6-B-1 only

Def. Doc. # 1918-19 B

Excerpt from "Japan and the Trend of International Trade" 1936 Edition P.P. 108-110

6. Rupture of Anglo-Japanese negotiations and importation quota system in British colonies.

A conference was held in London from 14 Feb. among the traders concerned in Japan and Britain 1934 to discuss measures to be resorted for toning down competition in selling cotton and rayon products of both countries. The British side insisted upon making an agreement including her markets all over the world while the Japanese side insisted that no markets (problems) in other countries and British Dominions should be included in the agreement. Thus both parties could not reach any satisfactory agreement. Later a conference was again held between both countries, but it ended in a failure. In the meantime, on May, 7, 1936, the British Minister of Commerce issued a statement announcing his proposition made to the Parliament that British colonies should adopt importation quota system for cotton and silk products based on the imports for the period "1927-1931". Soon afterwards all the governments of British colonies adopted this quota system one after another.

Since : as this quota system became effective in the latter half of 1934 and as exports were greatly increased in the first half forseeing the effect of the new regulation, it affected but very little the amount of our exports in 1934. However, in 1935, the quota system began to show its effect and the total export amount of our cotton to those colonies was 60,960,000 sq. pounds showing 180, 00,000 pounds decrease compared with that in 1933.

Def Doc No. 1918 19-B

Table of exportation quota of Japan's Cotton and Rayon Products to British Colonies

1935 Jan. -- Dec. (Unit-Pour

			cotton		rayon
1.	Asia				
	a	British Malay	27,909,016		6,759,407
	b	Ceylon	11,682,574		1,147,011
	C	*Fiji Islands	11,000	(pound)	----
	d.	* Solomon Islands	650	(")	----
	e	* Gilbert & Ellice Islands	400	(")	----
2.	Mediterronean Sea				
	a	* Malter	75,000		----
	b	* Apprus	520,000		----
3.	Africa				
	a	* Seychillas	221,019		
	b	* Mauritius	1,622,000	(sq metre)	----
	c	* Nigeria	2,420,000		
	d	* Sierra Lione	169,848		3,796
	e	* Gambia	103,000		----
	f	* Gol Coast	871,248		72,224
	g	Somalieland	477,591 10,778	(pound)	----

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4. West Indies & Mid & South America

(a) * Jamaica	599,946	-----
(b) * Trinidad & Tobago	450,000	-----
(c) * Barbados	2,143 (pound)	-----
(d) * Barbuda	2,620 (pound)	-----
(e) * Grenada	25,000	-----
(f) * Greana (?)	165,000	-----
(g) * Vrigin Island	52	-----
(h) * St. Lucia	17,640	-----
(i) * St. Vincent	14,430	-----
(j) * Bahamas	16,500	-----
(k) * Anti qua	16,471	-----
(l) * Dominica	9,365	-----
(m) * St. Christopher & Nevis	15,750	-----
(n) * [illegible]tserat	13,152	------

Those marked with * indicate those containing more than 50% of silk or rayon or mixed fibre of both silk & rayon.

Consignment

INTERNATIONAL PROSECUTION SECTION

7 August 1947

MEMORANDUM

TO : Mr. F. S. Tavenner

FROM : D. N. Sutton

SUBJECT: MIZUNO, Itaro
Def. Doc. #1918

Affiant was connected with the Bureau of Commerce of the Foreign Office from 1927 to 1930 and from 1935 to 1942. The affidavit is divided into three parts, (1) the economic conditions after World War I, (2) barriers in international trade set up by various countries, and (3) the efforts of Japan in order to alleviate economic pressure. There are attached to the affidavit as appendices some 20 documents, many of which are of the identical nature of those which the court has heretofore rejected. Reference is particularly made to Defense Document #1668 which was rejected by the court, R. 25,122. An outline of the affidavit is as follows:

I. The Economic Conditions After World War I.

A general statement of the economic conditions in various countries following World War I, the economic crisis of 1929, and the conditions in the several countries immediately following that crisis with the general steps taken to alleviate the situation. This is the same type of evidence which the court rejected on Wednesday afternoon, and it would appear that objection could well be made on that ground to this section of the affidavit.

The appendices under this section are:

(1) Excerpt from the World Economic Survey, 1931-33, published by the League of Nations, discussing the subjects of international finance and economic nationalism, bi-lateral and multi-lateral negotiations carried on between the several countries from 1927 to 1931, steps taken by the several countries in connection with the control of exchange in 1931 and 1932, and a general summary of the international aspects of trade regulation.

(2) Excerpts from the annotated agenda prepared by economic experts of the League of Nations and of the Bank of International Settlements in pmeparation for the monetary and economic conference in London in June 1933.

(3) (Including A, B, C and D)
Tables from the publication "Japan, Economical Statistics", compiled by the investigation branch of the Bank of Japan in 1935, tabulating for the years 1928-1932 as to Japan and Karafuto:

(a) Exports and imports of merchandise.
(b) Exports and imports of gold.
(c) Index numbers of wholesale prices in Tokyo.
(d) Number of people working in factories, mines, etc.

(4) A tabulation, the authority for which is not given, showing dates on which the several countries:

(a) Suspended the gold standard,
(b) Controlled foreigh exchanges, and
(c) Devalued the currency.

(5)A-An excerpt from the "Convention for the Abolition of Import and Export Prohibitions and Restrictions" (uncertified).

C-Notice that the Netherlands withdrew from this treaty on 30 June 1934.

D-Notice that Japan withdrew from this treaty on 16 March 1934.

Defense Document No. 1668, the address of Viscount Ishii at the Monetary and Economic Conference in 1933, referred to in this part of the affidavit. This document was rejected by the court, R. 25,121 - 2.

II. Barriers in International Trade Set Up by Various Countries.

This recites the steps taken by the several countries to deal with the economic crisis, including:

(a) The economic bloc of the British Empire.
(b) France
(c) Germany
(d) Holland
(e) United States
(f) Canada
(g) Australia
(h) China
(i) India
(j) Dutch East Indies

The appendices under this section are:

(6) Excerpt from "Trend of Commerce of Various Countries and Japan", steps taken by Great Britain, including suspension of the gold standard, upward revision of import duties, restriction of imports, and the Ottawa conference.

(7) Excerpt from the same publication giving steps taken by France, including imposition of exchange dumping duties, adoption of quota system, and increase of custom tariffs.

(8) Excerpt from the same publication giving steps taken by Germany including control of foreign exchange and of goods and customs duties and the quota system.

(9) Excerpt from the same publication giving steps taken by the Netherlands including limitation of imports and increase of custom duties.

(10) Excerpt from the same publication giving steps taken by the United States, including suspension of the gold standard, increase of customs duties, checking import of Japanese goods based on the customs law and on the pretext of illegal competition.

(11) Excerpt from the same publication giving steps taken by Canada, including increase of import duties, unfavorable treatment of Japanese goods through official exchange rates.

(12) Excerpt from the same publication giving steps taken by Australia, including the increase of import duties and the adoption of a license system.

(13) Excerpt from the same publication giving steps taken by China, including the increase of customs duties.

(14) Excerpt from the same publication giving steps taken by India, including the increase of customs duties.

(15) Excerpt from the same giving steps taken by the Dutch East Indies, including the increase of customs duties and the limitation of imports.

III. The Efforts of Japan In Order to Alleviate Economic Pressure.

This mentions the adoption of the law concerning the adjustment of trade and safeguarding of commerce in 1934 and the negotiations undertaken by Japan with the several countries in which agreements were eventually reached. These included trade negotiations with:

(a) India
(b) Canada
(c) Australia
(d) Dutch East Indies (Conducted primarily by ISHIZAWA, who will testify as a witness.)
(e) Great Britain
(f) United States

The appendices under this section are:

(16)A- Convention regarding commercial relations between Japan and India, signed 29 August 1904.

B- Resolution of the Association of Japanese spinning industries not to purchase cotton from India, dated June 1933. Reference is also made to Defense Document No. 1873-D, 1887, and 1888 (these have not yet been served.)

(17)A- Ordinance of 20 July 1935 imposes a 50% ad valorem on certain articles from Canada.

B- Telegram from the Japanese Minister in Canada to the Foreign Office, dated 24 July 1935, advising additional duty imposed by Canada on Japanese goods.

Defense Document #1873-F is also mentioned (not yet served).

(18)A- Ordinance of 25 June 1936 imposing a 50% ad valorem on certain goods from Australia.

B-1- Agreement reached for adjustment of trade relations be-
B-2 tween Japan and Australia, 26 December 1936, exchange of letters.

(19)A- Excerpt from Parliamentary debate, House of Commons, dated 7 May 1934.

(20)A- Understanding between the American Cotton Industry and the Japanese cotton industry, January 1937.

B- Conference between the Japanese Ambassador and the American State Department, 15 October 1935, regarding import of Japanese goods into the Philippine Islands.

(21)A- List of contraband issued by Great Britain, 7 September 1939.

B- Action taken by Great Britain under "Trade with the Enemy Act", 27 November 1939.

Comment: There is so much irrelevant and immaterial matter in and connected with this affidavit that it might as well be objected to in toto.

D. N. Sutton,
Assistant Counsel.

cc: Brig. Quilliam
Mr. Comyns-Carr

Missing

1918 5-B Look up

-7 " "

-8 " "

14

15

16 – a (only 1)

18. A series

~~Look up~~ 19 B

Def. Doc. No. 1918 Appendix No. 21 -- A

Area time and emergency measure taken by countries participating in the European Disturbance.

2nd Branch, of Treaty Section of Foreign Office.

LIST OF CONTRABAND.

7th September, 1939.

1. Absolute Contraband.

(a) All kinds of arms, ammunition, explosives, chemicals, or appliances suitable for use in chemical warfare, and machines for their manufacture or repair; component used in their manufacture; articles necessary or convenient for the production or use of such materials or ingredients.

(b) Fuel of all kinds; all contrivances for, or means of, transportation on land, in the water or air, and machines used their manufacture or repair; component parts thereof; instruments, articles, or animals necessary or convenient for their use; material or ingredients used in their manufacture; articles necessary or convenient for the production or use of such materials or ingredients.

(c) All means of communication, tools, implements, instruments, equipment, maps, pictures, papers and other articles, machines, or documents necessary or convenient for carrying on hostile operations; articles necessary or convenient for their manufacture or use.

(d) Coin, bullion, currency, evidences of debt; also metal, materials, dies, plates, machinery, or other articles necessary or convenient for their manufacture.

II. Conditional Contraband.

(e) All kinds of food, foodstuffs, feed, forage, and clothing, and articles and materials used in their production.

Note: --

It is probable that this list will be revised or extended in the future.

Difference between absolute and conditional Contraband appears to be merely one of procedure after seizure, both categories being liable to seizure whenever there is evidence of an enemy destination.

Def. Doc. #1918

Appendix 21-B

Excerpt from "War time and emergency measures taken by countries participating in the 2nd European War. 2nd Branch of Treaty Section of Foreign Office"

ORDER IN COUNCIL FRAMING REPRISALS FOR RESTRICTING FURTHER THE COMMERCE OF GERMANY.

No. 1709, 27th November, 1939.

1. Every merchant vessel which sailed from any enemy port, including any port in territory under enemy occupation or control, after the 4th day of December, 1939, may be required to discharge in a British or Allied port any goods on board laden in such enemy port.

2. Every merchant vessel which sailed from a port other than an enemy port after the 4th day of December, 1939, having on board goods which are of enemy origin or are enemy property may be required to discharge such goods in a Britishoor Allied port.

