

## AIR MAIL

Enclosure to despatch no. 2902 dated July 2, 1946, from Howard Donovan, American Consul General, Bombay, India, entitled "Production of Rayon Yarn in Japan".

Copy:mc

TIMES OF INDIA - July 2, 1946

PRODUCTION OF RAYON YARN

Japanese Output Doubled

TOKIO: Rayon yarn production by Japanese mills doubled from February to April, as mills received some shipments of coal allotted by the Government for the current quarter, according to figures published by the Japan Textile Association. The output of a little more than half a million pounds for the month of April was still only a small fraction of operating capacity.

There had been no production of rayon pulp for several months, due to the absence of supplies of pulp wood. Mills have had to draw sparingly on their own stocks. It was reported that a small amount of pulp was produced in May. Trade sources said that continuation of the upward trend in rayon production after the April-June quarter would depend on continuation of this production.

Caustic Soda Stocks

Mill stocks of caustic soda dropped to a month's normal supply level, and the trade considered this situation precarious. They were expecting deliveries against the Government's allotment of 2,000 tons for the quarter, although there was some disappointment expressed when the quantity allotted was cut from the 3,600 tons previously announced.

With raw silk frozen by SCAP directive, weavers turned to rayon to fill the gap to some extent. Cloth production in April was more than half a million yards over March's figure.

The following are rayon industry statistics for the month of April. Cloth figures in thousands of square yards; others in thousands of pounds:

	<u>March</u>	<u>April</u>
Pulp Consumption	2,513	2,694
Pulp Production	0	0
Rayon Staple Consumption	1,688	2,299
Rayon Staple Production	1,545	1,660
Pulp Stocks	14,734	12,056
Rayon Staple Stocks	24,067	24,827
Rayon Yarn Production	379	523
Staple Fibre Yarn Production	700	656
Rayon Yarn Stocks	13,969*	14,729
Staple Fibre Stocks in Mills	3,404	3,812
Rayon Cloth Production	1,278	1,872
Staple Fibre Cloth Production	1,703	3,074
Rayon Cloth Stocks in Mills	8,481	10,161
*Staple Fibre Cloth stocks		



NO. 2955.

AMERICAN CONSULATE

GENERAL

*RO 15 min  
C 30 min*

Bombay, India, July 17, 1946

*FR  
JK*

UNRESTRICTED.

**SUBJECT:** Article Concerning Decline in Japanese Cloth Production.

RECEIVED  
DEPARTMENT OF STATE

17 1946

AM 9

THE HONORABLE

RECORDS BRANCH

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

*894.655/6-2146*

*FR  
JK  
IR  
ME  
JA  
DIC  
OCD*

*D/K*

I have the honor to refer to my despatch no. 2877 of June 21, 1946 and to subsequent despatches from the Consulate General concerning textile production in Japan, and to enclose five copies of an article from the Times of India of July 3, 1946 reporting a decrease in Japanese cloth production.

894.655/7-1746

The article reports that due to the decrease in mills' stocks of raw materials, Japanese cotton yarn production declined during the month of April. Optimistic reports in March concerning the arrival of American cotton proved to be unfounded. Smaller stocks of mills at the end of March consisted of two-thirds Egyptian cotton and one-third American staple. As a consequence the tendency to conserve cotton stocks suitable for medium count yarns pending the arrival of American cotton resulted in a decrease in production. The article states that many mills have run out of cotton altogether. Former military stocks are partially responsible for the continuation of any production at all.

The decision to clear stocks of rayon staple fibre and other yarns from imported staple resulted in a decline in production of cotton cloths. New selling prices were announced on March 31, resulting in a decrease in yarn stocks held by mills and freer movement of yarn through manufacturing channels. The item states that through repair work and installation of additional machinery had brought the total number of spindles to 2,322,334, a number of these in operation however remain

AUG 15 1946

below half

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*894.655/7-1746*

DEPARTMENT OF STATE  
AUG 7 - 1946  
DIVISION OF FOREIGN  
REPORTING SERVICES

DOB ITP UNRESTRICTED.

DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE  
*RH Whitman*  
AUG 12 1946

*TOP  
EJA  
CE*



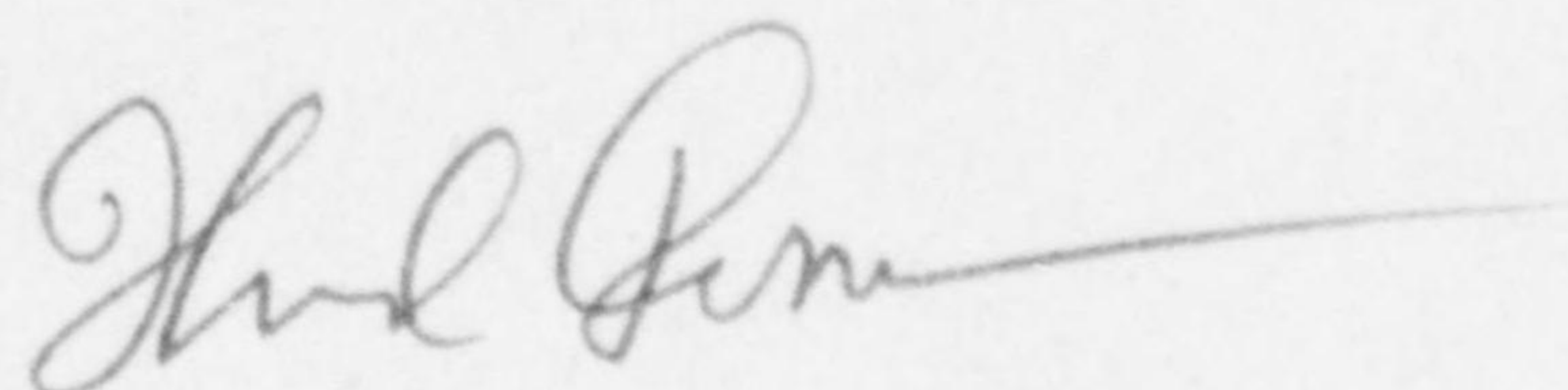
**AIR MAIL**Despatch no. 2955  
Bombay, July 17, 1946

- 2 -

below half a million.

The article concludes giving cotton industry statistics for April.

Very truly yours,

Howard Donovan  
American Consul General

Enclosure:

*attached, H.D.*  
Item from the Times of India of July 3, 1946,  
(in quintuplicate)868.11  
C.D.WITHERS:ddem

Original and hectograph to the Department.

Copy to:

Office of the Political Adviser to General MacArthur, Tokyo  
American Mission, New DelhiUNRESTRICTED



Enclosure to despatch no. 2955 dated July 17, 1946, from Howard Donovan, American Consul General, Bombay, India, entitled "Article Concerning Decline in Japanese Cloth Production".

Times of India - July 3, 1946

## Cloth Production Declines

### COTTON SHORTAGE IN JAPAN

TOKIO: After a brief spurt in March, cotton yarn production slumped in April, as mills' stocks of raw materials sank to new low levels, according to figures published by the Japan Textile Association.

During March, there had been a wave of optimism throughout the industry, based on reports that American cotton would arrive in April. The end of March found mills with only a third of their small stocks consisting of American-type staple. The remainder was Egyptian cotton, which had been imported before the war.

