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US Equipment, Know-How Assist Japanese Industry 110

TOKYO, Jan. 17.—The superiority of modern mechanical methods has been demonstrated in Japan recently by four bulldozers, loaned to the River Bureau of the Japanese Government by the U.S. Army for flood control use, which have moved 77,700 cubic meters of earth in the first four months of their use.

This, according to officials of the Industry Division in SCAP's Economic and Scientific Section, is the equivalent of about 31,100 man days of hand labor.

Officials added that a cost estimate, including fuel expenses and depreciation of machinery, indicates that these machines can do their work at about one-third the cost of hand labor, and are more efficient because of better embankment and compaction—very important in levee construction.

	Before Reconstruction	After Reconstruction
Total charge	17.5 metric tons	18.2 metric tons
Melting time	5 hours 33 minutes	2 hours 32 minutes
Refining time	2 hours 13 minutes	1 hour 58 minutes
Coal consumption per ton of ingot	460 kilograms	300 kilograms

Meanwhile, a postwar peak in the production of pig iron, steel ingot and rolled steel products, is reported in Industry Division's latest "Weekly Operations Report." Final figures for November 1949 show that production in this month was 160,531 metric tons of pig iron, 3,231 tons in excess of postwar records; 322,609 metric tons of steel ingot, 21,280 tons up from the previous peak; and 211,876 metric tons of rolled steel products, topping past records by 19,106 tons.

In consumer goods, November output of tires and tubes was 88,310 pieces, approximately 10 per cent over the production goal. This turnout required 1,045 tons of imported crude rubber.

Production of vegetable oil for the 10-month period, January-October 1949, was 77,855 metric tons. This is almost double the output for the entire calendar year 1948.

A second example of how American industrial know-how has aided Japanese industry has been demonstrated by the 15-ton acid open hearth furnace at Tokyo Steel Manufacturing Co. (formerly the Mitsubishi Steel Manufacturing Co.) which was completely rebuilt at a cost of ¥15-million during the period June 15-August 15, 1949.

The new design was adapted from plans furnished by American expert steel consultants. The improved furnace operation obtained is shown in the following chart which records the operating results for the two-month period April 15-June 15 prior to the reconstruction, and a 15-day period from November 1-15 following the completion of reconstruction.

INDIAN OFFICIAL HERE TO STUDY INDUSTRIES 110

Says Japan Should Buy More Products From India

By The United Press
The Deputy Director-General of India's Ministry of Industry and Supply arrived in Tokyo Tuesday for an expected six-week stay in Japan during which he hopes to learn about Japanese industrial techniques.

R. P. Mathur, making his first visit to Japan, is head of the Indian Government's buying organization and has direct charge of all purchases except food and cotton textiles.

"I am particularly interested in inspecting Japanese cottage industries," Mr. Mathur said. "I believe that while many people have reported on these industries, no one yet has made a complete study of them with a view toward adapting these techniques to Indian requirements."

Mr. Mathur said he was "on vacation" but while here would tour most of Japan. He said the Indian Government was "interested" in purchasing entire electric generating plants, as well as smaller pumping plants.

He said that the initial deliveries on India's purchase of Japanese cables had been received and had proved highly satisfactory.

"Japan is not buying enough from India," Mr. Mathur said, "which is one reason why India is holding back on its purchases from Japan. We would like to sell more seeds, manganese ore, hessian sacks, cotton staple and mica."

READERS IN COUNCIL

A Seller's View 110

To the Editor:

I have read with very much interest the letter signed "A BUYER" in your issue of the 13th instant as I am also a foreign business man and in very close contact with the various glass bead and imitation pearl manufacturers.

I visit these manufacturers regularly, sometimes alone, sometimes with one of my American friends staying at present in this country. I have not gone so far as to ask the makers whether the greater part of their earnings are taken away as taxes, but in some way I agree with "A BUYER" that the Government should assist as far as possible the manufacturers concerned if the above is true. The fact is that there is a large demand from the United States and elsewhere for their products; maybe the demand is larger than the production possible under the existing circumstances. During my many visits to the various manufacturers I have seen myself that they lack efficiency, perhaps as they are not very much interested in expanding their production, as after all the greater part of their earnings might be taken away as taxes. But in my opinion the Government should not only assist them by reducing their taxes but should also see to it that they work more rationally than up to now. Some of the makers I am in contact with have only a few workmen, in some instances only two or three young girls working for them and by employing more personnel the production certainly could be increased to meet the large demand from abroad.

Most manufacturers are very keen in accepting orders and at the time such orders are placed, they promise prompt delivery at a certain date. When calling on them about two or three weeks before the scheduled delivery, in order to check quality, color and especially the delivery date, I have often found that the manufacturers had not even started with the necessary preparations to obtain raw materials, etc. There are, of course, exceptions, viz. reliable makers keeping their promises but in general I have found during my many and regular inspection trips that the production could easily be increased by working more rationally and this, in turn, would bring in more and more of the so much needed dol-

lars. Furthermore, the makers should do their utmost to manufacture better goods and especially deliver only faultless merchandise exactly as per original sample in order to avoid unnecessary rejections by the exporter after he has inspected and controlled the goods or justified claims from the purchaser abroad after the arrival of the goods at destination.

A SELLER

Kobe

JAN 30 1950
NIPPON TIMES

JAN 20 1950
MAINICHI

JAN 26 1950
NIPPON TIMES

PRESS COMMENTS

Tuesday, January 31

GOV'T OR PRIVATE MANAGEMENT

TOKYO TIMES—Of the many government managed enterprises whose efficiency and service have been very much lowered the opinion to transfer the telegraph and telephone services to private management was strongly voiced. However, the Telegraph and Telephone Rehabilitation Commission has now decided to continue the services on a public corporation basis by adopting the merits of private management rather than transfer the services to private management all at once.

Recommendations concocted by deliberation commissions composed of "men of learning and experience" who are mostly ex-bureaucrats are usually of this sort. Whether or not such recommendations will meet with the approval of the people, or whether such recommendations will lead to real improvements is another story.

Private management beckons free competition, creates undesirable tendencies of capitalism and for this reason enterprises catering to public interests should be placed under government management. That is the elementary theory of socialism. Soon after the war's end this theory swept the board, government management of public enterprises was strengthened and many new government managed enterprises made their debut, but their management and the actual results were in complete disregard of the interests of the masses and served only to contribute to consolidating the bureaucratic camp.

Moreover, closing their ears to the loud complaints raised by the people, some of the politicians complacently considered the nominal government management as realization of socialistic policies. Among the many enterprises which reveal the evils of government management in all their stark-nakedness to the dissatisfaction of the masses is the Food Distribution Corporation. In violation of the rule that the Food Distribution Corporation should deliver staplefoods to the consumers' homes, housewives are made to form queues in front of distribution stations to get delivery, of staplefoods and to waste nearly half a day. This undesirable practice is partly due to the mistaken notion on the part of those working in the Food Distribution Corporation that they are government officials and that they should maintain their prestige as such and partly to the fact that the word "distribution" creates the wrong impression as though the distribution is a special favor.

While there is no doubt but that it is ideal to turn all enterprises catering to public interests to public management, under the prevailing condition in this country it is sad to say that the existing public corporations are nothing more than a hodgepodge of the evils of government management and private management. In a few words, it is still too early for this country to adopt public management.

The talk of turning the telegraph and telephone services into a public corporation may be considered as a clever counter-measure invented by bureaucrats to forestall

the desire of the people to place them under private management. The people cannot afford to see the important means of communications further messed up. If the two services cannot be turned over to private management all at once, it might be better to maintain the status quo under which the Government could be held entirely responsible.

1 FEB 1950

NIPPON TIMES

Industry Here Attains 100% Of 1932-36 Average In Dec.

TOKYO, Feb. 6.—With utilities leading the way, Japanese industrial activity attained 100 per cent of the 1932-36 average in December, 1949, for the first time since the end of the war.

In making this announcement today at 4:30 p.m. Allied General Headquarters added that activity had increased steadily from November to reach the highest peak since the end of the war.

The gain over November of 3.8 index points raised the 1949 monthly average index to 93.7, an increase of about 27 per cent over the 1948 monthly average of 74.1.

Utilities showed the way registering

a December index number of 185.2. Other industrial activities which registered index numbers over 100 included mining, metals, machinery, ceramics and forest products.