3. Goods discharged in a British port under either of the preceding Articles shall be placed in the custody of the Marshal of the Prize Court, and, unless the Court orders them to be requisitioned for the use of His Majesty, shall be detained or sold under the direction of the Court. The proceeds of goods seosold shall be paid into Court.

On the conclusion of peace such proceeds and any goods detained but not sold shall be dealt with in such manner as the Court may in the circumstances deem just; provided that nothing herein shall prevent the payment our of Court of any such proceeds or the release of any goods at any time (a) if it be shown to the satisfaction of the Court that the goods had become neutral property before the date of this Order, or (b) with the consent of the proper officer of the Crown.

4. The law and practice in Prize shall, so far as applicable, be followed in all cases arising under this Order.

5. Nothing in this Order shall affect the liability of any vessel or goods to seizure or condemnation independently of this Order.

6. For the purposes of this Order the words "goods which are of enemy origin" shall include goods having their origin in any territory under enemy occupation or control, and the words "goods which .... are enemy property" shall include good belonging to any person in any such territory.

7. Proceedings under this Order may be taken in any Prize Court having jurisdiction to which the Prize Court Rules, 1939, apply.

8. For the purposes of this Order the words "British port" mean any port within the jurisdiction of any Prize Court to which the Prize Court Rules, 1939, apply.

DEF. DOC. #1918

Appendix 2

Excerpt from

MONETARY AND ECONOMIC CONFERENCE

DRAFT ANNOTATED AGENDA

P.P 5-6

A. INTRODUCTION.

The Preparatory Commission of Experts has been given the task of preparing a draft annotated agenda for the forthcoming Monetary and Economic Conference. In undertaking this task, we have been guided by the terms of reference transmitted to us by the Council of the League of Nations, and by certain preliminary discussions recorded in the Final Act of the Lausanne Conference. This Conference, having arrived at far-reaching decisions with regard to the pressing problem of reparations payments, invited the League of Nations to convoke a World Conference "to decide upon the measures to solve the other economic and financial difficulties which are responsible for, and may prolong, the present world crisis". In this message from Lausanne, we have found the clearest indication of our general mandate.

Before setting forth the problems which require solution, we wish to call attention to the gravity of the situation with which the world is confronted.

Unemployment has recently been estimated by the International Labour Office as involving at least thirty million workers. Even this huge total, which does not include the workers' families or other dependants, is probably an underestimate. The burden of suffering and demoralisation resulting from unemployment of such proportions is appalling.

Wholesale commodity prices---expressed in gold---have declined since October 1929 by roughly a third; raw material prices on the average by 50 to 60 per cent. In the middle of December, at Winnipeg, the price of wheat fell to the lowest level recorded in any primary market for wheat during the past four centuries. Such price-declines have produced profound disturbances in the economic system. They have thrown completely out of adjustment prevailing costs of the various factors of production, have made business enterprise generally unremunerative, and have seriously disorganised practically all the world markets.

World stocks of agricultural products and of other raw materials continue to accumulate. The index of world stocks for 1932 was double that for 1925. Huge accumulations thus overhang some of the principal markets and burden the processes of orderly price readjustment.

Industrial production has been drastically curtailed, particularly in those trades producing capital equipment. The depths which have been reached in some instances are illustrated by the position of the United States steel industry, which, at the close of 1932, was operating at only 10 per cent of capacity.

The international flow of goods, hindered by currency disorders and restricted by a multiplicity of new governmental interventions, has been reduced to incredibly low levels. The total value of world trade in the third quarter of 1932 was only about one-third of that in the corresponding period of 1929. The fall during the three-year period was continuous.

Moreover, the quantum of goods in foreign trade appears to have fallen by at least 25 per cent; by far the largest fall on record.

As a result of price-declines and the fall in the volume of production and trade, national incomes in many countries have fallen, it is estimated, by more than 40 per cent. The revenues of Governments, as a consequence, have suffered sharp reductions, while expenditures have shown no corresponding decline. The inevitable result has been a series of budget deficits which, in some cases, have reached unprecedented proportions.

Only a handful of countries now retain free and uncontrolled gold-standard currency systems. Almost half the countries of the world are off the gold standard, and, in some forty countries, exchange restrictions have been imposed.

Currency disorganisation, price-declines, curtailment of trade have thrown into sharp relief the vast and difficult problems of indebtedness with which many, if not most, countries are confronted. As matters now stand, there are countries the total value of whose export trade has fallen below the sums required for external debt service alone.

Facts such as these indicate the extremities to which the forces of disintegration have already carried the economic and financial world. Further losses of ground cannot be contemplated without the gravest forebodings. Happily, in some quarters, there have recently been certain auguries of improvement. Thus security markets in almost every country have for several months past shown some resistance, despite discouragements. In the set-back which followed the slight revival after Lausanne, the security markets, unlike the commodity markets, did not lose all the gains that had been made. It is evident that more favourable monetary conditions, technical economic readjustments and reviving confidence are being currently interpreted by those who assume the risks of investment as affording the possibility of a genuine change for the better in the economic situation.

Nevertheless, recovery will be halting and restricted if unaccompanied by broad measures of reconstruction. Three years of world-wide dislocation have generated a vast network of restraints upon the normal conduct of business. In the field of international trade, prohibitions, quotas, clearing agreements, exchange restrictions---to mention only some of the most widely employed forms of regulation---throttle business enterprise and individual initiative. Defensively intended, and in many instances forced by unavoidable monetary and financial emergencies, these measures have developed into a state of virtual economic warfare. It is not only in the field of trade that this tension exists. In the difficult sphere of international monetary and currency relations and in the world capital markets, free international co-operations has given place to complex and harassing regulations designed to safeguard national interests. If a full and durable recovery is to be effected, this prevailing conflict of national economics must be resolved.

Def Doc No. 1918 Appendix 2

CERTIFICATE OF AUTHENTICITY

I, who occupy the post of The Chief of the Archieves of Foreign Office, hereby certify that the document hereto attached, printed in Japanese consisting of 38 pages and entitled "League of Nations Monetary and Economic Conference Draft Annotated Agenda Submitted by the Preparatory Commission of Experts" is a document compiled and issued by the office of League of Nation and in the custody of Japanese Government (Foreign Office).

certified at Tokyo,
on this 2 day of July, 1947

HAYASHI, Kaoru (seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

at the same place,
on the same date

Witness: URABE, Katsuma (seal)

The measures to be adopted to this end constitute the problem which the Governments must shortly face in London. In essence, the necessary programme is one of economic disarmament. In the movement towards economic reconciliation, the armistice was signed at Lausanne; the London Conference must draft the Treaty of Peace. Failure in this critical undertaking threatens a world-wide adoption of ideals of national selfsufficiency which cut unmistakably athwart the lines of economic development. Such a choice would shake the whole system of international finance to its foundations, standards of living would be lowered and the social system as we know it could hardly survive. These developments, if they occur, will be the result, not of any inevitable natural law, but of the failure of human will and intelligence to devise the necessary guarantees of political and economic international order. The responsibility of Governments is clear and inescapable.

6-B-1

DEF. DOC. #1918

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Only a handful of countries now retain free and uncontrolled gold-standard currency systems. Almost half the countries of the world are off the gold standard, and, in some forty countries, exchange restrictions have been imposed.

Currency disorganisation, price-declines, curtailment of trade have thrown into sharp relief the vast and difficult problems of indebtedness with which many, if not most, countries are confronted. As matters now stand, there are countries the total value of whose export trade has fallen below the sums required for external debt service alone.

Facts such as these indicate the extremities to which the forces of disintegration have already carried the economic and financial world. Further losses of ground cannot be contemplated without the gravest forebodings. Happily, in some quarters, there have recently been certain auguries of improvement. Thus security markets in almost every country have for several months past shown some resistance, despite discouragements. In the set-back which followed the slight revival after Lausanne, the security markets, unlike the commodity markets, did not lose all the gains that had been made. It is evident that more favourable monetary conditions, technical economic readjustments and reviving confidence are being currently interpreted by those who assume the risks of investment as affording the possibility of a genuine change for the better in the economic situation.

Nevertheless, recovery will be halting and restricted if unaccompanied by broad measures of reconstruction. Three years of world-wide dislocation have generated a vast network of restraints upon the normal conduct of business. In the field of international trade, prohibitions, quotas, clearing agreements, exchange restrictions---to mention only some of the most widely employed forms of regulation---throttle business enterprise and individual initiative. Defensively intended, and in many instances forced by unavoidable monetary and financial emergencies, these measures have developed into a state of virtual economic warfare. It is not only in the field of trade that this tension exists. In the difficult sphere of international monetary and currency relations and in the world capital markets, free international co-operations has given place to complex and harassing regulations designed to safeguard national interests. If a full and durable recovery is to be effected, this prevailing conflict of national economics must be resolved.

Def Doc No. 1918 Appendix 2

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HAYASHI, Kaoru (seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

at the same place,
on the same date

Witness: URABE, Katsuma (seal)

6

The measures to be adopted to this end constitute the problem which the Governments must shortly face in London. In essence, the necessary programme is one of economic disarmament. In the movement towards economic reconciliation, the armistice was signed at Lausanne; the London Conference must draft the Treaty of Peace. Failure in this critical undertaking threatens a world-wide adoption of ideals of national selfsufficiency which cut unmistakably athwart the lines of economic development. Such a choice would shake the whole system of international finance to its foundations, standards of living would be lowered and the social system as we know it could hardly survive. These developments, if they occur, will be the result, not of any inevitable natural law, but of the failure of human will and intelligence to devise the necessary guarantees of political and economic international order. The responsibility of Governments is clear and inescapable.

Def. Doc. # 1918 Appendix # 18 ~~B~~ 2

Duplicate

MELBOURNE,
26th December, 1936

Sir,

I have the honour to inform you that the Japanese Government has decided to take the following action as on and from 1st January, 1937, in relation to trade between Japan and Australia.

1. The Japanese Government will cancel the surtax of 50 per centum ad valorem and abolish the licensing system provided in the Imperial Ordinance No. 124, 1936.

2. The Japanese Government will permit the importation into Japan from Australia during the period ending 30th June, 1938, of not less than 800,000 bales of Australian sheep's wool. Any sheep's wool exported from Australia for which import permission has been accorded during the period ending 30th June, 1938, but which does not arrive in Japan until after that date. Will be admitted into Japan provided such wool is imported into Japan not later than 30th September, 1938.

3. The Japanese Government will take necessary measures for the purpose of limiting quantity of Japanese cotton piece goods (other than calico for bag-making) and Japanese artificial silk piece goods which may be exported from Japan for importation into Australia during the period 1st January, 1937, to 30th June, 1938, to the following quantities:-

Cotton Piece Goods (other than calico for bag-making)	**76,875,000 square yards,**
Artificial Silk Piece Goods	76,875,000 square yards,

at the rate of 51,250,000 square yards for each of two classes of piece goods per annum.

4. The Japanese Government having regard to the trade in cotton piece goods and artificial silk piece goods with Australia in recent years and the interests of Japanese and Australian nationals (merchants and manufacturers) therein will take the measures necessary to maintain orderly marketing of piece goods and artificial silk piece goods in Australia.

Yours faithfully,
(Signed) K. Murai.
Consul-General of Japan.

Honorable Sir Henry Gullett, K.C.M.G., M.P.,
Minister directing Negotiations for Trade Treaties,
MELBOURNE.