The mills therefore had very little cotton suitable for medium-count yarns on hand, and during April they tended to conserve these small supplies as much as possible, in order to maintain operations until the American cotton should arrive. Many mills have run out of cotton altogether and have been spinning short-cut silk fibre and other materials.

Mills would have used up their cotton entirely several months ago if they had not been receiving supplies from former military stocks. Receipts of cotton from this source by mills during April amounted to approximately 1,500,000 of the 2,790,000 pounds consumed.

#### OUTPUT REDUCED

Production of cotton cloths declined during April, as weavers turned to rayon staple fibre and other yarns, to clear out stocks of these in anticipation of receipts of cotton yarns to be spun from the imported staple.

Reduction of mills' yarn stocks resulted from announcement of new ceiling prices on March 31. Movement of yarn through manufacturing channels became somewhat freer.

Repair work on cotton spindles and installation of machinery which had been stored during the war brought the total number of operable spindles to 2,322,334. However, the number actually operating remained below half a million.

The following are cotton industry statistics for the month of April, with fibre and yarn figures in thousands of pounds and cloth in thousands of square yards:

	March	April
Raw Fibre:		
Month's Consumption ..	1896	2,790
Month-end Stock .....	7,281	7,152
Yarn Production:		
Pure Cotton .....	3,225	2,403
13 Rayon Staple .....	50	88
12 Rayon Staple .....	2	33
Other Mixtures .....	1,342	1,528
Yarn Stocks in Mills:		
Pure Cotton .....	15,277	13,062
13 Rayon Staple .....	966	1,579
12 Rayon Staple .....	243	327
Other Mixtures .....	5,759	4,806
Cloth Production .....	8,270	5,789
Cloth Stocks in Mills ..	39,806	40,165
Spindles:		
In Place .....	2,323,478	2,381,690
Operable .....	2,274,122	2,322,334
Operating* .....	418,148	490,445

\*All converted to two-shift basis



NO. 2967

*W*  
*FR*  
*JK*  
*RO-15 min*  
*C-15 min*

AMERICAN CONSULATE

GENERAL

Bombay, India, July 19, 1946

UNRESTRICTED

DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE  
*RH Whitman*  
AUG 12 1946

SUBJECT: Further Press Comment on Japanese Textile  
Production.

RECEIVED  
DEPARTMENT OF STATE

1946 AUG 9 AM 9 17  
THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

I have the honor to refer to my despatch no. 2955 dated July 17, 1946, and to previous despatches concerning Japanese textile production, and to enclose five copies of a news item from the Bombay Times of India of July 18, 1946 on the subject.

An inquiry made at the office of the Times of India reveals that this article and previous articles sent in with my despatches under reference come from the special correspondent for that newspaper in Tokyo. News concerning Japanese textile production is of particular interest to the Indian textile industry.

The article stated that the Japanese Government has taken an increased interest in the production of coal for the purpose of maintaining textile output. It is stated that by the end of the year cotton yarn production is scheduled to reach 50,000,000 pounds per month as against 2,500,000 pounds output at the present time. Rayon production is planned to be increased from present output of 500,000 pounds monthly to 4,000,000 pounds monthly.

The article quotes the Ministry of Commerce and Industry as warning the trade that "if the unfavorable trend were allowed to continue reconstruction of the nation's peacetime industries would be threatened". Coal production for May at 1,695,000 tons was 305,000 tons below the 2,000,000 required per month. A slump in the output of Hokkaido mines is given as the principal reason for this deficit.

Deliveries of coal to textile mills have lagged due to inadequate transportation facilities. An extra allotment of coal granted to textile mills has failed as a result of non-delivery of coal. The article states that first priority on

textiles

DEPARTMENT OF STATE  
AUG 7 - 1946  
DIVISION OF FOREIGN  
REPORTING SERVICES

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7-17-46  
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AUG 15 1946

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AIR MAIL

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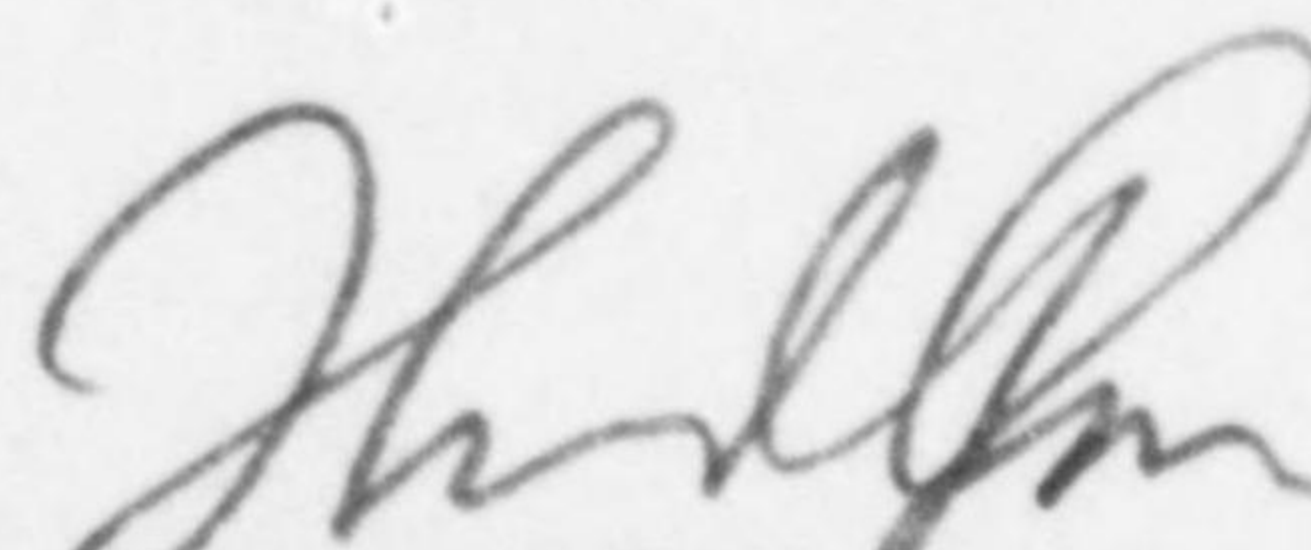
Bombay, July 19, 1946  
Despatch No. 2967

textiles is given to the coal-mining and food industries in order to increase output. It is further stated that when American cotton arrives in Japan, the industry will be ready for it, having obtained sufficient trained labor.

Even though cotton stocks in the hands of mills amounted only to three months' supply at the end of the war, by mixing in other fibers, the mills have managed to stretch this available cotton far enough to allow a minimum production. The output is still far below the level of operating capacity. By the first quarter of next year it is estimated by the Japanese Textile Association that rayon and rayon staple fiber will increase to 13,000,000 pounds.

The article concludes by giving estimated production figures through March 1947.

Respectfully yours,



Howard Donovan  
American Consul General

Enclosure:

*OK*  
*LDK* *att dpo* News item from Bombay Times of India,  
July 18, 1946 (in quintuplicate)

868.1  
C.D.WITHERS:df:ad

Original and hectograph to the Department

Copy to: Office of Political Advisor to  
General MacArthur, Tokyo.