Lowest index number was registered by the textiles industry which showed only 27.8 in December, only eight points over 1948.

Concerning utilities, the SCAP announcement stated:

"Electric power generation of 3,208-million KWH in December, 1949, was the highest in the history of the Japanese power industry. An increase of 47 per cent in thermal power generation, in particular, as a result of increase in revenue rate, was the principal reason for this rise."

December coal production, it was stated, of 3,325,000 metric tons, the second highest since the Occupation began, brought the 1949 annual total to 37,969,237 metric tons.

Food production showed an index of 76.1, an advance of 15.3 points, principally because of the increase of flour production from foreign wheat amounting to 250,114 metric tons.

Other products which gained greatly in December included manufactured gas which attained a new postwar figure.

Increases in the indexes of all major industrial groups generally contributed to the rise in attaining the new level of 93.7 in the overall index of industrial production, an increase of about 10 per cent over December, 1948.

MAINICHI FEB 7 1950

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SCAP 6 February announced that industrial activity in Japan increased seasonally from November and attained 100 per cent of the 1932-1936 average in December 1949 for the first time since the end of the war.

FEB 9 1950

OUTGOING MESSAGES-3645

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WATCH INDUSTRY TO BOOST SALES

Postwar Recovery Rapid; Quality Stressed for Future Exports

Aside from whether or not it is possible in Occupied Japan, the Japanese watch manufacturing industry desires a protective import tariff of about 40 per cent on wrist watches and about the same rate on parts. Otherwise domestic products cannot compete with imports. The only other way to compete both at home and abroad is to cut production costs by more than 30 per cent.

The recent cuts in the subsidies to the copper and iron-steel industries, the raises in electricity and transportation costs and increased taxes on revalued assets combine to send up production costs by an estimated 11.6 per cent for hanging clocks, 12 per cent for alarm clocks and 10.6 per cent for wrist watches.

The bulk of competing imports will come from the Pound area (Europe). The 30 per cent devaluation of the Pound brought down the price to the dollar area as much. Assuming that there has been a 10 per cent rise in price in the Pound area, the net decrease in the price to the dollar area is 200 per cent. Allowing for an estimated 10 per cent rise, the price of domestic articles will go up by 30 per cent. This necessitates a 30 per cent cut in production costs or a protective import tariff to that extent.

The conceivable ways to reduce costs are: (1) Reduction of workers, (2) Mechanization of equipment, (3) Curtailment of manufacturing process, (4) Cut in export charges, (5) Retrenchment of general expenditures, (6) Change from an F.O.B. to a C.I.F. basis, and (7) Longer working hours.

In the time-piece manufacturing industry, labor accounts more for production costs than materials. The cost of labor amounts to 35, 45 and 62 per cent, respectively, of the total production costs of hanging clocks, alarm clocks and wrist watches. Mechanization of equipment would result in a substantial reduction in the cost of labor.

Before the war, Japan used to produce 3,000,000 time-pieces a year. Her markets were China and southern Asia. The war destroyed or damaged many factories. Postwar recovery has been rapid, however, the output for 1948 amounting to 2,650,000. Production for 1949 was about the same. Postwar production figures follow:

(In 1,000)

	1946	1947	1048	1949
Clocks				
Hanging	114	300	655	368
Alarm	191	667	1,123	687
Table	224	281	239	179
Watches				
Wrist	112	281	535	344
Pocket	31	52	98	23
Total	672	1,581	2,650	1,601

There are 65 time-piece factories, half of them employing only 50

operatives or fewer each. The representative manufacturers are:

Tokyo area
 Hattori Watch & Clock Manufacturing Co.
 Dai Ni Seikosha
 Toyo Watch & Clock Co.
 Citizen Watch & Clock Co.
 Tokyo Watch & Clock Co.
 Noson (Farm Village) Time-Piece Manufacturing Co.

Nagoya Area
 Shin Aichi Time-Piece and Electric Apparatus Mfg. Co.
 Meiji Watch & Clock Manufacturing Co.

Takano Precision Machine Works
 Owari Watch & Clock Manufacturing Co.

Osaka area

Osaka Meter Manufacturing Co.
 The suspension of India's Open General License in March 1949 brought about a drastic decrease in exports, 60 per cent of which had been to that country. Exports fell from 179,000 in March to a mere 30,000 in September last year. The Pound devaluation is responsible, partly at least, for this sharp decline.

The price of high-class 7-jewel Japanese wrist watches for Pakistan is \$6.60, the same as 15-jewel watches from Switzerland (the lowest grade from that country). The difference in quality puts Japanese products out of competition.

Hanging clocks are unique to Japan and command a fairly big market in Asia. In the case of wrist and pocket watches, however, the wartime dilapidation of equipment and interruption in the progress of production technique have put Japan far behind Switzerland. The best that Japan can produce now is 7-jewels and 10-jewels when the world is 15-jewels and 17-jewels.

Improvement of technique is nothing easy. But since Japan is largely self-sufficient in springs and precious stones, she can hope for increased exports of medium-grade articles if she strives for improved quality.

FEB 13 1950

NIPPON TIMES

Nine-Point Economic Stabilization Program. It was set forth in the directive not to set aside State compensation funds as financial resources for wage increase.

Increase of wages, according to the directive, will be authorized for the first time when a corresponding increase of production is made possible. The principle of raising wages within the bounds of productive capacity will prove instrumental in determining the rationality of wage increase demands.

Present Government plans call for the increase of production by 20 per cent this year. Should the plan be realized by the painstaking efforts of the working people, their claim for the increase of wages by the corresponding percentage will become justified.

itself, because it is in line with democracy.

It is to be noted, however, that such a compromise plan should not be worked out in a desultory way.

In other words, the plan should be worked out in line with a principle—to increase wages parallel with the production capacity.

One of the greatest problems confronting the Government at present is the one centering on wages for Government employees. In the settlement of the problem, it is considered necessary for the Government to make the most of the industrial production indices.

It was in October 1948 that the three-point economic directive was issued to the Japanese Government just prior to the enforcement of the

Problem Of Increasing Wages

But to what extent will it be possible to increase wages or to enhance the living standard as viewed from the current steady restoration of industrial production?

Production has increased so far at the rate of 10 per cent per year. This fact alone is more than enough to testify to the unreasonableness of a request for over 10 per cent raise of take-home pays.

Hitherto, mediation has often been made by the Central Labor Relations Board and various arbitration committees for the settlement of knotty wage problems.

The settlement of these problems was usually made in the form of a compromise plan which might satisfy both sides. This method for the settlement is by no means wrong in

Normalcy In People's Livelihood Lags Behind Revival Of Industrial Output

By Staff Economic Writer

TOKYO, Feb. 21.—There is a paradox—a paradox which has a vital bearing on the people's livelihood.

This perplexing problem is that the restoration of normalcy in the people's living is now considerably delayed as compared with the restoration of industrial production.

Statistics reveal that in 1949 the industrial production was restored up to 76 per cent of the 1932-1936 average and to 102 per cent of the 1930-1934 average.

Industrial production, which constitutes the backbone of the national economy, has thus registered a steady upswing. In the agricultural field as well, staple food production has been almost restored to the prewar level.

Notwithstanding such a noticeable rise in production, the restoration of the people's living is negligible as pointed out by the White Paper issued by the Economic Stabilization Board last year.

The paper said that the living standard at the end of 1948 was only 45 per cent of the prewar level. The latest statistics reveal that the re-

cent standard of living was around 50 to 70 per cent as compared with the prewar days.

Be as it may, the restoration of the people's living is progressing only at snail's pace whereas speedy restoration is being seen in the industrial field.

Why such a great difference?

Increase Of Population

One of the greatest reasons for the difference is that the population has registered a phenomenal increase since 1946 and the restoration of the people's living has failed to progress parallel with the increase of industrial production.

Another reason is that circumstances have prevented the Government from pouring the entire production into the people's living.

By the circumstances is meant that the Government was forced to stock some part of the production and to accumulate funds made obtainable through the disposal of products.

The common case is that the people's desire for the enhancement of their living standard is expressed in the form of a request for higher wages.

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MAINICHI FEB 23 1950

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About 53 per cent of Japan's
adult workers are currently
engaged in fishing, forestry,
farming or mining.

