

	1940		1940	
	First Half		Second Half	
Other	267,678,383.529	609,899,269.953	358,814,009.345	737,553,365.551
Current accounts		152,059,957.280		228,725,125.150
Remittances		3,228,198.760		5,857,036.250
Due to other banks		123,340.570		232,990.780
Suspense receipts		156,521,323.950		136,905,590.540
Taxes unpaid		6,720,466.150		12,329,840.880
Reserve for sundry expenditure		16,052,000.000		16,052,000.000
Reserve for settlement of account re Bills discounted, Law No. 55 of 1927		5,984,000.000		6,181,000.000
Reserve fund		119,480,000.000		121,180,000.000
Capital subscribed		60,000,000.000		60,000,000.000
Dividends unpaid		2,336.480		890.000
Profit brought forward from last half-year		14,253,629.444		15,083,873.534
Net profit for the current half-year		20,267,002.010		23,124,258.280
Total	4,761,743,916.097		6,140,655,622.445	
ASSETS				
Advances to Government		2,924,756.250		2,554,822.250
Advances on foreign bills		112,045,432.060		143,083,139.280
Advances on current accounts		123,248.330		172,584.800
Bills discounted		523,758,508.310		380,478,500.000
Bills discounted, Law No. 55 of 1927		309,847,784.030		289,112,031.420
Deposits		29,810,672.600		29,670,672.600
Government bonds		2,546,870,691.090		3,948,532,859.330
Bullion				
Gold coin and bullion	501,287,199.110		501,287,237.900	
Silver bullion	14,544.300	501,301,743.410	14,544,544.300	501,301,782.200
Special fund for foreign exchange		300,000,000.000		300,000,000.000
Agencies accounts		127,415,066.928		139,060,330.620
Agencies accounts, specified		107,168,144.203		149,629,664.620
Foreign agencies accounts		45,841,697.391		64,383,109.005
Suspense payments		12,286,115.690		13,357,862.920
Bank premises		21,577,061.570		21,657,491.140
Capital unpaid		15,000,000.000		15,000,000.000
Cash items on Government account		69,480,868.085		122,092,403.490
Cash on hand		36,292,126.150		14,565,956.590
Total	4,761,743,916.097		6,140,655,622.445	
PROFIT AND LOSS ACCOUNT				
Dr.				
To Expenses, taxes interest, etc.		43,825,862.206		57,035,516.220
To Balance appropriated:				
Dividend at the rate of 10 per cent per annum		2,250,000.000		2,250,000.000
Reserve fund		1,700,000.000		2,320,000.000
Payments to the Government		15,049,757.920		17,424,852.190
Bonus and allowances		240,000.000		240,000.000
Reserve for settlement of account re Bills discounted, Law No. 55 of 1927		197,000.000		176,000.000

	1940		1940	
	First Half		Second Half	
Balance carried forward	15,083,873.534	34,520,631.454	15,797,279.624	38,208,131.814
Total		78,346,493.760		95,243,648.034
Cr.				
By Gross profits for the half-year		64,092,864.216		80,159,774.500
By Balance brought forward from last half-year		14,253,629.444		15,083,873.534
Total		78,346,493.760		95,243,648.034

Yokohama Specie Bank
(Yokohama Shokin Ginko)

The Yokohama Specie Bank, established in 1880, is an organ charged with the special task of affording financial facilities for foreign trade through its conduct of the foreign exchange business. Its capital was increased several times and now stands at ¥100,000,000, fully paid up by June 1920.

The Bank may buy or sell public bonds, gold and silver bullion, and foreign coins, if so required by the condition of its business. It may also be entrusted with matters relating to foreign loans and with the management of public money for international account.

The Yokohama Specie Bank has its

head office in Yokohama. There are branches, sub-branches, or agencies in the following places: Kobe, Nagasaki, Nagoya, Osaka, Moji, Tokyo, Marunouchi (Tokyo), Otaru, Hankow, Peking, Changchiakou, Shanghai, Tientsin, Tsing-tso, Chinan, Canton, Chihfou, Hsinking, Dairen, Harbin, Fengtien, Shaohsikwan (Fengtien), Yingkow, Hamburg, London, Berlin, Paris, Los Angeles, New York, San Francisco, Seattle, Honolulu; Rio de Janeiro; Bombay, Calcutta, Karachi; Batavia, Semarang, Sourabaya; Alexandria, Bangkok, Hongkong, Manila, Rangoon, Singapore and Sydney.

