

FOREWORD

This report is intended to present a comprehensive picture of the wartime food position of Japan Proper, which may throw some light on the extent of the food deficiency and may be of guidance in formulating policies on rationing and on future food production in Japan.

-2-

SUMMARY

Up to 1943 there was no noticeable food shortage in Japan Proper, but by the end of that year the food supply situation became serious due to lowered domestic production and decreased imports, and declined still further in 1944 and 1945. Despite strenuous efforts by the Japanese government in restricting consumption, the carry-over stock of rice which is the most important staple food reserve, was practically exhausted by the end of 1943 and never recovered. Supply of wheat, barley and naked barley also decreased by 20 percent in 1945 as compared with 1941.

Present indications are that the Japanese average daily per capita food consumption for 1945 * was about 1,809 calories. Compared with the prewar (1936) daily intake of 2,162 calories, the 1945 level is 16 percent lower. This average is estimated primarily on information supplied by Japanese official sources and on an estimated resident population of 72,000,000 for 1945. Of this daily consumption, 1,622 calories or about 90 percent were derived from domestic production. Since it will be some time before the prewar average can again be assured, it seems wise to plan 1946 food provisions by adjustments from the 1945 standard.

The total food consumed in Japan in 1945 is estimated at 21,702,000 m.t. of which 20,411,000 m.t. were from domestic sources.

* The rice year, starting November 1, of the previous year to October 31, of the year, is used throughout this report for discussions of consumption, not the calendar year.

SECRET

14-031 P5 bu

-3-

The Japanese Ministry of Agriculture and Forestry has estimated the 1946 food available from domestic production for consumption at 23,000,000 m.t. or 1,573 calories daily per capita with a population of 77,133,000. Since there is no breakdown of this estimate by food items, it is impossible to evaluate this claim. The population in 1946 may be increased by the repatriation of Japanese soldiers and civilians overseas, but the increase seems high compared with the generally accepted 1945 resident population estimate of 72,000,000. The population factor is so fundamental in this consideration that verification of the estimate is essential.

In 1945, the total rice supply in Japan was 9,342,000 m.t., of which 8,585,000 m.t. or 92 percent was produced at home. Imports declined from 1,633,000 m.t. in 1941 and 2,439,000 m.t. in 1942 to 365,000 m.t. in 1945. The supply of other grains has not increased to meet this deficit, but instead, total production of wheat, barley and naked barley decreased from 2,925,000 m.t. in 1941 to 2,352,000 m.t. in 1945. Japanese domestic production of soybeans is estimated to have remained constant at 355,000 m.t. during the period 1941-45, but imports, principally from Manchuria, were increased from 525,000 m.t. in 1941 to 787,000 m.t. in 1945. Consumption is estimated to have about equalled supply in this period. The supply of other beans and peas is estimated to have remained constant during the period.

However, the Japanese government had encouraged an increased production of both sweet and white potatoes not only for food but also for industrial purposes. The sweet potato crop for 1945 is estimated at 4,688,000 m.t., as compared with the 1930-36 average of 3,454,000 m.t.

White potato production increased from an annual average of 1,219,000 m.t. for the 1930-36 period to an estimated 2,175,000 m.t. in 1945. Production of other vegetables such as daikon, cabbage, onion, carrot, etc., dropped substantially during the war period.

Domestic production of sugar in Japan Proper averaged 122,000 m.t. during the period 1930-36. This may have been raised to 155,000 m.t. in 1945. The average apparent consumption was 1,028,000 m.t. during 1930-36. Due to a sharp drop in imports to 500,000 m.t. or less, the total consumption of sugar in 1945 is estimated to be no more than 650,000 m.t.

The supply of fish during the war period had decreased to less than half of the prewar average of 3,352,000 m.t. for 1931-37. Other animal protein foods had also dropped in quantity.

In addition to the general food shortage throughout Japan, the position of the urban population is relatively more serious than that of the rural population which normally receives more food per capita and which will continue to do so. Experience in war torn areas indicate that rural populations do not suffer the same decline in food availability as urban people. Dislocation of transportation, difficulties in food collection and distribution, black market operations and possible price inflation all tend to widen the gap in the amount of food between urban and rural people.

The problem of food imports, therefore, centers upon the supply of the urban population. The major items that feature in essential imports are rice, soybeans and sugar.

-5-

WARTIME FOOD POSITION OF JAPAN PROPER

WITH

SPECIAL REFERENCE TO 1945

The average per capita available for consumption of food in Japan for 1945 is estimated to have been 1,809 calories per day, as shown in Table 3. Compared with 1936, when the Japanese average daily consumption was 2,162 calories ^{1/}, the 1945 level is 16 percent lower. This lower caloric intake however, does not wholly reflect the inadequacy of the present Japanese food situation. In addition to shortages, the situation is aggravated, especially in the urban areas, by distribution disturbances due to dislocation of transportation and difficulties in food procurement from the farmers.

In a cablegram ^{2/} of September 28, 1945 from the Commander-in-Chief, Army Forces of the Pacific, data were furnished on staple grains for the years 1940 to 1945. In light of these data, an attempt is made to analyze the changes in the food situation of Japan Proper during the war years and to determine the present situation. Foodstuffs other than staple grains, such as fish, vegetables, meat, poultry and dairy products, are estimated on the basis of previous intelligence.

Table 1 presents the relation of domestic production and imports of food to the total available supply in Japan in 1945. Only 4 percent of the rice was imported, 92 percent was domestic production and remaining

^{1/} "Japan's Food Position" prepared by MIS, August 28, 1945.

^{2/} Paraphrased copy of cablegram attached to this report.

-6-

4 percent was the carry-over from the previous year. The total quantity of kaoliang is estimated to be imported from Manchuria. Japan produced 31 percent of her soybean supply while the rest was imported primarily from Manchuria. The bulk of sugar supply was imported from Formosa, amounting to 77 percent of the total sugar supply.

Tables 2 and 3 show the food available for consumption in 1945. Of the total of 47,514,663 million calories, 42,617,583 million calories are estimated to be domestic production, representing 90 percent of the total food consumed in 1945. The amount available from domestic sources is presented in Table 4.

According to a recent Japanese government estimate 1/, a total of 22,000,000 m.t. of food production will be available for consumption in 1946. Compared with 1945 estimates of 20,411,000 m.t. (Table 4), from domestic sources, the 1946 estimate may be high. Total rice available for consumption may be over-estimated. Since the production of this year's crop is not expected to exceed 7.3 million m.t. as compared with 8.6 million m.t. in preceding year, the addition of a small carry-over of 346,000 m.t. from 1945 would amount to only a total of 7,646,000 m.t. which, however, does not take into consideration any imports or deduction for seed, waste, and non-food uses. On the other hand, a good harvest of wheat, barley, naked barley, and sweet potato crops, and possibly a better fish catch may be available for 1946 consumption, and consumption in industrial uses and wastes may have been lowered.

1/ CA 53667 to WARTAG from SCAP, October 22, 1945.

-7-

The calculation used by the Japanese government is based on a population estimate of 77,133,000. This, however, needs further scrutiny as to its validity. If we take the total food available for consumption in 1945, 47,514,663 million calories and divide by the 1946 estimated population, the average available for consumption per capita per day would be 1,688 calories as compared with 1,809 calories in 1945. Furthermore, the 1945 domestic production would only give 1,514 calories per capita per day, calculated on the basis of 1946 population estimate.

Since it will be some time before the Japanese food can again be assured at a prewar level of 2,162 in 1936, it is better to examine the effect of 1945 level, 1,809 calories per capita per day on the health and efficiency of the Japanese populace, and make the appropriate adjustments necessary.

As background, leading up to the present position, there follows an analysis by commodities of the supply situation during the war years 1941-45.

RICE

I. Supply

Domestic Production - In prewar years, the peak production of rice 1/ was attained in 1939, a total of 68,964,468 koku 2/ (10,085,000 m.t.). During the war period, despite efforts of the Japanese government to increase production of rice, results were negative because production

1/ All rice figures in this report are in terms of brown rice except as otherwise specified. The conversion for brown rice in koku to metric tons is made at the rate of 6.838 koku to 1 m.t. or 1 koku equals 146.25 kg.

2/ Yomiuri Shimbun, April 7, 1943.

-8-

factors such as labor, fertilizers, and implements were limited by the requirements of war. Furthermore, with the exception of 1942, the rice crops were adversely affected by weather conditions. The purchasing quota system as well as price policy implemented by the Japanese government had also hindered the program of production increase.

Imports - Imports of rice in Japan depended heavily on the production in Korea and Formosa. From the Southern Areas, French Indochina, Burma and Siam, the Japanese shipping capacity was the determining factor. Substantial imports of rice were made in 1941 and 1942, but from 1943 on, imports declined drastically year by year. Only insignificant amounts were imported in 1945 before the surrender.

Carry-overs from previous year - The average carry-over for the ten-year period 1931-40, was 8,721,000 koku (1,275,000 m.t.) of rice. This average is roughly about 10 percent of the total rice supply in Japan for the same period. In 1941-45, the average carry-over was only 3,837,000 koku (561,000 m.t.) or 44 percent of prewar average stock. This amounts only to about 5 percent of the total supply in corresponding years. It is to be noted, however, that according to certain articles published in Japan 1/, the 1944 rice deficit was partly made up by means of early crops. This would indicate that there was practically no carry-over from 1944 to 1945. But on the other hand, the meager amount of carry-over from 1944 to 1945 as indicated in the present cablegram, is in

1/ Keizai Mainichi, Tokyo, December 15, 1944.

-9-

fact insignificant especially in view of transportation difficulties that existed in Japan. In other words, for all practical purposes, the Japanese government had exhausted its rice stock every year since 1943.

II. Demand

It has been estimated that an annual export of about 500,000 koku was necessary to meet the demand in Karafuto and possibly some military outposts outside of Japan. After deducting exports and carry-over at the end of each rice year (Oct. 31) from the total supply, the remaining quantity is the disappearance. It is believed that the Japanese government had made strenuous efforts to cut down the waste in polishing and other non-food uses in order to provide the maximum quantity for human consumption and seed purposes. The prewar average (1930-1939) per capita disappearance of rice in Japan thus calculated was 1.081 koku (158 kg.). Assuming that the resident population in Japan Proper from 1941 to 1945 remained at 72,000,000 persons ^{1/} without any substantial change, the per capita disappearance of rice would amount to 0.981 koku, as the average of the five-year period 1941-45. It is to be noted that in 1944 and 1945, the average per capita disappearance dropped to 0.947 and 0.847 koku respectively. Comparing the 1945 figure with the prewar average of 1.081 koku, there is a decrease of about 22 percent.

^{1/} Daily Operations Report from G.H.Q. SCAP to War Dept. CA 53041, 10/9/45. Population estimates - 75,000,000.

-10-

The following table shows the supply and demand for rice in Japan Proper in the five rice years, November 1, 1940 to October 31, 1945:

Rice Table AEstimated Supply and Demand of Rice in Japan Annually,1941 - 1945(in thousand metric tons) ^{1/}

<u>Rice Year</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>
<u>Supply</u>					
Carry-over from previous year	1,350 ^{a/}	654 ^{d/}	1,061 ^{d/}	353 ^{d/}	392 ^{d/}
Production previous year	8,902 ^{b/}	8,056 ^{g/}	9,765 ^{g/}	9,197 ^{h/}	8,585 ^{i/}
Imports	<u>1,633 ^{c/}</u>	<u>2,439 ^{c/}</u>	<u>1,198 ^{c/}</u>	<u>888 ^{c/}</u>	<u>365 ^{c/}</u>
Total Supply	<u>11,886 ^{d/}</u>	<u>11,149 ^{d/}</u>	<u>12,024 ^{d/}</u>	<u>10,438 ^{d/}</u>	<u>9,342 ^{d/}</u>
<u>Demand</u>					
Exports	73 ^{e/}	73 ^{e/}	73 ^{e/}	73 ^{e/}	73 ^{e/}
Disappearance	11,159 ^{f/}	10,015 ^{f/}	11,598 ^{f/}	9,973 ^{f/}	9,923 ^{f/}
Carry-over to next year	<u>654 ^{d/}</u>	<u>1,061 ^{d/}</u>	<u>353 ^{d/}</u>	<u>392 ^{d/}</u>	<u>346 ^{d/}</u>
Total Demand	<u>11,886</u>	<u>11,149</u>	<u>12,024</u>	<u>10,438</u>	<u>9,342</u>

^{1/} For convenience, this table is repeated on the following page in koka.

-11-

Rice Table BEstimated Supply and Demand of Rice in Japan Annually,1941 - 1945

(in thousand koku of brown rice)

<u>Rice Year</u>	<u>1941</u>	<u>1942</u>	<u>1943</u>	<u>1944</u>	<u>1945</u>
<u>Supply</u>					
Carry-over from previous year	9,234 <u>a/</u>	4,472 <u>d/</u>	7,255 <u>d/</u>	2,414 <u>d/</u>	2,680 <u>d/</u>
Production previous year	60,874 <u>b/</u>	55,088 <u>g/</u>	66,775 <u>g/</u>	62,887 <u>h/</u>	58,707 <u>i/</u>
Imports	11,168 <u>c/</u>	16,677 <u>c/</u>	8,190 <u>c/</u>	6,074 <u>c/</u>	2,494 <u>c/</u>
Total Supply	<u>81,276 d/</u>	<u>76,237 d/</u>	<u>82,220 d/</u>	<u>71,375 d/</u>	<u>63,881 d/</u>
Exports	500 <u>e/</u>	500 <u>e/</u>	500 <u>e/</u>	500 <u>e/</u>	500 <u>e/</u>
Disappearance	76,304 <u>f/</u>	68,482 <u>f/</u>	79,306 <u>f/</u>	68,195 <u>f/</u>	61,015 <u>f/</u>
Carry-over to next year	<u>4,472 d/</u>	<u>7,255 d/</u>	<u>2,414 d/</u>	<u>2,680 d/</u>	<u>2,366 d/</u>
Total Demand	<u>81,276</u>	<u>76,237</u>	<u>82,220</u>	<u>71,375</u>	<u>63,881</u>

a/ Estimated on the following basis: Japanese Official figures for carry-over from 1939 to 1940 and production in 1939 for 1940 consumption are 4,061,000 koku and 68,963,000 koku respectively. Imports for 1940 were estimated at 15,600,000 koku by Donald Lamm, formerly American Agricultural Attache in Japan. This gives a total supply of 88,624,000 koku of rice for Japan Proper in 1940. From this total supply, 500,000 koku is estimated to be exports, and 78,890,000 koku as disappearance (as given by Katayanagi, Shinkichi, in his publication entitled "Nippon Senji Shokuryo Seisaku" Tokyo, June 20, 1942, p.20) leaving a carry-over of 9,234,000 koku for 1941.

b/ Toyo Keizai Shimpo Keizai Nenkan (The Oriental Economist Yearbook) 1943, p.129.

c/ Derived by subtracting carry-over and production from the total supply.

d/ All figures were supplied by the Japanese Ministry of Agriculture and converted into koku from metric ton at the rate of 6.838 koku to one metric ton.

-12-

- e/ Minimum exports estimated by Donald Lamm, believed to be necessary to meet the minimum demands in Karafuto and Japanese military outposts.
- f/ Derived by subtracting exports from the "consumption" figures as given by the same source as d/.
- g/ Yomuri Shimbun, April 7, 1943.
- h/ Radio Report on the Far East No. 42, March 30, 1944, p. a-16.
- i/ Radio Report on the Far East, June 1, 1945. The rice production in 1944 was 4,180,000 koku, less than that of 1943. This would indicate that the 1944 production was 58,707,000 koku.