FEB 20 1950

STARS & STRIPES

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INDUSTRY REVIVED TO 1932-36 LEVEL IN DEC., GHQ BARES

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Utilities Show Major Gain
With 47 Per Cent Rise
in Thermal Power

GHQ, SCAP announced late Monday that industrial activity in Japan increased seasonally from November and attained 100 per cent of the 1932-1936 average in December 1949 for the first time since the end of the war.

The gain over November of 3.8 index points raised the 1949 monthly average index to 93.7, an increase of about 27 per cent over the 1948 monthly average of 74.1.

Increases in the output recorded in all major industrial groups contributed to this overall rise, with the most notable gain being registered in the utilities index.

Electric power generation of 3,208 million KWH in December 1949 was the highest in the history of the Japanese power industry. An increase of 47 per cent in thermal power generation, in particular, as a result of increase in revenue rate, was the principal reason for this rise.

Production of manufactured gas also registered a sharp seasonal rise to attain a new postwar peak. Both of these gains were made possible because of increases in coal sup-

plies. The index of the utilities group in December 1949 was 185.2, an increase of 12 per cent over a year ago.

Increases in the indexes of all major industrial groups generally contributed to the rise in attaining the new level of 82.2 in the overall index of industrial production, an increase of about 19 per cent over December 1948.

The mining index rose from 105.1 in November to 108.9 in December, as a result primarily of an increased production of coal. December coal production of 3,325,200 metric tons, the second highest since the occupation began, brought the 1949 annual total to 37,969,237 metric tons. For all other mining except coal, the December index gained 0.5 point over November.

The overall manufacturing activity in December gained 21 per cent over the same period a year ago. Although the depressed state of the textile manufacturing activity is the principal reason for the relatively low level of the manufacturing index as a whole, textile production increases in recent months have supported this rise.

In the durable manufacturing group the outstanding gains noted were those for steel ingots, trucks, small vehicles, bicycles, ships, cement and sheet glass. In the cases of sheet glass and cement, postwar production records were established.

Among the non-durable, there was a general upturn in the textile manufacturing; in particular, postwar records were registered in output of cotton yarn and fabrics, wool

yarn and fabrics and rayon fabrics. Increases were also noted in the production of am-

(Continued on Page 3)

Industry Revived To 1932-36 Level In Dec., GHQ Bares

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(Continued from Page 1)

monium sulphate, calcium cyanamide, rayon, sulphuric acid, hydrochloric acid and coke in the chemical group.

Increase in flour production to 250,114 metric tons, mostly from imported wheat, in December was the principal reason for the advance of 15.3 points in the food index to 76.1.

There were fairly substantial decreases in output recorded for zinc and tin in the metal group, railway rolling stock in the machinery group, calcium carbide and matches among the chemical industries, and salt in the food group. Decrease in output was also noted in printing.

The trends of the index by major industrial groups were as follows:

	1932-1936 = 100.0			
	Monthly Averages		1949	
	1948	1949 p.	Nov.	Dec. p.
INDUSTRIAL ACTIVITY	74.1	93.7	96.2	100.0
UTILITIES	150.8	171.5	175.3	185.2
INDUSTRIAL PRODUCTION	58.1	77.5	79.6	82.2
MINING	90.1	103.9	105.1r	108.9
MANUFACTURING	54.5	74.5	76.8r	79.2
DURABLE MANUFACTURE	75.2	101.2	102.9r	104.4
Metals	48.7	87.6	106.2r	108.7
Machinery	98.2	115.1	101.8r	101.3
Ceramics	50.2	87.5	109.5	117.0
Forest Products	100.8	107.3	102.4	107.3
NONDURABLE MANUFACTURE	38.1	53.6	56.4r	59.9
Textiles	18.1	23.4	26.2	27.8
Chemicals	56.0	80.5	90.4r	91.7
Food, Beverages & Tobacco ...	52.5	75.5	60.8r	76.1
Printing	44.0	64.0	76.8	74.3

p—preliminary
r—revised

BIG REVIVAL SEEN IN KANSAI TRADE, INDUSTRY

Gigantic Strides Being Made to Regain Prewar Position as Leading Commercial and Manufacturing Area of Japan

By THE KANSAI ECONOMIC FEDERATION

Kansai is again looming large in Japan's industry and foreign trade as it did in prewar days of free economy. With Japanese economy steadily returning to normal, Kansai is destined to play a major role as an industrial and trade factor in Japan.

To gain an insight into Kansai's future industrial and trade importance, one must look back on its prewar activities. In 1931, when Japanese industry was making its greatest expansion, Kansai's industrial production showed the following ratio to the national total:

Industry	Production (in million yen)	Ratio to National Total %
Spinning	¥1,336	39.6
Metal	702	32.9
Machine, machine tool	561	37.5
Pottery	99	31.4
Chemical	691	31.3
Lumber-milling, wood-work	70	25.7
Printing, book-binding	22	9.7
Food processing	340	27.3
Others	202	46.2
Processing, repair work	240	53.4
	4,263	34.7

(Commerce-Industry Ministry's statistics)

The large proportion of exports from Osaka and Kobe to China and Southeast Asia indicates that the bulk of Japan's exports to those markets was products of light industries, of which Kansai was the principal center. With the rapid increase in the exports of products of light industries to those markets in and after 1928, Kansai came to surpass Kanto in economic strength.

The outbreak of the China Affair of 1937 and the subsequent situation compelled a conversion of light industries to heavy and a change from a foreign trade-centric to a self-sufficiency economy. Industries shifted to Tokyo one after another. Kansai lagged far behind Kanto in the industrial conversion. This, combined with the steady decline in Japan's external trade, lowered Kansai's economic importance considerably. The ravages of the Pacific War reduced Kansai to less than a shadow of its former self.

Kansai was in its elements in days of free economy. Because it was the center of light industries, it depended little

on processing equipment—21%, hemp processing equipment—65% and sundries manufacturing equipment 67%. (According to Osaka branch of Ministry of International Trade and Industry).

One salutary effect of the wartime conversion of industries is that it has increased Kansai's capacity for heavy industries. As of 1949, the nominal equipment of Kansai's iron-steel industry showed the following proportion to the national total:

Open hearth furnaces—32.7%, blooming equipment—22.4%, rolling equipment—32.3%, blast furnaces—18.7%, coke furnaces—24.3% and sintering equipment—25.7%. (According to Federation of Iron-Steel Manufacturers).

Of shipbuilding and ship-repairing capacities, Kansai accounts for 44 and 39 per cent respectively of the national total (vide the Strike report.)