THE YOKOHAMA SPECIE BANK

At the end of each year

(In ¥1,000)

Year	Authoriz- ed Capital	Paid-up Capital	Reserve Fund	De- posits	Ad- vances	Net Profit	Divi- dend	Rate of Dividend
1933	100,000	100,000	124,852	558,689	368,864	27,517	10,000	10.0%
1934	100,000	100,000	127,890	551,385	369,274	30,248	10,000	10.0
1935	100,000	100,000	131,174	621,594	346,157	32,914	10,000	10.0
1936	100,000	100,000	134,554	553,372	381,249	34,656	10,000	10.0
1937	100,000	100,000	137,993	588,207	383,133	34,480	10,000	10.0
1938	100,000	100,000	140,695	1,276,096	394,739	33,356	10,000	10.0
1939	100,000	100,000	142,985	1,859,540	687,142	34,721	10,000	10.0

Assets and Liabilities of The Bank for 1940

Balance Sheet

(In yen)

Liabilities

	1940 First Half	1940 Second Half
Capital subscribed	100,000,000	100,000,000
Reserve funds	140,900,000	142,150,000
Redemption fund for loans	3,274,325	3,232,780
Bank debentures	218,114	212,684
Deposits, etc.	2,133,261,678	2,531,030,327
Bills rediscounted, sold; Suspense receipts, Due to other Banks, etc.	629,996,822	609,643,483

	1940 First Half	1940 Second Half
Dividend unpaid	6,240	8,305
Balance from last account	11,317,438	11,904,000
Profit for the half year	6,836,561	7,129,721
Total	3,025,811,182	3,405,311,303
Assets		
Cash account	321,516,279	448,182,620
Cash on hand	93,519,427	132,350,810
Deposits in other banks	227,996,852	315,831,804
Bonds and shares	918,639,151	664,963,186
Advances and Bills discounted	878,010,080	1,180,255,343
Bills purchased and Due from other banks	888,222,558	1,092,674,379
Bullion and foreign money	192,044	287,590
Land and buildings	19,231,069	18,948,183
Total	3,025,811,182	3,405,311,303
Appropriation of Profit		
Profit for the half year	6,836,561	7,129,721
Balance brought forward from last account	11,317,438	11,904,000
Total	18,154,000	19,033,722
Reserved	1,250,000	1,250,000
Dividend (10% p.a.)	5,000,000	5,000,000
Balance carried forward to next account	11,904,000	12,783,722

The Hypothec Bank of Japan (Nippon Kwangyo Ginko)

With an authorized capital standing at upwards of ¥141,000,000 and advances reaching the neighborhood of ¥1,300,000,000, the Hypothec Bank of Japan is now, in fact as well as in name, the central organ of the nation in making loans on mortgage of immovable property.

The Hypothec Bank is authorized, when at least one-fourth of its nominal capital has been paid up, to issue mortgage debentures to an amount not exceeding fifteen times its paid-up capital, provided the amount of such debentures shall not exceed the total amount of outstanding loans redeemable by annual instalments or at a fixed time and the debentures of the Agricultural and

Industrial Banks, Hokkaido Colonization Bank, Central Chest for Industrial Associations and Chosen Industrial Bank in hand. These mortgage debentures must be redeemed by means of drawings taking place at least twice a year in amounts proportionate to the amount to be redeemed in the same year of the loans redeemable by annual instalments and the debentures of the above-mentioned banks in hand. In case any loans redeemable by annual instalments are repaid before they are due, the Bank may with the amount so repaid purchase and redeem its mortgage debentures. The Temporary Fund Adjustment Law as amended in 1940 has authorized the Hypothec Bank of Japan to issue savings certificates to the amount of 500 million yen.

THE HYPOTHEC BANK OF JAPAN

At the end of each year

(In ¥1,000)

Year	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Rate of Dividend	Mortgage Debentures
1933	108,750	145,888	1,094,070	12,582	8,463	10.0%	852,806
1934	111,755	136,091	1,046,809	12,923	8,614	10.0	797,481
1935	111,775	141,959	969,081	13,076	8,765	10.0	729,394
1936	115,275	148,517	1,020,218	13,369	8,940	10.0	715,390
1937	140,920	257,361	1,312,839	17,395	11,680	10.0	959,447
1938	141,920	279,836	1,221,763	17,580	11,780	10.0	901,098
1939	141,920	303,066	1,224,123	17,673	11,779	10.0	850,816
1940	141,920	326,153	1,261,226	17,659	11,779	10.0	834,464

Agricultural and Industrial Banks (Noko Ginko)