-13-

WHEAT, BARLEY AND NAKED BARLEY

Wheat - In prewar years 1/ taking the seven year period of 1930-36, Japan produced an annual average wheat crop of 7,821,000 koku (1,090,000 m.t.) 2/. The average disappearance of wheat after adding imports and subtracting exports for years 1930-36, was 8,990,000 koku (1,252,000 m.t.), or an average per capita disappearance of 0.133 koku. There has been substantial increase in wheat production since 1936, reaching a crop of 13,094,000 koku, in 1940 (the highest on record). It is assumed that in the years 1941-45, Japan depended entirely on her domestic production of wheat without any imports or exports. Therefore, the supply figures as given in the cablegram 3/ are viewed as the same as the production of the previous year as well as disappearance, of the subsequent year, since no carry-over was indicated. The following table is taken from the cablegram:

Wheat Supply in Japan, 1941-45
(in thousand metric tons)

<u>Year</u>	<u>Total Supply</u>
1941	1,290
1942	1,284
1943	1,036
1944	1,380
1945	1,045

-
- 1/ Wheat year in Japan starts July 1, of the year and ends on June 30 of the next year.
2/ Wheat measurement is converted from koku to metric ton at the rate of 7.178 koku to a metric ton.
3/ Copy attached.

-14-

Barley - Production of barley for years 1930-36 1/ averaged 7,057,000 koku (787,000 m.t.) 2/ and disappearance averaged 6,858,000 koku (764,000 m.t.) or 0.100 koku on a per capita basis. In the years between 1937-1940, the production of barley was maintained at practically the same level as the prewar average. It is believed that there were no imports or exports of barley in the period of 1941-45. The supply situation of barley is as follows:

Barley Supply in Japan 3/
(in 1000 m.t.)

<u>Year</u>	<u>Total Supply</u>
1941	706
1942	730
1943	572
1944	777
1945	623

Naked Barley - In prewar Japanese statistics, no imports or exports were shown for naked barley. In other words, what is produced is consumed. The average production of naked barley for 1930-36 4/ is 6,160,000 koku (858,000 m.t.) 5/ or an average disappearance of 0.091 koku per capita per year. However, in the years 1938-40, there were small amounts of naked barley exported to Korea. The export of naked barley is not accounted for in this report. The following table is the supply of naked barley in

-
- 1/ Barley year is the same as the wheat year.
 - 2/ Converted at 8.972 koku of barley to 1 metric ton.
 - 3/ Cablegram 9/28/45 - copy attached.
 - 4/ Naked barley year is the same as the wheat year.
 - 5/ Converted at 7.178 koku to 1 metric ton.

1941-1945:

Naked Barley Supply in Japan 1/
(in 1000 m.t.)

<u>Year</u>	<u>Total Supply</u>
1941	929
1942	908
1943	733
1944	913
1945	684

1/ Cablegram 9/28/45 - copy attached.

-16-

OTHER GRAINS

Maize - Average annual production of maize in Japan for 1930-36 was 506,000 koku (66,000 m.t.) ^{1/}. In the years 1931-37, Japan imported an average of 947,000 koku (123,000 m.t.) annually ^{2/} with the greatest imports in 1936, a total of 2,384,000 koku. Imports in 1931-37 were mostly from the Netherlands Indies and Argentina. Imports in 1938 amounted to 1,984,000 koku and 60 percent of which were from Manchuria. It has been reported that the Japanese did get some maize from French Indo-China in the early years of the war period 1941-45, but the bulk of imports is believed to be from Manchuria. It is generally accepted that maize is used in Japan primarily for industrial purposes and some for animal feed. Therefore it is not treated as human food in this report. The production of maize in Japan for 1941-45 follows:

Maize Production in Japan ^{3/}
(in 1000 m.t.)

<u>Year</u>	<u>Production</u>
1941	60
1942	73
1943	70
1944	77
1945	72

Millet - The average production of barnyard millet in the seven year average of 1930-36, was 460,000 koku; foxtail millet, 890,000 koku; and

^{1/} Converted at 7.691 koku to 1 metric ton.

^{2/} U. S. Tariff Commission, Japanese Trade Studies, Annotated Tabular Survey.

^{3/} From cablegram - copy attached.

-17-

prose millet 209,000 koku, a total of 1,559,000 koku (181,000 m.t.).^{1/}
It is estimated that no major change took place during the war years of 1941-45, and a substantial portion of this crop was used for animal feed and other non-food purposes.

Kaoliang - It is interesting to note that the Japanese during the war period repeatedly claimed imports of "grains" from Manchuria. The item of "Import grain sorghum" as shown in the cablegram would probably refer to kaoliang from Manchuria. The amount imported is as follows:

Imports of Grain Sorghum to Japan^{2/}
(in 1000 m.t.)

<u>Year</u>	<u>Imports</u>
1941	362
1942	203
1943	156
1944	271
1945	268

LEGUMES

Soybeans - Japan depends primarily on Manchuria for her soybean supplies. In the years 1930-36, soybeans were produced in Japan at an average of 2,546,000 koku (355,000 m.t.)^{3/} and an average disappearance of 7,833,000 koku (1,091,000 m.t.) or 0.117 koku per capita. The average net imports for the same period are 736,000 m.t. The production in Japan is believed to have been maintained

^{1/} Converted at a rough conversion rate of 8.613 koku to one metric ton.

^{2/} From cablegram, copy attached.

^{3/} Converted at the rate of 7.178 koku to one metric ton of soybeans.

-18-

during the war years on the same basis as that of the pre-war period. Increase of supply and consumption in 1945 over the pre-war average is probably the result of increased imports due to the drastic shortage of protein food -- the lack of fish.

Soybean Supply in Japan
(in 1000 m.t.)

<u>Year</u>	<u>Estimated</u>		<u>Total Supply^{1/}</u>
	<u>Domestic Production</u>	<u>Imports</u>	
1941	355	525	880
1942	355	485	840
1943	355	568	923
1944	355	633	988
1945	355	787	1,142

There are slight discrepancies between the consumption and the supply of soybeans in Japan. This may be interpreted as small amounts of carryover to the following year, but the differences are insignificant.

Consumption of Soybeans in Japan^{1/}
(in 1000 m.t.)

<u>Year</u>	<u>Consumption</u>
1941	880
1942	830
1943	917
1944	928
1945	1,112

Other Beans and Peas - This group includes kidney beans, broad

^{1/} From cablegram, copy attached.

-19-

beans or horse beans, Azuki beans (*Phaseolus radiatis*, var. aurea) and peas. Taking the average of all these crops together for 1932-37, a total of 287,000 m.t. was produced. It is believed that there were no major changes in the production of these crops during the war period 1941-45. Therefore, it is estimated that the same amount was available for consumption in 1941-45.

TUBER AND ROOT CROPS

Sweet Potatoes - The average production of sweet potatoes for 1930-36 was 921 million kan (3,454,000 m.t.).^{1/} There were relatively small imports and negligible amounts of exports. Based on various information, the production of sweet potatoes in Japan for 1941-45 was as follows:

Estimated Production of Sweet Potatoes in Japan

Year	Production	
	1,000 kan	1,000 m.t.
1941	1,129,159 ^{a/}	4,234
1942	1,005,618 ^{b/}	3,771
1943	1,173,000 ^{c/}	4,400
1944	1,250,000 ^{d/}	4,688
1945	1,250,000 ^{e/}	4,688

^{a/} Domei Jiji Nenkan, 1943, p. 223.

^{b/} Toyo Keizai Shimpō, November 27, 1943.

^{c/} Estimated, EP-50.1.

^{d/} Tokyo Domei Broadcast, September 17, 1944.

^{e/} Production goal set by the Japanese Government for 1945, was to be 2,700,000,000 kan (10,125,000 m.t.), but due to the loss of Okinawa, shortage of seedlings and poor weather conditions in the planting season, the total output may be no larger than in 1944.

^{1/} 1 kan equals 3.75 kg.

-20-

White Potatoes - The average 1930-36 production of white potatoes in Japan was 325 million kan (1,219,000 m.t.) with a small amount of exports. The war time production is estimated as follows:

Estimated Production of White Potatoes in Japan

Year	Production	
	1,000 kan	1,000 m.t.
1941	514,377 ^{a/}	1,929
1942	524,565 ^{a/}	1,967
1943	540,000 ^{b/}	2,025
1944	580,000 ^{c/}	2,175
1945	580,000 ^{d/}	2,175

a/ Toyo Keizai Shimpō, November 27, 1943.

b/ Cable from Bern, June 20, 1944.

c/ Domei Press, June 15, 1944.

d/ Estimated.

Daikon - Daikon or giant radish is produced and used extensively in Japan. It is usually consumed in pickled form. In 1930-36, an average of 650 million kan was produced (2,438,000 m.t.). As the production of other vegetables dropped in wartime, it is estimated that the 1945 production was about 2,000,000 m.t.

Other Tuber and Root Crops - This group includes Taro, Konnyakuimo (Cuckoo pint), carrots, turnips, burdocks and renkon (root of Indian lotus). The total average production for 1930-36 was 1,217,000 m.t. The production for 1945 is estimated at 1,000,000 m.t.

VEGETABLES

Cabbages, cucumbers, egg-plants, musk-melons, squash cucumbers, tomatoes, turnips, radishes, watermelons, welsh onions, onions and

-21-

pumpkins are treated here as a whole under the vegetables group. In 1930-36, an annual average of 2,952,000 m.t. was produced. For 1945 it is estimated 2,500,000 m.t. were produced.

SUGAR

The average production of sugar (including cane and beet sugar) in Japan for 1930-36 was 122,000 m.t., while the imports during 1931-37 averaged 906,000 m.t. This gives an average apparent consumption of 1,028,000 m.t. annually. It is estimated that about 150,000 m.t. of sugar was produced in Japan in 1945, and no more than 500,000 m.t. was imported, giving a total of 650,000 m.t. as maximum supply available for consumption.

FRUITS

It is estimated that there are about 800,000 m.t. of fruits of all kinds available for consumption in Japan in 1945 as compared with the 1936 figure of 1,300,000 m.t. and represents a decrease of approximately 40 percent.

KELPS

The production in 1945 of kelps or edible seaweeds is estimated at approximately 400,000 m.t. The average for 1931-37 was 539,000 m.t. a year. Hence the 1945 estimate indicates a decline of about 25 percent.

ANIMAL FOODS

Fish - Fish is primarily the most important source of animal

-23-

protein in the Japanese diet. The average annual catch in Japan including coastal and pelagic catches for 1931-37 was 3,352,000 m.t. In the war period the lack of craft, fuel, and manpower had definitely curtailed the annual catch to a great extent. It estimated that the 1945 catch was in the neighborhood of 1,500,000 m.t. or a decline of about 55 percent.

Aquaculture - In this group are included carp, eel, oyster, asari (*Tapes philippinarium*) and amanori (*perphyra*). The average output for 1931-37 was 129,000 m.t. By active encouragement on the part of the Japanese government, such as fuller utilization of ponds, paddy fields, reservoirs, etc., during the wartime, it is estimated that in 1945 about a total of 150,000 m.t. was produced.

Meat and Poultry, Eggs, Milk and Dairy Products - Due to the lack of wartime information on these foodstuffs, the following rough estimates have been made for 1945: 100,000 m.t. of meat and poultry products, 150,000 m.t. of eggs and about 100,000 m.t. of milk and dairy products available for consumption in Japan.

-23-

Table I
Estimated Food Supply of Japan, 1945
 (in thousand metric tons)

<u>Foodstuffs</u>	<u>Total Available Supply</u>	<u>Domestic Production</u>	<u>Percent of Total</u>	<u>Imports</u>	<u>Percent of Total</u>
Rice ^{a/}	9,342	8,585	92	365	4
Wheat	1,045	1,045	100		
Barley	623	623	100		
Naked Barley	684	684	100		
Maize	72 ^{b/}	72			
Millet	181	181	100		
Kaoliang	268			268	100
Soybeans	1,142	355	31	787	69
Other Beans and Peas	287	287	100		
Sweet Potatoes	4,688	4,688	100		
White Potatoes	2,175	2,175	100		
Daikon	2,000	2,000	100		
Other Tuber and Root Crops	1,000	1,000	100		
Vegetables	2,500	2,500	100		
Sugar	650	150	23	500	77
Fruits	800	800	100		
Kelps	400	400	100		
Animal Foods					
Fish	1,500	1,500	100		
Aquiculture	150	150	100		
Meat and Poultry	100	100	100		
Eggs	150	150	100		
Milk and Dairy Products	100	100	100		

a/ Carry-over 4 percent.

b/ Believed to be larger, but due to lack of information, no estimates of imports are made.

Source: From foregoing data by commodities.

Table 2

Estimated Food Consumption in Japan, 1945

Foodstuffs	Total Disappearance (000) m.t.	Seed (000) m.t.	Non-food Uses (000) m.t.	Waste		Available For Con- sumption (000) m.t.	Calories Per
				%	(000) mt.		
Rice	8,923 1/	122 2/	450 3/	6	500	7,851	3,500
Wheat	1,045	55 4/	158 5/	25	208	624	3,500
Barley	623	22 6/	156 7/	20	89	356	3,570
Naked Barley	684	34 8/	137 8/	10	51	462	3,570
Maize	72 10/		72 11/				
Millet	181	10 12/	71			100	3,400
Kaoliang	268 13/		54 14/			214	3,500
Soybeans	1,142	25 15/	700 16/	15	63	354	3,500
Other beans and peas	287	20 15/		14	37	230	3,000
Sweet potatoes	4,688	188 17/	1,672 18/	10	283	2,545	1,600
White potatoes	2,175	196 19/		10	198	1,781	800
Daikon	2,000			4	80	1,920	800
Other tuber and root crops	1,000			20	200	800	1,000
Other vegetables	2,500			30	750	1,750	300
Sugar	650					650	3,500
Fruits	800			20	160	640	500
Kelps, edible	400					400	100
Animal Foods:							
Fish	1,500		400 20/	40	440	660	1,300
Aquiculture	150			60	90	60	900
Meat and Poultry	100			30	30	70	2,000
Eggs	150			10	15	135	1,500
Milk and Dairy Products	100					100	600
Total							
Miscellaneous 21/							
Grand Total	<u>29,438</u>	<u>672</u>	<u>3,870</u>		<u>3,194</u>	<u>21,702</u>	

Table 2

Estimated Food Consumption in Japan, 1945

Total Disappearance (000) m.t.	Seed (000) m.t.	Non-food Uses (000) m.t.	Waste		Available For Con- sumption (000) m.t.	Calories Per Kg.	Gross Calories Per Year (000,000)
			%	(000) mt.			
6,923 1/	122 2/	450 3/	6	500	7,851	3,560	27,949,560
1,045	55 4/	158 5/	25	208	624	3,550	2,215,200
623	22 6/	156 7/	20	89	356	3,570	1,270,920
684	34 8/	137 9/	10	51	462	3,570	1,649,340
72 10/		72 11/					
181	10 12/	71			100	3,400	340,000
268 13/		54 14/			214	3,500	749,000
1,142	25 15/	700 16/	15	63	354	3,500	1,239,000
287	20 15/		14	37	230	3,000	690,000
4,688	188 17/	1,672 18/	10	283	2,545	1,080	2,748,600
2,175	196 19/		10	198	1,781	850	1,513,850
2,000			4	80	1,920	200	384,000
1,000			20	200	800	1,000	800,000
2,500			30	750	1,750	300	525,000
650					650	3,980	2,587,000
800			20	160	640	500	320,000
400					400	100	40,000
1,500		400 20/	40	440	660	1,300	858,000
150			60	90	60	900	54,000
100			30	30	70	2,000	140,000
150			10	15	135	1,580	213,300
100					100	690	69,000
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	46,355,770
—	—	—	—	—	—	—	<u>1,158,893</u>
<u>29,438</u>	<u>672</u>	<u>3,870</u>		<u>3,194</u>	<u>21,702</u>		<u>47,514,663</u>