Kansai's Future

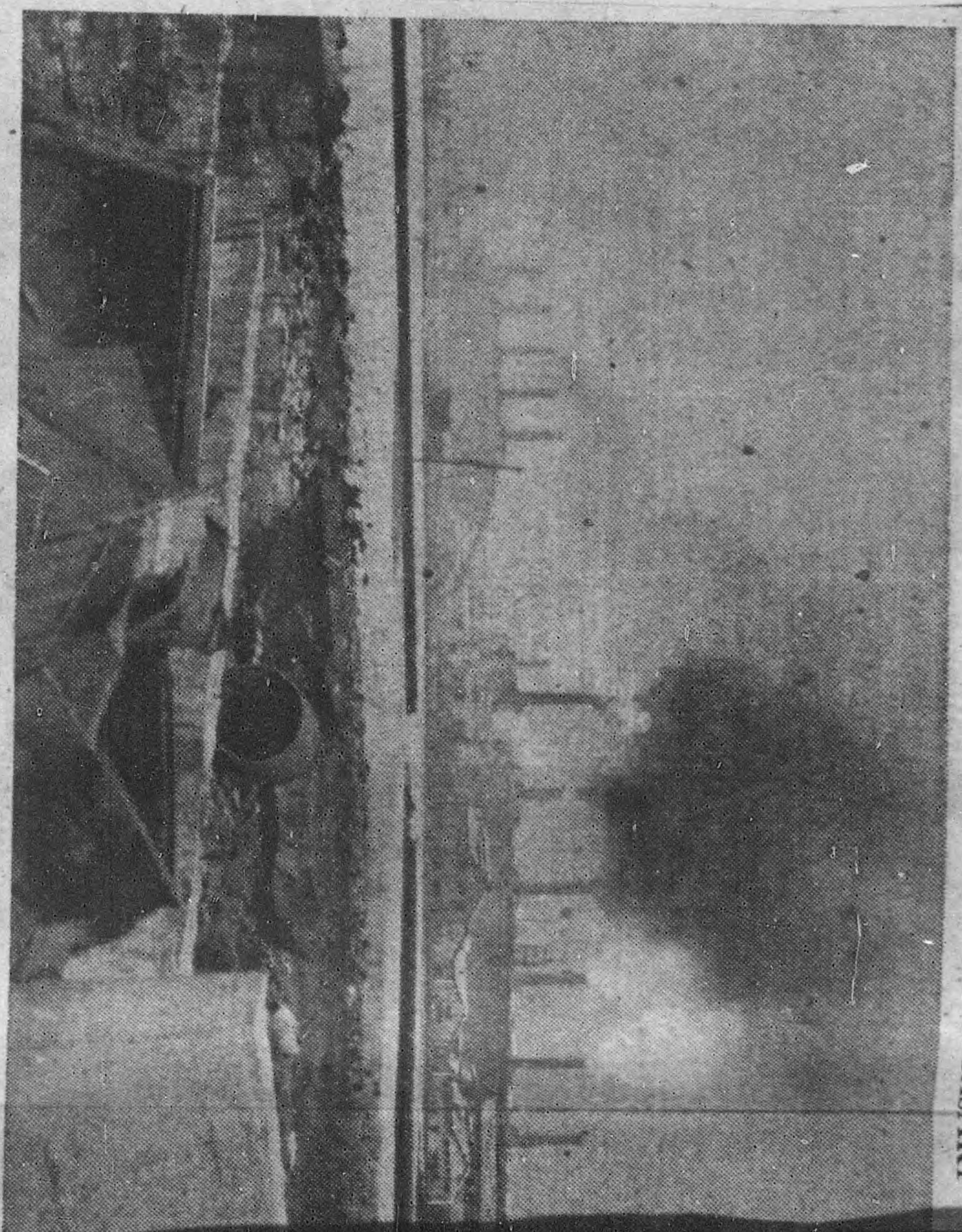
The present distribution of the equipment of the chemical and heavy industries is much of a legacy of the controlled economy of the past. It will no doubt change as future Japanese economy shifts back to a free, competitive basis,

and with such a change Kansai's chemical and heavy industries will grow.

A word about Kansai's postwar foreign trade.

Kansai's exports of textiles and sundries, though large, show a smaller ratio to the national total than the figures

Out of the rubble and ruin, bitter reminders of a futile area, midway between Osaka and Kobe and disastrous war, the Amagasaki district in the Hanshin again as a center of industrial activities.



BUSY WHEELS AGAIN TURN AT AMAGASAKI

Industry	(yen)	Total %
Spinning	¥1,336	39.6
Metal	702	32.9
Machine, machine tool	561	37.5
Pottery	99	31.4
Chemical	691	31.3
Lumber-milling, wood-work	70	25.7
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(Commerce-Industry Ministry's statistics)

Kansai's industrial structure before the war featured light industries which were the heart of Japan's principal exports. Kansai's importance to Japan's prewar export trade may be gathered from the following returns in percentage of exports from Osaka and Kobe, the two trade ports in Kansai, for 1936 in comparison with exports from the rest of the country for the same year:

	Exports from Osaka, Kobe	Exports from Rest of the Country	Ratio of Osaka-Kobe Exports to national Total
Textiles	53.1	48.8	66.5
Metal, machinery	8.3	8.4	58
Chemicals	2.7	2.4	70.1
Foodstuffs	1.9	4.6	25.1
Sundries (notions)	34	35.8	58.2
Total	100	100	61

(According to Osaka Prefectural Trade Hall)

Seeing that prewar Japanese economy was propped up largely by her foreign, especially export, trade, these figures attest to Kansai's importance to the national economy.

Classified by markets, exports from Osaka and Kobe for 1936 make the following comparison with the rest of the country:

	Exports from Osaka, Kobe	Exports from Rest of the Country
China	26.4%	24.4%
Hongkong	2.7	2.2
Southeast Asia	11	9
India	11.8	9.6
Americas	13	22.1
Others	35.1	32.7
Total	100	100

(According to Osaka Prefectural Trade Hall)

after another. Kansai lagged far behind Kanto in the industrial conversion. This, combined with the steady decline in Japan's external trade, lowered Kansai's economic importance considerably. The ravages of the Pacific War reduced Kansai to less than a shadow of its former self.

Kansai was in its elements in days of free economy. Because it was the center of light industries, it depended little on the government and grew on its own resources.

No wonder, then, that the postwar revival of Japan's export trade began with the restoration of Kansai's textile industry. Now, with Japan's foreign trade restored almost entirely to private channels and economic controls mostly abolished, Kansai is coming back into its own.

As of February 1949, the existing equipment of the textile and sundries industries in Kansai showed the following proportion to the national total:

Ring cotton-spinning frames—28%, cotton looms—39% wool-carding machines—20%, wool spinning equipment—38%, wool looms—19%, silk spinning equipment—30%, silk looms—68%, staple fiber manufacturing equipment—7%, rayon manufacturing equipment—28%, cotton and staple fiber processing equipment—56%, silk and rayon processing equipment—29%, woolen textile pro-

of a legacy of the controlled economy of the past. It will no doubt change as future Japanese economy shifts back to a free, competitive basis,

and with such a change Kansai's chemical and heavy industries will grow.

A word about Kansai's postwar foreign trade.

Kansai's exports of textiles and sundries, though large, show a smaller ratio to the national total than the figures for 1936 given above. The decline is due, for the most part, to the virtual closing of the Chinese market. Twenty-six per cent of the exports from Osaka and Kobe for 1936 was accounted for by China. The corresponding percentage

for 1948 was a mere 0.6. The proportion of exports from the two ports to Southeast Asia is greater than in prewar years, but this is offset by the smallness of exports from those ports to the United States.

Resumption of normal trade with China and increased exports to Southeast Asia would go to enhance Kansai's importance to Japanese economy.

Exports from Osaka and Kobe for 1948 show the following ratios to the national total:

	Exports from Osaka, Kobe	Exports from Rest of the Country	Ratio of Osaka-Kobe Exports to National Total
Textiles	60.5%	52.2%	57.8%
Metal, machinery	5.3	9.4	26.9
Chemicals	3.6	11.6	31.7
Sundries	30.5	26.8	57
Total	100	100	49.9

(Bank of Japan and Custom statistics)

NIPPON TIMES

FEB 25 1950

center of industrial activities. Asahi Shimizu



AT AMAGASAKI

110

A GLIMPSE OF OSAKA

Merchant Spirit With History of 400 Years
Behind It Is Once Again Becoming Evident
as City Resumes Its Business Whirl

By A STAFF WRITER

"A city of smoke" was an appellation attributed to prewar Osaka. It symbolized Osaka's industries built around several hundred factories and which won this city the name, "Manchester of the Far East."

Smoke has again begun to rise from Osaka's factories and shows promise of rising in ever-increasing volume now that economic stability is coming into evidence and free export and import trade is being permitted.

In Osaka's industrial development no small part was played by the 69 large and small rivers which run through the city and which earned for the city another name, "Venice of the Orient." They served and still serve as an important traffic route in the city. They have been highly instrumental in the reconstruction of Osaka's 50 square kilometers of war-devastated areas which amounted to 27 per cent of the city.

Besides having a port of its

own, Osaka is adjacent to the port of Kobe, one of the two "front gates" of Japan, the other being Yokohama.

If Tokyo, with its population of nearly 5,000,000, is the political and cultural center of the country, Osaka with its population of 2,000,000 means to be an economic center and a commercial and industrial metropolis.

Osaka Industries

Cotton textiles, the bulk of Japan's postwar exports, are made mostly in Osaka, which has seven of the Big Ten spinning mills of Japan, and are shipped from Kobe and Osaka to southern Asia and elsewhere. Kobe and Osaka account for about 60 per cent and over 20 per cent respectively of Japan's raw cotton imports. Sixty-five per cent

of Japan's cotton goods exports are shipped from Kobe; 35 per cent from Osaka.