The Agricultural and Industrial Banks are local financial institutions for furnishing long-term loans at a low rate of interest on security of immovable property and are most useful through their connection with their central institution, the Hypothec Bank of Japan. But with a view to affording further financial facilities to local districts, the law concerning the amalgamation of the Hypothec Bank and the Agricultural and Industrial Banks was enacted in 1921. By virtue of this law the former was allowed to take over the business of the latter on condition that it establish its branches in places where head offices and branches of the latter were in existence. The Agricultural and Industrial Banks are joint-stock companies, each having a capital of not less than ¥200,000. The principal business of these banks is the same as that of the Hypothec Bank of Japan. These banks may become agents for the Hypothec Bank or other Agricultural and Industrial Banks. When acting as agents for loans made by the Hypothec Bank, Agricultural and Industrial Banks may guarantee to the bank the solvency of the debtors. They may take charge of the receipt and disbursement of the

funds of prefectures or cities. They are authorized, when at least one-fourth of the nominal capital has been paid up, to issue agricultural and industrial debentures to an amount not exceeding fifteen times the paid-up capital. Such debentures, however, must not exceed the amount remaining after the deduction of the amount of pledges given for money borrowed from the Hypothec Bank from the total amount of outstanding loans redeemable by annual instalments and at a fixed time. The face-value of agricultural and industrial debentures which was originally not less than twenty yen has been reduced to ten yen and upward; and when debentures of not more than twenty yen face value are to be issued, such issue may be effected by sale. For this purpose a term must be fixed for the sale, and the amount sold within that term is taken as the amount of issue. These agricultural and industrial debentures must be redeemed by means of drawings at least twice a year in amounts proportionate to the amount to be redeemed in the same year of the loans redeemable by annual instalments except that part thereof given as security to the Hypothec Bank as mentioned above. There were 5 of these banks in existence throughout the country at the end of 1939.

AGRICULTURAL AND INDUSTRIAL BANKS

At the end of each year

(In ¥1,000)

Year	No. of Banks	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Rate of Dividend	Debentures
1933	19	88,900	162,775	672,893	17,659	7,449	9.2%	496,673
1934	17	84,500	166,996	622,049	18,586	7,306	9.2	449,395
1935	17	84,500	167,834	602,155	19,196	7,162	9.2	429,543
1936	16	77,500	170,051	520,489	19,713	6,760	9.1	356,356
1937	6	22,000	65,593	183,671	5,854	1,631	8.0	135,236
1938	5	20,000	63,894	161,655	4,843	1,435	7.8	115,480
1939	5	20,000	81,696	161,621	4,887	1,435	7.8	109,657

The Industrial Bank of Japan (Nippon Kogyo Ginko)

The primary function of the Industrial Bank of Japan is to underwrite national and prefectural bonds and company debentures and make loans on security of foundations created as prescribed by law.

The Bank is authorized to issue debentures to an amount not exceeding ten times its paid-up capital, provided, however, that the amount of such deben-

tures shall not exceed the total amount of outstanding loans, discounted bills, and national or local bonds, company debentures and shares and gold and silver bullion in hand. Only in the event of funds being required for enterprises for public benefit undertaken in a foreign country, the Bank may, with the approval of the Minister of Finance, issue debentures irrespective of the above-mentioned restriction.

With a view to facilitating the supply of abundant funds to important indus-

tries, the Temporary Fund Adjustment Law enacted following the outbreak of the China Affair has authorized the Industrial Bank of Japan to issue, beyond the maximum mentioned above, industrial debentures not exceeding 1,000

million yen during the period in which the Law is in force. The Government has also been authorized to assume liability for the service of the industrial debentures with a total face-value of 1,000 million yen issued.

THE INDUSTRIAL BANK OF JAPAN

At the end of each year

(In ¥1,000)

Year	Authorized Capital	Deposits	Advances	Capital Fund in Trust	Net Profit	Dividend	Rate of Dividend	Debentures
1933	50,000	59,236	408,177	354,645	7,800	3,000	6.0%	323,840
1934	50,000	59,736	369,429	860,085	7,810	3,000	6.0	290,393
1935	50,000	99,614	393,353	940,085	6,863	3,000	6.0	279,659
1936	50,000	269,456	508,504	1,200,635	6,878	3,000	6.0	244,477
1937	50,000	279,646	932,243	1,408,835	6,909	3,000	6.0	640,865
1938	50,000	288,934	1,169,559	1,568,335	7,940	3,000	6.0	872,138
1939	200,000	402,672	1,367,412	2,285,535	9,508	4,353	6.0	366,520

The Hokkaido Colonization Bank (Hokkaido Takushoku Ginko)

The Hokkaido Colonization Bank was established with the object of supplying capital for enterprises for colonizing and developing Hokkaido and Karafuto (the southern half of Saghalien), and especially for the purpose of facilitating the supply of capital by making loans on security of agricultural products and company shares and debentures as well as making long-term loans at low interest rate on immovable property. The bank had at first a capital of ¥3,000,000 but on April 23, 1922 it was increased to ¥20,000,000, of which ¥12,500,000 has been paid up. The business scope is

very much similar to that of the Hypothec Bank of Japan and the Agricultural and Industrial Banks. The bank is authorized to issue debentures of not less than ten yen face value to an amount not exceeding 15 times its paid-up capital. Such debentures, however, must not exceed the total outstanding amount of loans which are redeemable by annual instalments or at a fixed date, and when debentures of not more than twenty yen face value are to be issued by the bank, such issue may be effected by sale. These debentures must be redeemed by means of drawings at least twice a year in amounts proportionate to the amount of the said loans to be redeemed in the same year.