UNRESTRICTED



Enclosure to despatch no.2967 dated July 19, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Further Press Comment on Japanese Textile Production."

Times of India, Bombay,

July 18, 1946.

## Textile Industry In Japan

### SHORTAGE OF FUEL SUPPLY

TOKYO: As the Japanese textile industry looks to the next six months for solution of their fuel supply problems, the Government, has taken an increasing interest in the lagging tendency of current coal mining output. If the coal production problem cannot be solved during the second half of this year, the textile industries will be faced with a shortage in the winter months—normally their greatest coal-use season—when production plans for silk, cotton and rayon call for peak output.

Another 20,000 silk-reeling basins are expected to be in operable condition by the end of the year; cotton yarn production is expected to reach 50,000,000 pounds a month, against current output of 2,500,000; and rayon production is planned at the rate of 4,000,000 pounds a month, compared with present output of about 500,000 pounds.

Commenting on coal production figures for May, the Ministry of Commerce and Industry warned that if the unfavourable trend were allowed to continue reconstruction of the nation's peace-time industries would be threatened. Coal-output in May totalled 1,695,000 tons, or 305,000 below the nation's monthly requirements of 2,000,000. The principal cause for this failure to reach required output levels was a slump in the mines of Hokkaido, where a third of Japan's coal is produced.

The Government announced a six point programme designed to step up coal production to levels necessary to support the nation's economy.

Transportation tie-ups have been the principal reason for lagging deliveries to textile mills. Extra coal allocations have been granted silk filatures, for example. But these rations on paper have been useless when the perfectual governments in charge of actual delivery have been unable to provide the coal called for by the

Under instructions from the owner, we will sell by auction on Saturday, 20th July, 1946, starting at 5 p.m. those valuable and most centrally situated pre-

**BONAPARTE SALE**  
**AUCTION SALE of a large marble fountain, glassware and crockery, forks, knives and spoons, plates, cups and saucers, cut glass hower baskets, E. lights, utensils, mirrors, etc.**  
 Under instructions from the Trustees of the Deed of Settlement dated 1st August, 1913, executed by the late Mr. Bomansji Dinshaw Petit, Messrs. Bennett & Co., will Today (Thursday), the 18th July, 1946, at 2-30 P.M. (S.T.), sell by Public Auction at Chateau Petit, Warden Road, opp. Matatal Park, the above-mentioned articles.  
 Terms:—Cash. Cheques will not be accepted.  
**BENNETT & CO.**  
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Enclosure to despatch no.2967 dated July 19, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Further Press Comment on Japanese Textile Production."

Times of India, Bombay,

July 18, 1946.

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The textile industry has also been mobilised to provide for the needs of the coal mines. The Textile Bureau of the Ministry of Commerce and Industry has allocated all the cotton needed for belting and other mining necessities, from cotton being imported from the United States. Other industries have been receiving proportionately smaller shares. This action has been taken in accordance with instructions from SCAP, which give the food and coal-mining industries first priorities on textiles.

Textile industry sources have expressed confidence in the Government's ability to provide the coal rations required by the mills to meet enlarged production schedules later this year.

#### PROCESSING OF U. S. COTTON

The spinning mills have completed all preparations for the processing of American cotton arriving in Japan this month, according to a statement issued by the chairman of the board of directors of the Japan Textile Association.

The mills have canvassed for sufficient labour supplies and have trained sufficient hands, Mr. Kato said, and they are ready to start operations at a moment's notice.

"In view of the world-wide condition of dire shortage of clothing materials," he continued, "priority in production must be given to export goods. Consequently, manufacturing such goods as are required for home consumption will have to be delayed for a considerable period."



such goods as are required for home consumption will have to be delayed for a considerable period of time.

Mills have been operating at a very low level of capacity since the end of the war. While cotton stocks in mills' hands at that time were only a bare three months' supply, the spinners have eked out the available cotton by mixing with other fibres. In addition, they have had several thousand bales of cotton, formerly military stocks, turned over to them by the Home Ministry for civilian use, with the permission of the occupation forces.

The Japan Textile Association expects production of rayon and rayon staple fibre to increase to 13,000,000 pounds by the first quarter of next year, based on allocations of coal made to the industry through that period, provided supplies of caustic soda and other materials are adequate.

Following are planned production figures, by quarters, in thousands of pounds:

Quarter	Rayon Yarn	Rayon Staple	Total
1946-			
April-June	3,000	5,000	8,000
July-Sept.	4,700	5,500	10,200
Oct.-Dec.	6,000	6,000	12,000
1947-			
Jan.-March	7,200	6,000	13,200

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DC/R ROUTING SLIP

FROM Bontay  
NO 2966

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NO. 2966

AMERICAN CONSULATE  
GENERAL

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Ro 10 min  
C 15 min

UNRESTRICTED

Bombay, India, July 19, 1946

~~REF~~  
~~CLT~~

SUBJECT: Production of Textiles by former Japanese-owned Mills in China.

RECEIVED  
DIVISION OF FOREIGN REPORTING SERVICES  
DEPARTMENT OF STATE  
AUG 9 1946

1-1055  
AUG 9 3 39 AM '46

RECORD BRANCH

THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

DIVISION OF MIDDLE EASTERN AFFAIRS  
AUG 9 1946  
DEPARTMENT OF STATE

DCR

SIR:

I have the honor to refer to my despatch no. 2967 of July 19, 1946, concerning Japanese textile production, and to enclose five copies of a news item from the Bombay Times of India of July 18, 1946, concerning production of textiles by former Japanese-owned cotton spinning mills in China.

The item states that the former Japanese-owned cotton textile mills taken over by China at the end of the war are presently operating at 10 to 20 percent capacity. According to the former Chief Director of the North China Cotton Spinning Industrial Association shortage of raw materials has been the underlying factor behind this low operating percentage.

It is planned, according to that official, to transfer the mills from Government to private industry after two years of operation by the former. It is stated that the machinery is in good condition and that the mills are at present intact.

Respectfully yours,

*Howard Donovan*  
Howard Donovan  
American Consul General

894.655/7-1946

CS/A

Enclosure:

DCR - ITP Unit  
Anal. L.O.H.  
Rev. [Signature]  
Dist. [Signature]

AUG 19 1946

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894.655/7-1946



AIR MAIL

- 2 -

Bombay, July 19, 1946  
Despatch No: 2966

Enclosure:

*att (1/2)*  
OK News item from Bombay Times of India,  
LP<sup>4</sup> July 18, 1946 (in quintuplicate)

868.1

C.D.WITHERS:df:ad

Original and hectograph to the Department

Copies to: American Consulate General, Shanghai.  
Office of Political Advisor  
to General MacArthur, Tokyo.

UNRESTRICTED



Enclosure to Despatch No. 2966 dated July 19, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Production of Textiles by former Japanese-owned Mills in China".

TIMES OF INDIA - BOMBAY, INDIA

July 18, 1946

MILLS IN CHINA

OSAKA, Japan—Present operations of former Japanese-owned cotton spinning mills in China, which were taken over by the Chinese Government at the end of the war, are at the rate of about 10 to 20 per cent. of capacity, according to a statement made here recently by Kozaburo Shiraishi, former Chief Director of the North China Cotton Spinning Industrial Association.