Cotton-spinning is not Osaka's only industry. Shipbuilding, iron-steel manufacture, the machinery, machine tool, metalware and chemical industries are also carried on in a big way. Then there is the "sundry goods" industry, the making of miscellaneous small articles, referred to in America as notions. It is operated, for the most part, by medium and small entrepreneurs who are facing great difficulties imposed by

the devaluation of the pound sterling.

"Mohkari makka?" (Making money?) is the common greeting exchanged when two Osaka merchants meet. The Osaka dialect is a commercial language in the same sense that English is called by some a language for commerce. It stands in sharp contrast to the declamatory Tokyo tongue. In it is kept alive the four-century-old Osaka merchant spirit.

History of Osaka

Osaka has an old history. In fact, there is reason to think that Japan's recorded history dawned in and around Osaka. Thirteen centuries ago, Osaka was the capital and a center of communications with Korea and China. In the subsequent period of civil strife, Osaka was reduced to a skeleton by the ravages of war but recuperated in the 14th century.

But Osaka's growth as a modern city is traceable to the

time when Hideyoshi the Conqueror put all of Japan under his control, built his castle in that city and gathered a host of rich merchants in neighboring districts. Even after the political center shifted to Tokyo in 1603, Osaka continued to retain its position as a commercial center and has ever since been regarded and has regarded itself as the money-box of Japan.

Practical-mindedness, the traditional spirit of Osaka merchants, was amply displayed when a group of big men in local economic circles in their eagerness for trade with Communist China recently went the length of inviting Japan's top Communist, Sanzo Nosaka, to speak on the situa-

tion in that country. This amazed their Tokyo confreres who out of political considerations have never dreamed of doing anything like that.

Osaka merchants look on Britain as something of a pioneer when she takes the initiative in giving recognition to Red China and makes trade agreements with Eastern Europe and even with the Soviet Union. They do not care a whit about ideology. All they care about is how soon they may sell their goods—cottons, medicines, sundries—to China and buy coking coal and minerals from it.

A hosiery underwear retail merchant of Osaka whom I met aired his views on politics in these words:

"National prosperity and military might' was the slogan in prewar Japan. With the last two words now taboo, our energy must be brought to bear on enhancing national prosperity. . . . It's reprehensible that politicians are motivated solely by consideration of party interests. The Democratic-Liberals, Socialists and all other parties have got to strive, like one man, for an early peace for which the people are impatient. We want politics," he added, "to refrain as far as possible from interfering in economy."

A spokesman of the Osaka Economic Federation thinks that completely free international economy that knows no national boundaries is the only means of survival for Japan. "Labor unions in Kansai," he adds, "aren't ideol-

ogical zealots, and we shall be glad to help them."

The numerous Tokyo branches of Osaka firms, created under the necessity of constant liaison with the central Government agencies during and after the war, will be either dispensed with or considerably reduced in function before the end of the year. Indian and Pakistan merchants now in Tokyo have begun to come back to Osaka and Kobe.

The Osaka 'Tonya'

The most striking evidence of Osaka's return to its prewar self is the revival of the "Tonya" or wholesalers, the middlemen between manufacturers and retailers, who were driven to the verge of extinction by wartime economic controls. Now they are coming back to Semba, the wholesale merchant district of Osaka.

They have completely ousted those Korean and Chinese merchants some of whom, taking advantage of their nationalities, carried on smuggling and other illicit business so extensively as to threaten to destroy Japanese economy.

Prewar Osaka had four exchanges—the stock exchange, the rice exchange, the "Sampin" (three-commodity) exchange for cotton yarn, cotton piece-goods and rayon and the sugar exchange. The last three have yet to be reopened.

With good grace Osaka yields the premier position as a political center to Tokyo and the position as a cultural center to 1,000-year-old Kyoto, 43 kilometers northeast.

A criticism often levelled against Osakans is that they are devoid of "thought." They are proud of it.

"Thought, ideology, culture and all those abstruse subjects we gladly leave you to take care of," they will say.

Japan's two biggest newspapers—the Asahi and the Mainichi—were started in Osaka. They are beyond comparison with the Tokyo journals in financial resources. They pride themselves on the fact that their magnificent buildings at Dojima and Kitahama were erected entirely on their own resources with no Government buildings around them.

FEB 25 19

NIPPON TIMES

Medium, Smaller Industrialists Face Increasing Difficulties During March

By Staff Economic Writer

A survey by the Osaka prefectural government reveals an overall decline of prices in February just as in the case of the preceding month.

The fall of prices is a matter of gratification for consumers but industrialists and businessmen may encounter great difficulties in making both ends meet.

As things stand today, goods cannot sell well even if their prices are reduced. Herein lies the source of trouble entailing the prediction of a "March crisis."

No one can predict if the crisis will actually crop up in March, but at any rate, the month will certainly prove the worst of the year for medium and smaller enterprises.

Merchants are obliged to pay what they must pay notwithstanding the comparatively small turnover. It is now almost next to impossible for them to obtain loans from banks.

No wonder that the Nishijin textile industrialists in Kyoto, in a fit of anger, resorted a suspension of their business.

There may be many reasons for the medium and smaller industrialists' excess burden. But one of the greatest reasons is that their voices are apt to fail to reach the Government. Even in case their voices reach, they are weak.

The problem of medium and smaller industrialists and merchants is one affecting the entire nation, but its pressure is now more keenly felt in the Osaka area than any other area. This is because the Osaka area mainly consists of medium and smaller industrialists and merchants.

Hence the necessity for them to clarify their difficult stand representing the whole of Japan instead of only for the benefit of the Keihanshin (Kyoto-Osaka-Kobe) area. The necessity is all the more great if the characteristics of the Democratic Liberal Party, which is now at the helm of the State, are taken into consideration.

MAR 2 1950
MAINICHI

Ikeda's Statement Raises Criticism; Believed To Be Govt's Real Policy

By Staff Political Writer

TOKYO, Mar. 4.—There are views that the controversial Finance Minister Hayato Ikeda's "slip of the tongue" after all bespeaks the Government's makeshift relief policy toward medium and smaller businessmen drawn up in a "shut the stable-door after the steed is stolen" manner.

Observers say Chief Cabinet Secretary Kaneshichi Masuda is right in having declared that Ikeda was "not wrong" in his statement because Ikeda's "blunder," strictly speaking, is not his own "blunder" but that of the Government and the Liberal Party behind the Government.

The truth is, they further comment, that Ikeda unguardedly gave vent to what lies at the bottom of the mind of the Government and the Liberal Party, and both are at a loss how to save the situation.

These circles point out that Ikeda has become quite conceited after he met the praise from Prime Minister Shigeru Yoshida over his "finesse" in the compilation of the 1950-51 draft budgets.

Ikeda has become so conceited that he frequently invited the anger even of the pro-Government Parties, not to mention the Opposition, over his "arrogance" when replying to interpretations in the National Diet, the same sources said.

Indignation over the recent Ikeda's "slip of the tongue" first flared up in the House of Councillors, half the number of whose members faces election early in June.

Kozen Hirokawa, Secretary Gen-

eral of the Liberal Party, became Ikeda's scapegoat Thursday in the House of Councillors which gave him a volley of criticism.

"Ever-busy" Ikeda absented himself from the Liberal Party executives' meeting and the Liberal Diet members' meeting scheduled Friday and parried the brunt of expected attacks. Some even speculate that Ikeda will be "hospitalized" if all his "excuses" to get exempt from criticism are used up.

Within the Liberal Party itself, the anti-Ikeda sentiment is understood to be rising. Observers, however, are agreed in the opinion that the party as a whole is busy seeking ways and means to nip the issue "in the bud" rather than pursuing Ikeda's responsibility because Ikeda did never tell a "lie" but was merely a "poor talker."

MAR 5 1950
MAINICHI

Takes Step For Non-Confidence Motion

TOKYO, Mar. 4.—Opposition parties, excluding the Communist Party, this afternoon took due procedure for presentation to the Diet the non-confidence motion on Finance Minister Hayato Ikeda now acting concurrently as International Trade and Industry Minister.

MAR 5 1950
MAINICHI

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**Far East Trade Financing
Revolving Fund
And Japanese Industry**

By Yukiteru Ikeda, Staff Writer

RAIN, wind or shine, a long queue of job-seeking people is seen before the entrance of an employment office in Tokyo. The issue of unemployment is becoming a major problem.