Def. Doc. # 1918-18-B-2

MELBOURNE,
26th December, 1936

Sir,

I have the honour to inform you that the Japanese Government has decided to take the following action as on and from Ist January, 1937, in relation to trade between Japan and Australia.

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Yours faithfully,
(Signed) K. Murai.
Consul-General of Japan.

Honorable Sir Henry Gullett, K.C.M.G., M.P.,
Minister directing Negotiations for Trade Treaties,
MELBOURNE.

Def. Doc. #1918-18-B-2

CERTIFICATE

Statement of Source and Authenticity

I, HAYASHI, Kaoru, Chief of the Archives Section, Japanese Foreign Office, hereby certify that the document hereto attache consisting of 3 pages and entitled "Notifications in English between Henry S. Gullett, Australian Minister directing Negotiations for Trade Treaties, and K. Murai, Japanese Consul-General at Melbourne, dated 26th December, 1936." is an exact and true copy of an official document of the Japanese Foreign Office.

Certified at Tokyo,

on this 26th day of July, 1947.

/S/ K. Hayashi
Signature of Official

Witness: /S/ K. Urabe

Mizuno

Defense Documents

referred to in D.D. 1918

Page of affidavit	D-D. No	
		Rejected 8/6/47
5	1668	Ishii July 1933
14	1873 D	convention of commercial
	1873 F	relations between Japan & India 12 July 1934
15	1887	amendments to
15	1888	

Look up

Def. Doc. # 1918-17-A

RECEIVED
AUG 6 1947

Imperial Ordinance concerning the additional import duty issued in accordance with the provisions of Article 1 of Law No. 45, 1935, Imperial Ordinance No. 208, 1935.

Article I. An import duty of 50 per cent. ad valorem, in addition to the import duties enumerated in the Import Tariff annexed to the Customs Tariff Law, shall, in accordance with the provisions of Article I of Law No. 45, 1934, and for the duration of one year from the date of coming into force of the present Ordinance, be imposed on articles produced or manufactured in countries with which the trade balance of Japan in 1934 was in excess in imports and which, at the time of coming into force of the present Ordinance, employ, in respect of goods produced or manufactured in Japan, arbitrary standards of value for the assessment of import duties and impose on such goods special taxes or duties in addition to ordinary imports duties. The same shall apply to articles manufactured at bonded factories with the aforesaid articles as material.

The articles mentioned in the preceding Paragraph are restricted to those of the articles enumerated in the Import Tariff annexed to the Customs Tariff Law, which are set forth in the List appended to the present Ordinance.

The countries referred to in the first Paragraph hereof shall be proclaimed by the competent Minister of State.

Article II. Any person who imports any of those of the articles enumerated in the Import Tariff annexed to the Customs Tariff Law, which are set forth in the List appended to the present Ordinance, shall attach a Certificate of of Origin to the Import Declaration; except when such article is mail matter or when the cost price of the same does not exceed ¥100.

The Certificate of Origin above referred to shall designate the marks, numbers, names, number and quantity of the article to be imported and also the locality where it was produced or manufactured, and shall be attested by the Imperial Consulate or, if it does not exist, by the Customs House, other Governmental or public office or the Chamber of Commerce and Industry, existing in the place where the said article was produced, manufactured, purchased or shipped; unless otherwise provided by treaty, in which case such treaty provisions shall prevail.

Article III. The term "competent Minister of State", occurring in the present Ordinance, applies in Chosen to the Governor-General of Chosen and in Taiwan to the Governor-General of Taiwan.

Supplementary Provisions

The present Ordinance shall come into force on the date of promulgation.

The present Ordinance shall apply neither to articles which, at the time of its coming into force, are actually in transit for Japan or are stored in bond, nor to articles which are made at bonded factories with the said articles as material.

Annex.

Import Tariff No.	Articles.
16	Wheat.
22	Flours, meals or groats of grains, and starches:
	1. Wheat flour.
	6. Wheat starch (under "Other").
361	Pulp for paper making.
367	Packing paper and match paper, excluding tissue paper.
605	Parts of machinery, not otherwise provided for:
	~~11. Endless felt for paper making~~
612	Wood:
	1. Cut, sawn or split, simply.
	F-1. Pine, fir, cedar, and other conifers.
	F-2. Chamaecyparis (white cedar yellow cedar, etc.).
	F-3. Thuja (red cedar, etc.) and Tsuga (hemlock, etc.).

F-4. Abies (todomatsu, etc.), Picea (Ezomatsu, spruce, etc.), Pines (benimatsu, etc.) and Larix (karamatsu, etc.).

F-5. Other (douglas fir, etc.):

a. Not exceeding 60 millimetres in thickness.

b. Not exceeding 200 millimetres in thickness.

c. Exceeding 200 millimetres in thickness.

d-1. Logs and cants:

d-2. Exceeding 10 metres in length, not exceeding 30 centimetres in diameter at top end.

d-3. Other.

2. Other:

E. Pine, fir, cedar, and other conifers (under "Other"), excluding Koyosan (Cunninghamia, sinensis).

647 Articles, not otherwise provided for:

1. Glutten (under "Raw").

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CERTIFICATE

I, Nihro, Katsumi, of the defense, hereby certify that I am conversant with the English and Japanese languages, and that the foregoing translation is, to the best of my knowledge and belief, a correct translation of the original document.

/S/ K. Nihro

Tokyo, Japan

Date: 31st day of July, 1947.

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CERTIFICATE

Statement of Source and Authenticity

I, SATO, Tomoo, the Secretary of the Cabinet, hereby certify that the document hereto attached in Japanese consisting 6 pages and entitled "Imperial Ordinance concerning the additional import duty issued in accordance with the provisions of Article 1 of Law No. 45, 1935" is an exact and true copy of the Official Gazette published on 20 July, 1935, by the Japanese Government.

Certified at Tokyo,
on this 30th day of July, 1947.

/S/ SATO, Tomoo (seal)
(Signature)

Witness: /S/ IWANAGA, Kenichi (seal)
(Signature)

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Appendix 1

Excerpt from "World Economic Survey 1931 - 1932"

(ix) International Finance and Economic Nationalism.

If the analysis contained in the preceding sections of this chapter could be summed up in a single statement, it would be that the post-war world as a whole had failed to realise and provide for the necessities of an economic, and more particularly a financial, system that was international in its obligations and commitments. The extent of international economic development can easily be overstated. Indeed, the problems of maladjustment arise largely from the fact that, while some parts of the economic, and still more the financial, mechanism are thoroughly international and even cosmopolitan, other important sections of it are still organised and planned on a national basis. (p. 43)

Throughout 1931 and the first half of 1932, Europe held the centre of the atage, with only occasional attention diverted to the United States. But the financial situation of the rest of the world for the most part grew steadily worse also. Japan affords a good example of the strain. Prices fell in that country from 228 in January 1929 and 201 in January

1930 to 159 in January 1931 and 147 in November 1931, after which Japan left the gold standard. Exports fell off from Yen 2,218 million in 1929 to Yen 1,179 million in 1931, while imports were virtually halved also. In the invisible trade a surplus of Yen 220 million in 1928 had become a deficit of Yen 15 million by 1931. Earnings fell practically 10 per cent in 1931 and employment declined in approximately the same degree. In the first eleven months of 1931, Japan lost almost 40 per cent of her gold reserves, and this after she had lost 25 per cent in 1930. Her reserve, which had been Yen 1,087 million on January 18th, 1930, fell to Yen 521 million on December 5th, 1931. (p. 81)

(ii) The Growth of Economic Nationalism.

In the first chapter of this Survey, reference was made to some of the ways in which the war of 1914 - 1918 disturbed economic organization. It is difficult to measure with any exactitude the extent to which international trade was reduced. The available statistics are complicated by varying degrees of currency inflation, and the movement of war materials is difficult to separate from normal trade, which, indeed, could hardly be said to exist in the abnormal circumstances. Virtually all interchange between the belligerent groups ceased, neutrals were affected by blockades and controls, and, despite the stimulus given to production and trade in areas outside Europe, the bulk of world trade declined heavily.

Apart from the general decline and the very considerable shifts in the relative positions of the various countries in this respect, there were other special factors which rendered commercial policy both complex and unstable at this period. One result of the peace treaties had been the creation of many new States in Europe and considerable alteration of frontiers. In this way, not only were new Customs barriers erected, but new industrial and commercial groupings cut across existing organization. The revenues needed by States at this period of financial exhaustion reinforced the strong pressure for protection of the new economic units.

The war had left many legacies of trade restrictions and governmental practices which operated as interferences with trade. Requisitions, controls, priority systems, prohibitions of import or export, price fixation, Government monopolies and enterprise all reinforced the effect of tariff barriers. But probably the greatest hindrance to trade arose from the disordered state of the various currencies. Inflation in various degrees, continually changing and increasing taxation, exchange rates that fluctuated not only from day to day but from hour to hour demoralixed the contradtual basis of regular trade.

It was for this reason that Governments, acting in concert with the international organisation of the League of Nations and through diplomatic conferences, devoted their first efforts at reconstruction to financial and currency problems. The success of these concerted efforts was encouraging. Agreements, particularly at the Brussels Conference (1920), on the principles of currency and financial administration [1] were quickly followed by efforts to balance national budgets, which ultimately put an end to inflation. Provisional agreement on reparation questions, concerted effort to stabilise the financial situation of certain European countries and a general measure of recovery from the depression of 1921 had restored world production and trade to the pre-war level by 1925 and had also paved the way for further recovery in Europe, which still lagged behind the rest of the world.

The lower level of prices ruling after 1921 had aggravated the effect of tariff barriers by increasing the real burden of the wide ranges of specific duties which had been imposed at a time when prices were higher. The addition of many new tariff barriers, the raising of their levels and the survival of many irritating and restrictive prohibitions and controls imposed during the war also pointed to restrictive commercial policies as an outstanding obstacle to the renewal of international economic co-operation.

The World Economic Conference which met in May 1927 surveyed the whole field of trade restrictions and was practically

1 Report of Brussels Financial Conference, 1920 (Document C.10.M. 7.1923).

unanimous regarding the necessity for their removal. The Conference made, in fact, a categorical declaration that "the time has come to put a stop to the growth of Customs tariffs and to reverse the direction of the movement". Three possible lines of action were envisaged -- individual action by States with regard to their own tariffs; bilateral action through the conclusion of suitable commercial treaties; and collective action by the negotiation of multilateral agreements. The Conference was important, therefore, mainly as a demonstration of the widespread recognition of the importance of international economic co-operation. Its discussions, resolutions and reports form what is virtually a manifesto of a movement towards free trade conceived not on national but on international lines. The validity of this general programme has been many times reasserted; but action in such matters is the prerogative of national Governments and, as succeeding events will show, the forces of economic nationalism have overwhelmed them. The course of events has, almost without exception, been away from freer co-operation, so that, in 1932, international trade is, in fact, far more restricted than it was five years earlier when the World Economic Conference unanimously affirmed the value and necessity of freer world trade.

