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HEADQUARTERS
U.S. STRATEGIC BOMBING SURVEY
(PACIFIC)
APO 234
C/O POSTMASTER SAN FRANCISCO

INTERROGATION NO: 316

PLACE: Tokyo, Japan
DATE : 11 Nov 45

Division of Origin: Medical Division

Subject: Medical Supplies; Functions of Medical Control Company, Ltd

Personnel interrogated and background of each:

Dr KEIMATSU, Shozainon, holds the degree of Dr of Pharmacy from the Imperial University. Prior to the last World War, he studied at the University of Berlin. He is chief director of the Medicine Control Company, Ltd.

Where interviewed: Room 535, Meiji Bldg.

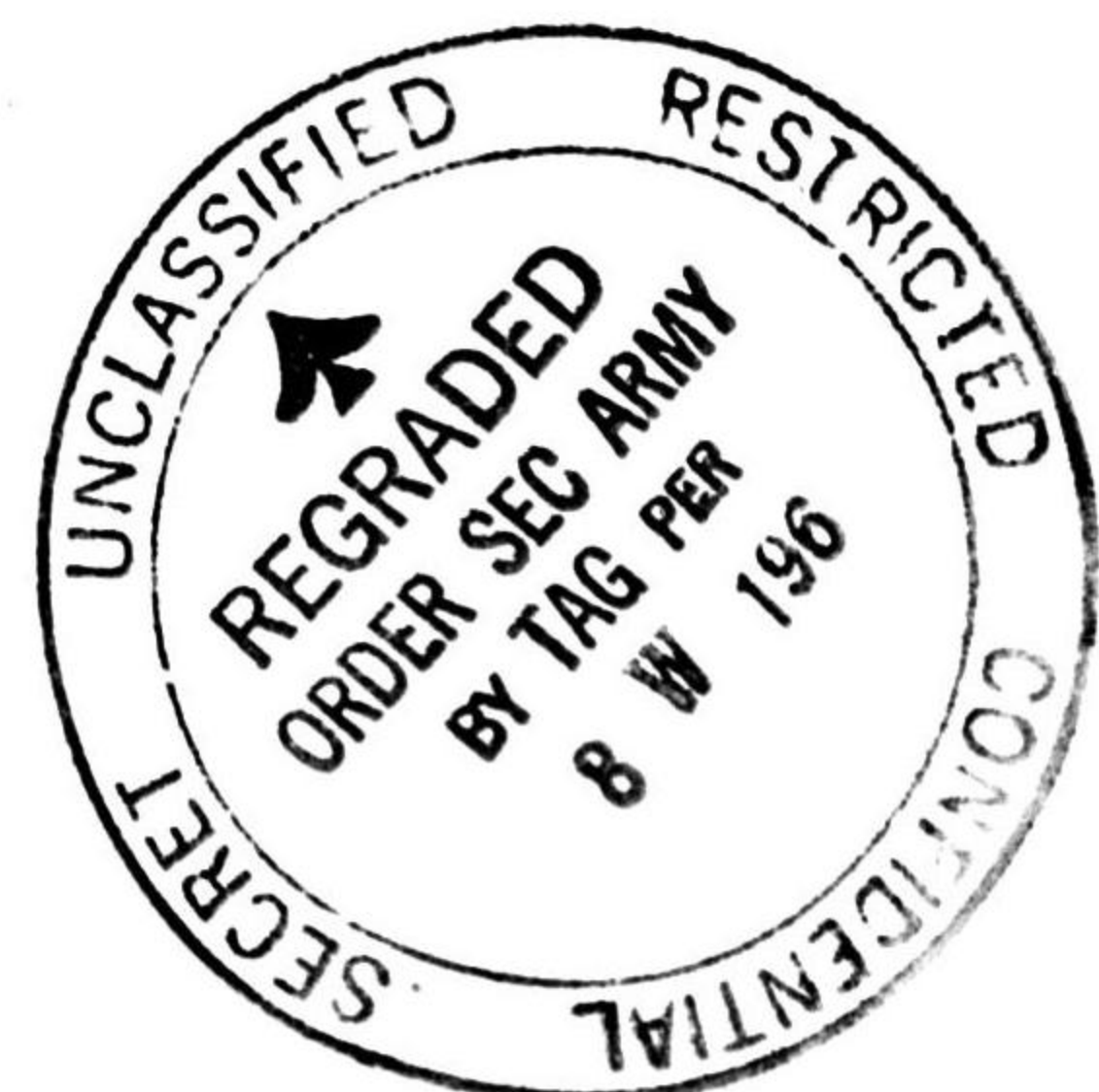
Interrogator: Lt Col Harold B. Hilton, MAC

Interpreter: Mr Giichi

Allied Officers Present: None

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S U M M A R Y

Dr KEIMATSU stated that after the first World War, Japan was not prepared to manufacture medicines, obtaining most of them from Germany. However, Japan "was not perplexed" by the second World War, as it had been preparing to manufacture its own supply since the first World War. It had laid up large stocks of raw drugs in preparation for the war, and had plenty of these raw drugs for at least two or three years. The stocks of raw drugs are exhausted at the present time.