In Tokyo last year, 650,154 men and women sought jobs besides approximately 230,000 persons who could not find employment despite all their efforts in the previous year. Of them only 106,182 found employment within the year. As for day laborers, an additional about 180,000 men were registered for work last year.

Unemployment is not only confined to labor in Japan, but also material resources.

To eliminate the unemployment of labor and other resources, which would eternally keep this country from wealth and social peace, what then would be the best way?

It has long been presumed that an export of unemployed hands and a comparative increase of employment in a certain country can never solve

the unemployment issue. In other words, parallel steps toward full employment should be taken in the country. From this point of view, the policy of excess export over import should hereafter be abolished to be replaced by a trade promotion policy.

Five years ago, the United States proposed the creation of the International Trade Organization with the purpose of expanding world trade and employment. Here comes the idea of the international adoption of the "New Deal" policy to give purchasing power first to introduce industrial booms. The Marshall Plan is typical of one founded on this theory.

If an appropriate amount of revolving fund for intra-East Asia trading is provided, it will infuse new blood in the industry of underdeveloped countries in Asia. Here lies the importance of Stanley Andrews' suggestion which was reported recently.

Andrews, referring to the current rehabilitation program in Japan, the ECA program in Korea, and other financial and military aid programs in the Far East, is reported to have said that there was little or no coordination among these programs, and consequently they would do little toward economic recovery for the whole area.

"Each Far East country is bursting to start trading with other Oriental nations," Andrews said. "But each country's currency is not interchangeable with others, nor do they have the resources to finance manufactures and shipments for which they may not be paid for months later."

What is needed, he said, is a centrally controlled fund from which allotments can be made available to whatever nation needs a pump priming operation to get a bill of goods moving in the commerce of the area.

Andrews said he viewed Japan as the great producer of a wide variety of goods which other Far East countries want to buy for the raw materials and food the former countries can supply Japan.

As for Japan, to what extent her industries will be developed by the promotion of foreign trade, and how she really needs the trade financing revolving fund are matters of urgent concern at present when poorly-capitalized industries have begun to collapse.

Japan has more industrial capacity than the present production rate indicates.

Regarding the cotton spinning export and industry, for example, she has 4-million spindles which can easily turn out 1,300-million to 1,400-million yards of cotton for export. Japanese cotton exported last year, however amounted to only half, or 750-million yards. And even this year, 1,900-million yards is estimated by the authorities concerned. If the domestic cotton distribution per capita could be decreased by less than two pounds, more than 1,500-million yards of cotton should be available for export.

The export of cotton at present is only 18 or 20 per cent compared with standard export—the 1930-34 average. Export of canned goods, one of the chief export goods besides cotton, is now calculated only one-tenth of the standard. The aggregate amount of export goods is dropping to about one-third of that of the five years.

Only by accelerating foreign trade can Japanese industry recover its normal function, and further development would be possible.

Japan now can provide up to \$100-million worth equipments and materials, if Far East Asia nations demand them for the construction of fundamental industrial structure.

Provided markets of Japanese goods should grant another \$100-million appropriation for further import of plant equipment from this country, she would be able to supply within a year materials enough to construct 300,000 KW power generation plants, 100 km. railways, 150,000-ton-capacity chemical fertilizer plant, 100,000-ton-capacity cement plants, and 20,000 tons of shipbuilding.

Among others, caustic soda plants with 3,600-ton-capacity, 50,000 channels of automatic telephones, 150,000 channels of hand-operated telephones, 30 wireless stations and 100 broadcasting stations will be available for the needs in Asiatic countries, a reliable statistics reveals.

Most recent statistics show that Japanese industries have been restored up to about 94% (1932-1936=100%), but still less than a half of the 208.8 per cent of 1944. When Japan can make more than 100 per cent work, the prosperity of the whole East Asiatic nations will easily exceed 150 per cent.

Thus, a trade financing revolving fund of \$400-million or \$500-million will thus surely give decisive spur and orientation to the Asiatic industry toward a desired commonwealth of these nations.

Thursday, April 13
**INDUSTRIAL POLICY
WANTED**

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YOMIURI—The nation is faced with many knotty economic problems including exports of plant equipment to Asian countries, medium and small business, abolition of subsidies to key industries and reorganization of the power industry. If the Government tries to solve them piecemeal and in a haphazard way, the Government will be in danger of being unable to see the wood for the trees.

There is also the danger of those economic issues being utilized for campaign purposes for the House of Councillors election directly.

Since all these problems have to be solved in a thoroughgoing way, we hope the Government to clarify its fundamental industrial policy before the people, at a time when Education Minister Sotaro Takase was appointed International Trade and Industry Minister concurrently.

APR 14 1950

NIPPON TIMES

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APR 7 1950
MAINICHI

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REFUTE CHARGES OF POOR QUALITY

Japan Industrial Council Probes Accusations of U.S. Trade Journal

The Japan Industrial Council shortly is expected to refute charges by an American trade journal, Business Week, that Japanese transformers, radios and railway cars are of extremely bad quality.

The Japan Industrial Council recently made investigations and reported that the American journal referred to the Japanese transformers sent to Korea recently when it criticized the Japanese equipment as being extremely poor.

It was explained that the Japanese dealers received orders from the authorities concerned to ship 250 transformers to Korea within 10 days.

Since they could not produce so many machines in such a short time, they shipped "wartime transformers" on approval by the Korean buyers.

Although the Business Week said only one per cent was usable, the investigation showed only four per cent was unusable.

Investigations further revealed that Japanese dealers were urgently asked to send \$700,000 radio sets between May and October, 1947.

A special investigation mission dispatched to Korea by the authorities concerned found that all sets were perfect in construction, but careless handling in that country due to political unrest, long-range truck transportation, or exposure for half a year and the like were primarily responsible for the breakdown.

For all this approximately 50 per cent of the shipments were intact as against one-seventh reported by the Business Week.

As to the 500 railway cars, shipped to Thailand, the council concluded, another recent order from Thailand for a second shipment of 420 cars is definite proof that the reputation of Japanese products stands high.

APR 24 1950
NIPPON TIMES

Industrial Council Will Refute Charges Of Poor Quality Of Japan Manufactures

Kyodo

TOKYO, Apr. 24.—The Japan Industrial Council shortly is expected to refute charges by an American trade journal that Japanese transformers, radios and railway cars are of extremely bad quality.

The American Business Week recently accused Japanese traders of exporting goods that are far below international standards.

In view of this far-reaching criticism, the Japan Industrial Council recently made investigations as to whether such charges were really true.

According to the council, investigations revealed that the American journal referred to the Japanese transformers sent to Korea recently when it criticized the Japanese equipment as being extremely poor.

The council said the transformers under criticism, however, were "those of the wartime standard" which the Japanese dealers had to send to their Korean clients because of their inability to meet the latter's order on time.

It was explained that the Japanese dealers received orders from the authorities concerned to ship 250 transformers to Korea within 10 days.

Approved By Buyers

Since they could not produce so many machines in such a short time, they shipped "wartime transformers"

on approval by the Korean buyers.

Although the Business Week said only one per cent was usable, the investigation showed four per cent was unusable. The Council admitted that some 60-cycle sets were mixed with the originally ordered 60-cycle sets, but such action was taken for lack of time. It would not entail any technical difficulty in any sense, it was added.

Investigations further revealed that Japanese dealers were urgently asked to send \$700,000 radio sets between May and October 1947.

Carelessly Hauled

A special investigation mission dispatched to Korea by the authorities concerned found that all sets were perfect in construction, but careless handling in that country due to political unrest, longrange truck transportation, or exposure for half a year and the like were primarily responsible for the breakdown.

For all this, approximately 50 per cent of the shipments were intact as against one-seventh reported by the Business Week.

As to the 500 railway cars, shipped to Thailand, the Business Week pointed out, the couplers and the cars' gravity centers were 20 millimeters higher than ordered due to the use of 250-millimeter channel bars instead of 230-millimeter as re-

MAINICHI

APR 26 1950

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Campaign To Improve Industrial Designs Set

TOKYO, July 22.—Aimed at boosting Japan's export trade, the Tokyo Chamber of Commerce and Industry will start a nationwide campaign to improve the designs of industrial products.

The campaign is supported by the Agency of Industrial Science and Technology as well as civilian designers of industrial products.