Apart from the survival of many war-time prohibitions restrictions and hampering regulations, there had been, as soon as the war ended, a remarkable exhibition of nationalist economic policies. In part, they were designed to protect the new industries and channels of trade that had been opened up during the war period. There was fear also of exchange dumping and of renewed competition from Germany. The chemical industries in particular were regarded as vital for military reasons. The heavy industries, like iron and steel, and many so-called key industries were protected also. Great Britain, France and Italy all imposed protective tariffs in the years 1920 and 1921. The newer European States also hastily erected tariff barriers to protect and foster their industrial development. Up till about 1925, therefore, there was a general upward movement of tariffs, particularly marked in relation to industrial products. The memorandum on Tariff Level Indices, prepared for the World Economic Conference, shows also that, in many overseas countries such as Australia and India, there had been a marked rise in the tariffs imposed upon manufactured articles.[1]

When the World Economic Conference met in 1927, the tariff situation, however, still remained tairly open. With the comparative settlement of currency disorders and the general recovery of production and trade after 1924 - 25, it was possible, and even necessary in a great many countries, to consider the consolidation and stabilisation of tariff and Customs arrangements

[1] Tariff Level Indices (document C.E.I.37). See also A. Loveday, Britain and World Trade. London: Longmans, Green & Co., 1931, pages 35--46.

that had been devised as temporary measures in the previous years of wide price fluctuations. The whole period 1921 - 1926 was characterised by great activity in regard to tariff and Customs legislation, and many important commercial treaties and bilateral agreements were concluded. These, however, were mostly for very short periods of a year or less and, in 1927, there still remained the possibility of negotiated concessions and adjustment.

The Economic Consultative Committee set up by the World Economic Conference was able to report at its first meeting in 1928 that "the effect of the Conference has already substantially checked the upward movement of tariffs, which was in full swing in May 1927". The bases for this statement were mainly the abandonment by certain States of tariff increases that had been contemplated, the negotiation of several bilateral agreements which contained tariff reductions, a marked tendency to consolidate and stabilise tariff schedules, and the negotiation of the first multilateral agreement aiming at the abolition of import and export prohibitions and restrictions which had survived from the war period. An outstanding example of the more co-operative attitude of leading countries was the commercial treaty between France and Germany which was finally agreed upon in August 1927 after negotiations which had extended over three years.

Some progress was being made, therefore, along all three lines which the Conference had laid down -- unilateral tariff action, bilateral treaties and multilateral conventions. In addition, a beginning was made with the examination of various forms of administrative protectionism and similar hindrances to the free flow of world trade.

The impetus thus derived from the World Economic Conference was, however, both limited and temporary in its effects. In regard to unilateral tariff action, the most that could be claimed was that, for some months after May 1927, there appeared to be a halt in the imposition of higher duties. The Economic Consultative Committee, in its second report (May 1929), recognis that, while "the check to the forces which are continuously being exerted in every country in favour of greater protection has persisted", there was, even in 1928, little sign of "a move in the opposite direction". On the contrary, there were many signs that the protectionist current was setting in more strongly than ever. By the beginning of 1929, there was no longer any doubt of this tendency.

The forces making for higher or lower tariff policies thus seem to have been evenly poised for a few months; but the international outlook faded as the agricultural States of the world began in 1928-29 to feel the first stringency which preced the depression. In 1928, Persia and China introduced their first autonomous tariffs, while Spain, Peru and Chile made general revisions. In Europe, particularly in Germany and Sweden there were revisions and eliminations, mostly of a downward character except in regard to the agricultural protection mentioned below. The Economic Consultative Committee at this time recognised that the issue, a drawn battle in 1927-28, would be decided by the character of the new tariffs under consideration in 1929 by Brazil, Egypt, Finland, Mexico, Portugal, Roumania, Spain, Turkey and the United States.

The development of agricultural protection in Europe, however, proved to be decisive. The continuous raising of tariff duties on industrial products in so many States, during the period 1921-1925, had left what the agricultural producers regarded as an invidious and unbalanced tariff situation. As long as food imports were needed in post-war Europe, agricultural prices remained relatively satisfactory; but the new German tariff law of 1925, which reimposed higher duties on food imports, proved to be the beginning of a strong upward movement of agricultural tariffs designed to protect home agricultural markets In protecting its agriculturists, Germany had progressively to close its markets to the producers of other countries. In so doing, it became necessary to denounce the commercial treaties with Holland, Finland and Sweden, in so far as they related to imports of agricultural products. Moreover, the original restoration of food duties in 1925 had imposed the "middle rates" of 1902, but successive revisions raised these rates until, in 1929, a new and much more drastic range of duties was imposed, only to be replaced in April 1930 by even more prohibitive rates which, as the depression deepened, were supplemented by the variety of administrative measures discussed later.[1]

These developments were paralleled in many other European States, and the agricultural countries of Central and Eastern Europe, crushed between the strong competition from the large-scale cereal and meat producers of the newer lands such as Canada, Australia and the Argentine, and the progressive closing of their neighbouring markets, were themselves forced into high protection and other restrictive measures. As the depression developed, the free markets, particularly for grain, constantly narrowed. Italy, France and Germany erected higher tariff barriers and supplemented them with administrative measures; in Norway, Sweden, Czechoslovakia and Switzerland, State controls or monopolies govern the markets. Milling regulations, quotas, import licences further protect the home growers. In Roumania, on the other hand, there is a direct export bounty, and in Hungary a tax on flour consumption, while in Germany, Poland, France, Czechoslovakia and Austria, the export of cereals is encouraged by the issue of "import

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1 See section (iv).

bonds" to exporters of grain.

It was this pressure for agricultural protection which destroyed the movement towards freer trade in the years 1927 and 1928. The plight of the agricultural countries of Central and Eastern Europe illustrates very well the fundamental maladjustments that created the depression. The agricultural producers in these countries are faced with heavy competition from overseas exporters, burdened with over-borrowing, their migration restricted, their trade outlets closed. Despite repeated efforts to discover some method of economic co-operation, they are in 1932 forced back, in self-defense, to increasing measures of import restriction, financial difficulties, and lowered standards of living.

Alarmed at the prospects of a new tariff war, of which the signs were clearly visible in 1929, the meeting of the Assembly in September 1929 had given favourable attention to the proposals made for a "tariff truce" to last for two or three years, during which time negotiations might be undertaken for a more permanent settlement. The immediate effect of the proposed truce was to accelerate action on the part of many States which deemed their tariffs too low, or desired to gain a more advantageous bargaining position. A new impulse was given, therefore, to the already powerful forces making for higher protection. The later development of the proposal for a tariff truce is more conveniently considered below.

From the middle of 1929, the steady deepening of depression, particularly in the raw-material-producing countries, greatly reinforced the pressure for higher tariffs. At this period, there appeared the additional motive of reducing imports in order to provide a strong favourable or active export balance from which the heavy overseas financial commitments of these countries might be met. From this time forward, therefore, the usual protectionist and revenue agrùments for higher tariffs were reinforced and quickly overshadowed by the necessity for securing an active "balance of trade".

The whole movement was undoubtedly accentuated both by the alarm and resentment felt in many countries as the discussions of the new Hawley-Smoot tariff dragged on in the United States Congress from May 1929 to June 1930, and by the real effects of that tariff when it went into operation. It was followed quickly by new tariffs in many other countries, among others, Canada, Cuba, Mexico, France, Italy, Spain, Australia, New Zealand. In the case of the British Dominions, higher general tariffs were accompanied by an increased measure of imperial preference, and the general idea of a more extensive system of preferential duties with the British Empire was appreciably advanced.

It is obvious, therefore, that by the end of 1930 the protectionist current was running at full tide. The unilateral action of the various States mentioned above had brought into existence tariffs that were appreciably higher all round. The deepening of the economic depression throughout the year made still more strongly for economic nationalism and, in the scramble for national security, the international aspects of tariff alterations did not weigh heavily.

When the financial crisis supervened in the spring of 1931, the imposition of restrictions upon commerce took on panic proportions. No country was immune, as the difficulty of transferring foreign exchange spread from debtors to creditors. The rapid succession of tariff changes, exchange controls, contingent systems, clearing arrangements is a confusing story that cannot be treated in detail, but the inevitable results in further restricting the volume of trade, raising the costs and complicating the machinery of trade regulation are only too clear.

Even the briefest record of the details of the almost univers movement towards higher tariffs would be impossible in this Survey, but reference should be made to the outstanding case of Great Britain. For more than ninety years, since Sir Robert Peel introduced the budget of 1842, Great Britain had been a free-trade country. Indeed, the movement towards freer trade began much earlier. The length and strength of this free-trade position render its abandonment the more notable. Temporary war restrictions and controls, followed by safeguarding duties for the protection of key industries immediately after the war, had made breaches in the free-trade system; but the reversal of general policy in 1931-32 was more thorough-going and complete. The first step in this reversal of policy was the imposition of temporary duties of 50 per cent on a long list of commodities the importation of which was held to be abnormal in quantity. A further list of agricultural, horticultural and garden imports was met with similar treatment, in this case by the imposition of duties approximating 33 1/3 per cent, but devised, in some cases, on a sliding scale designed to combat the import of early fruit and vegetables. These measures, imposed in November and December 1931, were followed in the early months of 1932 by legislation establishing a wheat quota, and, finally, by a general tariff. The latter was entrusted to a specially constituted permanent committee hich in April recommended an extensive list of duties.[1] The range of duties recommended was from 10 per cent to 33 1/3 per cent, the main grouping being at the lower rates. Imports from the British Empire of commodities subject to the new duties are exempt pending negotiations with the Dominions. The commodities

1 Import Duties. Recommendations of the Import Duties Advisory Committee and Additional Import Duties (No. 1) Order, 1932. Cmd. 4066.
Also "British Tariff Policy 1932" prepared for the Fifth Conference of Institutions for the Scientific Study of International Relations, by Members of a Joint Study Group of the Royal Institute of International Affairs and the London School of Economics and Political Science.

covered by the new duties represent a substantial proportion of the total imports of Great Britain. Calculations based upon the trade returns of 1930 show a free list of approximately only a-third of the total imports, while about 40 per cent of the total (excluding 10 percent, the produce of the Empire) is subject to the new duties. Great Britain, therefore, must now be placed among the countries which have at least a medium-range protective tariff system.

In recommending the first general tariff in April 1932, the Advisory Committee announced its intention not to recommend any lowering of duties for at least a year. Since the tariff as recommended was adopted by Parliament with few major amendments and the power of interim revision is delegated to the Advisory Committee, the use of the tariff for bargaining purpos is somewhat restricted by this pledge. Negotiations are activel under way also with the self-governing Dominions, and an Imperi Conference will meet at Ottawa in July 1932 to discuss the imperial aspects of the new regime. Both in the departure of Great Britain from its free-trade tradition and in the prospe of closer tariff relations within the British Empire, these developments change significantly the whole atmosphere of international discussions on tariffs and trade.

(iii) Bilateral and Multilateral Negotiations.

If attention is turned to the bilateral treaties which multiplied after 1927, the story is much the same. The method of bilateral negotiation for the reduction of tariff charges was one of the most hopeful avenues of progress envisaged by the World Economic Conference. This was particularly the case when the treaties included clauses for "most-favoured-nation treatment", since successive reductions of duties accrued, not only to the contracting parties, but also to all those countries which had bargained for most-favoured-nation treatment with them.

Numerous treaties were negotiated in 1927 and succeeding years, and it was evident that they held promise, not only of gradual tariff reductions, but also of agreements concerning veterinary controls, Customs formalities and many other measures of administrative protection. The period for which most of them were negotiated was, however, very short, in most cases a year only, and the contracting parties therefore retained liberty of action. As the tide of protectionism rose during the depression, such bilateral agreements became instruments for negotiation on a higher tariff level rather than means for a gradual approach to an all-round reduction of trade restrictions.