THE HOKKAIDO COLONIZATION BANK

At the end of each year

(In ¥1,000)

Year	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Rate of Dividend	Debentures
1933	20,000	89,089	217,620	2,411	875	7.0%	122,909
1934	20,000	102,828	212,216	2,443	875	7.0	114,491
1935	20,000	100,486	225,021	2,496	875	7.0	124,862
1936	20,000	102,563	215,924	2,382	875	7.0	121,367
1937	20,000	121,203	235,403	2,258	875	7.0	119,102
1938	20,000	163,572	254,564	2,358	875	7.0	104,765
1939	20,885	259,585	311,996	2,791	885	7.0	98,480

The Bank of Taiwan (Taiwan Ginko)

The Bank of Taiwan was founded in September 1889, four years after Japan's occupation of Formosa, as the

result of the Sino-Japanese War.

It is a joint-stock company with an authorized capital of ¥30,000,000, of which ¥18,750,000 has been paid up.

The Bank is privileged to issue bank-

notes of the denomination of one yen and upward, and is under obligation to convert them into gold coins or convertible bank notes issued by the Bank of Japan. It is required to hold as conversion reserve gold and silver coins and bullion and the convertible notes of the Bank of Japan to the same amount as the notes

issued. It may, in addition to the notes mentioned above, issue bank notes up to the amount of ¥80,000,000 against Government bonds and other securities or commercial bills of a reliable nature. Notes issued beyond this limit are subject to a tax of not less than three per cent per annum of the amount so issued.

THE BANK OF TAIWAN

At the end of each year

(In ¥1,000)

Year	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Rate of Dividend
1933	15,000	101,457	227,944	1,296	395	3.0%
1934	15,000	112,610	214,891	1,443	395	3.0
1935	15,000	120,745	214,006	1,776	395	3.0
1936	15,000	130,017	221,918	2,174	395	3.0
1937	15,000	148,814	244,828	2,644	459	3.5
1938	15,000	186,408	235,247	3,358	656	5.0
1939	15,000	278,169	228,316	3,423	787	6.0
1940	30,000	367,986	333,270	4,223	548	6.0

The Bank of Chosen

(Chosen Ginko)

The Bank of Korea was established in October 1909, its name being changed to the Bank of Chosen in 1911 by virtue of the Bank of Chosen Act issued by the Government following Korea's annexation to Japan in April 1910. The bank is authorized to issue bank notes against gold coins, gold and silver bullion and notes of the Bank of Japan, and further to issue such notes on security of national bonds, and other bonds and commercial bills of a reliable nature, the maximum amount of the latter notes being ¥100,000,000. The bank may be allowed to issue notes beyond the maximum, such excess issue being subject to a tax of at least 3 per cent per annum. In 1917 the bank's notes were given sole right of legal tender in the Kwantung Leased Territory and along the South Manchuria Railway. Through revision of the Bank of Chosen Act in 1924 the right of control of the bank was transferred from the Governor-General of Chosen to the Minister of Finance.

After the foundation of Manchoukuo, however, steps were taken by the Manchoukuo Government to stabilize the value of the yuan and to adjust the complicated currency system of that country, and in conformity with this policy, the Bank of Chosen reduced the issue of its notes in Manchoukuo (excluding Kwantung L.T.) from December 23, 1935 onward. Simultaneously with the establishment of the Industrial Bank of Manchou at Hsinking, the branches of the Bank of Chosen in Manchoukuo (excluding Kwantung L.T.) were all turned over to the Industrial Bank of Manchou in December 1936, with the result that the issue of the Bank of Chosen notes in Manchoukuo was entirely discontinued. It may further be noted that with the abolition of extra-territoriality in Manchoukuo and the transfer of the administrative power in the South Manchuria Railway Company Zone to Manchoukuo on December 1, 1937, the provisions respecting the legal tender of the Bank of Chosen notes in the Zone were also abrogated.

THE BANK OF CHOSEN

At the end of each year

(In ¥1,000)

Year	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Rate of Dividend
1933	40,000	215,105	354,508	1,853	940	4.0%
1934	40,000	228,193	420,533	1,847	940	4.0
1935	40,000	292,122	422,814	1,859	940	4.0

Year	Authorized Capital	Deposits	Advances	Net Profit	Dividend	Bale of Dividend
1936	40,000	411,142	484,349	1,872	940	4.0
1937	40,000	293,043	453,609	1,866	940	4.0
1938	40,000	539,654	579,586	2,510	1,175	5.0
1939	40,000	881,656	793,424	2,985	1,500	7.0

Trust Business

It was about 1906 that companies bearing the title of Sintaku Kaisha (Trust Company) were first established in Japan, and, since that time the number of these institutions has steadily increased.