Contemplated as the initial step is a meeting featuring lectures on industrial designs with special references to those in Britain and the United States to be held at the auditorium of the local chamber on July 24, beginning at 9.30 a.m.

As an additional feature of the meeting will be shown motion pictures, "Britain Can Make It—1946" and "Sample Fairs in England—1948" and Council of Industrial Designs' color slides furnished by the British Embassy.

JUL 23 1950

MAINICHI

Commodity Exchanges In Tokyo, Osaka, Fukui To Open in September

Tokyo Textile Exchange (cotton & rayon), Osaka "Sampin" Exchange (raw cotton, yarn, and cotton cloth), and Fukui Rayon Exchange are expected to start functioning around September, this year. Since the Commodity Exchange Bill was passed by the Diet Thursday, the Government will promulgate ordinances concerned with the opening of those exchanges around August 20. The Osaka Chemical Fiber Exchange (staple fiber yarn, rayon), Nagoya Textile Exchange (cotton yarn, woolen cloth and woolen yarn) and Kobe Rubber Exchange, will open about the beginning of October.

JUL 30 1950

NIPPON TIMES

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OCT 1950
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MAINICHI	NIPPON TIMES
OCT 21 1950	NOV 11 1950
	NOV 12 1950
	NOV 14 1950
	NOV 15 1950
	NOV 26 1950

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No Noticeable Rise Seen In Industrial Production

TOKYO, Oct. 20.—In spite of the increase of demands since the outbreak of the Korean War, no noticeable rise has been seen in industrial production, a report submitted to Joseph M. Dodge, U.S. financial expert, by the Economic Stabilization Board said today.

In the report which can be termed the Fifth Economic White Paper, the board further said that the increase of production should depend on the use of industrial facilities now idle and the sufficient import of raw materials.

The board stressed the need of streamlining the supply of funds for the operation of idle facilities.

The board attributed the recent increase of domestic price level to the worldwide trend of rising prices, declaring, "There is no factors within the country which may cause the rise of domestic price level."

The recent increasing tendency of currency is no other than the result of increasing price level, the board asserted.

OCT 21 1950

MAINichi

Consulting Engineer

One branch of industrial operation which has been unable to take its proper place in the nation's economic picture is that of the consulting engineer and the management consultant. There was a time in the postwar period when numerous consulting engineering offices went into business; but today, most of them have either folded up or are making ends meet only by acting as part-time brokers.

Part of the fault for this state of affairs lies with the consulting engineers themselves. They set up office without realizing the tremendous scope of their job; many were not familiar with all phases of a plant in operation, and others just did not have the necessary "know-how." Some could not keep secret certain confidential matters vital to a company.

It is thus essential that the consulting engineers themselves organize and demand the highest standard from all those in their profession. A system of examination to determine the fitness of the consultants might possibly be instituted.

But the industrialists themselves are not completely free of blame for the present failing of the consultant system. Industry is not used to the payment of fees for professional advice, and more often, the entrepreneur would provide lavish entertainment—often equivalent to many times a legitimate fee—for the consultant.

It must be made clear that consulting engineering is a profession for which fees should be paid for service rendered.

Another factor which has been unfavorable to the consultant business is the lack of capital which has been hindering industrial rationalization from the point of view of equipment and technique. This obstacle, however, is being cleared up, and as industry expands, the need for consulting engineers will increase.

The snags to the effective utilization of the consulting engineer system must be ironed out by the efforts of both the consultants themselves and the industrialists who need their help. This is one way of overcoming the shortcomings in industrial "know-how."

NOV 11 1950

NIPPON TIMES

RAW MATERIALS SHORT DUE TO WAR DEMANDS

¥49,100 Million Purchased in Four-Month Period

The mounting increase in war procurements and the resultant shortage of materials is being increasingly felt in the domestic market.

According to a report submitted at Friday's Cabinet session, special war demands during the four-month period since the outbreak of the Korean war totaled ¥49,100 million on October 29.

Demands for automobiles, rolling stock, iron and steel, paper, machinery and textile products accounted for ¥26,000 million, or 86 per cent of the total, and the demand for service totaled about ¥8,300 million.

Production was heavily influenced by special procurements. Mining and manufacturing production index rose to 97.8 per cent in September from the June figure of 93.6 per cent, taking the 1932-36 level as 100.

The upward trend is expected to continue, necessitating increases in plant equipment and guarantee of imports of the required amount of raw cotton, iron ore and pulp.

An immediate increase in production of electrolytic copper and cotton yarn is regarded as inevitable.

Special demands also influenced greatly price indices. The September wholesale price index, according to a Bank of Japan survey, showed a 13.3 per cent increase over that of June.

The improvement, however, was limited chiefly to producer materials.

The amount of foreign currency gained from war procurement demands was estimated at \$50 million.

NOV 12 1950

NIPPON TIMES

NEEDS ESTIMATED FOR 3-YEAR PLAN

¥887,700 Million Seen Required to Attain Self-Sufficiency

The Industrial Bureau of ESB has estimated at ¥887,700 million the amount of equipment funds required for a successful execution of the three-year plan (1951-53) for the attainment of Japan's self-supporting economy, being projected by the Economic Independence Deliberative Council.

The Bureau will immediately begin readjusting the figures on an industry-by-industry basis.

Earlier, it had become a point at issue whether or not accumulation of such a large capital could be made through national incomes.

Observers indicated that it would be highly difficult to secure such big industrial funds without causing inflation, and that the Council may eventually be compelled to cut the required funds.

According to the three-year plan, electric power generation capacity will be boosted to 4,967,000 KWH in 1953 from the present year's 4,667,000 KWH.

Existing pig-iron processing facilities will be repaired and up-to-date rolling equipment such as strip mills imported.

Production facilities for gold, copper, lead, and zinc will be replenished, together with those for soda and pulp.

Cotton spinning spindleage will also be increased to 6,450,000 in 1953 from the present 4,000,000.

The daily productivity of synthetic fiber will be increased to 53 tons by the end of 1953 from the projected 20 tons at the end of this year.

The plan also envisages a yearly construction of 300,000 gross tons of ships.

NOV 14 1950

NIPPON TIMES

INDUSTRIAL PRODUCTION FOR SEPT. SETS RECORD

Machinery, Textiles Still Lead; Chemicals Make Good Showing

The September output of the mining and manufacturing industries showed a three per cent increase from the previous month which also had established a postwar record, the International Trade and Industry Ministry announced.

The month's production index stood at 421.7, taking the 1946 level as 100.

The favorable productivity was attributable to the increased effective demand as a result of the Korean hostilities.

The machine and textile industries continued to keep up a high rate of production.

The chemical and miscellaneous fields, which had been at a low ebb for some time, made a good showing in September.

NOV 15 1950

NIPPON TIMES

KYOTO WARES SHOWN

Miniature City Recreated in Department Store Here

A miniature Kyoto displaying all types of goods and wares manufactured in that ancient capital of Japan has been recreated on the fifth floor of the Mitsukoshi Department Store at Nihonbashi.

The famous Uji tea of Kyoto is served to all guests by Maiko girls who have come all the way to participate in this Kyoto publicity stunt.

The event will run daily until November 29. The store is closed on Monday.

NOV 26 1950

NIPPON TIMES

NEW STORE IN OSAKA

OSAKA—Another link has been added to the chain of Healey, Allan, Incorporated's Universal Stores with the opening of the Osaka Sogo Universal Store here Friday.

The establishment is on the first floor of the Daido Building on 20th Avenue, in the heart of the city's business center and a few blocks west of the Camp Osaka Headquarters building along the tram line.

Occupying a floor space of 300 tsubo, it is perhaps the largest of all specialty stores in the country.

Foodstuffs are the first item to start with, but toilet articles, clothing materials and notions will be added in time.

Merchandise will be supplied by the Amerex Trading Corporation. Sales services are attended to by the Sogo Department Store.



UNIVERSAL STORE OPENED IN OSAKA: The Sogo Osaka Universal Store, opened on December 1, is a new link of the chain of Healey, Allan, Inc.'s Universal Stores. It is located on the first floor of the Daido Building on 20th Avenue, a few blocks to the west along the streetcar line from the Camp Osaka Headquarters building. The store caters to OSS and AGO card holders. Hours: 9:30 to 5 p.m. daily, except Sundays. Photo shows a section of the store.

