

Exhibit 2786

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September 6, 1937 (Showa 12)

(Pages 9 & 24)

\* Stenographic Record No. 2 of the Proceedings of the House of Representatives, 72nd Session of the Imperial Diet.

Session opened at 1:19 p.m. September 5th (Sunday), 1937 (Showa 12).

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The Bill for the Temporary Control of Shipping (Presented by the Government).

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(NAGAI, Ryutaro, Minister of State climbs the platform)

\* Minister of State (NAGAI, Ryutaro):

I should like to make a brief explanation of the reason for presenting the bill for the temporary control of shipping which had just come up for discussion. It goes without saying that the marine transportation industry hold an extremely important position not only from the standpoint of economics but also from one of national defense; especially in case of a war or time of emergency it grow increasingly important. With the gradual aggravation of the situation due to the outbreak of China Affair in July, many vessels of our country have come to be commandeered for military purposes. This meant a severe increased oppression on shipping circles

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in our country which has always suffered from a shortage of vessels; consequently it was anticipated that if this condition were to be left as it was, it would cause a considerable disturbance in shipping assignments and the freight market. So the Government, as an emergency measure, authorized for coastwise trade with our country foreign ships and those ships registered in the Kwantung leased territory with a view to balancing supply and demand of coastal ships, while the Government, urged the industry to restrain themselves, and had them make every possible effort to rationalize shipping assignments so that they might voluntarily prevent a sudden rise in the freight market. The Government has thus made its utmost efforts to minimize its possible effect upon economic activity. At present the interests concerned, in accordance with the Government's intention, are endeavoring, in close cooperation, to accomplish their mission. But in case the present situation continues for a long time or worsens, we can never be sure that there will be no apprehension that the unity of the industry might be endangered and unexpected difficulty caused in the fields of economy of national defense. Under these circumstances the Government has presented the foregoing bill to exercise proper supervision over the shipping industry of our country so as to cope with any difficult situation whatsoever which might come in the future and for the successful operation of the shipping business along the lines of national necessity in the present emergency, such as transportation of staple goods, control of prices or maintenance of the right of overseas navigation.

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But it is a matter, of course, that in executing the said bill successfully, the Government should make the best use of it with discretion, facing squarely the present state of the shipping business and in the light of the actual conditions of the industry. On this point, the Government is now paying special attention. I do hope the said bill will be approved as soon as possible after full deliberation. (applause)