The mills which were formerly controlled by the Japanese have been under the management of the China Cotton Spinning Construction Company since the end of the war, Mr. Shiraishi reported. This organization has found it difficult to increase the operations, due to a shortage of raw materials, despite the fact that China is a cotton producing country.

In Mr. Shiraishi's opinion, it will be difficult, under these circumstances, for the mills to meet the Government's objective—furnishing of all the cotton clothing needed in southern districts of the country.

It is planned, he reported, to sell the mills to civilians after two years of Government operation. The mills are in good condition, he said, since there was no destruction of machinery at the time the Chinese Government took over, and no machinery was removed.



DIVISION OF  
COMMUNICATIONS AND RECORDS  
TELEGRAPH BRANCH

DEPARTMENT OF STATE  
INCOMING TELEGRAM

ACTION COPY

17

Tokyo via War

Action: PLAIN

Rec'd July 22, 1946  
12:45 p.m.

DC/L  
Info: Control 6790

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FROM SCAP 221141Z  
TO KOTGATION, Bangkok  
INFO MINISTRY OF COMMERCE, BANGKOK  
WASHINGTON STATE DEPARTMENT

ZK09562. Subject is Japanese textile exports to Siam. This radio in four parts.

Part One. URAD 523 to Washington reference imports uncontrolled textiles from Japan under sideration by SCAP. Cannot determine source of clearance request for Siamese textile mission and have suspended action pending further information from Bangkok of China Theatre. Arrival of textile mission form Siam would expedite selection of sytles and colors from stock of Japanese rayon fabrics available for immediate shipment.

Part Two. Cotton textiles are allocated by Combined Textile Committee in Washington. Samples of Japanese types, constructions and quantities on hand will be made available for inspection Siamese Textile Mission. Pending formal approval allocation of cotton fabrics to Siam, SCAP will engage in preliminary negotiations with mission. US Commercial Company, Washington, responsible for final negotiations in SLA cotton RPL cotton fabrics. Negotiations for other textiles may be completed here.

Part Three. Pending final agreement on terms and conditions of sale, propose following interim arrangements: (A) transfer of title to Siamese Government for commodities exported from Japan will be effected by

issuance of

PLAIN

File  
7-23-46  
DC/L  
Liaison Office  
DEPARTMENT OF STATE  
LIAISON OFFICE

JUL 23 1946  
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894.655/7-2246 RECD

LRC

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PLAIN

-2- 6790, Tokyo via War

• issuance of on-board ocean bill of lading prepared by official Japanese trade agency which is under direct supervision of SCAP; (B) Siamese Government will promptly radio confirmation of quantities received ex each ship; (C) Siamese Government will arrange shipping and cargo insurance if Japanese shipping not available.

Part Four. Request earliest (A) statement defining authority textile mission to finalize negotiations with SCAP subject to Washington confirmation, and (B) comments on proposals Part Three.

MESSAGE UNSIGNED

DU:MEW

PLAIN



In reply refer to:  
JK

AUG 1 - 1946

My dear Mr. Chace:

In reply to your letter of July 23, 1946 requesting copies of the "Report of the Textile Mission to Japan", I am sorry that we do not have any copies available for distribution at the present time. However, the report is in the process of being printed in booklet form by the Department of State's Division of Publication and Research, and will be obtainable within two or three weeks. I have requested that the two copies be sent you at that time. There is a charge of fifteen cents per copy to cover the cost of printing.

Sincerely yours,

*associate*  
Roswell H. Whitman, Acting Chief,  
Division of Japanese and Korean  
Economic Affairs.

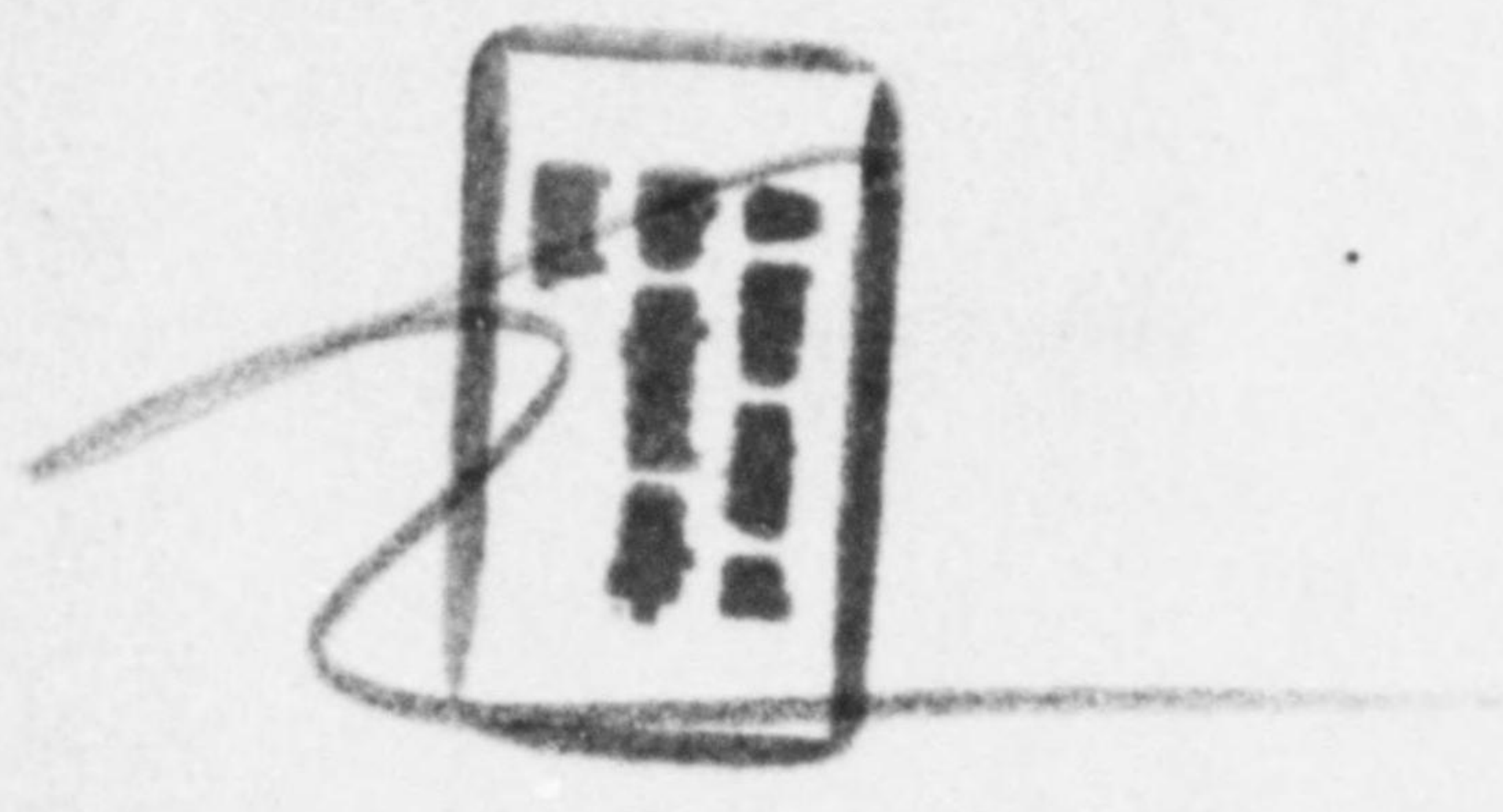
Mr. William N. Chace,  
Burlington Mills Corporation of New York,  
450 Seventh Ave. at 34th St.,  
New York 1, New York.