As the depression deepened, there were two distinct but related developments of this method of negotiation, particularly among the European countries. There was much discussion of regional agreements, and on December 22 d, 1930, a Convention was signed at Oslo by the representatives of Denmark, Norway, Holland, Sweden and Belgium which provided a permanent basis for their tariff relations and established a procedure of notification among them in regard to tariff changes.

Other discussions relating to the possibility of regional agreements, particularly among the Central and Eastern European countries, were complicated both by political considerations and by the financial difficulties of those States. Successive conferences of the agricultural countries of Eastern Europe were held at Warsaw (August 1930), Bucharest (October 1930), Belgrade (November 1930) and Warsaw (November 1930). The eight countries represented at these conferences [1] were concerned primarily with the depressed condition of agriculture and particularly of cereal-growing. They contemplated the institution of national controls for the sale and export of these products, but also asked preferential treatment in regard to them from the importing countries of Western Europe. Such preferential treatment, in certain case, would have cut across the most-favoured-nation clauses of existing treaties, but was strongly advocated as a temporary measure affecting only a comparatively small volume of produce on the ground that agriculture was the fundamental economic basis of the States concerned. This whole discussion was complicated in March 1931 by the announcement

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1 Bulgaria, Estonia, Hungary, Lithuania, Poland, Roumania, Czechoslovakia and Yugoslavia.

of a project d Austro-German Customs Union, a project which was later withdrawn by its proposers.

Bilateral negotiations, extended to the discussion of regiona agreements, therefore, led back again directly to the international aspects of trade restriction and regulation. It is convenient at this point to take up the story of the first efforts at multilateral negotiations. The World Economic Conference had recommended this as the third method of approach to freer trade, and in the course of 1928, as has already been stated, a Convention was negotiated for the abolition of import and expor prohibitions and restrictions. This Convention was to come into force if eighteen ratifications had veen received by September 30th, 1929. At that date, however, only seventeen States had ratified it, and a new conference was called in December 1929 which again failed to secure the necessary agreement.

Another conference held from November 5th to December 5th, 1929, to discuss a Convention giving greater liberty to foreign resident traders, also broke down on the refusal of certa States to change their existing legislation.

The first meeting called to consider concerted economic action in general tariff matters was that convened to take up the proposal advocated at the Assembly in September 1929 for a tariff truce. It met under unfavourable circumstances in Februar 1930, after the failure of the conferences mentioned above and after it was clear that the new United States tariff would be strongly protectionist. Moreover, the economic depression was now well advanced, and the proposal for a tariff truce was therefore replaced by a commercial Convention of March 24th, 1930, prolonging existing commercial agreements till April 1st, 1931, and setting up a given procedure of consultation to be followed when duties were increased. At the same time, a protocol was signed opening the way to further negotiations of a more permanent character.

It was at this point that the regional discussions in Eastern Europe, and particularly the situation of the Dominion countries, were related once again to the general discussions. The need for financial assistance to these countries was recognised, but strong objections were raised to the granting of preference on cereal products.

The Assembly devoted some atention in 1930 also to this problem. Even stronger objections to the preferential proposals were voiced by the representatives of various non-European agricultural countries. A new turn was given to the whole discussion, however, by the memorandum presented to the Assembly by M.Briand, on behalf of the French Government, proposing the constitution of a Commission of Enquiry for European Union.

Before taking up the account of this Commission's work, however, it is necessary to record the continuation of the efforts to find some basis for concerted economic action in general tariff matters.

A second conference for this purpose met in November 1930 to consider ways and means of putting the Convention of March 24th, 1930, into effect. The Economic Committee of the League had in the meantime considered this problem and suggested the desirability of negotiations for lower tariffs and the consideration of temporary preferential arrangements for the European agricultural countries. The conference, however, remitted the first of these suggestions to the various Governments for bilateral action and, after consideration of the objections raised to the preferential proposals, failed to endorse them. On the other hand, it recommended that an international organization of agricultural credit should be attempted. No headway was made in regard to the proposed Convention of March 24th, 1930, and, after further discussion at a second session in March 1931, the Convention still remained a project without practical application. The first efforts at multilateral negotiation therefore ended in temporary failure.

Meantime, the Commission of Enquiry for European Union had held a preliminary meeting in January 1931, and had called a meeting at Paris, in the succeeding month, of the cereal exporting and importing countries of Europe, the chief result of which was that the importing countries declared themselves ready to reserve an import quota for wheat produced in Europe and to consider similar action in the case of maize and barley, while deferring for a time consideration of rye and oats. A committee was also set up to consider the problem of disposing of the surplus from future harvests. Later meetings of the commission of Enquiry were occupied largely with the discussion of a pact of economic non-aggression proposed by the Soviet Union, but the Eastern European countries have maintained their request for preferential treatment of their cereals.

In 1931, however, the whole problem was submerged in the financial difficulties and particularly the controls of foreign exchanges necessitated by the severity of the crisis. Discussions continued both in the Economic Committee of the League and in the Commission of Enquiry for European Union. A draft project for an International Agricultural Credit Association was signed by sixteen States in May 1931, but has not been brought into existence. Various proposals for the alleviation of unemployment and for the facilitating of long-term investments have been mooted. Committees have considered the market situation of special products such as hops, tobacco, etc. But the shadow of the depression has been over all such proposals financial provision has been wanting, and international economic co-operation has proved impossible, while national Governments have been faced with economic insecurity within their own borders.

(iv) The Control of Exchange.

The regulation and restriction of international trade, already gravely complicated by the almost universal raising of tariff barriers and the failure of multilateral negotiations, took on a new aspect in the latter part of 1931, when one debtor country after another was forced to institute drastic controls of the foreign exchanges in order to safeguard the stability of its currency and to provide, as far as possible, the means for meeting its external financial obligations. Exchange controls were unfortunately not altogether a new phenomenon in the post-war world. During the period of currency inflation, the pegging of exchange had been practised by many countries in one way or another. When drastic efforts became necessary to reorganise and stabilise the currencies which had broken down after severe inflation, these exchange controls were rigidly exercised. With the movement back to the gold standard after 1925, however, the most restrictive of the controls were gradually removed.

Though there were signs of difficulty, for example in Germany in the summer of 1930, the severe financial phase of the economic depression may be dated from May 1931, when the Creditanstalt difficulties involved the National Bank and the Government of Austria. The weak financial situation that was then revealed, cupled with the effect of the depression upon agricultural prices and therefore upon export values, made in more than ever necessary to provide for larger export balances, while at the same time conserving the exchange parities of the local currencies in order to avoid increasing the burden of external debt, which was already heavily increased by the fall in gold prices. The provision of such an active trade balance might be maximised by encouraging exports or by discouraging imports, or both. The encouragement of exports was a policy that had very definite limits set both by domestic production and consumption and by the capacity and willingness of the international market to absorb increased quantities of the raw materials and food-stuffs, which were the main resources of most of these debtor countries.

Moreover, the protectionist movement had set in so strongly by the middle of 1931 that markets were increasingly restricted. The higher United States tariff of 1930 had been followed by many other tariff systems; both France and Belgium introduced a system of licensing imports in the third quarter of 1931, Czechoslovakia did the same in July, and Sweden introduced a wheat monopoly in June. These and other systems of import contro it should be remembered, were added to constantly higher tariff barriers, many of them being reprisals against the tariff barriers of other countries. By the end of 1931, licences had led to quota or contingent systems, many countries had left the gold standard, others had thereupon reintroduced additional exchange-dumping duties, commercial treaties were being denounced, and cumulative restrictions were being placed in the way of international trade. A summary list of the main measures adopted will indicate both the universality and the complexity of trade restrictions.

The first type consisted in the control of foreign exchange transactions to check any flight of capital and to conserve the available exchange resources for the most essential national requirements. Such controls were in force in Austria, Bulgaria, Czechoslovakia, Estonia, Finland, Germany, Greece, Hungary, Latvia, Yugoslavia, Argentine, Brazil, Chile and India, while in Norway the banks exercised unofficial control. During the early months of 1932, Denmark and Roumania introduced control systems, but Finland abandoned such restrictions on December 31st, 1931.

More direct reduction of imports was achieved in 1931 by the introduction of quotas (Czechoslovakia, France, Italy, Latvi Netherlands and Turkey); by prohibitions (Czechoslovakia, Denmark, Estonia, Poland, Turkey and Colombia); by State monopolies (Estonia and Sweden), by new inport duties (Great Britain by increased duties (Austria, Argentine, Australia, Belgium, Brazil, Bulgaria, Denmark, France, India, Italy, Latvia, Lithuania, Netherlands, Poland, the Union of South Africa and Swizerland); and by Customs surtaxes for depreciated exchange (Canada and France).

In addition, the abandonment of the gold standard by Argentine, Australia, Brazil, Denmark, Finland, Great Britain, India, Japan, New Zealand, Norway, Portugal and Sweden had considerably hampered imports into those markets. In addition to these countries, Bolivia, Chile, Greece, Siam and Peru abandoned the gold standard in the early months of 1932. In many other countries, its maintenance was more nominal than real, and it was a truer representation of the facts to say that in some half-dozen countries only was the gold standard maintained without special restrictions.

Such a recital of the progressive and cumulative imposition of restrictions in so many countries sufficiently explains the manner in which currency disorganization in recent months has caused a creeping paralysis of international trade.

There are many other ways, besides the direct effect of higher duties, in which this complication of regulations embarrasses international trade. Formalities have multiplied and become both hampering and costly; licences, if granted for the year, cause gluts and then scarcities, or, if granted monthly, prevent an orderly development of trade. Contingents or quotas cut across most-favoured-nation arrangements and, moreover, dislocate the relations of supply and demand. Decisions taken by civil servants in the "national interest" differ considerably from those dictated by the normal relations of consumer and producer. As a particular important instance of this may be cited the importance attached in the various systems of exchange controls to the service of debt as distinct from the import needs of the country. The world is becoming enmeshed in a network of temporary ad hoc regulations which will be extremely difficult to disentangle.

In an effort to cope with certain of these evils, different countries have negotiated bilateral "clearing agreements", by which imports and exports are balanced as between the two countries concerned. There are, however, very great difficulties, in practice, in maintaining such agreements. International trade is rarely bilateral, and the effort to balance the import and export relations of two particular countries involves the dislocation of the normal many-cornered trade that has been built up by decades of international co-operation. Essentially, such clearing agreements are temporary and unsatisfactory devices to meet an impossible situation.

It is impossible in any brief summary to make anything like a complete statement of all the various devices brought into use to restrict trade. Especially after the abandonment of the gold standard by Great Britain in September 1931, there has been a veritable panic, which has piled new tariffs on old, turned licensing systems into prohibitions, monopolies and contingents; denounced existing commercial agreements; created more and more rigid exchange controls issuing in debt moratoria and paralysed trade; and substituted a slight and temporary framework of clearing agreements for previously existing treaties. The bankers or civil servants have had thrust on them the duty of regulating commercial intercourse, and merchants have been so hemmed in by regulations that freedom of trade has almost ceased to exist.

It would be invidious to take the case of particular countries as anything more than illustrative of general situations. Many of the debtor countries are virtually at a standstill with rigid exchange controls, debt moratoria, and ever-increasing governmental control of economic life. The great creditor countries are almost equally affected. The United States, since its tariff action in 1930, has not added further barriers to trade, but Great Britain, in November and December 1931, placed duties of 50 per cent on three long lists of imports, and followed these lists with two others relating to agricultural imports subjected to duties based on an average of $33^1/_3$ per cent, besides passing an Act providing for a wheat quota and finally introducing a general tariff.[1] Holland, another traditional free-trade country, raised its tariff barriers in November and, in the following month, introduced a system of "contingents". France and Germany, from the middle of 1931, have striven to protect their agriculture

1 See section (ii).

by a very wide contingent system, the imposition of "exchange-dumping" duties and reprisals against other countries which limit either their exports or payment for them.