-24-

Footnotes to Table II

- 1/ Total disappearance as shown in Table I.
- 2/ Calculated on the basis of 0.26 koku of seeds per cho, (or about 35 lbs. per acre), the total acreage being estimated at 3,200,000 cho (or about 7,840,000 acres).
- 3/ Rice for non-food uses is estimated on the following allocation: 165,000 m.t. for Sake, 150,000 m.t. for Mochi, 75,000 m.t. for Soysauce, 10,000 m.t. for Paste and 50,000 m.t. for Confectionery and other uses.
- 4/ Calculated on the basis of 50 lbs. per acre, the total acreage being estimated at 2,420,000 acres or a 10 percent increase over the 1942 acreage.
- 5/ Wheat for non-food uses is estimated at 15 percent of production based on following allocation: 12 percent for Soysauce, 1 percent for condiment, 1.5 percent for animal fodder, and 0.5 percent for other uses. The respective official figures for 1931 were 17.3 percent, 1.1 percent, 3.1 percent and 1 percent of that year's disappearance. (See Hom-po No-gyo Yo-ran, 1938, p. 243).
- 6/ Calculated on the basis of 50 lbs. per acre, the total acreage being 980,000 acres (1942 acreage).
- 7/ Estimated at 25 percent of production, based on following allocation: 20 percent animal fodder, 2.5 percent beer and 2.5 percent for condiment.
- 8/ Calculated on the basis of 50 lbs. per acre, the total acreage being estimated at 1,493,000 acres or an increase of 15 percent over 1942 acreage.
- 9/ Estimated at 20 percent of production, based on the following allocation: 15 percent for feed, 2 percent for soysauce, 2.5 percent for condiment and 0.5 percent for other uses.
- 10/ Domestic production only, while imports are not accounted for.
- 11/ Including livestock feed and seed.
- 12/ Including seed and waste.
- 13/ Imports only, primarily from Manchuria.
- 14/ Estimated at 20 percent of total supply.
- 15/ Calculated on the basis of 7 percent of domestic production.
- 16/ Estimated 600,000 m.t. for oil manufacturing and 100,000 m.t. for soysauce and other industrial uses.
- 17/ Estimated at 4 percent of production for seedlings.
- 18/ Estimated 25 percent of production for alcohol and 500,000 m.t. for feed.
- 19/ Calculated on estimates of 9 percent of production for seeds.
- 20/ Estimated 400,000 m.t. of fish for oil manufacturing.
- 21/ Estimated at 2.5 percent of gross caloric content to cover oil, alcohol liquor and other processed foods.

-26-

Table III

Estimated Per Capita Consumption of Food in Japan, 1945

Foodstuffs	Total Consumption (1,000 m.t.)	Total Calories		Per Capita Per Day ^{1/}	
		Calories (1,000,000)	Percent	Grams	Calories
Rice	7,851	27,949,560	58.8	299	1,064
Wheat	624	2,215,200	4.7	24	84
Barley	356	1,270,920	2.7	14	48
Naked Barley	462	1,649,340	3.5	18	63
Millet	100	340,000	0.7	4	13
Kaoliang	214	749,000	1.6	8	29
Soybeans	354	1,239,000	2.6	13	47
Other Beans and Peas	230	690,000	1.5	9	26
Sweet Potatoes	2,545	2,748,600	5.8	97	105
White Potatoes	1,781	1,513,850	3.2	68	58
Daikon	1,920	384,000	0.8	73	15
Other Tuber and Root Crops	800	800,000	1.7	30	30
Other Vegetables	1,750	525,000	1.1	67	20
Sugar	650	2,587,000	5.4	25	98
Fruits	640	320,000	0.7	24	12
Kelps, edible	400	40,000	0.1	15	2
Fish	660	858,000	1.8	25	33
Aquiculture	60	54,000	0.1	2	2
Meat and Poultry	70	140,000	0.3	3	5
Eggs	135	213,300	0.4	5	8
Milk and Dairy Products	100	69,000	0.1	4	3
Miscellaneous ^{2/}	-	1,158,893	2.4	-	44
Total	21,702	47,514,663	100.0	827	1,809^{1/}

^{1/} Calculated on the basis of 72,000,000 as the resident population in Japan. If a population figure of 75,000,000 is used, the average daily per capita intake would be 1,736 calories.

^{2/} See footnote 21 of Table II.

14-001 P30 hu

Table 4

Estimated Food Consumption in Japan Proper, 1945 from Domestic Production

Foodstuffs	Total ^{1/} Production 1,000 m.t.	Seed ^{2/} 1,000 m.t.	Non-food ^{3/} Uses 1,000 m.t.	Waste ^{4/}		Available for Consumption 1,000 m.t.	Calories per kg.	Gross Calories per year 1,000,000	Per Capita ^{5/} per day	
				%	1,000 m.t.				Grams	Calories
Rice	8,585	122	450	6	481	7,532	3,560	26,813,920	287	1,000
Wheat	1,045	55	158	25	208	624	3,550	2,215,200	24	85
Barley	623	22	156	20	89	356	3,570	1,270,920	14	50
Naked Barley	684	34	137	10	51	462	3,570	1,649,340	18	65
Maise	72		72							
Millet	181	10	71			100	3,400	340,000	4	13
Kaoliang										
Soybeans	355	25	217	15	17	96	3,500	336,000	4	13
Other Beans and Peas	287	20		14	37	230	3,000	690,000	9	30
Sweet Potatoes	4,688	188	1,672	10	283	2,545	1,080	2,748,600	97	340
White Potatoes	2,175	196		10	198	1,781	850	1,513,850	68	240
Daikon	2,000			4	80	1,920	200	384,000	73	260
Other Tuber & Root Crops	1,000			20	200	900	1,000	800,000	30	110
Other Vegetables	2,500			30	750	1,750	300	525,000	67	240
Sugar	150					150	3,980	597,000	6	220
Fruits	800			20	160	640	500	320,000	24	85
Kelps, edible	400					400	100	40,000	15	55
Animal Foods:										
Fish	1,500		400	40	440	660	1,300	858,000	25	90
Aquiculture	150			60	90	60	900	54,000	2	75
Meat and Poultry	100			30	30	70	2,000	140,000	3	110
Eggs	150			10	15	135	1,580	213,300	5	180
Milk and Dairy Products	100					100	690	69,000	4	150
Total								41,578,130		
Miscellaneous (2.5% of Total)								1,039,453		
Grand Total	27,545	672	3,333		3,129	20,411		42,617,583	779	1,620

Table 4

Estimated Food Consumption in Japan Proper, 1945 from Domestic Production

Seed ^{2/} 1,000 m.t.	Non-food ^{3/} Uses 1,000 m.t.	Waste ^{4/}		Available for Consumption 1,000 m.t.	Calories per kg.	Gross Calories per year 1,000,000	Per Capita ^{5/} per day		Calorie Consumption	
		%	1,000 m.t.				Grams	Calories	Domestic Supply	Total Consumption ^{6/}
122	450	6	481	7,532	3,560	26,813,920	287	1,020		96
55	158	25	208	624	3,550	2,215,200	24	84		100
22	156	20	89	356	3,570	1,270,920	14	48		100
34	137	10	51	462	3,570	1,649,340	18	63		100
	72									
10	71			100	3,400	340,000	4	13		100
25	217	15	17	96	3,500	336,000	4	13		27
20		14	37	230	3,000	690,000	9	26		100
188	1,672	10	283	2,545	1,080	2,748,600	97	105		100
196		10	198	1,781	850	1,513,850	68	58		100
		4	80	1,920	200	384,000	73	15		100
		20	200	900	1,000	800,000	30	30		100
		30	750	1,750	300	525,000	67	20		100
			150	150	3,980	597,000	6	23		23
		20	160	640	500	320,000	24	12		100
				400	100	40,000	15	2		100
	400	40	440	660	1,300	858,000	25	33		100
		60	90	60	900	54,000	2	2		100
		30	30	70	2,000	140,000	3	5		100
		10	15	135	1,580	213,300	5	8		100
				100	690	69,000	4	3		100
						41,578,130				91
						1,039,453		40		
672	3,333		3,129	20,411		42,617,583	779	1,622		90

Footnotes to Table 4

- 1/ See Table 1.
- 2/ See Table 2.
- 3/ See Table 2. Same deduction for Non-food uses is applied, except Soybeans is deducted in proportion to total disappearance.
- 4/ Same percentages as being used in Table 2.
- 5/ On the assumption that the resident population in Japan is 72,000,000.
- 6/ Total consumption, see Table 3.

-29-

APPENDIX

Restricted

Paraphrase

Extracts from War Department cable from Commander in Chief, Army Forces, Pacific, 28 September 1945.

The following figures were supplied by Ministry of Agriculture with no independent audit.

JAPAN'S GRAIN POSITION
(All figures in thousand metric tons)

Rice crop, years October to October, 1940 to 1945:

Supply	11,886	11,149	12,024	10,438	9,342
Consumption	11,232	10,088	11,671	10,046	8,996
Carry-overs	654	1,061	353	392	346

Wheat crop, years June to June (no carry-overs):

Supply	1,290	1,284	1,036	1,380	1,045
--------	-------	-------	-------	-------	-------

Barley crop, years June to June (no carry-overs):

Supply	706	730	572	777	623
--------	-----	-----	-----	-----	-----

Naked Barley, for crop years June to June (no carry-overs):

Supply	929	908	733	913	684
--------	-----	-----	-----	-----	-----

Soybeans, crop years Sept. to Sept:

Supply	880	840	923	988	1,142
Consumption	880	830	917	928	1,112

Corn, crop years Sept. to Sept. (no carry-overs):

Production	60	73	70	77	72
------------	----	----	----	----	----

Import grain sorghum:

	362	203	156	271	268
--	-----	-----	-----	-----	-----

Locations of present stocks will be forwarded later.

WC2-311 December 1945FAR EASTERN COMMISSIONWORKING COMMITTEE NO. 2SUGGESTED TOPICS FOR STUDY BY
SUBCOMMITTEE NO. 2, WORKING COMMITTEE NO. 2Note by the Secretary General

At a meeting of Subcommittee No. 2, Economic Organization, of Working Committee No. 2, it was agreed that the Subcommittee's first activity should be the obtaining of information on the following subjects:

1. Extent of bomb damage to Japanese industry.
2. Industrial capacity remaining in Japan.
 - a. Types of industry.
 - b. Geographical distribution of Japanese industry and of bomb damage.
 - c. Remaining industrial capacity with Manchurian and Korean capacity deducted.
3. Wartime capacity of Japanese industry.
4. Transportation system.
5. Inventories of raw material.
6. Agriculture.
 - a. Proportion of agriculture to total Japanese economy.
 - b. Effect of structural changes in agricultural system.
7. Restrictive legislation and wartime subsidies.
8. Function of cartels and Zaibatsu and effect of dissolution of Zaibatsu.
9. Proportion of industrial capacity converted to war use which may be reconverted to peacetime use.
10. Reparations.
 - a. Form of reparations.
11. Proportion of Japanese industry necessary to sustain an agreed standard of living.

It is requested that suggested additions to the above list of subjects be communicated to the Secretary General.

NELSON T. JOHNSON
Secretary General

WC2-3

WC2
4

*File*7 December 1945COPY NO. 1FAR EASTERN COMMISSIONFEC WORKING COMMITTEE II
ECONOMIC PROBLEMS AND REPARATIONSSUBCOMMITTEE 4THE PROTECTION OF THE ECONOMIC INTERESTS IN
JAPAN OF THE VARIOUS PARTICIPATING NATIONSRecord of the 1st Meeting held in Room 285,
The State Department Building,
on Friday, December 7, 1945, at 9:00 A.M.MEMBERS PRESENT

Mr. Ernest Castan, France (Chairman)
Mr. Paul Guerin, France
Major J. Plimsoll, Australia
Mr. J. O. Reuchlin, Netherlands
Mr. F. C. Everson, United Kingdom
Mr. E. R. Dickover, United States

The meeting was called together by MR. NELSON JOHNSON, Secretary General of the Far Eastern Commission.

MAJOR PLIMSOLL moved, and MR. DICKOVER seconded, that Mr. Castan, the French representative, be elected Chairman pro tem of the Subcommittee.

After some discussion, THE SUBCOMMITTEE decided to refer the following queries to Working Committee II:

1. What has been done in Japan by the Supreme Commander to protect the interests of the nations engaged in the war against Japan and of their nationals?
2. Is there any unit in Supreme Headquarters set up to care for such matters?
3. Subcommittee suggests that the Commission should ask to be informed through what channels the Governments represented on the Commission can obtain information regarding interests of their nationals in Japan.

*Mr. Weigle*RESTRICTEDWC2-417 December 1945Pages 1 - 9, incl.FAR EASTERN COMMISSIONWORKING COMMITTEE NO. 2PROPOSED BROAD LINES OF POLICY
TOWARD JAPANESE ECONOMYNote by the Secretary General

The enclosure is a note prepared by a working group comprised of Mr. Saksena, Mr. Weyer and Major Lockwood, appointed by Subcommittee No. 2 on Economic Organization of Working Committee No. 2 on Economic Problems at its meeting of December 10, 1945, to make recommendations on broad lines of economic policy for study by the Subcommittee.

NELSON T. JOHNSON
Secretary General

WC2-4

RESTRICTEDE N C L O S U R EPROPOSED BROAD LINES OF POLICY
TOWARD JAPANESE ECONOMY

1. The fundamental objective of an economic policy in Japan has been defined in paragraph 11 of the Potsdam declaration which runs as follows:

"(11) Japan shall be permitted to maintain such industries as will sustain her economy and permit the exaction of just reparations in kind, but not those which would enable her to re-arm for war. To this end, access to, as distinguished from control of, raw materials shall be permitted. Eventual Japanese participation in world trade relations shall be permitted."

2. To prevent Japan from ever again becoming a menace to world peace must remain the overriding consideration in the formulation of any policy for Japanese economic development. The first step in evolving the future economic structure of Japan would, thus, be the elimination of the existing war potential. Taking Japanese industrial economy as a whole this potential may be broadly classified under the following heads.

- A. (1) Plant and equipment for the production of arms, munitions, implements of war and aircraft which cannot be readily converted to peacetime uses.
- (2) Plant and equipment for the production of arms, munitions, implements of war and aircraft which can be readily converted to peacetime uses.
- (3) Plant and equipment for peacetime production which is capable of being readily converted to the production of arms, etc.

In addition to the three types of plant and equipment directly or indirectly concerned with the production of arms, etc., there are a number of industries which are of assistance in this type of manufacture, but are equally important for

RESTRICTED

peacetime production. These may be broadly classified as

- B. (1) Hydroelectric power
- (2) Coal Mining
- (3) Metallurgy
- (4) Ship building
- (5) Heavy chemicals
- (6) Machinery and machine tools

3. The point for the consideration of the subcommittee is as to whether industries classified under parts A. and B. taken individually or collectively should be eliminated wholly or partly either by destruction or by removal overseas in the shape of reparation payments. Before coming to a decision on this point, two important considerations may well be borne in mind -

Firstly, that the advance made in the production of explosives and other means of destruction has been so spectacular that the production of small arms and other types of war materials is no longer of any great importance, complete control over production of heavy explosives, aircraft, naval vessels and armament, which is relatively easy would in itself be sufficient to prevent aggression; and Secondly, that the deficiency of raw materials of various types required for war purposes in Japan is such that a simple check over imports and their disposal would be an effective safeguard against rearmament. Any large scale production of armaments would be immediately reflected in increased and abnormal imports of raw materials, and provided vigilance is exercised, could be easily detected and investigated.

It is further necessary to add that the industries classified under Part B are essential for the development of Japanese industrial production and their elimination would have a

RESTRICTED

crippling effect on Japanese economic life. In view of these considerations, the subcommittee may be disposed to rule out total elimination except in the case of A (1) and aircraft and other similar industries under A (2). Plant and equipment falling under these heads could be either destroyed or taken as reparations.