The function of a trust company is to hold, use or dispose of property for, and on behalf of persons who have not the ability or time to attend to these matters themselves. It goes without saying, therefore, that the sound development of this particular business agency will contribute greatly to social and economic progress. But some trust companies have been in existence that did not rest upon a sound basis and which transacted business that could not be properly called trust business. The Government, therefore, laid the projected Trust Law and Trust Business Law before the 45th session of the Diet and secured its approval. These two laws were effective on and after January 1, 1923.

According to the Trust Business Law:

(1) Trust business can be carried on only by a joint-stock company whose capital is one million yen or more and which has obtained licence from the Minister of Finance.

(2) The properties that a trust company can accept in trust are limited to money, negotiable paper, monetary claims, movables, land and things thereon, and superficies and leases of lands.

(3) The method of administering the trust property is specified in the Imperial Ordinance issued according to the provisions of the Trust Law.

(4) Businesses which trust companies can carry on as incidental to their main business are limited to the following:

1. Reception of deposits for safe custody.

2. Giving guarantees for debts.

3. Acting as an intermediary in the sale of immovable properties.

4. Acting as an intermediary in the loans of either money or immovable properties.

5. Flotation of bonds, debentures or stocks, and receipt of payment from the subscribers.

6. Payment of principal and interest or dividends of bonds, debentures or stocks.

7. Execution of a will concerning property.

8. Auditing.

9. Acting as agents for the following matters:

a. Acquisition or disposition of properties.

b. Adjustment and liquidation of properties.

c. Collection of claims.

d. Performance of obligations.

Of the above the guaranteeing of debts is subject to necessary limitations to be specified by ordinance.

(5) Trust companies are forbidden to engage in any business other than those mentioned above, excepting business connected with mortgage debentures.

(6) Trust companies must, in conformity with the provisions of ordinance, deposit national loan bonds of not less than one-tenth of their capital as security, and beneficiaries are entitled to preferential rights as regards the national loan bonds thus deposited by trust companies. The rate of legal reserve fund has also been increased, while certain limit is to be observed by the companies in using their own fund for the purpose of investment. These, together with other provisions for control, are intended to protect the interests of beneficiaries, at the same time preventing the companies from possible mismanagement.

(7) As stated in (5) the companies carrying on general trust business can also engage in similar business connected with mortgage debentures. Consequently a revision was effected in this respect in the Mortgage Debentures Trust Law. Ordinary banks were formerly disqualified to combine general trust business but this privilege was allowed to the Bank of Taiwan, Industrial Bank of Japan and Hokkaido Colonization Bank. It being deemed necessary to confine the operation of these

special banks in the particular line to business connected with mortgage debentures only, necessary revisions have been made in the laws relating to these banks.

Trust companies established under the

provisions of the above-mentioned laws numbered 28 and had an aggregate nominal capital of ¥256,000,000 at the end of December 1939. These institutions have now great influence in financial circles.

TRUST COMPANIES

At the End of Noy.	No. of Head Offices	No. of Branch Offices	Authorized Capital	Paid-up Capital	Reserve Funds (In yen)	Net Profit	Dividend
1933	36	16	287,000,000	82,076,075	29,536,346	18,019,865	3,689,200
1934	33	16	282,000,000	78,336,575	34,180,490	20,984,787	3,674,498
1935	32	17	272,000,000	76,308,575	39,421,837	22,135,929	3,638,498
1936	31	17	259,000,000	74,670,478	43,469,351	23,393,825	3,584,747
1937	29	18	259,000,000	73,932,475	48,676,307	24,961,897	3,865,998
1938	28	18	256,000,000	73,421,975	54,102,769	26,199,578	4,043,498
1939	28	18	256,000,000	73,459,000	59,569,000	—	—
1940	28	18	256,000,000	73,486,000	66,528,000	—	—

Assets

(In ¥1,000)

Companies' Own Account

At the end of each year	Unpaid Capital	Advances	Deposits	Securities	Pre-mises	Guarantees	Miscellaneous Assets	Losses	Total including others
1933	204,924	31,206	9,101	67,935	13,292	8,616	3,471	1,239	346,786
1934	203,663	35,695	8,887	71,988	12,618	7,597	1,871	289	348,849
1935	195,691	32,936	9,302	77,567	11,872	7,046	2,533	290	343,813
1936	184,330	33,483	8,081	81,369	12,631	6,393	1,882	314	335,865
1937	183,068	35,285	8,518	84,286	12,160	4,988	2,010	3	334,808
1938	182,578	35,998	8,414	88,114	11,504	4,476	2,722	3	339,244
1939	182,541	37,616	10,778	96,934	9,507	—	—	—	—
1938	182,578	35,998	8,414	88,114	11,504	4,476	2,722	3	334,808
1939	182,541	37,616	10,778	96,934	9,507	— 6,082	—	—	—
1940	182,514	49,832	13,470	102,161	13,138	— 9,353	—	—	—