DEC 2 1950

NIPPON TIMES

MINING, INDUSTRY ENJOYING 'BOOM'

Production Index Reaches 4.63 Times 1946 Figure in October

Japan's mining and manufacturing industry production index reached 4.63 times the 1946 figure in October, registering a postwar peak in monthly increase.

The index showed a 10 per cent increase over September as against the average monthly expansion rate of 3 per cent registered so far this year.

The boom is attributed to favorable supply of electric power and brisk export trade.

Coal output, according to the International Trade and Industry Ministry, amounted to 3,330,000 tons, crude oil 30,000 kiloliters, steel materials 310,000 tons, electrolytic copper 8,000 tons, zinc 4,600 tons, weaving machines 4,600, ammonium sulphate 138,000 tons, cement 520,000 tons, paper pulp 50,000 long tons, cotton fabrics 140 million square yards and rayon cloth 36 million square yards.

DEC 11 1950

NIPPON TIMES

DEC 13 1950

NIPPON TIMES

3 JAPANESE EXPERTS TO AID BURMA INDUSTRY

Three Japanese industrialists left Haneda by BOAC plane Wednesday for Burma to assist in that country's industrial development.

They are Shun Masuda, director of the Hitachi Shipbuilding and Engineering Company, Shunichi Sugiura, chief of the company's land engineering section, and Mitsuru Sugii, nonregular staff member.

The trio are going at the invitation of U. Aung Than and Thakin Chit Tin, influential members of the Burma Chamber of Commerce. Their departure was delayed by the recent BOAC strike.

The Japanese industrialists are expected to be in Burma for two or three months and will offer technical guidance in a variety of industries, including shipbuilding, ship repair, fish-processing, electric industry, oil industry, communication, iron-steel rolling, scrap iron processing, chemical industries and pulp industry.

DEC 22 1950

NIPPON TIMES

JAPANESE INDUSTRIAL ACTIVITY REACHES NEW POSTWAR HIGH

110 Industrial activity in Japan in May continued to show a progressive rise, reaching a new postwar high, SCAP's Economic and Scientific Section disclosed today.

The overall index reached 153, based on a 1932-36 level of 100. This is five points higher than April and is the same as that reached in the busy year of 1938.

Equally significant is the growing list of important industries in which new highs were reached. During May, crude petroleum, refined petroleum products, cement, calcium carbide, soda ash and hydrochloric acid joined the list, which, in the last six months also has included a number of other chemicals, electric power generation, gas production, small motor vehicles, sheet glass, lumber, pulp and rubber goods.

Underlying this rapid expansion is the steady overall rise in durable manufactures. In May, basic steel production was within 15 per cent of the all-time high of 1943, when Japan was making its maximum war effort.

ESS officials added the significant observation that while steel output is high, plant facilities are by no means being pressed. Operations in May were at the rate of only 59 percent of capacity. Given sufficient raw materials, ESS officials said, there is little doubt that the steel industry will soon join the "all time high" group.

Also noteworthy is the fact that the present steel production level has been reached without the payment of government subsidies. While prices are higher, this is a reflection of world conditions. As output increases in the steel industry, more efficient operation will be achieved which will materially reduce unit costs. The competitive position of the Japanese steel industry should be correspondingly improved.

Large gains also have been noted in the industrial machinery field, with output more than doubled that of a year ago. This is another indication of continuing industrial rehabilitation which is taking place in a long list of industries, including iron and steel, mining, textiles, ceramics, wood pulp and chemicals.

Still another indication of rapid recovery is the petroleum refining industry. From practically a complete shutdown 18 months ago, output in May climbed to a point well above Japan's best wartime effort in 1943. With additional crude now being made available still further expansion in this field will undoubtedly take place.

It should be mentioned that Japan has profited greatly by the introduction of American techniques in oil exploration and drilling. By May output of crude petroleum had exceeded the previous all time-high recorded in 1938.

Only in the textile industries are operations below prewar levels. Expansion, which has been steady in the past several years, nevertheless has been comparatively slow, starting from a very low postwar level.

Present output is only about half that of the 1932-36 period. To provide the Japanese with the same volume of textiles as in the prewar period, output would have to be 25 percent above prewar levels, due to increased population. ESS officials said that a return to prewar textile production depends largely on expansion in the output of cotton goods. Present indications, they added, are favorable for improvement in cotton production. Stocks of raw cotton now are relatively high, and large supplies are in sight for prompt future delivery.

Production of vinyl sheet plastics, amilon and vinylon fibres in the synthetic field are increasing rapidly and already represent a significant contribution to the overall textile supply.

SCAP officials pointed out that Japan's continued recovery in the last year has been in spite of the growing threat of a serious power shortage. Japanese industry has met this threat by staggering consumption to minimize power losses during off peak hours, and by other devices.

An overall improvement of about 25 percent has been realized in power utilization. Consumption, per unit of industrial output, is about 25 percent lower than the average for 1950. The threat of shortage however, during the dry season later this year remains real, ESS officials added, and must be dealt with promptly if industry is to continue to move forward at its present rapid pace.

110
UN Expert Says—

Japan Can Develop Asia Small Industry

By Cpl. H. S. Benedict

TOKYO (Pac. S&S)—Japan can make a valuable contribution to the expansion of small-scale industries in under-developed countries of Asia and the Far East, Y. Lang Wong, consultant for the United Nations Technical Assistance administration, said at a press conference Friday.

Wong is on a six-week exploratory tour of Japan in connection with procuring Japanese

technicians to aid in building up small and cottage industries in countries—which have requested such aid from the United Nations.

He said that a number of countries—primarily India, Pakistan, Burma and Indonesia—have recognized the importance and practicability of developing small-scale industries as a necessary and logical first step in their overall plans of industrialization. These countries have requested that the UN engage Japanese nationals to advise them in this work.

Wong stated that the UN has hesitated in acting on these requests because Japan is not a member of the UN. However, he added that the UN realizes that the Japanese, because of their pioneering work and long experience in the field of small industries, can contribute greatly to these programs.

"It is in connection with exploring the possibility of recruiting Japanese technicians for this work that I have been sent here by the United Nations," Wong said.

He said that the general feeling in the UN is that it will be necessary to procure Japanese aid for those countries which have requested it. "Much of the small-industry equipment now being used in Asia and the Far East is of Japanese manufacture," he explained. He also said that the "social and cultural backgrounds of the Japanese is not unlike those of these countries. In many cases American and European techniques could not be applied."

During his stay in Japan, Wong will be assisted by the Programs and Production Branch of the Programs and Statistics Division, ESS, SCAP.

APR 14 1951

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LATEST INDUSTRIAL FIGURES REVEAL JAPANESE INDUSTRY'S GROWTH

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110 Latest production figures released today by SCAP's Economic and Scientific Section reveal that industrial activity in Japan is maintaining its steady climb upward.

The Japanese refrigeration industry continued to reflect the progress shown in this field since 1948. That year 817 ice manufacturing plants were operating with a daily capacity of 13,008 metric tons. In 1951, 1,151 plants operated with a daily capacity of 16,287 tons.

In 1948 there were 853 cold storage plants operating in Japan while at the present time there are 1,320. The 1948 capacity was 307,199 metric tons; present capacity is 369,271 metric tons.

Japan has kept abreast of world expansion on quick freezing processes which have shown a sharp increase throughout the world in the past few years. In 1948, 386 plants using this process were in operation with a daily capacity of 3,911 metric tons. Presently 575 plants with a 5,191 metric tons daily capacity are in operation.

Industrial rolling stock output during the month of July showed a gain over June with eight steam locomotives being turned out to June's two; 32 trailers for July, 24 in June; 72 railroad motor cars during July, 62 in June; 589 coal mine cars (steel) and 749 coal mine cars (wood) in July over June's output of 586 and 533 respectively. Only in the manufacture of battery locomotives was there a decrease, 10 being manufactured in July and 11 in June.

Another all-time high was registered in Japanese industry during the month August, as 421,500 cases of ordinary sheet glass were produced. These cases of 100 sq. ft. 2 mm glass or equivalent, exceeded by 17,800 cases the previous high of 403,700 cases produced during the preceding month of July. During August, nine furnaces were in operation. Stocks at the end of the month amounted to 228,800 cases, an increase of 38,100 cases from July's month end figure of 190,700 cases.

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