*RHM*

JK:MMosher:mw 7-30-46

DUR - ITP Unit

AUG 1 1946  
*WPK*  
*AK*  
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894.655/7-2346

CS/V

894.655/7-2346



DC/R ROUTING SLIP

FROM Bombay

NO 3000  
7-29-46

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NO. 3000

AMERICAN CONSULATE  
GENERAL

Bombay, India, July 29, 1946

INTERNATIONAL RESOURCES DIVISION

Clippings att.

AUG 22 1946

DEPARTMENT OF STATE

DIVISION OF COMMERCIAL POLICY  
EGM file  
1946  
DEPARTMENT OF STATE

UNRESTRICTED

SUBJECT: Japanese Export of Knitted Goods

1-1055

DIVISION OF JAPANESE AND KOREAN

ECONOMIC AFFAIRS

DEPARTMENT OF STATE

AUG 19 1946

DIVISION OF JAPANESE AND KOREAN

ECONOMIC AFFAIRS

DEPARTMENT OF STATE

AUG 20 1946

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch no. 2877 of June 21, 1946 and to subsequent despatches on the Japanese cotton and rayon industry, and to enclose five copies of an article from the Times of India of July 25, 1946 entitled "Japan's Exports of Knitted Goods".

The article states that knit-goods production, which had largely been built up on the export market, dropped from 60,000,000 dozen pieces in 1937 to around one tenth of that in 1945. Restrictions were placed on the industry in 1937 at the beginning of the China incident. Since 1938 there has been a prohibition on the installation of new knit-goods machinery, except for military purposes. During the war, fine-gauge machinery was scrapped due to the accent placed on heavier military goods.

The article states the Tokyo area, as a result of air raids during the war, suffered a 50 per cent decrease in knitting machinery. Osaka machinery was reduced by 11 per cent and Nagoya's by 15 per cent. As a result of these attacks, the industry was dispersed during the war making a revival more difficult. Two other factors adding to the rehabilitation problem in the knitted goods industry were mobilisation of labor for war time needs and conversion of some of the plants to war industries.

The article concludes by giving comparative figures for production in 1937 and in 1945.

Respectfully yours,

*Howard Donovan*  
Howard Donovan

American Consul General

SEP 11 1946

FILED

DCR - ITP Unit

*Mik*

UNRESTRICTED

Enclosure:

RECEIVED  
AUG 15 1946  
DIVISION OF FOREIGN  
REPORTING SERVICES  
DEPARTMENT OF STATE

RECORDS BRANCH

894.655/6246  
FR  
JA 01/000

894.655/7-2946

CS/A

*Handwritten initials and marks:*  
FR  
HR  
CP  
DCR



**AIR MAIL** despatch no. 3000, Bombay, India,  
July 29, 1946

- 2 -

Enclosure: *att - NHH -*

✓  
K ✓ Article from the Times of India of July 25, 1946 entitled  
"Japan's Exports of Knitted Goods" (in quintuplicate)

868.11  
C.D. WITHERS:df

Original and hectograph to the Department

Copy to:

American Mission, New Delhi.  
Office of the Political Advisor, Tokyo

UNRESTRICTED

51



Enclosure to despatch no. 3000 dated July 29, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Japanese Export of Knitted Goods".

TIMES OF INDIA, July 25, 1946

## Japan's Exports Of Knitted Goods

### EFFECT OF WAR ON PRODUCTION

#### From A Special Correspondent

**TOKYO:** The Japanese knit-goods industry, which was built up in the pre-war years largely on the basis of its export market, suffered the same shrinkage of production and restriction of operation during the war which characterized the histories of the other textile industries. According to figures compiled by the Nippon Knitted-Goods Control Association, a member of the Japan Textile Association, production of knit goods dropped from a peak of almost 60,000,000 dozen pieces in 1937 to a little more than a tenth of that volume in 1945.

Exports also dropped off sharply. However, while total production remained above the 10,000,000-dozen level during the years 1941-43, exports collapsed from 12,000,000 dozen in 1940 to less than 3,000,000 during the first year of the Pacific War.

Prior to the China incident, in the years following the first World War, Japan's production had mounted steadily, and exports had doubled in value from 1918 to 1931. Home consumption fell steadily in proportion to the whole, however, as greater emphasis was placed on the foreign markets.

In 1937, the peak production year, restrictions on the industry were imposed as an aftermath of the beginning of hostilities in China. These restrictions consisted of withdrawal of yarn from knitters, and limiting use of machinery. By August, 1945, the remaining machines were operating at only 10 per cent. of capacity.

**BAN ON NEW MACHINERY**  
Since February, 1938, the industry has been forbidden to install new machines, except for military use. Spare parts became scarce, particularly needles. During the war, the emphasis was on heavier goods, and fine-gauge machinery was scrapped.

Air attacks in the Tokyo area resulted in the loss of 50 per cent. of the knitting machinery installed around the city, while losses in the Osaka area amounted to 11 per cent. and in Nagoya to 15 per cent. Manufacturers, as a consequence, dispersed their machinery—a factor which is making reconstruction and revival of the industry more difficult. The extent to which air raids and scrapping affected the industry may be seen from the following table:

	Damaged By War.	Remaining Feb. 1946.
Circular Knit	4,181	10,456
Flat Knit	3,571	8,863
Hosiery	2,122	11,395
Flat for Gloves	1,071	16,389
Warp Knit	100	218
<b>Total</b>	<b>10,845</b>	<b>47,321</b>

In addition many knitters converted their factories to heavy war industries and mobilisation of labor for war plants depleted the working forces of the knitters. The extent to which this was done during the war can be seen from the fact that the knitting industry had 19,032 male and 35,824 female workers in April of 1942, whereas only 2,043 male and 7,295 female workers remained at the beginning of 1946.

The following tables compare production and exports of major types of knit goods, by fibres, in the peak year of 1937 and the war-time low of 1945:

	PRODUCTION	
	1937 (In dozens)	1945 (In dozens)
<b>UNDERWEAR:</b>		
Cotton	16,886,791	459,399
Rayon	2,967,406	76,565
Silk	1,397	12,760
Wool	1,743,733	216,778
<b>GLOVES:</b>		
Cotton	9,304,343	3,061,295
Rayon	558,400	—
Silk	141,652	4,754
Wool	1,761,547	—
<b>HOSIERY:</b>		
Cotton	16,975,677	1,027,251
Rayon	5,000,271	344,851
Silk	677,709	260,416
Wool	1,605,498	841,215
<b>OTHERS:</b>		
Cotton	254,433	—
Rayon	143,232	—
Silk	17,930	—
Wool	865,448	—
<b>TOTAL</b>	<b>58,912,467</b>	<b>6,305,284</b>
	<b>EXPORTS</b>	
	1937 (In dozens)	1945 (In dozens)
<b>UNDERWEAR:</b>		
Cotton	12,114,747	100,493
Rayon	1,691,357	16,748
Silk	1,397	250
Wool	516,148	37,325
<b>GLOVES:</b>		
Cotton	2,929,343	669,657
Rayon	487,325	—
Silk	31,452	1,039
Wool	1,004,547	—
<b>HOSIERY</b>		
Cotton	7,464,677	224,710
Rayon	3,610,271	75,435
Silk	388,709	5,106
Wool	585,498	144,843
<b>OTHERS</b>		
Cotton	64,433	—
Rayon	83,232	—
Silk	3,930	—
Wool	207,448	—
<b>TOTAL</b>	<b>31,184,814</b>	<b>1,275,505</b>

The operations of the industry continued to decline after the war. Knitters have been faced with the same fuel, food and labour problems which have restricted the activities of the other textile industries.