Trust Account

	Securities	Advances	Deposits	Movable and Real Estate	Miscellaneous Assets	Cash in Hand	Total (including branches' accounts)
1933	568,901	923,807	47,529	40,565	30,758	4,188	1,765,289
1934	799,418	896,288	54,960	40,648	31,443	3,813	2,058,923
1935	940,644	949,137	50,129	42,669	42,858	3,719	2,310,253
1936	1,133,158	983,811	41,606	43,884	36,459	3,669	2,551,779
1937	1,158,156	1,088,999	43,869	44,199	57,835	3,504	2,705,002
1938	1,306,295	1,230,963	47,417	50,987	73,674	3,526	3,063,538
1939	1,529,468	1,478,692	42,550	59,515	90,168	703	3,210,093
1940	1,636,999	1,693,275	59,205	65,669	— 80,605	—	3,536,053

Liabilities

Companies' Own Account

	Authorized Capital	Reserve Funds	Guarantees	Miscellaneous Liabilities	Net Profit	Branches Accounts	Total
1933	287,000	29,536	8,616	7,076	9,538	5,020	346,786
1934	282,000	34,180	7,597	9,612	10,557	4,903	348,849

	Authorized Capital	Reserve Funds	Guarantees	Miscellaneous Liabilities	Net Profit	Branches Accounts	Total
1935	272,000	39,422	7,046	8,465	11,312	5,568	343,813
1936	259,000	43,470	6,393	8,784	12,042	6,176	335,865
1937	259,000	48,676	4,988	8,308	12,457	3,379	334,808
1938	256,000	54,103	4,476	7,178	13,333	4,154	339,244
1939	256,000	59,569	—	—	—	—	—
1940	256,000	66,528	—	—	—	—	—

Trust Account

	Money in Trust	Trust Fund other than in Trust	Securities in Trust	Claims in Trust	Real Estates in Trust	Superficies in Trust	Branches Accounts	Total
1933	1,378,375	11,641	183,867	9,314	32,536	15	149,541	1,765,289
1934	1,570,191	8,962	205,824	9,013	32,566	14	232,353	2,058,923
1935	1,729,993	10,169	250,205	6,052	32,723	14	281,097	2,310,253
1936	1,854,153	8,002	340,954	4,490	34,972	10	309,192	2,551,779
1937	1,886,416	8,731	457,661	8,026	35,713	10	308,430	2,705,002
1938	2,037,582	9,181	609,965	13,136	42,982	16	350,676	3,063,538
1939	2,322,761	12,776	797,357	17,425	50,758	13	—	3,201,093
1940	2,601,931	11,791	824,719	21,308	57,227	13	—	3,536,053

Mutual Loan Companies
(Mujin Kaisha)

In addition to the banking institutions there are mutual loan companies (Mujin Kaisha), which are credit establishments peculiar to Japan and are based on mutual credit among the middle and lower classes of people. Mutual credit societies have existed in Japan since olden times. The Mutual Loan Society Law was promulgated in June 1915, whereby the mutual loan societies acquired a legal standing. But in order to enable these societies to perform the function of financial institutions for lower classes and to extend their business operations, fundamental amendments were made in the law in 1931, and 1938. According to the provisions of the Mutual Loan Company Law, put into

effect on and after April 1, 1938, the business of the companies is to make the subscribers pay money in instalments during a fixed period and then to distribute it, in lots, among the subscribers, by drawings, biddings or some similar means, the number of such lots and the sum of money to be thus distributed being previously fixed. Each company must be a joint stock company with a nominal capital of more than ¥100,000. No company is allowed to carry on this kind of business without permission of the Minister of Finance. Those so engaged are prohibited from carrying on any other business at the same time and are under obligation to present business reports to the Government. Restrictions also are put on the use of business funds. The number of these companies was 227 on June 30, 1940.

MUTUAL LOAN COMPANIES

Assets

(In ¥1,000)

Year	No. of Companies	Money yet to be paid in Instalments	Convertible Notes	Loans	Deposits	Total, including others
1933	276	67,616	4,447	44,271	26,340	166,723
1934	273	63,002	7,643	51,473	32,084	179,865
1935	262	56,041	9,625	61,723	33,293	187,880
1936	253	51,848	13,152	73,365	38,594	204,422
1937	246	50,727	18,358	96,568	45,252	238,995
1938	245	49,508	25,988	125,987	53,386	287,481
1939	237	—	42,886	183,233	69,917	691,851

Note: Unpaid capital and loss are discounted.

