerce and Industry has been given permission to use a number of dyes which are not suitable for export processing for domestic textile goods. Use of these dyestuffs, which are available in limited quantities, will be restricted to essential textiles which would otherwise be almost valueless. The Textile Bureau has been informed that restrictions on the use of dyes and chemicals does not apply to Procurement Demands of PX orders. Permission has also been given for the bleaching of all medical gauze, bandage and absorbent cotton. Sulphur khaki dyes, originally manufactured for Japanese Army uniforms, may be used for tabi or other articles of clothing which in no way resemble items of military issue.

Requirements for imported dyestuffs for use in the export textile programs for 1948 have been forwarded to Washington, and procurement has been undertaken by the Quatermaster General. It is anticipated that considerable difficulty will be experienced in the procurement of many types of dyes on the list because of their scarcity in the world market.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 770019

III - Exports, Other Developments

Approximately 20,000 bales of raw SILK have been sold here and in New York since the first of the year, when the reduced price schedules became effective. Demand for raw silk has continued after the initial upsurge in sales in January. However, there is not enough evidence to determine the long-term effects of the price reduction.

American trade sources have commented that the price reduction in Japanese silk fabrics place these products in a more favorable position in the American market.

The Japanese industry has received a number of orders for "out-size" raw silk -- sizes other than the standard 13/15 and 20/22-denier weights -- for specialized purposes. Efforts are being made to reel the exact types requested, in order to help broaden the silk market. The amounts of the individual orders have been small in most cases, but in the aggregate they represent a significant volume of sales. Appropriate price differentials have been established to compensate for the additional work and expense involved in the production of special sizes.

Steps have been taken to place more responsibility on the Japanese Government's Board of Trade in the marketing of cotton goods. A "production group" has been in operation for some time, representing the various producing companies of the industry. They have determined the mills' ability to fill the many orders received from foreign buyers. This is one step in the direction of turning all of the detailed work over to the Japanese.

Buyers of cotton goods may now contact the SCAP New York office, which will in turn contact the Board of Trade on sales arrangements; or the prospective purchasers may negotiate directly with the Board of Trade or individual manufacturers or agents in Japan.

Price adjustments have been made on certain cotton textiles to bring them more into line with the world market. Reductions on some slower-moving items are expected to result in larger sales in the near future.

Demand for RAYON yarn and fabrics continues unabated. It has been necessary to sell fabrics on a quota system because of the active demand for many types.

Steps have been taken by the Japanese Government and the KNITTING industry to work up an export line embracing a wide range of gloves, hosiery, outerwear and other knit garments. Sales of knit goods to date have been small, but the industry has been developing articles which they feel will be saleable in the world market.

A small quantity of worsted knitting yarn has been made available to the industry recently for the manufacture of export articles. This yarn was spun from the first Australian wool imported since the war, distributed to the woolen industry last Fall.

Plans are being made to operate the cotton FISH-NET industry at as near as possible to full capacity during the Japanese fiscal year 1948-49. The anticipated increase in cotton yarn production, as predicted by the spinning industry, indicates that larger quantities will be available for allocation to the fish-net industry, along with domestic industrial uses in general, and that the fish-net manufacturers should be able to receive an adequate supply.

On the following page is a reprint of a statement made to the Japanese press by a representative of the Textile Division. The Economic Stabilization Board and the Textile Bureau have indicated that they will take vigorous steps to solve the problem mentioned in this statement. It is hoped that their efforts will result in a smoother flow of cotton goods through manufacturing and consuming channels, so that a reasonable ground may exist for granting additional allocations to domestic use in general.

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

STATEMENT TO JAPANESE PRESS CONFERENCE

SUBJECT: Domestic Textile Allocations
1000 24 February 1948

As you all doubtless already know, the Far Eastern Commission last year authorized SCAP to permit a domestic textile consumption of 2½ pounds per capita, plus industrial textile requirements, and such special allocations as the Supreme Commander might deem necessary for incentive goods. As you also are doubtless aware, it has heretofore not been possible to approach this level, because of inadequate textile production.

It is the desire of SCAP to see the basic 2½ pound level of consumer-goods rationing met as closely as possible; although it is probable that it will be achieved by only around 75 per cent in the coming year. It is well recognized that 2½ pounds per capita are necessary for the maintenance of bare minimum living standards.

Because the supply position in the cotton industry is better than in most of the other textile industries, cotton goods will probably comprise well over half of the domestic textile allocation for the coming fiscal year.

Recognizing these conditions, the Economic Stabilization Board presented the Economic and Scientific Section with a proposed program for the fiscal year, which demonstrated keen awareness of the domestic clothing problem, and was well-thought out. The plan proposed an increase in the proportion of cotton production for domestic use, and a consequent decrease in the goods available for export.

Certain factors make it impossible to approve such a procedure at present; and it is felt that the Japanese people should be made aware of these factors.

Almost all of the yarn allocated for domestic weaving during the second, third and fourth quarters of 1946 and the first quarter of 1947, had actually been received by the weavers as of 31 December 1947. Actually, only 10 per cent of the cloth to be manufactured was delivered by the weavers as of 31 December, while they held an additional 40 per cent in stock. That means that they had not even manufactured half of the goods, but were holding the yarn. It is understandable that electric power shortages, etc., should have held up manufacture partially, but it is not understandable why only one-fifth of the goods which were manufactured had actually been delivered six months after the close of the allocation periods under discussion.

Under these circumstances, SCAP has been reluctant to allow a larger proportion of the yarn production to be used for domestic goods, only to see such goods hoarded. The ESB has been told, however, that increases may be given more favorable consideration when steps are taken to move the goods already allocated.

It is unwise to consider allocating more yarn, when ESB's regulations provide that manufacturers who fail to sell their production to persons who have allocation certificates shall not be given additional allocations.

For the time being, therefore, the quantities of cotton yarn allocated for consumer goods will be held down to 8,000,000 pounds for the first fiscal quarter. Any increased production available for domestic use will be allocated to essential industrial consumers, such as coal mining, electric power, transportation, rubber goods, etc.

In all fairness to the ESB and the Textile Bureau of the Ministry of Commerce and Industry, it should be pointed out that they are doing all in their power to force the textile goods to move to the consumers. But the Japanese people should have no sympathy with manufacturers or other persons who, in violation of the laws, are hoarding goods which should be manufactured into suits and work clothes and tabi for their own people.