The Doctor said that GHQ has turned over all Japanese navy and army stocks, sufficient to meet the demands of the civil population for one year. He does not know the total value of imports of medical supplies from the US or other countries before the war. Before 1935, 1/3 of all the drugs used in Japan were imported from Germany. After 1935, the imports from Germany slowly decreased.

According to Dr KEIMATSU, 1/3 of all the drug manufacturing plants in Japan were bombed out, and this affected the level of supplies by a decrease of 25%. However, the table which he prepared, which is shown below, indicates that between 1941 and 1945 the total value (approximate) of the medical supplies manufactured in Japan decreased from 25 million yen to 12 million yen, a drop of over 50%. He estimates that Japan will consume between 8 and 10 million yen worth of medical supplies during 1946. This is not based on any figures he has, but is merely his guess.

PRODUCTION OF MEDICAL SUPPLIES IN JAPAN (IN YEN VALUE)

<u>Year</u>	<u>Consumed by Civilians</u>	<u>Consumed by Military</u>	<u>Total</u>
1941	Y 20,000,000	Y 5,000,000	Y 25,000,000
1942	16,000,000	6,000,000	22,000,000
1943	11,000,000	7,000,000	18,000,000
1944	7,000,000	7,000,000	14,000,000
1945	6,000,000	6,000,000	12,000,000

The Doctor stated that none of the biologicals manufacturing houses in Tokyo were destroyed by bombing. One firm in Osaka was destroyed. However, there were several small institutes throughout the country which made biologicals and they were saved.

The decrease in the production of medical supplies had no effect on

the National Health Rate. If they had had serious epidemics, they would not have had sufficient supplies with which to combat them. The Doctor does not believe that this shortage of medical supplies will create a serious menace to the public health during the coming winter.

During the war, after its cessation, and at the present time, there is a tremendous scarcity of vitamins, and skin diseases are very prevalent because of this lack. (This statement should be checked with Majs Terry, Goodhart, and Rugo of the Medical Division, USSBS).

The Doctor was asked about the diphtheria epidemic which is supposed to have occurred in March 1944, and whether or not the scarcity of antitoxin caused this rise in the incidence of this particular disease. He stated that there were small shortages at about that time, but that manufacture of the antitoxin was immediately resumed and the rise in diphtheria rate could not be attributed to any shortage of the antitoxin, but that "March is the diphtheria season in Japan anyway".

Asked if there had been any allocation of skilled technicians in the drug manufacturing trades or whether they were all taken into the army and navy regardless of their civilian occupations, the Doctor stated that his skilled craftsmen from all over Japan were taken for military service and that it had crippled his industry. No consideration was given by the army and navy for deferments on account of civilian occupational specialties.

MEDICAL CONTROL COMPANY, LTD

The Medicine Control Company, Ltd of Japan, of which the Doctor is the chief director, controls the manufacture of 320 different kinds of medicine, according to him. Power is granted to his company by the Ministry of Health and Welfare, to control production, distribution, and allocation of most of the medical supplies of Japan.

He brought out the fact that a manufacturer of drugs in private industry is permitted to make 15% to 18% profit. These manufacturers sell to his company, which is permitted to make 10% profit when they sell to the companies under their control. (Apparently all retail drug houses are under their control). All companies must be licensed by the Imperial

Government. At the present time, the manufacturers are complaining of small profits.

Dr KEIMATSU will not agree that drugs were adulterated in order for the manufacturers to make more money. He admits that control of the purity of drugs was relaxed during the war in order "to save labor and produce more drugs from the same raw materials."

The Doctor furnished the following tables: (1) Actual Annual Production of About 43 Articles of Essential Medicine Between 1936 and 1944:

(2) Quarterly Production of 43 Articles of Essential Medicine for Four Respective Years Between 1941 and 1944:

(3) List of Annual Plan for Allotment of Production Concerning 43 Articles of Essential Medicine for Army, Navy and Civilian Demands in Four Respective Years Between 1942 and 1945:

(4) Quarterly Production of 43 Articles of Essential Medicine for Four Respective Years Between 1941 and 1944. All these tables are prepared by the Medical Control Company, Ltd, under date of November 1945. Copies of these reports have also been furnished to Lt Schmidt of Civilian Supplies Section, USSBS, and to Capt Drozd of the Military Analysis Section, USSBS.