Liabilities

(In ¥1,000)

Year	Paid-up Capital	Reserves	Net profit	Total, including others
1933	18,581	9,554	447	166,723
1934	19,330	9,927	(—) 134	179,865
1935	19,067	10,708	710	187,881
1936	18,933	10,923	1,512	204,422
1937	18,886	12,071	1,666	238,995
1938	19,122	13,386	2,080	287,481
1939	19,125	14,948	2,695	691,851

Cooperative Credit Associations

Credit Associations acquired a legal standing under a new system as defined by the so-called Cooperative (or Industrial) Association Law, promulgated in March 1900. The business of these associations is to lend money to their members in order to better their economic conditions and to employ their savings. By virtue of the revision of the law in July, 1917, the business of the Credit Associations has been expanded and they may use the savings of the families or their members, public corporations or

legal persons who do not aim at profit. Especially, the Credit Associations in cities or city areas designated by the competent Minister of State may, besides the business above described, discount bills for their members and handle savings of persons who are not their members but reside inside the same boundary. Therefore, they may be called the People's Banks in city areas, and are placed under the control of the Minister of Finance and the Minister of Agriculture and Forestry. The actual number of these associations was 282 at the end of 1939.

Year	Money Paid	Loans (In yen)	Savings	Total B/S
1933	56,493,820	158,026,038	177,376,486	292,271,078
1934	58,516,000	160,450,000	189,760,000	309,983,000
1935	59,028,000	164,584,000	218,676,000	326,973,000
1936	58,394,000	175,197,000	241,664,000	350,034,000
1937	59,930,000	190,619,000	277,453,000	390,805,000
1938	64,721,000	208,483,000	363,531,000	482,241,000
1939	68,632,000	249,274,000	477,937,000	596,580,000

Central Chest for Cooperative Associations
(Sangyo Kumiai Chuo Kinko)

As an institution for regulating the movement of funds of the Federations of Cooperative (or Industrial) Associations and of individual Cooperative Associations and for bringing them into close touch with the central money market, the Central Chest for Cooperative Associations was established by law on April 5, 1923. Its capital at present amounts to ¥35,700,000, of which ¥17,500,000 is invested by the Government and the remainder, ¥18,200,000 by the Cooperative Associations throughout the country. Of this nominal capital, 32.9 million has been paid up. Formerly, those interested in the Chest were confined to the Government, federations of industrial association, and industrial associa-

tions, but federations of fishery associations and mutual fishery associations were further authorized to make investments by the Law as amended on March 18, 1938. The number of associations that were interested in the Central Chest amounted on June 30, 1940 to 13,502, representing more than 87% of the total number of associations throughout the country. The principal business of the Central Chest for Cooperative Associations is as follows:

(1) To make without security loans redeemable at a fixed time within a period of not more than five years to Federations of Cooperative Associations or Cooperative Associations, Federations of fishery associations, or mutual fishery associations;

(2) To make loans without security redeemable by annual instalments within a period not exceeding thirty years

to those federations or associations, provided that the total amount of such loans does not exceed one-half of the paid-up capital and debentures issued;

(3) To discount bills for, or allow overdrafts to those federations or associations;

(4) To undertake exchange business for those federations or associations;

(5) To receive money as deposits from those federations or associations, public corporations, or legal persons not

engaged in business aiming at profit;

(6) To take securities for safe custody for those federations or associations; and

(7) To buy and sell on a consignment basis securities for those federations or associations.

The Central Chest is authorized to issue debentures and is subject to control both of the Minister of Agriculture and Forestry and the Minister of Finance. The assets and liabilities of these associations follow:

ASSETS (In ¥1,000)

March of	Unpaid Investment	Loans	Deposits in Banks	Securities	Total, including Others
1933	381	127,332	40,145	18,493	192,073
1934	14	150,970	30,532	57,216	245,788
1935	—	141,314	28,247	73,897	248,584
1936	—	147,419	23,499	79,177	256,572
1937	—	155,565	18,327	61,673	242,471
1938	—	162,884	26,312	76,027	272,208
1939	4,000	159,504	32,601	123,410	328,149
1940	3,287	160,633	34,846	239,060	444,286

LIABILITIES (In ¥1,000)

March of	Investment by Government	Investment by Others	Co-operative Debentures	Fixed Deposits	Total, including Others
1933	15,000	15,700	59,503	59,624	192,073
1934	15,000	15,700	64,411	84,454	245,788
1935	15,000	15,700	84,291	86,149	248,584
1936	15,000	15,700	86,575	99,383	256,572
1937	15,000	15,700	82,939	80,776	242,471
1938	15,000	15,700	82,312	103,613	272,208
1939	17,500	18,200	72,309	150,934	328,149
1940	17,500	18,200	60,800	218,895	444,286

Central Chest for Commercial and Manufacturing Associations (Shōkō Kumiai Chūō Kinko)

For the purpose of regulating and facilitating the movement of funds of commercial associations, manufacturing associations, and foreign trade associations, the Central Chest for Commercial and Manufacturing Associations was created by Law No. 14 of May 27, 1936. Amendments were, however, made in this Law on April 1, 1940 and were put into operation as from May 3 of the same year. Its capital amounts to 10 million yen, of which 5 million yen has been invested by the Government. Those that may be interested in this institution are the Government, commercial associations, federations of commer-

cial associations, manufacturing associations, federations of manufacturing associations, small manufacturing associations, foreign trade associations, and federations foreign trade associations, and the subscription to the capital by those other than the Government is in principle limited to 1,000 shares per federation or association.