4. If this is accepted, the next question to be considered is the extent to which we should allow plant and equipment under A (2) and (3) and industries under B to operate. We can do no more than lay down the general principle that consistently with safety after conversion of plant and equipment under A (2) to peacetime purposes production should be limited to the extent to which it is necessary to sustain internal economy and in addition to pay for imports from abroad.

5. An important question which the subcommittee might consider in this connection would be the utilization of these plants and industries beyond that suggested as a general principle in order to make good specific deficiencies among the Allied Nations and liberated territories. To illustrate this point we may take the ship-building industry. Under the general principle enunciated, ship-building would be permitted to the extent to which it would be necessary for coastal transport, but in view of the acute shortage of shipping it is for consideration if the Japanese shipyards should not be worked to their full capacity under Allied control and the ships so constructed taken over as reparations, or on payment if this is considered necessary. Similarly, nitrogen plants could perhaps be worked to make good the deficiency in the supply of fertilizers, and machine tool plants to supply and replace worn out machine tools in liberated territories and elsewhere.

6. Having disposed of the question of Japanese war potential, we have next to deal with the wider question of evolution of Japanese economic structure. This question may be considered in relation to its short and long term aspects. For the short

RESTRICTED

term aspect, the objective may well be defined as the restoration of Japanese economy to the minimum subsistence level, and in its long term aspect, the rehabilitation of primary and peacetime secondary industries with a view to the improvement of Japanese living standards along with the living standards of other Asiatic countries and her eventual emergence as a peace-loving democratic country.

7. Short Term Aspect. Japan at the present time is economically in a most deplorable state, her industries have been brought to a standstill, and her financial system is in chaos. The most important problem is the provision of relief in the form of food, fuel and housing and the restoration of transportation services and public utilities. These questions are no doubt being separately considered by the Relief Committees. We are concerned with them only in so far as they have a bearing on economic policy. The question for consideration is the form and extent of relief and the manner in which it should be paid for. It is suggested that an inventory may be prepared of goods available in Japan which are not required there either because they are a normal item of export such as silk, or because they can no longer be utilized on account of the destruction of plant and equipment or cessation of certain types of industrial activity such as mill stores, aluminium sheets, etc. Supplies of food and other material such as raw cotton, building materials, electrical equipment, etc., should be obtained to the extent to which they are required over and above domestic production to satisfy minimum Japanese requirements essential to prevent disease and unrest and payment for these should be considered a first charge on the goods available for export in Japan. Any surplus left over which is not required to satisfy essential needs of the Japanese population could be removed as reparation, if this course is adopted.

8. Long Term Aspect. In taking a long term view it is necessary that some method should be found for estimating Japanese

RESTRICTED

requirements so as to determine a target for imports, internal production and exports, keeping in view the desirability of establishing a balanced economy in Japan as soon as possible. One method of arriving at this result would be to adopt as a working basis the figures of a certain specific year. If this is accepted, domestic consumption could be estimated by deducting from the total production of important commodities in that year the quantities exported, and permissible imports could be worked out on the basis of raw materials and other products required to produce the quantity thus estimated for domestic production. An adjustment could then be made to allow

(a) for payment of the value of raw materials and other products required to reach the production target, and

(b) increased population due to births since that year and the repatriation of Japanese nationals from abroad.

A further adjustment would have to be made to allow for emergency imports or production of plant and equipment, iron, steel and building materials required to make good the damage done to houses, plant and equipment, transport and public utilities during war time.

If this method is adopted, the standard of living arrived at would theoretically be that of that year, but actually it is likely to be higher as the changed conditions would permit a more equitable distribution of the national income. An alternative method of arriving at Japanese requirements would be to work them out on the basis of Japanese family budgets and by a process of multiplication arriving at the total minimum requirements for the whole country, and then on the basis of existing facilities for production in Japan arriving at a figure for imports. The same adjustments as in the first method would then be required to be made to arrive at the final result.

These are only two methods, others may also be considered for regulating economic life in Japan, which are placed before

RESTRICTED

the subcommittee for consideration.

9. In allowing Japanese industrialization at first on a limited, and eventually on an unrestricted scale, it is suggested that certain other important considerations should not be lost sight of. Before the war, Japanese economic policy which was fully supported by the Japanese Government was highly aggressive. With a view to capturing foreign markets goods were sold at prices which were absolutely non-competitive and domestic production and growth of industries in many countries was thus stifled. The Japanese were able to dump their goods in foreign markets principally

(a) by keeping down their cost of production through the employment of extremely cheap labour

(b) low overhead costs

(c) virtual freedom from restrictions under the factories act in regard to hours of work, employment of child labour, etc.

(d) state subsidies and other similar means adopted by the industrial and trade guilds, and

(e) development of enormous monopolistic combines who made use of their resources to engage in cut-throat competition.

While it is conceded that there should be no disposition to suppress Japanese industries purely in the interests of industrial development in other countries, it is nevertheless emphasized that factors responsible for the introduction of unfair methods of competition should be eliminated.

10. The following are some of the controls which may be devised with this end in view:

(a) Control over the economic policy of the Japanese Government so as to prevent grant of subsidies and other concessions designed to give them an unfair advantage.

(b) Prevention of monopolistic combines and concentration of means of production, etc., in a few hands

RESTRICTED

(c) Introduction of stringent factory legislation and machinery for its enforcement

(d) Fixation of minimum wage standards

(e) Encouragement to formation of trade unions.

One of the factors which had enabled Japan to play an aggressive role in World politics was the existence of large combines or Zaibatsu who virtually controlled Japanese economy and made the introduction of democratic processes impossible. The dissolution of the Zaibatsu and the conferment of the right to collective bargaining on Japanese labour in general would, it can be anticipated, have the effect of facilitating the establishment of democratic institutions. Moreover, apart from the consideration urged in the beginning of the preceding paragraph the economic effect of the introduction of these and other similar controls would be wholly beneficial to the Japanese people themselves.

It is felt that the recommendations made above in regard to control over Japanese industry should not apply to traditional Japanese industries, e.g. lacquer, cloisonne, old type ceramics, art ware, etc., which have remained in the cottage stage and which are essentially Japanese in character.

11. Food. The food requirements of Japan can be estimated in the same manner as her requirements of industrial raw materials, or alternatively, on the basis of caloric values. Normally Japan imports about 25% of her food requirements from abroad, and it is for consideration if the subcommittee should recommend that an effort should be made to make Japan as far as possible self-sufficient in the matter of food, or alternatively for reasons of policy suggest that Japan should be left in a position of dependence in the matter of food supplies on foreign countries. If the former course is recommended, the following are some of the methods of increasing agricultural productivity which would merit consideration:

(a) Reform of agrarian laws with a view to consolidation

RESTRICTED

of agricultural holdings, and grant of proprietary rights to farmers.

(b) Employment of machinery and other improved methods of agriculture.

(c) Increased production and greater utilization of fertilizers.

(d) Expansion of the dairy industry.

(e) Rehabilitation of the fishing industry, the meat industry and the canning industry.

12. Reparations. Reference has been made in the preceding paragraphs to certain types of equipment which could be obtained from Japan by way of reparation. The considerations that have to be borne in mind in deciding the form and volume of reparations on current account are

(a) that Japan as a country is very poor in natural resources

(b) that a great proportion of her national income apart from sericulture and farming is derived from processing imported raw materials

(c) that she is deficient in the matter of food supplies which have to be supplemented to the extent of roughly 25% by imports from abroad

(d) that any reconstruction programme in the future will be dependent on the extent of national savings and any reduction of these will involve financing of such programme by foreign powers.

In the light of these considerations the following conclusions seem inescapable:

(a) that there is little or no scope for obtaining from Japan food, minerals or raw materials

(b) that the removal of plant and equipment on a large scale would cripple her industries and render payment for imports of food and other essentials difficult if not altogether impossible. The possibilities left are:

RESTRICTED

(1) removal of plant and equipment which cannot be allowed to be utilized for reasons of safety

(2) removal of plant and equipment in excess of what is necessary to achieve balanced economy

(3) transfer of external assets and intangible assets and precious metals

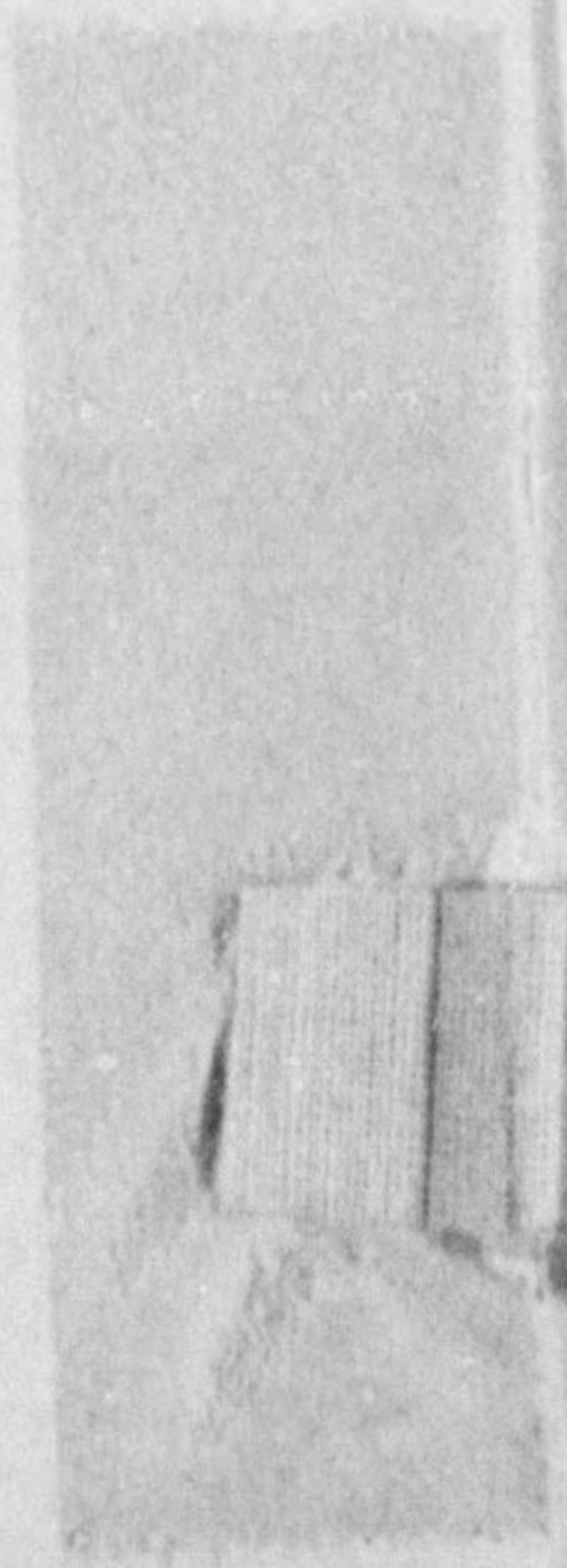
(4) and on current account the allocation to reparations of a percentage of the surplus of products of industries over a long period calculated in such a way as to leave a sufficient margin to pay for imports and meet essential domestic requirements.

In addition the possibility of setting Japanese labour to work in certain industries which has been referred to before, so as to produce goods for reparation purposes should be considered.

13. This note has been prepared with a view to provide the subcommittee with a basis for discussion. Only broad lines of policy which would result in the removal of Japanese war potential and the establishment of a balanced economy have been indicated. No comments have been offered on the system of banking or on such questions as currency, exchange, taxation, etc., as discussion of these subjects at this stage would be of a highly speculative character. The methods necessary for the democratisation of Japan, the population and unemployment problem, and the educational system have been similarly left for future consideration.

01

02



WC2
5

FEC 027

14 March 1946

FAR EASTERN COMMISSION

JAPANESE OVERSEAS TRADE IN 1936

Note by the Secretary General

1. The study of Japanese overseas trade in 1936 submitted by the United Kingdom Delegation which was circulated for the information and use of Subcommittee No. 3, International Trade, of Working Committee No. 2 of the Far Eastern Advisory Commission, as WC2-5, is circulated for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. It is requested that this cover page be substituted for the cover page on WC2-5.

NELSON T. JOHNSON
Secretary General

WC2-5

8 January 1946

FAR EASTERN COMMISSION

FEC WORKING COMMITTEE NO. 2
ECONOMIC PROBLEMS AND REPARATIONS

JAPANESE OVERSEAS TRADE IN 1936

Note by the Secretary General

The enclosure, a study of Japanese overseas trade in 1936 submitted by the U.K. Delegation, is circulated for the information and use of Subcommittee No. 3, International Trade, of Working Committee No. 2.

NELSON T. JOHNSON
Secretary General

JAPAN: OVERSEAS TRADE IN 1936.

It is a matter of some difficulty to select a year which will provide a typical picture of Japan's foreign trade. From 1937 onwards trade was distorted by the needs created by the war in China. During the early 30's there were considerable changes in the importance of the commodities entering into Japanese foreign trade. 1936 is, therefore, the year least affected by distorting influences.

SUMMARYI. IMPORTS.

1. (a) Of Japan's total imports (from foreign countries, Korea and Formosa) of 3,641 million yen,* 76% in value came from foreign countries, the remainder from Korea and Formosa.**
- (b) Of the goods coming from foreign countries, U.S.A. supplied 30% in value.
- (c) The next four largest suppliers were British India, Manchuria, Australia and China, who together with U.S.A. supplied 64% of her total imports from foreign countries.
2. 63% of her imports from foreign countries (in value) were raw materials. (On the other hand 58% of her exports were wholly manufactured goods).

Food, including grains, beans, drink and tobacco, imported from foreign countries were largely balanced by exports of manufactured foodstuffs and drink to foreign countries. On the other hand Japan was dependent upon Korea and Formosa for some 1,850,000 tons of rice, 180,000 tons of soya beans as well as miscellaneous fruits. There was also 640,000 tons of sugar from Formosa.

3. Of the total value of imports from foreign countries:-

	<u>Value</u> <u>Per cent.</u>	<u>(quantities of</u> <u>main items.</u> <u>'000 tons.</u>
Raw textile materials represented	39.6	1,081.
Ores and primary metal manufactures	13.6	7,191.
Grains, beans and seeds	7.1	1,550.
Mineral oils	6.5	4,661.
		(kilo-litres).
Rubber	2.6	98.
Pulp.	2.3	330.
Salt.	.6	1,200
Sugar	"	200.
	<u>72.3%</u>	

* A table of yen-sterling-dollar equivalents is given on page 4.

** Based on figures of Korea's and Formosa's exports to Japan.

- 2 -

These goods, therefore, represented 72.3% of Japan's imports from foreign countries.

4. Of total imports from Korea:-

Rice represented	48% in value
Ores, metals, coal and cement represented	$\frac{14\%}{62\%}$ " "

5. Of total imports from Formosa:-

Sugar and sugar products represented	47% in value
Rice " "	$\frac{34\%}{81\%}$ " "

II. EXPORTS

1. (a) Of Japan's total exports (to foreign countries, Korea and Formosa) of 3,585* million yen, 75% in value went to foreign countries, and the remaining 25% to Korea and Formosa.**

(b) Of the goods going to foreign countries, 22% in value went to U.S.A. and 18½% to Manchuria.

(c) The next four largest markets were British India, China, Great Britain, and the Netherlands East Indies, who together with U.S.A. and Manchuria received 66% of her total exports to foreign countries.

2. 58% of her exports to foreign countries (in value) were wholly manufactured goods. (On the other hand in her import trade, 63% were raw materials.)