At present, production schedules for the use of American cotton to be imported this year call for the manufacture of one pair of socks and one suit of underwear per each family.



Enclosure to despatch no. 3000 dated July 29, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Japanese Export of Knitted Goods".

TIMES OF INDIA, July 25, 1946

## Japan's Exports Of Knitted Goods

### EFFECT OF WAR ON PRODUCTION

From A Special Correspondent

TOKYO: The Japanese knit-goods industry, which was built up in the pre-war years largely on the basis of its export market, suffered the same shrinkage of production and restriction of operation during the war which characterized the histories of the other textile industries. According to figures compiled by the Nippon Knitted-Goods Control Association, a member of the Japan Textile Association, production of knit goods dropped from a peak of almost 60,000,000 dozen pieces in 1937 to a little more than a tenth of that volume in 1945.

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DC/R ROUTING SLIP

FROM Bombay

NO 3006

7-31-46

ACTION: 2 JK - 1 encl

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No. 3006

AMERICAN CONSULATE  
GENERAL

Bombay, India, July 31, 1946

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RECEIVED  
DEPARTMENT OF STATE

SUBJECT: Japanese Silk Production  
1-1055

DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE  
AUG 28 1946  
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THE HONORABLE  
THE SECRETARY OF STATE,  
WASHINGTON.

SIR:

894.655/7-2/46  
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I have the honor to refer to my despatch no. 2877 of June 21, 1946 and to subsequent despatches relative to the Japanese cotton and rayon industry, and to enclose five copies of an article from the Times of India of July 25, 1946, entitled "Silk Production in Japan".

DEPARTMENT OF STATE  
AUG 27 1946  
DIVISION OF FOREIGN  
REPORTING SERVICES

The article states that 7,540 bales of raw silk were reeled during the month of May, 1946 as against 6,621 bales reeled during the previous month. Continuing the increasing tendency of production in raw silk, the May figure, however, did not reach the 8,500 bale goal set for the month by the Raw Silk Bureau of the Ministry of Agriculture and Forestry. The article states that 23,378 operable basins were installed at the end of May as compared with 23,080 at the end of April.

The latest estimates for the Spring cocoon crop are given at 72,304,000 pounds; the 1945 Spring crop produced 112,847,000 pounds. The action by SCAP in releasing 55,000 bales for production of silk for export resulted in doubled production over the month of April.

Estimates given by the Raw Silk Bureau for cocoon production for 1946-47 are at 16,000,000 kan (8 1/2 pounds). This figure is 4,000,000 kan below anticipated annual requirements.

During

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DEPARTMENT OF STATE

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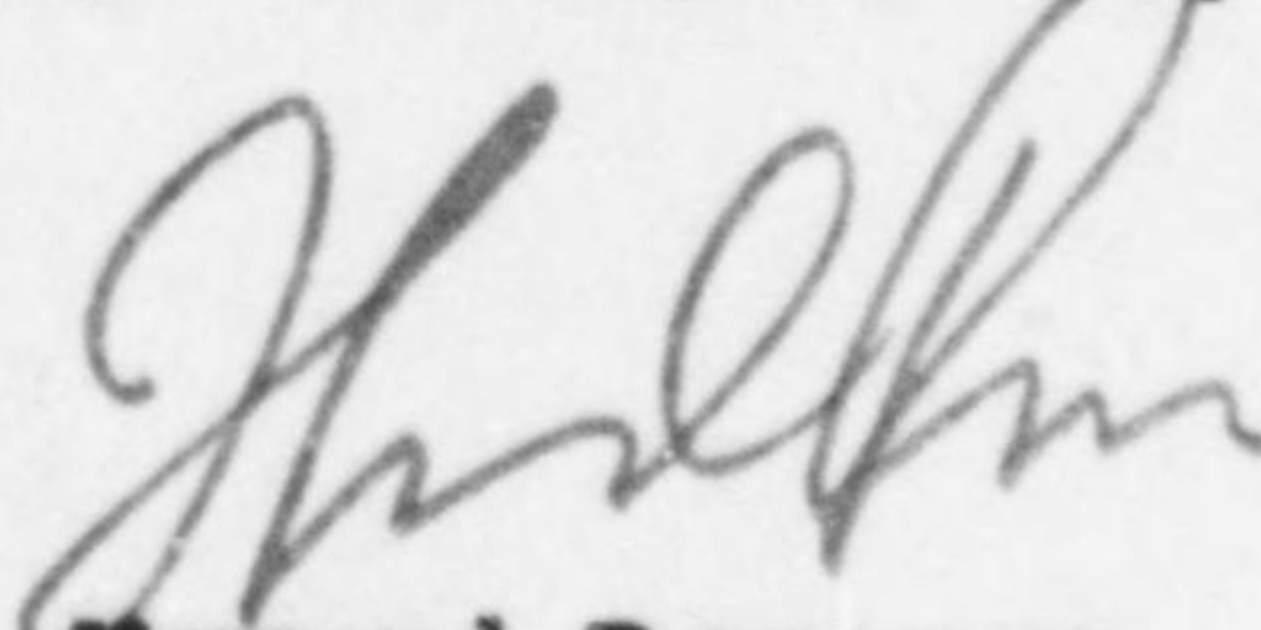
AIR MAIL

Bombay, July 31, 1946  
Despatch No. 3006

- 2 -

During May, 10,926 bales of raw silk were shipped to the United States. Total shipments for the months March through May to the United States are given as 31,450.

Respectfully yours,



Howard Donovan  
American Consul General

Enclosures: *ADP*

Article from Times of India  
of July 25, 1946, entitled  
"Silk Production in Japan",  
in quintuplicate

868.1501

C. D. Withers/df/mk

Original and hectograph to Department  
Copy to: American Mission, New Delhi  
Office of the Political Adviser, Tokyo

UNRESTRICTED



Enclosure to despatch No. 3006 of July 31, 1946 from Howard Donovan, American Consul General, Bombay, India, entitled "Japanese Silk Production".

TIMES OF INDIA

Bombay, July 31, 1946

## SILK PRODUCTION IN JAPAN

### April Output Doubled

From A Special Correspondent

**TOKIO:** The slowly increasing tendency of silk production, which has been in evidence since the end of the war, continued during May, although production continued to lag behind the goals set for the industry by the Raw Silk Bureau. The Bureau reported that 7,549 bales were reeled during the month, compared with 6,621 in April. The goal which had been set for the period was a little over 8,500 bales.