These are merely examples chosen almost at random. There has never before been such a wholesale and widespread retreat from international economic co-operation. The results are already sufficiently manifest in the reduction of trade, which has been outlined in a previous chapter. The full consequences, however, have yet to work themselves out in the standard of living of the peoples of the world. Reversion from a highly organised and interdependent society to the simpler forms of national sufficiency is a costly process, and it has become quite clear that the remedy for international maladjustments is not to be found in a flight to economic nationalism.

(v) The International Aspects of Trade Regulation.

Running through this whole story of trade regulation and restriction in the crisis years, there is the definite conflict of economic and social conceptions referred to briefly in the first section of this chapter. In the field of action, national forces and institutions have been completely dominant. The proposals for international action have met with scant success. This is not, after all, difficult to understand. The crisis through which the world has passed, and is still passing, has never been paralleled in duration, universality or intensity. It has brought into challenge the whole of organised economic and political life.

The international conception of developing world unity was by no means widely accepted even before the war. Years of war and post-war struggle and propaganda were hardly likely to establish it, even though the fact of economic development pointed to increasing interdependence. The great bulk of social life and education is still organised on national bases, the prese vation of which is regarded as the primary duty of citizenship. There is much that is wholesome and valid in this conception of national life, and it is natural that the advent of a disastrous crisis should evoke a strong impulse to ensure stability in natior affairs.

Yet the events of recent years, and more especially of rece. months, have demonstrated how large a part international relations have come to play even in national life and affairs. Interdependence, especially in the financial and economic sphere. has been proved, even in the process of endeavouring to secure national sufficiency. The task of synthesis remains. What is valuable and useful for the welfare of the people in national organisation must be reconciled with the fact that every nation is now dependent upon every other.

It is noteworthy, therefore, that, throughout the crisis, international negotiations have been maintained, even in many of the processes of unilateral action. There have been tariff wars before, never perhaps on such a desperate scale, but, on the other hand, never before conducted internationally. The "habit of conference" has persisted, the multilateral aspect of negotiations has been maintained, even when they have issued in drastic unilateral action. The process may have failed but the machinery is not destroyed.

Moreover, this is the first great economic crisis in which the necessity of international economic co-operation has been steadily maintained, not only as an ideal, but as a practical working solution. Successive official and unofficial conferences have endorsed the recommendations of the World Economic Conference of 1927. Despite national actions to the contrary, even national representatives assembled in international conference have admitted and upheld the validity of this international program

There is, therefore, a solid and growing body of support for the view that the way out of the crisis is by an increasing rather than a decreasing measure of international economic co-operation. Action follows upon conviction and conviction waits often upon the exhaustion of other possibilities. Moreover, action in such a vast field cannot be simple. Financial, monetary commercial and other economic aspects of the problem are inter-linked and all depend to some extent upon political settlement and appeasement. The downward slope of the crisis has seen reversion to the more primitive forms of economic nationalism in unprecedented degree; the upward slope awaits and will itself facilitate a return to the realities of interdependence.

(P.P 275 - 291)

DEF. DOC. #1918 Appendix I

Certificate

Statement of Authenticity

I, who occupy the post of the Chief of the Archives Section of Foreign Office, hereby certify that the document hereto attached in English consisting of 328 pages and 3 attached maps and entitled "World Economic Survey 1931-2" is a document compiled and published by the League of Nations and in the custody of Japanese Foreign Office.

certified at Tokyo

on this 2nd day of August, 1947.

/s/ HAYASHI, Kaoru

(seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

Witness: /s/ URABE, Katsuma

(seal)

DEF. DOC.# 1918

APPENDIX 3-A

EXCERPT FROM "ECONOMIC STATISTICS OF JAPAN 1935" PP. 74

Exports and Imports of Merchandise

(In thousands of Yen)

Year & Month	Japan Proper & Karafuto			Whole Country (Taiwan & Chosen included)		
SHOWA	Exports	Imports	Excess of Exports or Imports(*)	Exports	Imports	Excess of Exports or Imports(*)
3.(1928)..	1,971,955	2,196,314	* 224,359	2,038,094	2,372,999	* 334,904
4.(1929)..	2,148,618	2,216,238	* 67,619	2,217,658	2,38[illegible],175	* 171,517
5.(1930)..	1,469,852	1,546,070	* 76,218	1,518,573	1,680,314	* 161,740
6.(1931)..	1,146,981	1,235,672	* 88,691	1,179,211	1,319,405	* 140,194
7.(1932)..	1,409,991	1,431,461	* 21,469	1,457,295	1,524,521	* 67,225

See certif 3ABCD

Compiled by BJ Japan 1935

DEF.DOC.# 1918

Appendix 3-B

Excerpt from ""Economic Statistics of Japan 1935"

P,P. 75

(In thousands of Yen)

Exports and Imports of Gold

Year & Month	Japan Proper & Karafuto			Whole Country (Taiwan & Chosen included)		
	Exports	Imports	Excess of Exports or Imports(*)	Exports	Imports	Excess of Exports or Imports(*)
Showa 3.(1928)	--	409	* 409	--	443	* 443
4.(1929)	--	462	* 462	--	547	* 547
5.(1930)	308,634	9,042	299,591	308,634	21,884	286,750
6.(1931)	419,834	9,054	410,779	419,856	31,661	388,195
7.(1932)	112,700	5	112,695	112,700	642	112,058

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Def. Doc. # 1918
APPENDIX 3-C

EXCERPT FROM "ECONOMIC STATISTICS OF JAPAN 1935" PP. 99

PRICES OF COMMODITIES

Index Numbers of Wholesale Prices in Tokyo Table I (by Months)

Based on Prices of 56 Commodities

October, 1900=100

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	AV.
SHOWA													
3.(1928)..	224.1	223.9	223.9	224.5	226.9	223.5	223.2	225.0	229.8	229.7	229.1	229.8	226.1
4.(1929)..	227.9	226.2	226.2	225.1	223.0	221.7	219.6	218.4	217.5	216.2	211.1	205.0	219.8
5.(1930)..	201.4	199.8	195.9	192.8	189.4	181.2	176.6	175.6	171.4	164.6	162.2	160.8	181.0
6.(1931)..	158.5	158.0	158.3	157.9	154.0	150.7	152.8	151.8	149.6	146.9	147.0	151.0	153.0
7.(1932)..	159.5	161.4	158.5	154.1	150.3	146.4	147.7	155.8	167.4	169.1	177.9	184.6	161.1

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Def. Doc. # 1918

Appendix 3-D

Excerpt from "Economic Statistics of Japan 1935"

p.p. 135

LABOUR

Number of Workpeople in Factories, Mines, etc. (Japan proper

End of		Factories — Private Management — Under Factory Law: Male	Female
Showa			
2.(1927)	6....	679,016	895,032
	12....	715,115	850,471
3.(1928)	6....	730,045	854,149
	12....	825,164	861,540
4.(1929)	6....	752,633	890,115
	12....	775,058	887,579
5.(1930)	6....	721,814	864,839
	12....	719,473	826,678
6.(1931)	6....	684,488	840,626
	12....	688,813	804,019
7.(1932)	6....	674,166	773,503
	12....	720,730	816,278

See Appx 3 above

End of		Mines	
		Male	Female
SHOWA			
2.(1927)	6....	226,637	69,378
	12....	228,678	64,237
3.(1928)	6....	228,937	69,116
	12....	233,818	61,783
4.(1929)	6....	194,037	52,750
	12....	225,325	52,768
5.(1930)	6....	203,427	44,774
	12....	191,539	34,323
6.(1931)	6....	175,882	26,044
	12....	171,264	24,247
7.(1932)	6....	166,133	22,179
	12....	171,575	19,596

Def. Doc. No. 1918 Appendix 3 A,B,C,D

CERTIFICATE OF AUTHENTICITY

I, who occupy the post of the Chief Investigator, Bank of Japan, hereby certify that the document hereto attached, printed in Japanese consisting of 145 pages and entitled "Japan Economical Statistics, 10th of Showa" is a document compiled and issued by the year (1935) Investigation Branch, Bank of Japan.

Certified at Tokyo,

on this 29 day of July, 1947

YAMADA, Seichi (seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

At the same place,

on the same date

Witness: AKASHI, Kageaki (seal)

DEF. DOC. #1918 Appendix No.4

Important Dates on Currencies

Countries	Gold Standard Suspended (1)	Foreign Exchanges Controlled (2)	Gold Currencies Devalued (3) Remarks
Union of S.A.	Mar. 28, 1932	-----	Jan. 1933
Albania	-----	-----	-----
Germany	-----	July 13, 1931	-----
Argentine	Mar. 16, 1929	Oct. 19, 1931	Nov. 1929
Australia	Dec. 17, 1929	-----	Mar. 1930
Austria	Apr. 5, 1933	Oct. 9, 1931	Sept. 1931

Since April 6, 1933 all exchange transactions are made by open market rates and by official rates Devaluation of the parity was made on April 30, 1934. Exchange control is greatly related since June, 1935.

Belginm	March 30, 1935	Mar. 18, 1935	-----

Devalued March 31, 1935
Exchange control is greatly relaxed since April 10, 1935

Bolivia	Sept. 25, 1931	Oct. 3, 1931	1930
Brazil	-----	May. 18, 1931	Dec. 1929
Bulgaria	-----	Oct. 15, 1931	-----
Canada	Oct. 19, 1931	-----	Sept. 1931
Chili	Apr. 20, 1932	July.30, 1931	Apr. 1932
China	-----	Sept. 9, 1934	-----

Silver Standard. On Nov. 4, 1935 national ownership of silver was decided and proclaimed and the export of silver was banned (see the appendix 3 and the Remarks 2).

Columbia	Sept. 21, 1931	Sept. 21, 1931	Jan. 1932

Costa Rica		-----	Jan. 1932

Since the world war no gold standard was instituted legally. Since Feb. 27, 1935 the exchange control was withdrawn.

Denmark	Sept. 29, 1931	Nov. 18, 1931	Sept. 1931
Danzig (Free city)	May 2, 1935	-----	May 1935

Devalued May 2, 1935.

Egypt	Sept. 21, 1931	-----	Sept. 1931
Equador	Feb. 9, 1932	Apr. 30, 1932	June 1932

Exchange control war relaxed since October, 1935.

Spain	-----	May 18, 1931	1920

Dollar exchange standard.

Estonia	June 28, 1933	Nov. 18, 1931	June, 28, 1933
U. S. A.	March 6, 1933	March 6, 1933	Apr. 19, 1933

There is no monetary system of its own in Cuba, Dominica, Haiti and Panama, American dollar being in use. Devalued on Jan. 31, 1934. Exchange control was greatly relaxed since Nov. 12, 1934.

Finland	Oct. 12, 1931	-----	Oct. 1931
France	-----	-----	-----
Greece	Apr. 26, 1932	Sept. 28, 1931	Apr. 1932
Guatemala	-----	-----	April 1933

Since the world war no gold standard system was set up legally.

Honduras			Apr. 1933
Hungary	-----	July 17, 1931	-----

Since December, 1932 exporters of certain agricultural products get money in full face value against documents delivered at the National Bank and they also get a 3--15% premium.