3. Of the total value of exports to foreign countries:-

Piece goods, tissues and tissue manufactures represented	32% (tissues 3,396 mn.sq. yds.)
Raw silks and other yarns "	$\frac{18\%}{50\%}$ (113,000 tons for main items)

Other leading items were:-

Clothing and clothing accessories.	7%
Foodstuffs (largely tinned food, refined sugar and tea)	6½%
Machinery and instruments. (of limited types).	6½%
Ores and metals (¾ iron and steel)	$\frac{4\%}{74\%}$

* A table of yen-sterling-dollar equivalents is given on page 4.

** Based on figures of Korea's and Formosa's imports from Japan.

- 3 -

These goods, therefore, represented 74% of Japan's exports to foreign countries.

4. Just under one-third of Japan's 1936 export trade with foreign countries appears to have been independent of imports.
5. Of total exports to Korea, tissues and tissue manufactures represented 15% followed by machinery and instruments, 12%, and metals and primary manufactures of metal, 8%.

The remaining 65% of exports to Korea were fairly evenly distributed over various categories of consumer goods and constructional materials.

6. Total exports to Formosa were also of a balanced nature, the lead being taken by cotton and silk tissues, iron and steel, and primary manufactures of iron and steel.

TABLE OF YEN EQUIVALENTS IN STERLING AND DOLLARS.

Sterling

1930.
10 yen to £. (yen = 2/-)

<u>Yen</u>	<u>£</u>
1,000	= 100.
100	= 10.
95	= 9.5
90	= 9.0
85	= 8.5
80	= 8.0
75	= 7.5
70	= 7.0
65	= 6.5
60	= 6.0
55	= 5.5
50	= 5.0
45	= 4.5
40	= 4.0
35	= 3.5
30	= 3.0
25	= 2.5
20	= 2.0
15	= 1.5
10	= 1.0
5	= .5
4	= .4
3	= .3
2	= .2
1	= .1

1936.
17 yen to £. (yen = 1/2d).

<u>Yen</u>	<u>£</u>
1,000	= 58.8
100	= 5.9
95	= 5.6
90	= 5.3
85	= 5.0
80	= 4.7
75	= 4.4
70	= 4.1
65	= 3.8
60	= 3.5
55	= 3.2
50	= 2.9
45	= 2.6
40	= 2.4
35	= 2.1
30	= 1.8
25	= 1.5
20	= 1.2
15	= .9
10	= .6
5	= .3
4	= .2
3	= .18
2	= .11
1	= .06

Dollars.

1930.
100 yen = 50 dollars (yen = 50 cents).

<u>Yen.</u>	<u>Dollars.</u>
1,000	= 500
100	= 50
95	= 47.5
90	= 45
85	= 42.5
80	= 40
75	= 37.5
70	= 35
65	= 32.5
60	= 30
55	= 27.5
50	= 25
45	= 22.5
40	= 20
35	= 17.5
30	= 15
25	= 12.5
20	= 10
15	= 7.5
10	= 5
5	= 2.5
4	= 2
3	= 1.5
2	= 1
1	= .5

1936.
100 yen = 29 dollars (yen = 29 cents).

<u>Yen.</u>	<u>Dollars.</u>
1,000	= 290
100	= 29
95	= 27.6
90	= 26.1
85	= 24.6
80	= 23.2
75	= 21.8
70	= 20.3
65	= 18.8
60	= 17.4
55	= 15.9
50	= 14.5
45	= 13.0
40	= 11.6
35	= 10.1
30	= 8.7
25	= 7.2
20	= 5.8
15	= 4.3
10	= 2.9
5	= 1.45
4	= 1.16
3	= .87
2	= .58
1	= .29

- 5 -

APPENDIX.I.JAPAN PROPER. IMPORTS FROM FOREIGN COUNTRIES AND THE JAPANESE
EMPIRE, 1936.TOTAL FIGURES.I. Imports from foreign countries.(a) Imports by value.

	<u>Million Yen.</u>
Total imports.	2753.3
Re-imports.	<u>10.3</u>
	<u>2763.6</u>

(b) Imports by type.

	<u>Million Yen.</u>	<u>%</u>
Raw materials.	1737.7	63
Partly manufactured goods.	476.6	17.50
Manufactured goods.	294.3	10.50
*Food, drink and tobacco.	231.2	8.25
Miscellaneous.	<u>24.0</u>	<u>.75</u>
	<u>2763.8</u>	<u>100.</u>

* Partly or wholly prepared, 62.2 million yen.

(c) Countries from which imported.

	<u>Million Yen.</u>	<u>%</u>
U.S.A.	847.5	30.2
British India	372.0	13.3
Manchuria	239.4	8.5
Australia	181.9	6.6
China	154.8	5.5
Germany	115.5	4.5
Netherlands East Indies	113.5	4.4
Canada	73.2	2.6
Brazil	47.4	1.6
Egypt	45.7	1.6
Africa (other parts)	62.4	2.6
Argentina	30.0	1.0
New Zealand	22.0	.7
Others	<u>458.3</u>	<u>16.7</u>
Total from foreign countries	<u>2,763.6</u>	<u>100.0</u>

II. <u>Imports from Korea</u>	518.0 million yen
<u>Imports from Formosa</u>	<u>358.9</u>
Total:-	876.9
Total from foreign countries	<u>2763.6</u>
<u>Total from foreign countries</u> <u>and Korea and Formosa.</u>	<u>3640.5</u>

- 6 -

SELECTED DETAILS.I. Imports from foreign countries.
(Total - 2763.6 million yen)1. *Raw textiles, yarns, threads, twines, cordages and their materials.Total Value - 1109.5 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Ginned Cotton	849.6	890	U.S.A.	375.3
Sheep's Wool	200.6	96	Br. India	322.6
Jute	7.7	30	Australia	147.7
Manila hemp	20.0	65	Brazil	44.9
			China	40.2
			Egypt	36.4
			Br. East Africa	27.5
			Philippines	20.7
	<u>1077.9</u>	<u>1081</u>		<u>1015.3</u>

2. Ores and Minerals.Total Value - 374.9 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen.</u>
Iron ore	40.0	3700	U.S.A.	121.9
Zinc ore	3.0	47	Br. India	32.0
Other ores	6.1	220	Canada	30.3
Iron and Steel	192.0	3000	Manchuria	28.3
Aluminium (ingots, slabs, etc)	13.2	10	China and Hongkong	24.0
Copper (ingots, slabs, etc)	36.2	52	Malaya	19.4
Lead (ingots, slabs, etc)	27.2	95	Gr. Britain	14.4
Tin (ingots, slabs, etc)	15.1	4.5	Germany	13.2
Zinc (slabs, sheets, etc)	16.4	60	Australia	10.2
Nickel (ingots, grain etc)	8.5	2.5	Mexico	9.7
Mercury	3.1	.5	Belgo-Luxemburg Union.	9.2
			Far Eastern U.S.S.R.	9.1
			Sweden	5.0
	<u>362.8</u>	<u>7191.5</u>		<u>326.7</u>

Of the imports enumerated above, aluminum was mainly from U.S.A. and Canada, almost all the copper from U.S.A., lead from Mexico, Canada, and India, tin from Strait Settlements and China, zinc from Canada, U.S.A. and Australia, nickel from Great Britain and Canada, mercury from Italy and China.

- 7 -

3. Grains, flours, starches and seeds.Total Value - 201.2 million yen.

<u>COMMODITY.</u>	<u>Million</u> <u>Yen.</u>	<u>'000</u> <u>Tons</u>	<u>COUNTRY.</u>	<u>Million</u> <u>Yen.</u>
Soya beans	60.5	550	Manchuria	107.4
Small beans	12.5	100	China	21.8
Wheat	33.7	300	Australia	17.7
Indian corn	20.5	300	Canada	14.4
Perilla seed	17.8	100	Argentina	13.1
Other oil seeds	<u>25.1</u>	<u>200</u>	Netherlands East Indies	<u>10.3</u>
	170.1	1550		184.7

4. Oils, fats and waxes.Total Value - 197.5 million yen.

<u>COMMODITY.</u>	<u>Million</u> <u>Yen</u>	<u>'000</u> <u>kilo-</u> <u>litres.</u>	<u>COUNTRY.</u>	<u>Million</u> <u>Yen.</u>
Crude, heavy and other mineral oil	182.8	4661	U.S.A.	120.9
			Netherlands East Indies	44.7
			Br. Borneo	9.3
			Manchuria	<u>3.9</u>
				178.8

5. Drugs, chemicals, medicines, explosives. (also includes crude rubber).Total Value - 196.4 million yen.

<u>COMMODITY</u>	<u>Million</u> <u>Yen</u>	<u>'000</u> <u>Tons</u>	<u>COUNTRY.</u>	<u>Million</u> <u>Yen</u>
Rubber (crude)	73.0	98	Germany	37.7
Potassium Chloride (crude)	10.6	80	U.S.A.	29.1
Potassium sulphate (crude)	9.4	70	Netherlands East Indies	25.0
Sodium Nitrate (crude)	7.2	80	Str. Settlements	24.2
Ammonium Sulphate (crude)	<u>33.9</u>	<u>300</u>	Malaya	19.5
	134.1	628	Manchuria	12.3
			France	5.8
			Gt. Britain	5.6
			Chile	<u>5.3</u>
				164.5

- 8 -

6. Machinery, vehicles and scientific instruments.Total Value - 153.1 million yen.

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>COUNTRY.</u>	<u>Million Yen.</u>
Machinery	91.2	U.S.A.	79.5
Vehicles, vessels	41.0	Germany	33.0
Scientific instruments, etc.	13.3	Gt. Britain	20.6
Firearms	3.7	Switzerland	7.1
Clocks and watches	3.9	Sweden	5.6
	<u>153.1</u>		146.2

Included in the above imports are the following:-

Machinery - Metal or wood working machinery, 18.8 million yen, weighing 6,000 tons. Internal combustion engines (weighing from 1/4 to 2 1/2 tons) 13.2 million yen mainly from U.S.A. Sewing machines 7.6 million yen (from Gt. Britain, 3.6 million yen, from U.S.A. 2.3 million yen, from Germany 1.6 million yen).

Vehicles. Parts of motor cars, 31.9 million yen mainly from U.S.A.

Firearms. 3.7 million yen of which 2.7 were from France.

7. Minerals and Mineral Manufactures.Total Value - 100.4 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>COUNTRY</u>	<u>Million Yen.</u>
Precious stones	7.1	-	Manchuria	33.0
Asbestos (lump, powder & fibre)	5.4	25	China	13.5
Phosphorite	22.4	800	French Indo-China	12.6
Coal*	51.1	4134	U.S.A.	8.0
Dolomite and magnesite	2.3	150	Egypt	7.2
Clay	1.8	150	Pacific Island (Now mandated)	5.7
	90.1		Straits Settlements	3.5
			Canada	3.0
			Belgo-Luxemburg	2.7
			Holland	2.3
				<u>91.5</u>

* 2,240,000 tons from Manchuria.
 1,018,000 " " China.
 869,000 " " French Indo-China.

8. Pulp, Paper, Books and other paper manufactures.Total Value - 88.5 million yen.

<u>COMMODITY</u>	<u>Million Yen.</u>	<u>'000 Tons</u>	<u>COUNTRY</u>	<u>Million Yen</u>
Rayon pulp	44.1	170	U.S.A.	33.9
Paper pulp	23.0	160	Norway	15.1
Printing paper (weighing not more than 58 gr. pr. sq. metre)	9.3	70	Canada	13.2
Books and periodicals.	2.1	-		62.2
	<u>78.5</u>			

9. Beverages, comestibles and tobacco.

Total Value 74.6 million yen.

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Sugar	20.9	200	Netherlands East Indies	20.7
Salt*	17.7	1,200	China	12.0
Leaf tobacco	10.2	-	U.S.A.	11.0
Fresh beef	8.4	15	It. Somaliland	2.9
	57.2			46.6

* Manchuria	250,000 tons
China	250,000 "
It. Somaliland	200,000 "
Turkey	50,000 "
Egypt	70,000 "
Eritrea	60,000 "

10. Skins, Hairs, Bones, etc.

Total Value - 47.3 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Hides & Skins	24.4	30	China	18.1
Pig bristles	6.5	0.5	U.S.A.	5.5
Mollusc shells	4.4	15	Br. India	3.6
	35.3	45.5	Australia	2.9
			Uruguay	2.7
			Manchuria	2.2
				35.0

11. Dyes, Pigments, Coatings and filling materials.

Total Value - 23.5 million yen.

<u>COMMODITY.</u>	<u>COUNTRY</u>	<u>Million Yen.</u>
Includes miscellaneous dyestuffs, lacquer, carbon black, titanium oxide, etc.	Germany	9.3
	U.S.A.	6.3
	China	2.1
	Switzerland	1.7
		19.4

12. Tissues and Tissue manufactures.

Total Value - 16.7 million yen.

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Woollen cloths, serges and linings of mixed wool and cotton.	9.5	5,804	Gt. Britain	11.4
			U.S.A.	2.7
				14.1

13. Metal manufactures.

Total Value - 10.6 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>COUNTRY.</u>	<u>Million Yen.</u>
Iron cylinders (for compressed gases).	1.8	3.5	U.S.A.	3.4
Mechanics' tools & agricultural implements.	1.5	-	Germany	3.1
Cutlery	1.0	-	Gt. Britain	2.8
	4.3		Sweden	0.6
				9.9

14. Glass, Glass Manufactures and Clay Manufactures.

Total Value - 4.5 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>'000 Sq. Metres.</u>	<u>COUNTRY.</u>	<u>Million Yen.</u>
Plate and sheet glass	2.1	-	1266	Germany	1.4
Photographic plates	0.7	0.4	-	Manchuria	0.9
Fire bricks	0.7	13.	-	Belgo-Luxemburg	0.6
	3.5			Gt. Britain	0.5
				U.S.A.	0.5
					3.9

15. Plants and Animals (Live).

Total Value - 2.2 million yen.

<u>COUNTRY.</u>	<u>Million Yen</u>
Australia	0.6
Germany	0.5
U.S.A.	0.4
Gt. Britain	0.3
France	0.2
	2.0

16. Clothing and Accessories.

Total Value - 1.3 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Felt hats.	0.8	Italy	0.4
Buttons	0.3	Germany	0.2
	1.1	Gt. Britain	0.2
		Czechoslovakia	0.2
		U.S.A.	0.1
			1.1

17. Miscellaneous Articles.

Total Value - 151.1 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>'000 Cubic metres</u>	<u>COUNTRY.</u>	<u>Million Yen</u>
Cedar, pine, fir, hemlock	37.6	-	1342	U.S.A.	45.9
Other timber (excluding teak and ebony)	13.8	-		Manchuria	36.4
Cinematograph films	4.4	0.2		China	20.5
Fodder	8.8	110.		Canada	9.1
Wheat bran	8.7	160		Germany	8.5
Oil cakes (bran)	27.1	370		Philippines	7.3
Oil cakes (cotton seed)	4.9	80		Netherlands East Indies	6.6
Other manures	5.6	41		Br. Borneo	4.6
	110.9				138.9

II. Imports from Korea 1936.*
(Total value - 518.0 million yen).

1. Grain, Flour and Seeds

278.1

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons.</u>
Rice and paddy	249.4	1,200.
Soya beans	23.5	180.
Corn starch	2.3	13.
Other Items	2.9	
	278.1	

2. Ores, Minerals and their Manufactures.

70.7

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons.</u>
Coal	6.3	628
Cement	4.8	250
Ores	13.5	350 of which 250,000 tons iron ore. (Gold ore 6½ million yen)
Iron and Steel	14.2	200 60% pig iron
Other items	31.9	
	70.7	

348.8 carried forward.

* Based on figures of Korea's exports to Japan.

- 12 -

b/f:- 348.8
43.5Fibres and their manufactures.

<u>COMMODITY</u>	<u>Million yen.</u>	
Ginned cotton	11.5	11,000 tons
Raw and tussah silk	19.8	1,800 "
Rags	2.0	18,000 "
Other items	<u>10.2</u>	
	<u>43.5</u>	

Oils, Fats, Drugs and Colouring Materials.