There were 23,378 operable basins installed at the end of the month, compared with 23,080 at the end of April.

Enough coal has been allocated by the Government for the drying of the Spring cocoon crop, latest estimates of which point to a reelable cocoon supply of 72,304,000 pounds, compared with 112,847,000 gathered from the Spring crop of 1945.

Figures for production of silk cloth, more than doubling April's total, reflected the release in April by SCAP of 55,000 bales of silk for the manufacture of fabrics for export.

The following are silk industry statistics for the month of May. Unless otherwise noted, figures are in thousands of pounds or thousands of square yards:

	April	May
Raw Silk Produced (Bales)	6,621	7,540
Short Fiber Produced	208	172
Cocoons on Hand	82,703	57,201*
Raw Silk in Mills	6,323	5,148
Cloth Production	1,263	3,348
Cloth Stocks in Mills	19,093	20,983
Silk Tested for Export (Bales)	3,425	11,570
Reeling Basins Operable	23,080	23,378
Filatures in Operation	172	180

\*Basis for calculation revised to include only reelable cocoons in filatures.

#### COCOON PRODUCTION FORECAST

The Raw Silk Bureau of the Ministry of Agriculture and Forestry estimates that cocoon production in the 1946-47 season, which began June 1, will be approximately 16,000,000 kan (of 8½ pounds) after deductions for farmers' own use.

This quantity will be approximately 4,000,000 kan below the year's anticipated requirements, the Bureau states. The result will be a net reduction of approximately that amount in the May 31, 1946, carry over of 7,900,000 kan.

Following table shows supply and distribution of cocoons for the past and current fiscal years ended May 31, in thousands of kan, raw weight:

Stock June 1, 1945	6,704	
Crop	19,970	
<b>Total Supply</b>		<b>26,674</b>
Consumption:		
Reeled Silk (71,244 bales)	8,142	
Other Uses	10,632	
<b>Total Consumption</b>		<b>18,774</b>
Carryover May 31, 1946		7,900
Crop	16,000	
<b>Total Supply</b>		<b>23,900</b>
Consumption:		
Reeled Silk (155,430 bales)	17,763	
Other Uses	2,337	
<b>Total Consumption</b>		<b>20,101</b>
Carryover May 31, 1947		3,799



RAW SILK EXPORTS

There were 10,926 bales of Japanese raw silk shipped to the United States during May, including 8,273 of white 13/15, 1,989 of white 20/22 and 700 of yellow 20/22, according to the Nippon Senyi Shimbun.

The month's total is slightly above the 10,000-bale minimum, but is about 2,000 bales short of the 13,000-bale goal. The total shipments since March have been 31,450 bales, through the end of May.

The Kobe Raw Silk Conditioning House resumed operations recently, with a testing capacity of approximately 150 bales a day. Forty machines, out of a total of 100 which were evacuated during the war, have been re-installed. Thirty of these are in operating conditions, and enough workers are presently available to operate 15.

RECEIVED

INDIA

RECEIVED  
MAY 15 1950  
INDIA



3912

PREPARING OFFICE  
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**TELEGRAM SENT**

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MESSAGE:

Collect

Charge Department:

Charge to

**Department of State**

**Washington**

**PLAIN**

AMLEGATION,

BANGKOK (SIAM)

689 ~~FIFTEEN~~

Dept assumes textile mission for Jap will have  
authority finalize negotiation with SCAP subject  
Washington confirmation (point not covered by your  
887 July 31) as raised SCAP's Part Four July 22.

AUG 15 1946

894.655/7-3146

894.655/7-3146

*Richard*  
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DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

DEPARTMENT OF STATE INCOMING TELEGRAM

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PLAIN Control 10004

SECSTATE

887, Thirty-first.

Bangkok

Dated July 31, 1946

Rec'd 6:55 p.m., 31st.

INTERNATIONAL RESOURCES DIVISION

AUG 1 - 1946

DEPARTMENT OF STATE

*referred to JK for review 8-2-46 JWR*

*referred to JK for reply 8-8-46*

One. SCAP's July 22 relating textile exports to Siam received and communicated to Ministry of Commerce. Ministry replied that interim arrangements three (A) and (B) were agreeable but with reference to (C) Siamese have no shipping arrangements. Ministry requested SCAP to assist with shipping problem. Also stated three members of Siam textile mission will proceed Japan soon as authority to enter Japan has been given by SCAP.

Two. Note dated July 23 from FONOFF requests consideration by SCAP of exchange of Siamese commodities for Japanese textiles.

Sent to Department as 887; repeated Tokyo information SCAP.

894.655/7-3146

ITP	✓
CP	✓
ILS	
IF	✓
LA	
FD	

WTD-CWD PLAIN

STANTON



*L.L.*  
 DEPARTMENT OF STATE  
 AUG 22 1946  
 DC/1  
 EMBAISON OFFICE

DIVISION OF JAPANESE AND KOREAN ECONOMIC AFFAIRS  
 DEPARTMENT OF STATE  
*Drafted reply*  
*VB-89/46*  
*RWC*

AUG 2 1946

AUG 19 1946

FILED L.L.





*Handwritten signature*

**AMERICAN VISCOSE CORPORATION**

P. O. Box 468  
**WILMINGTON, DELAWARE**

RESEARCH AND PLANNING

July 31, 1946

REFER TO FILE .....

Mr. Rosswell H. Whitman,  
Division of Economics,  
Japanese & Korean Affairs,  
Room 904,  
State Department,  
Washington, D. C.

Dear Mr. Whitman:

Concerning the demand for copies of the report of our Textile Mission to Japan by various people in the industry, we have not yet heard whether copies are available.

You will recall that we offered to have the report published for distribution by the Textile Research Institute, but we were told that you had decided to publish the 5,000 copies by off-set method and make it available generally. Please advise what is the status of that project. If it is side-tracked and you have changed the plan about publishing it, then the Textile Research Institute would still be interested in giving it wide distribution. It is unfortunate that there has been such delay in view of the public interest in the subject, as well as interest among various departments of the Government. I am doing all I can to stimulate and maintain public interest in a constructive program in Japan and everywhere I speak on the subject, I am asked for copies of our Mission's report. The presentation at the Tariff Commission last Wednesday, July 24th, was the 14th address I have made on the subject, and there were various government departments present at that meeting. Some of them are scheduled to go to Tokyo and certainly should have access to all the material that developed.

Sincerely yours,

*Handwritten signature of H. Wickliffe Rose*  
H. Wickliffe Rose

DIVISION OF JAPANESE AND KOREAN  
ECONOMIC AFFAIRS  
DEPARTMENT OF STATE

AUG - 2 1946

rhm

DOB - TEP  
*Handwritten initials*

PTT:MD  
JUL 20 1946

894.655/7-3146

CS/V

894.655/7-3146



DC/R

AUG 13 1946

In reply refer to:  
JK

My dear Mr. Rose:

In reply to your letter of July 31, 1946 asking the status of the report of the Textile Mission, the decision to make printed copies available has not been altered or overlooked, but we regret that there has been quite a delay in the actual printing. This is due to an overload of work and shortage of help in the Government Printing Office, and apparently is unavoidable, although I agree with you that it is unfortunate in view of public interest and the demand for the report.