India	Sept. 21, 1931	-----	Sept. 1931
Dutch East India	-----	-----	-----
Irland (Free State)	Sept. 26, 1931	-----	Sept. 1931
Italy	-----	May 26, 1934	March 1934
Japan	Dec. 13, 1931	July 1, 1932	Dec. 1931
Latvia	-----	Oct. 8, 1931	-----
Lithuania	-----	Oct. 1, 1935	-----
British Malaya	Sept. 21, 1931	-----	Sept. 1931
Mexico	July 25, 1931	-----	Aug. 1931
Nicaragua	-----	Nov. 13, 1931	Jan. 1932
Norway	Sept. 29, 1931	-----	Sept. 1931
NewZealand	Sept. 21, 1931	-----	Apr. 1930

Since the world war the gold standard is not restored legally but as a matter of practice the gold parity is restored.

Palastine	Sept. 21, 1931	-----	Sept. 1931
Panama			

There is no perfect monetary system. American dollar is in use.

Paraguay		August 1932	Nov. 1929

Argentine exchange standard.

Holland	-----	-----	-----
Peru	May 18, 1932	-----	May 1932
Iran			Mar. 1932

Silver standard until March, 1932. Since them legally the parity is in use.

DEF. DOC. #1918 Appendix No.4

Philippines			Apr. 1933

Dollar exchange standard.

Poland	-----	-----	-----
Portugal	Dec. 31, 1931	Oct. 21, 1922	Oct. 1931
Roumania	-----	May 17, 1932	July 1935
Great Britain	Sept. 21, 1931	-----	Sept. 21, 1931
Salvador	Oct. 8, 1931		Oct. 1931
Siam	May 11, 1932	-----	June 1932
Sweden	Sept. 29, 1931	-----	Sept. 1931
Swiss	-----	-----	-----
Zcheco Slovakia	Sc	Sept. 26, 1931	Feb. 1934

Devalued Feb. 17, 1934.

Turkey		Feb. 26, 1930	1915

Since the world war the gold standard has not been the reinstituted.

Soviet Russia

Exchange transactions are done by the state.

Uruguay	Dec. 1929	Sept. 7, 1931	Apr. 1929

Since the World War the gold standard remains unrestored, but in practice the gold parity is in use.

Venezuela		-----	Sept. 1930

Official exchange rates at home are being maintained at points near the gold parity. But since Oct. 17, 1932 the National Bank has instituted a premium to all exchange transactions which is now fixed at 28,5 percent.

Yugo Slavia		Oct. 7, 1931	July 1932

3

Def. Doc. # 1918

Appendix 5 - A

Excerpt from "Convention for the Abolition of import and export Prohibitions and Restrictions."
p.p 7 - 11

Article 1.

The provisions of the present Convention shall apply to prohibitions and restrictions imposed on the importation into the territories of any High Contracting Party of goods the produce or manufacture of the territories of any other High Contracting Party, and to prohibitions and restrictions imposed on the exportation of goods from the territories of any High Contracting Party to the territories of any other High Contracting Party.

Article 2.

Subject to the exceptions provided for in the following articles, the High Contracting Parties undertake to abolish within a period of six months from the date of the coming into force of the present Convention, in so far as the respective territories of each of them are concerned, all import and export prohibitions or restrictions, and not thereafter to impos any such prohibitions or restrictions. During this period each of the High Contracting Parties will adopt all appropriate measures in order to reduce existing prohibitions and restrictions to a minimum and will refrain from imposing any new prohibitions or restrictions.

Further, the High Contracting Parties undertake to adopt the necessary measures to ensure that the provisions of the present Convention are strictly observed by all authorities, central or local, and that no regulation is issued in contravention thereof.

Article 3.

Should the High Contracting Parties, in pursuance of their legislation, subject the importation or exportation of goods to certain regulations in respect of the manner, form or place of importation or exportation, or the imposition of marks, or to other formalities or conditions, they undertake that such regulations shall not be made a means of disguised prohibition or arbitrary restriction.

Article 4.

The following classes of prohibitions and restrictions are not prohibited by the present Convention, on condition, however, that they are not applied in such a manner as to constitute a means of arbitrary discrimination between foreign countries where the same conditions prevail, or a disguised restriction on international trade:

1. Prohibitions or restrictions relating to public security.

2. Prohibitions or restrictions imposed on moral or humanitarian grounds.

3. Prohibitions or restrictions regarding traffic in arms, ammunition and implements of war, or, in exceptional circumstances, all other military supplies.

4. Prohibitions or restrictions imposed for the protection of public health or for the protection of animals or plants against disease, insects and harmful parasites.

5. Export prohibitions or restrictions issued for the protection of national treasures of artistic, historic or archeological value.

6. Prohibitions or restrictions applicable to gold, silver, coins, currency notes, banknotes or securities.

7. Prohibitions or restrictions designed to extend to foreign products the regime established within the country in respect of the production of, trade in, and transport and consumption of native products of the same kind.

8. Prohibitions or restrictions applied to products which, as regards production or trade, are or may in future be subject within the country to State monopoly or to monopolies exercised under State control.

Article 5.

Nothing in this Convention shall affect the right of any High Contracting Party to adopt measures prohibiting or restricting importation or exportation for the purpose of protecting, in extraordinary and abnormal circumstances, the vital interests of the country.

Should measures of this character be adopted, they shall be applied in such a manner as not to lead to any arbitrary discrimination against any other High Contracting Party. Their duration shall be restricted to that of the causes or circumstances from which they arise.

Article 6.

1. The High Contracting Parties, recognising that there exist in the case of certain of them situations of fact or of law which prevent the latter from immediately undertaking, as regards certain specified products, the engagements entered into under the previous articles, have deemed it equitable to authorise these High Contracting Parties to make a reservation in regard to certain temporary exceptions, which the latter undertake to withdraw as soon as the circumstances from which they arise cease to exist.

2. Moreover, the High Contracting Parties, recognising that the abolition of certain import or export prohibitions or restrictions applied by some of them would involve the

latter in grave difficulties, and that, moreover, these prohibitions or restrictions do not prejudicially affect the trade of other countries, have also deemed it equitable to authorise these High Contracting Parties to make a reservation in regard to these exceptions.

3. The Annex to the present Convention sets forth the exceptions coming within the provisions of the two preceding paragraphs, which have been agreed to on this day's date in favour of the High Contracti Parties who are mentioned by name in the Annex and who have signed the Convention on that date.

4. Exceptions which the High Contracting Parties may desire to claim subsequently to that date shall be dealt with in accordance with the procedure laid down in the Protocol to the present Convention.

Article 7.

Should one of the High Contracting Parties be obliged to adopt any measure of prohibition or restriction against products of any foreign country, whether the Convention be applicable to that country or not, he shall frame the measure in such a way as to cause the least possible injury to the trade of the other High Contracting Parties.

Def. Doc. # 1918

Appendix 5-C

Foreign Office Notice No. 95

The Netherlands notified the secretary-general of the League of Nations by a note dated 11, September, 1933, that in compliance with the provision of No. 6 of "the protocol regarding the enforcement of the international treaty dated 8, November, 1927 for the abolition of the prohibition and restriction of import and export, and the supplementary agreement on 11, July, 1928 for the said treaty." which was signed in Paris on 20 December, 1929, the Netherlands be freed from the obligations of the treaty and the supplementary agreement mentioned above on and after 30, June, 1934.

(Notification from the Secretary-General of the League of Nations dated 23, September, 1933.)

23, October, 1933

Foreign Minister HIROTA, Koki

Def. Doc. # 1918 Appendix, 5-C

CERTIFICATE OF SOURCE AND AUTHENTICITY

I, HAYASHI, Kaoru, who occupy the post of Chief of the Document Section, the Foreign Office, hereby certify that the document hereto attached, written in Japanese, consisting of 1 page and entitled "the Foreign Office Notice No. 95" is an exact and authorized excerpt from an official document in the custody of Japanese Government (the Foreign Office).

Certified at Tokyo,
on this 16 day of July, 1947

/S/ HAYASHI, Kaoru (seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

At the same place,
on this same date

Witness: /S/ URABE, Katsuma (seal)

Def. Doc. No. 1918 Appendix 5-D

Foreign Office Notification No. 35

The Imperial Government has delivered to the Chief Secretary of the League of Nations a declaration to the following effect in the form of a notice dated March 16, 1934, the 9th year of Showa, dispatched from YOKOYAMA, Chief Secretary in charge of the Japanese Government Office of the International Conference at Geneva;

"In accordance with the International Treaty dated Nov. 8, 1927, to abolish the prohibition and restriction of imports and exports, and the Protocol No. 6 regarding the enforcement of the Treaty's Supplementary Agreement dated July 11, 1928, the Imperial Government hereby declares that she shall be exempted, after June 30, 1934, the 9th year of Showa, from the obligations of the International Treaty dated Nov. 8, 1927, the 2nd year of Showa to abolish the prohibition and restriction of imports and exports, and the Supplementary Agreement thereof dated July 11, 1928, the 3rd year of Showa."

March 20, the 9th year of Showa

Foreign Minister HIROTA, Koki

Def. Doc. No. 1918 Appendix 5-D

CERTIFICATE OF SOURCE AND AUTHENTICITY

I, HAYASHI , Kaoru, who occupy the post of the Chief, Archives Section, Foreign Office, hereby certify that the document hereto attached, written in Japanese, consisting of one page and entitled "Foreign Office Notification No. 35" is an exact and authorized excerpt from an official document in the custody of Japanese Government (Foreign Office).

Certified at Tokyo,
on this 16th day of July, 1947.

/S/ HAYASHI, Kaoru (seal)

I hereby certify that the above signature and seal were affixed hereto in the presence of the Witness.

At the same place,
on this same date

Witness: /S/ URABE, Katsuma (seal)

Translated by
Defense Language Branch

Excerpt from
the "Trend of Commerce of
Various Countries and Japan."
PP. 106-108

Great Britain

1. Suspension of the Gold Standard (Sep. 21, 1931)

2. Upward Revision of Import Duties

England was long a country of free trade. In the latter half of 1931, however, movements in favor of protectionism became increasingly accentuated as time went by, which caused a sudden increase of anticipatory imports. This led to the passage of the Excessive Imports Prevent[illegible] an interim measure and advalorem duty of 50 percent was levied [illegible] kinds of articles. In March, 1932 a permanent protective tariff was set up. It imposed an advalorem duty of 10 percent on all foreign commodities excepting British empire goods. It also empowered the tariff Inquiry Commission to levy an appropriate surtax (in addition to the aforesaid basic 10% duty) by simply issuing orders whenever circumstances required in their judgement the protection of home industries under consideration.

Then in April of the same year the Excessive Imports Prevention Law was repealed and those categories of articles which had been subjected to duties under the Law and a larger portion of finished imports received a surtax of from 10 to $23\frac{1}{3}$ percent advalorem. Since then increased rates were levied not a few commodities based on the opinion of the Tariff Inquiry Commission.

Of those articles on which increased rates were levied since 1932 up to the end of 1935 the following are goods imported from Japan. Electric light bulbs, cotton goods, rubber-shoes, toys, silk goods, hats and hat-bodies, glassware, silk, rayon, and manufactures thereof, false teeth, pencils, flower bulbs (including lily bulbs), brooms, brushes, and parts thereof, carpets, mats, shoestrings, corset-strings and other similar strings, knitted braids round and tube-shapped, eye-glasses, eye-glass frames, lenses and parts thereof, milk-colored glass bottles, copper or copper-alloy tubes, beans, etc.