26.4

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons</u>
Fish oil (mainly from sardines)	8.2	35.
Hardened oils	3.4	8.
Fatty acids	3.2	11.
Other items.	<u>11.6</u>	
	<u>26.4</u>	

Beverages, Comestibles and Tobacco.

24.0

<u>COMMODITY.</u>	<u>Million Yen.</u>
Aquatic products	15.5
Other Items	<u>8.5</u>
	<u>24.0</u>

Hides, Skins, etc.

3.8

<u>COMMODITY.</u>	<u>Million Yen.</u>
Hides, skins and leather	3.8

Miscellaneous

71.5

<u>COMMODITY.</u>	<u>Million Yen.</u>	
Manures, (bean cake, rice husks, fish manures, etc)	38.4	450,000 tons.
Cattle	4.3	61,509 head.
Paper	3.5	10,000 tons.
Other items	<u>25.3</u>	
	<u>71.5</u>	

Total imports from Korea:-

518.0 million
yen

- 13 -

III. Imports from Formosa 1936.*Total Value - 358.9 million yen.

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons.</u>
Sugar	163.5	840
Rice	124.5	650 (700:)
Orcs	15.6	232
Bananas	10.6	200:
Canned pineapples	5.9	17
Alcohol	5.6	-
Camphor and camphor oil	5.0	-
Other items.	<u>28.2</u>	-
	<u>358.9</u>	

* Includes 9.6 million yen of exports from Formosa to Korea.

- 14 -

II.JAPAN PROPER. EXPORTS TO FOREIGN COUNTRIES AND THE JAPANESE EMPIRE, 1936.TOTAL FIGURES.I. Exports to foreign countries.(a) Exports by value.Million Yen.

Total exports	2,641.5
Re-exports	<u>51.5</u>
Total:-	<u>2,693.0</u>

(b) Exports by type.

Wholly manufactured goods.	1,563.4	<u>58.3</u>
Partly " "	716.4	26.6
Food, beverages and tobacco.*	203.7	7.5
Raw materials.	126.6	4.6
Miscellaneous.	<u>82.9</u>	<u>3.0</u>
Total:-	<u>2,693.0</u>	<u>100.00</u>

* Of which 153.7 million yen's worth are wholly or partly processed.

(c) Exports by destination.

U.S.A.	594.3	22.01
Manchuria	498.0	18.44
British India	259.1	9.60
China	159.7	6.00
Gt. Britain	149.3	5.50
Netherlands East Indies	129.5	4.80
Australia	68.8	2.60
Straits Settlements	58.8	2.17
Hongkong	58.4	2.16
Philippines	51.8	2.00
Siam	43.0	1.60
Others	<u>624.3</u>	<u>23.12</u>
	<u>2,693.0</u>	<u>100.0</u>

(d) The main exports to foreign countries derived from indigenous raw materials were approximately:-

	<u>Million Yen.</u>
Raw silk	392.8
Silk tissues	68.0
Artificial silk yarns & tissues	40.0
Pottery and glass	68.8
Tinned fish	58.2
Various drugs and chemicals	31.1
Dyes, etc.	19.3
Tea	13.1
Coal	10.4
Cement	8.0
Lily bulbs	2.9
Miscellaneous	<u>79.3</u>
	791.9

= 29% of total exports to foreign countries.

- 15 -

It is, therefore, probable that barely a third of Japan's 1936 export trade with foreign countries was entirely independent of imports.

II. <u>Exports to Korea</u>	647.9 million yen.		
<u>Exports to Formosa</u>	<u>243.8</u>	"	"
Total:-	891.7	"	"
Total to foreign countries	<u>2,693.0</u>	"	"
<u>Total to foreign countries.</u> <u>Korea and Formosa.</u>	<u>3,584.7</u>	"	"

- 16 -

SELECTED DETAILS.I. Exports to foreign countries.

(Total Value - 2,693 million yen)

1. Piece Goods, Tissues and Tissue Manufactures.Total Value - 864.6 million yen.

Of this the main components and chief destinations were:-

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>Million Sq.Yds.</u>	<u>Source.</u>	<u>DESTINATIONS</u>	<u>Million Yen</u>
<u>Tissues:</u>					
Cotton.	483.6	2,710	A*	Br. India.	137.0
Artificial silk.	149.2	528	AB*	Africa.	130.4
Silk	68.0	121	B*	Manchuria	128.8
Woollen	46.0	37	A	Netherlands	
				East Indies.	71.5
				U.S.A.	53.6
Tissue manufac- tures.	<u>73.2</u>	-	AB	China & Hong- kong	45.0
				Australia	<u>40.0</u>
Total:-	820.0				
				Total:-	606.3

2. Yarns, Threads, Linens, Cordage and Materials.Total Value - 524.2 million yen.

Of this the main components and chief destinations were:-

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
raw silk.	392.8**	30	B.	U.S.A.	349.0
				Br. India	41.4
Cotton Yarns,	38.3	20	A.	Gt. Britain	27.1
Cotton and cotton yarn waste	14.9	41	A.	France	23.5
				Manchuria	23.3
				China and Hongkong	9.0
Artificial Silk Yarns.	29.2	19	AB.	Australia	<u>7.6</u>
				Total:-	480.9
Woollen and worsted Yarns.	<u>15.3</u>	3	A.		
Total:-	490.5				

** Of which 334.5 million yens' worth went to the U.S.A.

- * A - Mainly or wholly dependent on imported materials.
 B - Mainly or wholly derived from indigenous resources.
 AB - Partly dependent on imports and partly on indigenous resources.

- 17 -

3. Clothing and Clothing Accessories.Total Value - 181.2 million yen.

These exports were cotton undershirts and pants, felt and panama hats, cotton socks, shoes, shell and other buttons, silk kimonos and miscellaneous clothing with the exception of the silk kimono and possibly some of the buttons, they were mainly dependent on imported raw materials.

The chief destinations were:-

	<u>Million Yen.</u>
U.S.A.	21.4
Manchuria	19.1
Africa	30.8
Br. India	17.9
Gt. Britain	16.3
Netherlands East Indies	10.6
Philippines	7.9
China and Hongkong.	<u>6.5</u>
Total:-	<u>130.5</u>

4. Foodstuffs, Beverages and Tobacco.Total Value - 174.6 million yen.

Of this the main components and chief destinations were:-

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>Source</u>	<u>DESTINATIONS.</u>	<u>Million Yen</u>
Tinned Fish	58.2	B	Manchuria	40.7
Sugar (mainly refined)	22.5	A	Gt. Britain	35.0
Tea	<u>13.1</u>	B	U.S.A.	27.1
			China & Hongkong	<u>21.3</u>
Total:-	93.8		Total:-	124.1

Included in the balance of exports are tinned and fresh fruit, confectionery, seaweed, fresh and dried fish, isinglass, soy, sake and beer.

5. Machinery, Vehicles, Scientific Instruments, Clocks and Watches.Total Value 174.5 million yen

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Cycle parts	19.8	22.0	B Or A.	Manchuria	90.3
Cycles & frames (562,100)	5.2	-	"	China	31.7
Locomotives (266)	15.1	-	"	Asiatic U.S.S.R.	10.9
Parts of motor cars (33-1/3% tyres)	13.8	-	"	Br. India	8.2
Railway Vehicles & parts	12.7	-	"	Netherlands East India.	6.4
Spinning machinery & parts.	<u>10.2</u>	13.0	"	Str. Settlements	4.2
				Siam.	<u>3.1</u>
c/f:-	76.8			Total:-	154.8

- 18 -

<u>COMMODITY.</u>	<u>Million</u> <u>Yen</u>	<u>'000</u> <u>Tons</u>	<u>Source.</u>
b/f:-	76.8		
Electric Motors.	6.4	4.5	B or A.
Other Electric machinery	9.5	7.0	"
Steam Vessels (42)	6.1	-	"
Weaving Machinery & Parts.	<u>5.0</u>	10.0	"
	103.8		

Included in the balance of exports are:- Clocks, gramophones, measuring apparatus, etc.

This category shows the extent to which these goods were going to Manchuria to set up industries. Some of these exports depended on the import of special parts and/or special steels or rubber.

6. Ores and Metals.

Total Value - 103.1 million yen.

<u>COMMODITY</u>	<u>Million</u> <u>Yen</u>	<u>'000</u> <u>Tons</u>	<u>Source</u>	<u>DESTINATIONS.</u>	<u>Million</u> <u>Yen.</u>
Ores. (Iron & Steel)	4.3	114		Manchuria	36.2
Ingots, bars,) rails, plates) sheets, tubes) wire, wire) ropes, etc.)	76.4	490	A	China and Hong- kong	21.4
				Br. India	12.1
Copper (Ingots,) bars, tubes,) plates, sheets,) wire, etc.)	9.8	12	A or B	Netherlands	
				East Indies.	6.1
Brass (bars,) rods, pipes,) tubes, plates,) wire, etc.)	<u>6.7</u>	10	A.	Str. Settlement	5.2
	97.2			Siam	5.0
				Australia	2.8
				Gt. Britain	<u>2.1</u>
					90.9

/7. Metal

- 19 -

7. Metal Manufactures.Total Value - 76.5 million yen.

<u>COMMODITY.</u>	<u>Million Yen.</u>	<u>'000 Tons</u>	<u>Source</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Insulated Electric Wire.	13.7	16	A or B	Manchuria	24.2
Enamelled iron ware.	<u>9.8</u>	20	AB	China & Hongkong	6.9
	23.5			Br. India	5.6
				Netherlands East Indies	5.5
				U.S.A.	5.5
				U.S.S.R.	3.4
				Str. Settlements	3.1
				Gt. Britain	2.9
				Philippines	2.7
				Siam.	<u>2.6</u>
					62.4

Included in the balance of exports are sundry manufactures of iron, copper, nickel, chrome, etc.

8. Oils, Fats, Waxes, and their Manufactures.Total Value - 74.8 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Perilla Oil	15.0	32	A	U.S.A.	34.8
Rapeseed Oil	10.5	23	B	Manchuria	8.8
Cotton seed oil	<u>5.1</u>	11	A	Germany	8.2
	30.6			China	<u>3.6</u>
					55.4

Included in the balance of exports are fish oil, hardened oil, soap, etc.

9. Pottery and Glass.Total Value - 68.8 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Dozens</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Tableware Pottery	33.9	40	B	U.S.A.	18.6
				Br. India	9.2
				Netherlands East Indies	4.6
				Manchuria	4.6
				Australia	3.4
				China and Hongkong.	<u>3.3</u>
					43.7

Included in the balance of exports are glass cups, spectacles, mirrors, and miscellaneous.

/10. Drugs,

- 20 -

10. Drugs, Chemicals and Explosives.Total Value - 62.2 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Camphor and Menthol crystals.	9.8	1.7	B	Manchuria China U.S.A. British India	12.4 10.5 9.9 5.4

Included in the balance of exports are insectifuges, medicines, sulphur, miscellaneous drugs, matches, and a few explosives mainly to China.

38.2

11. Paper and Paper Pulp Manufactures.Total Value - 44.3 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Printing paper	8.2	35	AB	Manchuria	21.8
Cigarette "	4.5	5	"	China & Hongkong	10.2
Imitation Jap: paper	2.8	10	"	U.S.A. Br. India	2.2 2.0
Miscellaneous papers.	3.6	16	"	Netherlands East Indies.	1.8
	19.1				38.0

12. Grain, Flours, Starches and Seeds.Total Value - 29.9 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Wheat Flour	17.6	120	A	Manchuria Gt. Britain China U.S.A. Hawaii Philippines	16.2 4.5 2.0 1.5 1.1 1.1
					26.4

13. Minerals and Manufactures.Total Value - 24.3 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen.</u>
Coal	10.4	1,095	B	China and Hongkong	6.6
Cement	8.0	630	B	Manchuria Str. Settlements Philippines	4.3 4.0 2.6
	18.4				17.5

/14.

- 21 -

14. Skins, Hair, Bones, etc.

Total Value - 23.5 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>'000 Tons</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen</u>
Pig or Hog bristles	7.7	0.4	A	U.S.A.	13.1
Rabbit furs	<u>3.8</u>	0.5	AB	Gt. Britain	<u>2.1</u>
	11.5				15.2

15. Dyes, Pigments, Coating and Filling Materials.

Total Value - 19.3 million yen.

<u>COMMODITY.</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen</u>
Includes Indigo, coal-tar, dyes, pencils, inks, paints, etc.	AB	China.	5.4
		Manchuria	4.6
		Br. India	<u>2.6</u>
			12.6

16. Plants and Animals (Living).

Total Value - 4.0 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>Million pieces</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen</u>
Lily bulbs	2.9	36	B	U.S.A.	2.1
				Gt. Britain	0.8
				China	0.3
				Manchuria	<u>0.3</u>
					3.5

17. Miscellaneous Articles.

Total Value 191.7 million yen.

<u>COMMODITY.</u>	<u>Million Yen</u>	<u>Source.</u>	<u>DESTINATIONS.</u>	<u>Million Yen</u>
Toys	36.5	B	U.S.A.	50.8
			Manchuria	31.0
Sawn wood, veneer, railway sleepers.	24.7	AB	Gt. Britain	24.3
			China & Hongkong	14.6
Electric Lamps	9.8	B	Br. India	10.9
Matting and straw plaits	9.9	B	Netherlands	
			East Indies	6.1
Miscellaneous wood manufactures.	7.7	B	Australia	5.6
			S. Africa	<u>3.4</u>
Celluloid and manufactures (exclud- ing toys)	7.9	B		146.7
Fish meal	7.5	B		
India Rubber manufactures (exclud- ing tyres)	<u>7.4</u>	A.		
	111.4			

- 22 -

JAPAN PROPER.II. Exports to Korea, 1936.

Total exports to Korea* - 647.9 million yen.

Main categories and commodities.

<u>Tissues and tissue manufactures.</u>		96.1
<u>Machinery vehicles and scientific instruments.</u>		79.0
<u>Iron, steel and other metals and primary metal manufactures.</u>		52.3
Iron and steel	44.7 (280,000 tons)	
Copper	2.5 (2,000 ")	
Other Metals	<u>5.1</u>	
	52.3	
<u>Food, drink and tobacco (excluding grains).</u>		48.6
Sugar	5.8 (30,000 tons)	
Confectionery	5.7	
Sake	2.0	
Fresh fruit	5.0 (40,000 tons)	
Salt fish	1.3	
Dried fish	2.7	
Tobacco	2.9	
Other items	<u>23.2</u>	
	48.6	
<u>Clothing and accessories.</u>		46.2
<u>Metal Manufactures (construction material, hardware, etc)</u>		45.3
<u>Yarns, threads, etc.</u>		42.1
<u>Grain, flours, starches and seeds.</u>		29.3
Rice and paddy	5.0 (25,000 tons)	
Flour (mainly wheat and millet)	10.8 (56,000 ")	
Other items	<u>13.5</u>	
	29.3	
<u>Minerals and manufactures</u>		26.0
Coal	10.1 (884,600 tons)	
Cokes	1.3 (47,400 ")	
Cement	7.4 (354,000 ")	
Other items	<u>7.2</u>	
	26.0	

* Based on Korean import statistics.

- 23 -

Main categories and commodities.