I have been assured that the work will be completed in another three weeks at the very latest, and will notify you immediately.

Sincerely yours,

Roswell H. Whitman,  
Associate Chief,  
Division of Japanese and Korean  
Economic Affairs.

Mr. H. Wickliffe Rose,  
American Viscose Corporation,  
P.O. Box 468,  
Wilmington, Delaware.

AUG 13 1946 F.M.

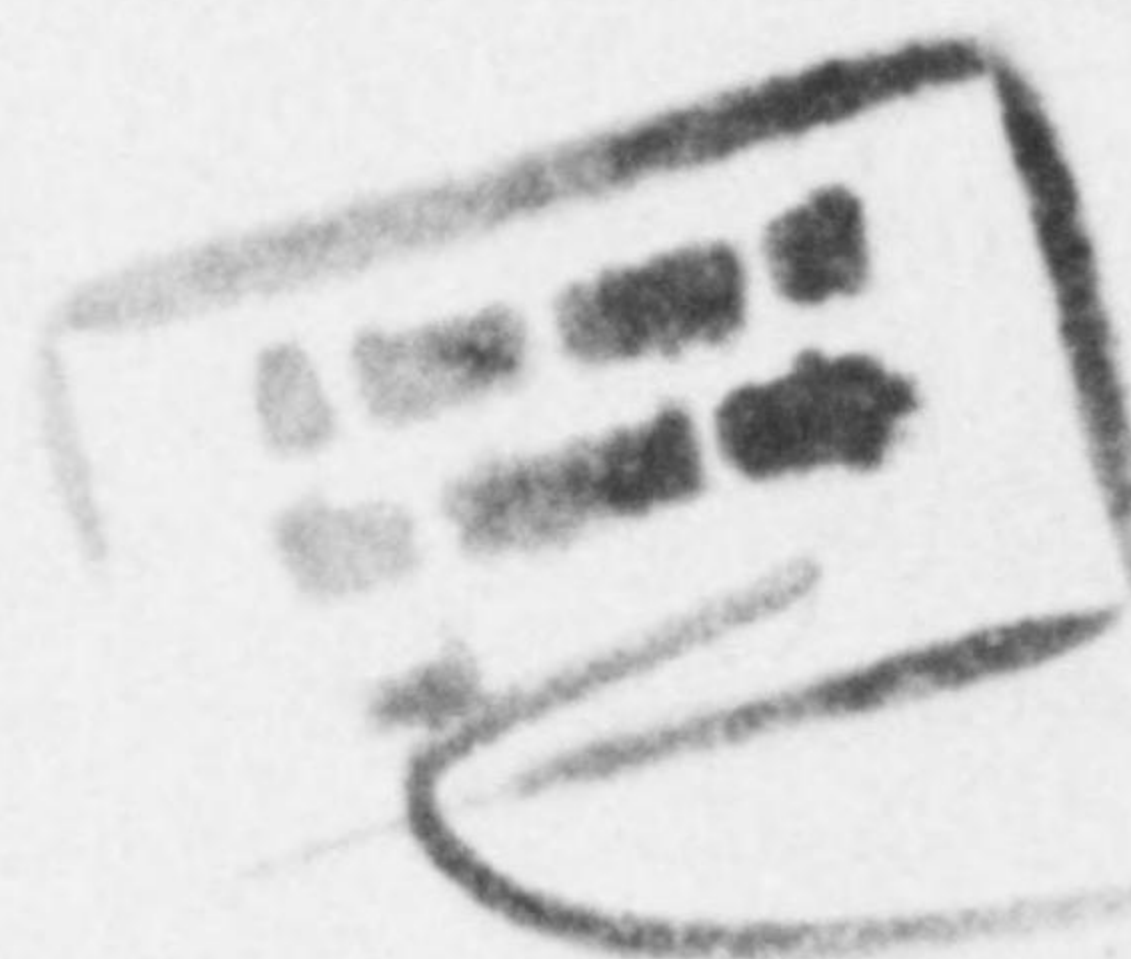
JK:MMosher:mw

8-12-46

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**BURLINGTON MILLS CORPORATION**  
OF NEW YORK

Distributors of Rayon and Spun Rayon Fabrics

GREIGE GOODS  
DIVISION

NEW YORK I. N. Y.  
450 SEVENTH AVE. AT 34TH ST.  
LONGACRE 5-0800

**AUG 1 1946**

July 23, 1946

State Department  
Economic Division of Eastern Affairs  
Washington, D. C.

Attention: Mr. Rosswell Whitman

Gentlemen:

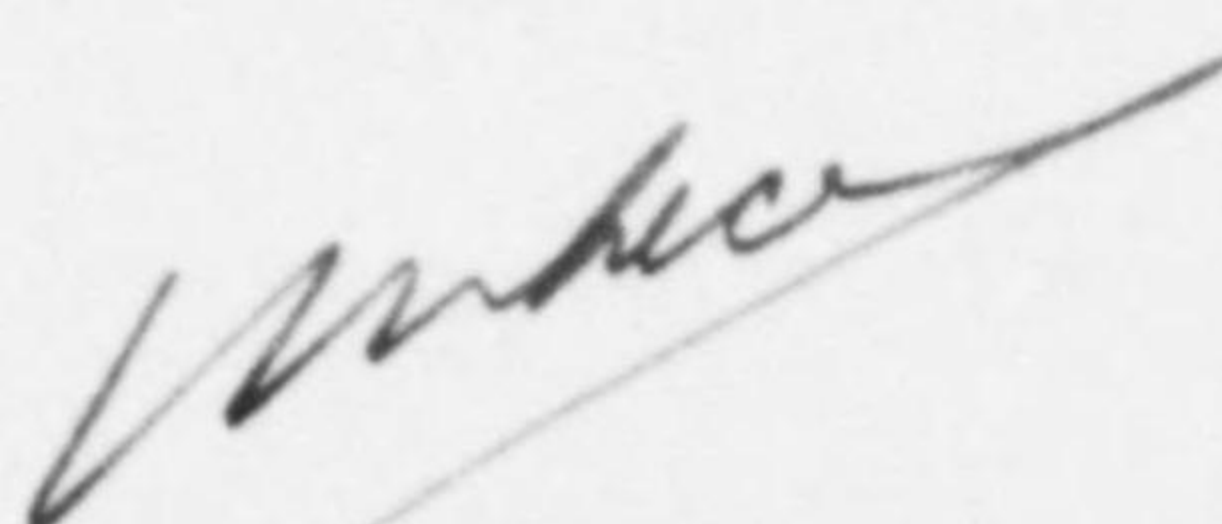
I would like to obtain two copies of REPORT OF TEXTILE MISSION TO JAPAN.

This was the textile mission which was sent to Japan during the Spring of the current year.

If there is any charge for this material, I would appreciate your advising me accordingly.

Thank you for your favor in this matter.

Very sincerely yours,



Wm. N. Chace

*mc*  
894.655/7-2346

CS/V

894.655/7-2346

AUG 5 - 1946

FILED

WNC/mdh  
DOR - ITP Unit  
*Mik*  
*JK*