As for the electric light bulbs, since the imports from Japan had seen a big expansion British manufacturers pressed hard for the increase of rating on that article, bringing about, thus, an acute situation. Self-restraint is the measure we are taking to cope with the situation since March 1, 1934. The imports of knitted goods including socks and stockings have also seen the same expanding phenomenon since 1934, causing considerable uneasiness among British manufacturers. Measures to ease off their irritatedfeelings are now being studied on both sides by British and Japanese business men.

3. Restriction of Imports.

Based on the Ottawa Agreement of 1932 an allotment system was brought into force for ham, bacon and other food stuffs, which, however, had affected Japan very little. As regards eggs, the total volume of imports for 6 months from March 15, 1934 to September, 4 of the same year saw a shrinkage to the basis of the same period of 1933, and on that basis it has been alloted to all countries. But as the imports of eggs from various countries in July-September, 1935 turned out insignificant the allotment system was for the time bring withdrawn.

4. Ottawa Conference (the Economic Bloc of the British Empire).

The British Empire Economic Conference held at Ottawa in July-August, 1932 has greatly strengthened the Empire's economic bloc by lowering duties on imports from various countries of the British Empire and by raising the same on imports from other countries. Since then Great Britain is pursuing its policy of strengthening the empire economic bloc. On January 10, 1935 she signed the Anglo-India Agreement which was to supplement the Ottawa Conference. By it the Indian Government confirmed its preferential treatment on certain British commodities.

Only a few years have passed by since this Ottawa Agreement was put into operation. It is, therefore, a little too premature to give any conclusive judgment on its effects. But it is already apparent that it has checked the diminishing trend of Britain's exports to the Indian market and that her ratio of exports to her various self-governing countries has increased. It should be noted in this connection that of late certain important commercial associations in Great Britain are urging the need of amending the Ottawa Agreement so as to make it more advantageous to Great Britain.

Excerpt from pages 137-139, "Japan and the Commercial Trends of Nations, 1938 edition."

The Netherlands

I. Gold standard

In some quarters the departure from gold standard and devaluation of currency are being talked about but in general the contrary view seems to be prevailing.

II. Customs--Retaliatory customs law and emergency customs law

In order to meet the change of world's economic conditions, a law was enacted in 1933 to endow the Government with retaliatory power. The law prescribed that by Imperial edict (1)ban or limitation of imports and (2)imposition of special customs duty can be applied to the goods imported from non-treaty powers, if and when such powers give more harmful treatment towards the Netherlands than towards other nations or act against her vital interests.

With a view to acquiring the authority to modify customs rates and to enforce them directly without the approval of the Diet, the Dutch Government on May 16, 1934 introduced in the Diet a law concerning the increase and decrease and establishment and abolishment of short term import customs (Emergency customs Law).

On July 19 a customs amendment bill was introduced in the Diet and the bill, according to the above Emergency Customs Law, was put into effect after July 1 without the decision of the Diet. In accordance with the Customs Amendment law,

(1) import supertax - 30% (2) beer import tax - 15% (3) sugar consumption supertax - 20% (4) beer consumption supertax - 15% were abolished and the customs were revised as follows:

(1) Refined articles - 12% (hitherto - 10%)

(2) raw materials - no tax

(3) half-finished article - 3% to 6%

(4) auxiliary materials for industry - 6%

III Limitation of imports

The Emergency Import Law was promulgated on December 24, 1931 and the Revised Emergency Import Law was promulgated on October 17 1933, authorizing the Government to make import allotments. On the basis of this authority, the Dutch Government adopted an allotment system with regard to all sorts of goods. The Japanese goods effected are as follows: Bicycle tires, matches and match-sticks, printed textile, dyed and patterned cotton cloths, bleached cotton, unbleached cotton forage for cattle (including bean cakes), handkerchiefs and white shirts, electric bulbs, table-cloths, glass products for domestic use, underclothes, hosiery, woollen and semi-woollen goods, coats for men and children, coats for women and girls, chinaware , earthernware, tile, flax, hemp, semi-linen textiles, glass-bottles, socks and stockings, pure silk cloths, pure silk, artificial silk textiles and artificia silk mixtures, brimless hats, shoes, printing papers, writing tablets and paper products, cellophane, asphalt coated roofing and wall papers bicycles, becycle pacts and lamps for bicycles cords, zincoplates, various powdered grains, butter, leather, cake grease, rubber hoses, insulated electric wires cement, screws and screw-bolts, etc. (Up to February 1935)

Following the examples set by the France, the Netherlands recently took up the matter of allotment as the object of negotiations and tried to utilize it as a menas of expediting the exportation of Dutch goods. Since 1934 she cut the allottments by half as compared with the past.

Def. Doc. # 1918-10

Translated by
Defense Language Branch

Excerpt from "The Commercial trend of World Powers and Japan," 1936 edition (p. 188 - p. 190)

The United States of America.

1. Suspension of the gold standard (May 6th, 1933)

A bill authorizing the President to cut the amount of pure gold contained in the dollar coin by 40% to 50% was presented by the American Government to the Congress in January, 1934. The bill passed the Lower House on January 20, and the Senate on the 27th, and was approved by the President on the 30th. The President thereupon announced a proclamation on January 30th, to the effect that the dollar coin would be reduced to a little over 59.06% of the past amount in accordance with the same law.

2. Increase in the customs duties.

The United States of America enacted the Hawley-Smoot Customs Law in 1930, and made a wide general revision of the Customs Law of 1922, raising the customs duties on various items to a remarkable extent. (However, a partial reduction in the customs duties has been carried out recently under the Reciprocal Commerial Treaty mentioned hereafter). Article 336 (the so-called flexible clause) of the U.S.Customs Law provides that in order to keep the balance of two production costs in the U.S. market, when the production cost of the imported foreign goods is less than that of U.S.A., the increase or decrease in the customs tariff can be made by the administrative act, based upon the investigation of the customs commission, with 50% of the current customs tariff as its limit, or the wholesale price of the same American product can be adopted as the levy standard.

The said flexible clause often comes into question with regard to Japanese goods, because of the increase of rate in the export of Japanese products.

3. Checking import of Japanese goods based on the Customs Law and the Industry Rehabilitation Law.

The export to U.S. of Japanese goods, especially rug-rugs, grass rugs, ceramic wares, canned tunny, frozen tunny, electric bulbs, brushes, rubber shoes, etc. suddenly became brisk around 1932; therefore, the Republican Party Government applied the Dumping law to these Japanese goods in October, 1932.

When the Democratic Party took the government later on, the application of the said Duneping law was suspended, but since about October, 1933, there appeared successively those who petitioned for the increase in the customs duties, based upon Item E, Article III of the Industry Rehabilitation Law (which provides that when the foreign goods are imported under such conditions as to annul the regulations of the U.S. trade unions, and the import has the tendency to increase gradually, the President may levy special customs duties upon the said imported foreign goods, or else restrict their import.) Besides, the petition for the increase in the customs duties based on the stipulations of Article 336 of the U.S.Customs Law reached a considerable number, because it admitted the increase in the customs duties based when the differences in the production cost as stated above.

At present, after the judgement was made of the unconstitutionality of the Industry Rehabilitation Law in May, 1935, the petitions for the increase in the customs duties on Japanese goods, rely exclusively on Article 336 of the said Customs Law. The main articles among the Japanese goods for which the application of the import-checking measures was considered since 1932, were rubber shoes, shoe-laces, toys, matches, brushes, braids, pencils, rachets, artificial pearls, canned crab, cotton carpets, canned tunny, frozen tunny, fish-feeds, ceramic wares, cotton hosieries, cotton textiles, swordfish, woolen gloves, rubber erasers, wollen carpets, cotton velvet and corduroy, etc.

As for the rubber shoes and wollen gloves, the so-called American valuation price in accordance with Item B, Article 336 of the Customs Law was adopted, which resulted in almost the same situation as the prohibition of their import. As for canned tunny, swordfish, etc., 50% increase of the current customs tariff was made according to Item A of the same article.

Furthermore, as to pencils, cotton carpets, canned tunny, frozen tunny, cotton textiles, ceramic wares and braid, the Japanese traders, in accordance with the understanding with the U.S. parties, have been restricting voluntarily the quantity of their export, or carrying out the so-called voluntary export control by raising prices or enforcing strict examination of their quality, etc., thus they are trying to prevent the import restriction measures of the United States.

4. Checking import of Japanese goods on the pretext of illegal c... competition.

As a result of low-priced Japanese goods advancing into the American market of late, the U.S. traders concerned have been trying to check their import with various pretexts besides the Customs Law mentioned above. For instance, some of the canned tunny made in Japan were refused to be imported by reason of their being inferior in quality and unwholesome; or the Japanese canned clam was almost subjected to the Dumping Check Law because of suspicion of dumping, (as a result of investigations, however, it was decided recently that dumping was groundless regarding the canned clam), or the infringement upon the U.S.Industries Ownership was questioned regarding Japanese electic bulbs; or the method of marking the country of origin of canned goods was taken up, all of which were some of the actual instances.

5. U.S.Agricultural Law and Japanese goods.

The Democratic Party Government enacted the Agriculture Relief Law in 1933 (further revision was made in 1935) in order to promote the purchasing power of farming villages, and thus speed up the economic recovery of the United States. Under this law they restricted the production of the fundamental agricultural products such as wheat, cotton, corn, pigs, rice, tobacco, milk, milk products, rye, flax, barley, live-stock, sugar beet, sugar cane, peanuts, potatoes. On the other hand, in order to make up for the loss arising out of the above restriction on the part of the producers, the process tax was started to be levied upon the process works using the above-named materials, thus they were abb to compensate the loss of the producers, and at the same time a special tax, similar in nature to the consumption tax,became to be levied upon the imported foreign goods of same kind or rival goods in order to keep them in balance with the process tax at home. Therefore, the Japanese goods which fell under the above regulations (for example, cotton cloth, "Ajinomoto", soy, bean-mash, etc.) had to pay the said special tax besides the customs duties when they were imported into America. There occurred once a movement advocating levying a special tax on silk on the ground that it was a rival article of cotton. However, the said Agriculture Relief law lost its validity by the judgement of unconstitutionality made in January, 1936, but the U.S. Government is reported to be trying to continue the purport of the Agriculture Relief law in such a manner as it does not infringe the purport of the U.S. Constitution, and is also planning to establish a consumption tax on a wide range of goods as it source of revenue.

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2. Custom Amendment

The custom duty of Canada now in force is composed of preferential tariff of the British Empire, intermediate tariff and general tariff on the basis of the Custom Duty Law which was put into effect in 1907. Since then it has gone through many modifications. Above all, great amendments were put into force in September, 1930 (the Emergency Tariff of September, 1930), showing a marked disposition toward protectionism.

On October 13, 1932 the Ottawa agreement was officially announced and was submitted to Parliament, which approved it on November 24. In accordance with the agreement with Britain, Canada promised to amend the tariffs covering more than 200 items. In this connection the tariff amendment was introduced into Parliament on October 12, 1932 and was put into effect on the 13th. As a result, among the total 225 items of tariffs which came under the tariff modification there were 39 items whose general and intermediate tariffs were raised, 49 items whose preferential tariffs were lowered and whose general and intermediate tariffs were lowered, 8 items whose preferential tariffs alone were lowered and 10 items whose tariff of three kinds were all raised or lowered. As a result, the exports of Japan, such a garden plants, pottery, cutlery, cotton cloth, cotton-textiles, blankets, stockings and