<u>Paper and paper manufactures.</u>		24.3
<u>Oils and Fats.</u>		24.0
Mineral oil	17.7	
Oil seeds	2.0	
Other items	<u>4.3</u>	
	24.0	
<u>Chemicals, drugs, explosives, etc.</u>		24.0
<u>Pottery, glass and their manufactures</u>		10.9
<u>Paints and colours</u>		5.8
<u>Skins, hair, bones, etc.</u>		3.9
<u>Miscellaneous.</u>		75.6
Manures	28.3 (340,000 tons)	
Timber and other items	<u>47.3</u>	
	75.6	
<u>Postal packages and travellers effects.</u>		<u>13.3</u>
TOTAL EXPORTS TO KOREA:-		<u>647.9</u>

III. Exports to Formosa 1936.*Total value - 243.8 million yen.

<u>Commodity.</u>	<u>Million Yen.</u>	<u>'000 tons.</u>
Wheat flour	5.5	
Confectionery	2.5	
Sake	4.0	
Cigarettes	6.6	
Mineral oils	5.8	
Cotton and silk tissues.	19.3	
Wool tissues	2.0	
Iron, steel and primary manufactures	16.3	105
Miscellaneous iron and steel "	6.5	
Cycles parts and accessories	3.5	
Motor cars, parts and accessories	5.5	
Firearms and miscellaneous machinery	6.4	
Timber.	14.2	
Superphosphate of lime	2.5	
Ammonium sulphate (crude)	14.8	
Synthetic fertilizers	4.9	
Compound manures	5.5	
Other manures	<u>0.4</u>	
	126.2	

* Includes 8.8 million yen of imports into Formosa from Korea.

FEC 028

14 March 1946

FAR EASTERN COMMISSION

JAPANESE STEEL INDUSTRY

Note by the Secretary General

1. The study of the Japanese steel industry submitted by the United Kingdom Delegation, which was circulated for the information and use of members of Working Committee No. 2 of the Far Eastern Advisory Commission, as WC2-6, is hereby circulated for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. It is requested that this cover page be substituted for the cover page on WC2-6.

NELSON T. JOHNSON
Secretary General

FEC 028

WC2-6

21 January 1946

FAR EASTERN COMMISSION

FEC WORKING COMMITTEE NO. 2
ECONOMIC PROBLEMS AND REPARATIONS

JAPANESE STEEL INDUSTRY

Note by the Secretary General

The enclosure, a study of the Japanese steel industry submitted by the United Kingdom Delegation, is circulated for the information and use of members of Working Committee No. 2.

FOR THE SECRETARY GENERAL:

ERLE R. DICKOVER

WC2-6

ENCLOSURETHE JAPANESE STEEL INDUSTRY

1. The general principles laid down in the Potsdam Declaration which must govern the estimates of Japanese steel requirements and the future scale of Japanese steel production are:

(i) Japan shall be permitted to maintain such industries as will sustain her economy, and allow the exaction of reparations in kind.

(ii) But not those industries which will enable her to rearm for war.

(iii) To this end access to, as distinguished from control of, raw materials shall be permitted.

(iv) Eventual Japanese participation in world trade relations shall be permitted.

2. Home Civil Requirements.

The total consumption of finished steel in Japan Proper, including direct and indirect consumption for munition industries, rose from an average of approximately 3.25 million ingot tons per year in 1928/30 to an average of 5 million ingot tons per year in 1935/37. The increase was continuous and considerably higher figures were probably reached in subsequent years.

In part this increase was undoubtedly for munitions and for the expansion of munition industries, both in Japan Proper and in Manchuria, Korea and China, but in part the expansion of consumption was for civilian requirements and for industrial development for the provision of an increasing volume of exports. It is not possible to establish precisely how much of the consumption in the later years can be deemed as being for home civil requirements and indirect exports, but it is suggested that a figure of 3.5 million ingot tons may be regarded as a reasonable approximation, of which

upwards of 0.2 million tons were used for indirect exports.

Any metal-using industry is likely to be adaptable to war requirements, but much of the development between 1929 and 1939 was clearly not specifically designed for war purposes. The expansion of the textile, rubber, glass, radio and fertiliser industries, the increased manufacture of bicycles and of light metal goods, such as cigarette lighters, toys, enamelware, etc., and the development of fruit and fish canning, all depended to an appreciable extent on local machine making, and will have necessarily involved the provision of greatly increased transport facilities, both for goods and for people, and the development of building and public utilities. Much of the services provided were, of course, common services, for munitions and civil industry.

It is doubtful whether the direct munition consumption of steel in 1935/37, including naval ship-building, would have reached a million ingot tons, while the devotion of 500,000 tons per year to developing capital equipment of munition industries both in Japan and in her colonies and dependents, would have been an exceptionally high figure.

It is suggested, therefore, that 3.35 million ingot tons (equalling say 2.5 million tons of finished steel) as an estimate of home civil requirements for Japan in the early post-war years, having regard to the fact that population will have appreciably increased since the thirties, is a reasonable basis and should be regarded as a minimum starting point. The figure may be slightly varied according to the extent to which ship-building is permitted. The steel used for building ocean-going vessels, other than those required for local and coasting trade in 1935/37, would approximate to 100/150,000 tons per year. It is thought that some production of motor cars, lorries and buses will be necessary to maintain transport of raw materials, finished products and workers; but the steel for these purposes in 1935/37 was mainly contained in imported parts which were only assembled in Japan. More recently local manufacturing facilities have been expanded.

It is thought that 3.5 million ingot tons of steel would not be sufficient to enable Japan to rearm for war.

3. Export Trade.

It is necessary to consider separately exports of finished steel and exports of goods containing steel.

With regard to exports of finished steel, it is unlikely that after an initial period, at any rate, there will be any world shortage of finished steel at relatively low prices, and Japan does not appear to be well placed for joining in the finished steel export trades because of her lack of indigenous raw materials. If the resources upon which Japanese steel is dependent are to be used as the basis of export trade, it will probably be best if production for export is located outside Japan, in Manchuria or Korea, or North China, which will in future not be under Japanese control; and finishing capacity could possibly be transferred from Japan to these countries for this purpose. This will, of course, raise the problem of providing adequate skilled personnel, as the skilled personnel in these countries is Japanese.

With regard to the export trade in goods containing steel, it is suggested that a considerable amount of this trade should remain. A large part in weight of the export was not military in objective, nor in all probability was the bulk of the export even of capital goods designed to foster war industries. There was a wide range of exports of consumer goods containing steel, ranging from bicycles and enamelware to umbrella frames, gramophones, clocks, cigarette cases, nails, etc., while of capital goods exported, textile machinery constituted by weight, the most important single item. These exports were low-cost exports and almost certainly supplied an important need in poor communities. The quantity of steel involved might be in the neighbourhood of 150,000 ingot tons per year, and the value of the goods exported would be approximately 120 million yen per annum.

(see Appendix 1) It is likely that some imports of machinery would also be required, certainly in the earlier stages, to maintain the Japanese economy.

4. Steel Supplies.

Steel ingot production in Japan Proper was 5.25 million tons in 1936. No subsequent figures are available, but capacity has been subsequently considerably increased. Output in 1936 depended upon very large imports of iron ore, scrap and pig iron. The finishing branches of the steel industry also used substantial tonnages of imported semi-products, and there was an import of finished steel.

It is not necessary that if a consumption rate of 3.5 million ingot tons of steel is visualised, the whole supply should be produced within Japan. It is clear that the local coal supply is not adequate, inasmuch as it is necessary to mix imported coal with local coal in proportions of 1 : 2 in the manufacture of coke. It appears rather uncertain how extensive Japanese iron ore resources are; but it is noteworthy that for the ten years before the war she was making great efforts to ship supplies of ore from outside sources even as far afield as Australia. On the other hand, it appears that there has recently been an expansion of Basic Bessemer steel making based on local ores, but the extent of these deposits is uncertain.

It is estimated that Japanese home ore supplies during the war might have reached a maximum of 3.7 million tons per year with an iron content of 1.45 million tons, which would form the basis for an output of approximately 1.5 million tons of pig iron. If the whole of these were used for steel making the ingot output might be expected to reach 2.75 million ingot tons, on the assumption that circulating scrap and scrap from consuming industries, demolition of old plants and buildings, and war damage, would each be approximately 700,000 tons. It is however improbable that Japanese home ore supplies are economically available on the

scale required for this, so that if it were decided that the Japanese steel making industry should be based on home ores only, without imports of pig iron or scrap, ingot output would almost certainly fall appreciably below 2.75 million tons. If therefore the import of ore (except oxidising ore) scrap and pig iron were prohibited Japan would need to import steel to the equivalent of at the very least 750,000 ingot tons per year, and more probably upwards of 1.25 million tons (equivalent to some 550,000 tons and 950,000 tons of finished steel respectively) in order to sustain a rate of consumption of 3.5 million ingot tons a year for home requirements and indirect export.

This would put a strain on the Japanese economy which, in view of the unfavourable balance of payments position, would seem to be too heavy and it is therefore proposed that imports of ore should be allowed to the extent required for an ingot output of 3.5 million tons per year. It is thought this would amount to approximately 2.5 million tons of ore.

With regard to the production of special steels, which may well prove to be a crucial question from the point of view of security, it is clear that Japan has ample facilities for getting cheap electricity and building up a strongly based electric furnace steel industry (and she may well also economise in the use of coke in iron smelting by the use of electric furnaces for this purpose). But the important problem is clearly how far Japan can secure supplies of the alloys necessary for special alloy steels.

Japan has not got extensive supplies of the raw materials for the important alloys. She has some supplies of nickel, chrome and manganese; but in the case of all of these she has also imported substantial quantities; nickel chiefly from the Celebes, chrome ore from the Philippines; manganese ore from India and, to a slight extent, Korea, Manchuria, China and Malaya. Domestic supplies of tungsten ores appear to be exhausted, while those of molybdenum are negligible, and there do not appear to be any supplies of

vanadium. These metals are however available from Korea, Manchuria and China.

Before the war Japan was a relatively large producer of electric-furnace ferro-alloys, and was an exporter of these products (ferro-chrome, ferro-silicon, ferro-manganese), of which some were sold in the U.K. She also had an export surplus of some tungsten products. On the other hand her supplies of ferro-molybdenum were largely, and those of ferro-vanadium wholly, imported before the war. It is probable that some increased domestic production occurred during the war, but also probable that requirements during the war were to a large extent met from stock.

Some import of alloying materials will be required by the Japanese Steel Industry operating at a rate of 3.5 million ingot tons, but on present information it is not possible to ascertain how much. It is however doubtful whether control of alloy imports could be made sufficiently effective to provide a measure of security.

5. Implications on:

(a) Labour.

The reduction in employment in steel production in Japan Proper, if steel production is reduced to the level of 3.5 million ingot tons per year, would possibly be in the neighbourhood of 100,000 workers. Indirect loss of employment in steel-consuming industries must be regarded as irrelevant, since it will arise from the discontinuance of munition industries.

(b) Imports.

There will be an appreciable reduction in the volume of imports. If the industry is reduced to 3.5 million ingot tons then the reduction of imports, as compared with imports in 1936, would be approximately as follows:

		<u>Million Tons</u>	<u>Million Yen</u>
Iron Ore	1.9	20
Pig Iron	1.2	42
Scrap	1.5	80
Coking Coal	0.3	4
Steel	0.3	70
		<hr/>	<hr/>
	Total	5.2	216

(c) Transport.

The effect of the policy on transport will be largely a reflection of its effect on imports, but in addition to the reduction of transport required for raw materials, there will also be some reduction in shipping required for export of steel manufactured goods, and the complete elimination of shipping for exporting finished steel itself. The tonnages of steel manufactured goods exported in 1935/37 were approximately 200,000 tons, of which rather less than one half may be expected to be eliminated, while the export of steel to foreign countries, dependents and her Empire, was some 800,000 tons.

6. Disposal of Surplus Plant

It is virtually certain that there will be some plant which will not be required if ingot production is reduced on the lines suggested here. The extent, however, is not certain as there has presumably been some destruction of plant by bombing. But it is generally expected that steel works will not have been exceptionally damaged by bombing. It would appear that the first line in disposing of surplus plant would be to move as much of it as could be complementary to plant in Manchuria, China and Korea, so as to make the industries in these areas more self-contained. There may be some plant, however, which is surplus to the whole area since there will be an overall reduction in the munition consumption of steel in the area.

7. Conclusions.

(a) Japanese consumption of steel for home civil requirements and indirect export should be limited to a maximum of 3.5 million ingot tons. Of this it is visualised that 150,000 ingot tons will be for indirect exports whose value may be expected to be 120 million yen.

(b) Japan should not be permitted to make finished steel for export without further fabrication.

(c) Japan should be allowed to import iron ore and coking coal to the extent required to provide a supply of 3.5 million ingot tons of steel, as if the necessity were imposed of importing finished steel it would seriously disturb the balance of trade.

(d) 3.5 million ingot tons will not constitute a war potential unless capacity to make special alloy steels becomes the determining factor. Although Japanese domestic supplies of alloys are inadequate it is doubted whether control of imports could be an effective measure of security.

(e) Plant surplus to that required for the production of 3.5 million ingot tons should be dismantled and removed.

APPENDIX I

Principal Japanese Exports of Manufactures containing Steel
in 1936 (Exports to Korea not included)

	'000 Tons	Million Yen
Nails, Bolts, Screws, etc.	42	7
Enamelled Ware	21	7
Tinned Ware	3	2
Tools, Implements, Cutlery, Needles, etc.	4	9
Miscellaneous Hardware and Hollow Ware	6	3
* Constructional Engineering Material	18	4
Cycles and Parts (excl. Tyres)	30	19
* Motor Cars and Lorries	7	13
Locomotives, Railway Carriages and Wagons	20	28
* Steam Boilers	4	2
* Internal Combustion Engines	3	4
* Electrical Machinery	12	16
Spinning and Weaving Machinery, Sewing Machines	24	16
* Metal and Woodworking Machinery	8	5
Cranes	2	2
Pumps	3	2
Printing Machinery	1	1
* Miscellaneous Machinery	20	20
	<u>228</u>	<u>160</u>

Note: The weights are in many instances estimated; and in the majority a certain amount, often a lot, of the weight is made up of other materials than steel. While the weight of finished steel represented would therefore be appreciably below the total in column 1, the ingot equivalent of the steel is unlikely to have been less than 200,000 tons. It is suggested that in post-war trade the items asterisked could be appreciably reduced.

APPENDIX IIJapanese Sources of Ore Imports, 1936

('000 tons)

British Malaya	1681
China	1252
Korea	650
Manchuria, Philippines, etc.	837
	<hr/>
	4420
	<hr/> <hr/>

WC3
1

WC3
1

WC3-114 December 1945*Mr. Heigle*FAR EASTERN COMMISSIONFEC WORKING COMMITTEE III,
STRENGTHENING OF DEMOCRATIC PROCESSESNote by the Secretary General

I should like to meet with the following members of Working Committee III, Strengthening of Democratic Processes, on December 20 at 4:00 P.M., in Room 285, State Department Building, for the purpose of organizing the committee:

Sir Frederic Eggleston, Australia
Mr. W. D. Forsyth, Australia
Dr. Hollington K. Tong, China
Dr. Ching-lin Hsia, China
Dr. Timothy Tien-tseh Mar, China
Dr. Lin Mousheng, China
Colonel Victor Morizon, France
Ct. Holley Williams, France
Ct. Benedictus, France
Mr. Christian Valensi, France
Mr. Jean-Camille Baube, France
Sir Girja Shankar Bajpai, India
Mr. R. R. Saxena, India
Mr. Humphrey Trevelyan, India
Mr. J. O. Reuchlin, Netherlands
Mr. de Kat Angelino, Netherlands
Mr. G. A. Ph. Weyer, Netherlands
Mr. J. S. Reid, New Zealand
Dr. Jose F. Imperial, Philippines
Mr. Manuel A. Adeva, Philippines
Sir George Sansom, United Kingdom
Mr. B. Cockram, United Kingdom
Colonel W. A. Howkins, United Kingdom
Mr. F. C. Everson, United Kingdom
Mr. Gordon F. Bowles, United States
Mr. John M. Begg, United States

NELSON T. JOHNSON
Secretary General

WC3-1

WC3
2

WC3-2

21 December 1945

Pages 1 - 3, incl.

FAR EASTERN COMMISSION

FEC WORKING COMMITTEE NO. 3
STRENGTHENING OF DEMOCRATIC PROCESSES

INFORMATION DESIRED FROM JAPAN

Note by the Secretary General

The enclosure, a suggested list of subjects on which information is desired from Japan, is a result of the first meeting of Working Committee No. 3 on 19 December 1945. It is circulated for the information of the Commission at the request of Mr. Reid, Chairman of the Working Committee on Strengthening of Democratic Processes.

NELSON T. JOHNSON
Secretary General

WC3-2

E N C L O S U R EINFORMATION DESIRED FROM JAPAN BY COMMITTEE 3

I. FILMS, LITERATURE, PRESS, RADIO.

a. FILMS.

- (1) Present situation, and control of
- (2) Documentary and educational films -
general information on
- (3) Foreign films - which ones being allowed to
enter Japan.

b. LITERATURE.

Extent of allocation of paper for books as
distinguished from newspapers and periodicals.
Publication of propagandist books and pamphlets.

c. PRESS.

- (1) General information - what now available
number of papers, political line, cir-
culation, new papers, progress and changes.
- (2) Control by Government
Political parties
Industrial and financial organizations.
- (3) News agencies - control of (Why was Domei shut
down and then reopened under another name?)
- (4) News issued by Supreme Commander - where
obtained from; which news agencies.
- (5) Foreign correspondents in Japan - control of,
facilities for, names and countries
represented, etc.

d. RADIO.

- (1) Old set up and new and planned set-up for -
ownership, size of station, etc.
- (2) Relations with political parties, newspapers,
etc.
- (3) Foreign radio broadcasts - which being directed
to Japan?
- (4) Overseas Japanese broadcasts.

II. POLITICS.

- a. Present political situation - backgrounds and activities of parties and their leaders.
- b. Election developments.
- c. Release of prisoners - effect on prospects for development of political parties.
- d. General attitude of population.

III. RELIGION.

- a. New relationship between the Government and organized Shintoism.
- b. Relation, if any, of Christian leaders to militarists (Kagawa, etc.).
- c. The admission of foreign missionaries into Japan.
- d. Pre-war contacts of Japanese religious sets with co-religionists abroad, and possibilities for the future.

IV. EDUCATION.

- a. Pre-war education system - summary of
- b. Reorganization of educational system - plans for:
 - (1) Methods of training educators
 - (2) Rewriting of textbooks
 - (3) Technical education
 - (4) Primary training.
- c. Training abroad
 - (1) Persons already trained abroad - number of, and use of them in schools, etc.
 - (2) Exchange of professors, etc. - plans and possibilities for
 - (3) Training of selected students abroad.
- d. Liberals
 - (1) Present use of and future plans for
 - (2) Number, types, etc of available.
- e. Women
 - (1) Legal status of
 - (2) Promotion of education for.

- f. Secret Societies - status of.
- g. Other media of education
 - (1) Trade unions - legal status of, steps being taken to encourage
 - (2) Literature - novels, etc.
 - (3) Radio
 - (4) Other.
- h. Co-operatives.

- - -

WC3
3

WC3-3

27 December 1945

FAR EASTERN COMMISSION

FEC WORKING COMMITTEE NO. 3
STRENGTHENING OF DEMOCRATIC PROCESSES

THE JAPANESE PRESS AS AN INSTRUMENT FOR CONTROL

Note by the Secretary General

There is enclosed, as of possible interest to the members of Working Committee No. 3, a copy of a study made before the surrender of Japan by the research section of the Office of Strategic Services, on the subject "The Japanese Press as an Instrument for Control".

NELSON T. JOHNSON
Secretary General

WC3-3

CURRENT INTELLIGENCE STUDY NUMBER 27

OFFICE OF STRATEGIC SERVICES
RESEARCH AND ANALYSIS BRANCH

R & A 3162S
29 JUNE 1945

THE JAPANESE PRESS AS AN INSTRUMENT FOR CONTROL

The Japanese press is a powerful instrument for social and political control. Through its assumption of a role in the lives of the Japanese people in which it not only guided their knowledge of world events but also molded their cultural tastes and in part directed their social affairs, the press in Japan has exerted strong influence over the population. To exploit this instrument of control to the utmost, the Japanese Government, particularly since 1942, has centralized both newspaper management and government supervision.

Through the combination of extremely wide circulation, broad range of interests, and modern, efficient methods of publication, the Japanese newspaper achieves a far-reaching and intimate influence upon the Japanese people. Enormous circulations are made possible in part by the fact that nearly 99 percent of the people can read newspapers and magazines. The range of the Japanese newspaper's interest extends not only to printing issues in Braille and publishing simplified editions for children but also to matters completely outside the realm of publication. Each of the large daily newspapers, through its "enterprise" bureau, has undertaken such projects as welfare work, scientific expeditions, meteorological observations, agricultural experiments, and aeronautical demonstrations. In its methods of obtaining, transmitting, publishing, and distributing news the Japanese newspaper is nearly as efficient as its counterpart in the United States.

The Japanese press has not shown an equivalent zeal for accuracy in presenting the news. When complete facts are missing, reporters and desk men round out their reports with whatever fiction will appeal to their readers, and they also try to meet their readers' demand for rumor and gossip. Together with the absence of national libel laws, this disregard for accuracy has established a tradition of yellow journalism which has made the Japanese press especially pliable to the wartime demands of the Japanese Government. Newspapermen have not been reluctant to print long, detailed accounts of nonexistent naval battles or to treat factually the propaganda themes their Government has evolved.

The measures taken by the Japanese Government to secure control of this efficient and adaptable medium have been of three kinds: negative censorship, centralization of newspapers, and centralization of the sources of news.

The first of these controls has always been a part of Japanese journalism. The original press laws antedate the Japanese Constitution of 1889.

Copy No. 173

CONFIDENTIAL

CONFIDENTIAL

The press has also long been restrained by the peace preservation and thought control measures which provide that no treasonable or communistic ideas may be presented, and that nothing may be said which might alienate the people from the military. Wartime control legislation has been considerably more restrictive, but the principle of telling the press what must *not* be printed instead of what *must* be printed has been retained. Although there has been a tacit understanding since 1937 that militarism and nationalism should be made attractive, the Japanese press has not been obliged to disseminate any particular ideology, and within the limits of wartime security has been relatively free to criticize government policy.

To implement this negative censorship the Japanese Government has set up a system of licensing, press bans, confiscation and suspension of publications, and fines and imprisonment for editors. Most of these restraints are at present administered by the Bureau of Information which also directs general press policy. For printing information prohibited by a news ban, a Japanese publisher faces, in addition to the revocation of his license, the possibility of confiscation of the offending issues, the complete suspension of all his publications in addition to his newspaper, or the fining and jailing of his editor. Furthermore, he may be forced to forfeit the 2,000 yen of guarantee money that all publications dealing with current events are obliged to post. Because of these severe penalties, Japanese newspapermen frequently practice voluntary pre-publication censorship, submitting material to the Bureau of Information for approval in advance of its publication.

Although press bans may be issued on any piece of information the Japanese Government wishes to withhold, the material most frequently banned is that which is termed "inimical to public peace and order." Bans are also placed on material which is thought to fall into one of the following four categories: information that may obstruct foreign diplomatic relations; information that may threaten national security; information that may obstruct the carrying out of economic policies; information that may threaten the security of military affairs. Bans may be issued by the Home Ministry, the War Ministry, the Navy Ministry, and the Foreign Ministry, and are generally released over the signature of the local police chief.

The Japanese Government began to centralize newspaper production shortly after war began in China in 1937. Between 1937 and 1943 the number of daily newspapers was reduced from over 1,000 to less than 200. Furthermore, in 1942 the large metropolitan newspapers were forced by government decree to merge with one another, reducing the number of daily newspapers in Tokyo to one-fourth of the prewar number. Many of the smaller provincial newspapers went out of business at that time through shortage of newsprint, and their communities were then served by the larger newspapers. Although the newsprint shortage was announced as the main reason for the forced merger, the tightening of government supervision was clearly a desired result. In line with this

CONFIDENTIAL

CONFIDENTIAL

policy of increased centralization, the Japan Press Association was established in 1942 as a government control organization, and early in 1945 was succeeded by the Japan Press Corporation. It supervises the registration of newspapermen, the distribution of newspapers and other publications, and the allotment of newsprint and other materials.

The centralization of news sources was largely achieved through the forced merger in 1936 of the two leading news agencies, *Rengo* and *Nippon Dempo*, to form *Domei*. The formation of this monopoly increased the inaccuracy traditional to Japanese journalism. Newspapers had previously subscribed to both the leading news services and had printed conflicting versions of the same event side by side, thus allowing readers to draw their own conclusions. With *Domei* as the only Japanese news service, even this check on accuracy was removed. Some Japanese newspapers, resisting this action by the Government, sought to avoid using *Domei* by relying to a greater extent upon their own correspondents and by establishing agreements with the American news services and the *New York Times* and the *London Times*. Since 1942, of course, these agreements have been abrogated. Except for a handful of foreign correspondents *Domei* has become, as the Japanese Government intended, virtually the only source of outside news. This centralization of news sources, along with the establishment of controls over subject matter and the centralization of newspaper production, completed the shaping of an instrument of social and political control which, whether used by the Japanese Government in prosecuting the war or by an Allied Military Government in restoring peacetime order, has few equals in comprehensiveness or efficiency.

CURRENT INTELLIGENCE STUDY NUMBER 33

OFFICE OF STRATEGIC SERVICES
RESEARCH AND ANALYSIS BRANCH

R & A 3312S
27 JULY 1945

THE POLICE IN THE JAPANESE HOME ISLANDS

Japanese police supervision over the lives of the Japanese people extends from the maintenance of public order and the prevention and detection of crime to the overseeing of commerce, education, religion, morals, health, and politics. The organization that wields these broad powers is a closely centralized, national mechanism which is entirely free, both politically and financially, from municipal control. Through the police the leaders of Japan have been assured of the tractability of the Japanese population in the face of ever-increasing privation and danger. In the event of Allied occupation of the Home Islands, both the structure of the police organization and the Japanese people's habitual discipline may be great assets in the re-establishment of civil order.

Organization

There are two entirely separate police organizations in Japan, the civil police and the military police (*Kempei*). The civil police system is supervised by the Bureau of Police Affairs in the Home Ministry. The *Kempei* organization is under the administration of the Provost Marshal General in the Ministry of War. Although in the Home Islands the *Kempei* has jurisdiction primarily over military and naval personnel and installations, the organization also possesses the power to take action in civil affairs. The *Kempei* and the civil police therefore work closely together on many occasions, and their relations in the prosecution of criminals are elaborately defined by law.

Authority in the civil police system runs from the Home Ministry to the prefectural governors to the chiefs of police. The functions of the Bureau of Police Affairs in the Ministry are policy making and administrative. The actual operation of the civil police is managed by the prefectural governments in accord with the major policy decisions emanating from the Bureau. Close relations between the prefectures and the Home Ministry are assured by the fact that both the prefectural governors, who are ex-officio heads of the police within their prefectures, and the prefectural chiefs of police are appointed by the Home Minister. All appointments to local positions are made by prefectural authorities except in the case of Tokyo, which has a superintendent-general directly responsible to the Home Ministry. Not only are there no municipal police systems in Japan, but even the funds for operating the civil police come directly from the national and prefectural treasuries, not from municipal funds. The prefectural police systems, however, are administratively independent of each other, and in the event of a breakdown of national authority each could continue to operate by itself.

Copy No. 65

CONFIDENTIAL

CONFIDENTIAL

Personnel

The personnel of the civil police must meet certain physical, moral, and educational requirements. After acceptance they are sent to the prefectural police training schools where, prior to the war, they received six months' training in police science, crime detection, law, fire prevention and control, and physical fitness. Upon completion of this training all members of the regular police force begin as ordinary policemen. The degree of advancement from this position is dependent largely upon the previous education of the policeman. Those with elementary school educations are advanced slowly and cannot rise above the rank of chief inspector, a position about midway in the hierarchy of the civil police. University graduates are advanced more rapidly and may rise to the rank of chief superintendent. Chiefs of police are regularly career officials in the national government, and almost never come up from the ranks.

The pay of the civil police, even according to the low standards of the Japanese civil service, is extremely poor. Although the low pay may be partially compensated by the dignity and importance of the policeman in Japan, the men attracted to the profession are generally mediocre in ability. The war has seriously reduced the number of available men, and has thereby lowered personnel standards even further. Notwithstanding the number of duties undertaken by the civil police, the size of the police forces is not disproportionate to those in the United States. The police of the Tokyo prefecture, with a population of approximately 7,000,000, numbered roughly 15,000 in 1937. The police of Metropolitan New York, with a comparable population, numbered nearly 20,000 in the same year.

Powers and Functions

Because the Japanese place a greater emphasis upon public order than upon personal freedom, the delegation of extensive powers to the police has been a logical development in Japan. The recourse of the individual from these broad powers is relatively slight. In addition to the detection and prevention of crime in the occidental sense, the civil police in Japan are charged with the maintenance of diverse controls ranging from health regulations to political supervision.

The civil police have the power to hold all criminal suspects for long periods of time without placing a specific charge. In addition to their power to detain, the police have summary jurisdiction over certain minor offenses. The police chief may sentence such an offender to detention in the police jail or may impose a fine.

The civil police are primarily concerned with the prevention of crime. Through the licensing of taxicabs, prostitution, pawn shops, and similar commercial enterprises and through their periodic inspections of all such licensed businesses, the police not only exert control over the businesses themselves but also secure valuable sources of information in maintaining order. Through their control of the Japanese system of

CONFIDENTIAL

neighborhood associations (in which the heads of families are responsible to the heads of neighborhoods for the maintenance of order and discipline within their families, and the heads of neighborhoods are responsible to the police for the maintenance of discipline within their neighborhoods), the police are usually assured of information in advance of the crime or prompt arrest following it.

Outside the fields of the maintenance of order and the apprehension of criminals, the police concern themselves principally with the enforcement of special regulations and with political supervision. In enforcing special regulations such as economic controls, banking laws, and health laws, the police assign specialists in these various fields who work under the supervision of the ministry concerned. The political activities of the police include the supervision of social and labor movements and the detention of individuals suspected of holding subversive ideas. This latter activity is frequently described as "thought control." The police are also responsible for such political functions as the enforcement of the election laws and the censorship of printed material and public entertainments.

The methods employed by the civil police in carrying out their manifold duties include the use of modern scientific equipment and third degree investigations. Fingerprint records, centralized criminal records, and separate police telephone and telegraph systems are common throughout Japan, and lie-detectors and police cruising cars are used in Tokyo. Ordinary patrolling is done by the policemen assigned to the police boxes which are situated in each locality throughout Japan. As many as three officers may be assigned to each box. Although third degree methods are not sanctioned officially and policemen proved guilty of them are subject to disciplinary action, their use is fairly general.

Because the duties of the civil police touch upon every aspect of life in Japan, the Japanese people are in frequent contact with the police and feel their influence in innumerable ways. As representatives of governmental authority, the police hold a position of considerable social importance in the community and act as arbiters in neighborhood disputes. The respect of the population also derives from the relative freedom of the police from graft and corruption.

The war has inevitably brought about certain changes in police supervision in Japan. The more obvious of these has been a reduction in the number of available personnel, a fact which has necessitated both the curtailing of certain functions and the recruiting of women and boys for replacements. The police burden was increased when the manpower shortage made necessary the use of many criminals for labor service. Furthermore, the civil police have been assigned a considerable portion of the task of organizing home defense and have been formed into police defense units. The war has also brought about a change of emphasis in the type of crimes prosecuted. As the Japanese leaders have called upon the people for increased loyalty and spiritual