The principal business of the Central Chest for Commercial and Manufacturing Associations is as follows:

(1) To make, without security, loans redeemable at a fixed time or by monthly instalments within a period not exceeding 5 years to the federations or associations interested in the Chest.

(2) To make, without security, loans redeemable by annual or semi-annual instalments within a period not exceed-

ing 20 years to the federations or associations; provided, however, that in cases where the loans are to be redeemable within a period exceeding 5 years, such loans must not exceed half of the total amount of the paid-up capital and commercial and manufacturing debentures issued.

(3) To discount bills for or allow overdrafts to the associations or federations.

(4) To undertake business relating to documentary bills for the associations or federations.

(5) To undertake inland exchange business for the associations or federations.

(6) To receive money as deposits from commercial associations, federations of commercial associations, manufacturing associations, federations of manufacturing associations, small manufacturing associations, foreign trade associations, federations of foreign trade associations, public corporations, and other corporations on a non-commercial basis.

(7) To accept securities for custody and to buy and sell securities on a consignment basis for the associations or federations.

When deemed necessary, the Central Chest may require security in the case of the business mentioned under (1) to (4) above. It is further to be noted that the Central Chest may employ its surplus fund in the following manner only:

(a) To purchase national bonds, local government bonds, or securities designated by the competent Ministers.

(b) To deposit money with the Deposit Funds of the Ministry of Finance, banks designated by the competent Ministers, or the Post Office Savings Bank.

(c) To make short-term loans to commercial associations, federations of commercial associations, manufacturing associations, federations of manufacturing associations, small manufacturing associations, foreign trade associations, or federations of foreign trade associations.

This institution is authorized to issue debentures to an amount not exceeding 10 times the paid-up capital. Such debentures, however, must not exceed the total amount of outstanding loans, discounted bills and holdings of securities. The institution is under the control of both the Minister of Finance and the Minister of Commerce and Industry.

The president, directors (more than 3), and auditors (more than 2) are appointed by the competent Ministers. There are 20 counsellors, and more than one half of the number consist of members of commercial associations, manufacturing associations, and foreign trade associations.

People's Chest (Shomin Kinko)

The People's Chest, which makes it its object to grant low-interest credits to medium and smaller merchants and manufacturers, salaried men and laborers who had formerly not benefited from the established financial institutions, and thereby to stabilize the living conditions of those classes of the people, was created by the People's Chest Law promulgated on March 31, 1938. It should specially be noted that this People's Chest is a financial institution on a non-commercial basis. Its capital amounts to 10 million yen, consisting of Government bonds all contributed by the Government.

The principal business of the People's Chest is as follows:

(1) To make small loans redeemable at a fixed time or by instalments.

(2) To make accommodations to financial institutions as funds for small loans.

(3) To make compensation payments for loss sustained in making small loans by financial institutions.

(4) To receive money as deposits from those conducting the above transactions with the People's Chest.

(5) To undertake business incidental to those mentioned above.

The People's Chest may employ its surplus fund in the following manner only:

(a) To acquire national bonds, local government bonds, or securities designated by the competent Minister.

(b) To deposit money with the Deposit Funds of the Ministry of Finance, banks, or the Post Office Savings Bank.

The People's Chest is authorized to issue debentures to the amount not exceeding 10 times its paid-up capital. The Government guarantees the payment of the principal and interest of such debentures to the amount not exceeding 100 million yen of face-value, and makes grants for the business expenses of the Chest over a period of 10

years. The People's Chest is under the control of the Minister of Finance.

Pension Chest (Onkyu Kinko)

The transfer of the right to receive pension to other persons or giving that right as security is not only contrary to the principle of the pension system, but is prohibited by law. There were, however, a great number of pensioners who, driven by the necessity of finding a means of livelihood, were often offering the right as security in different ways. As it was impossible for them to be financed from the established financial institutions, they were constantly suffering from the burdens of extremely high-interest loans. In order to eradicate the evils arising from such circumstances, and to grant promptly low-interest credits, the Pension Chest Law was promulgated on March 31, 1938, whereby the Pension Chest was created. Its capital amounts to 30 million yen, of which 5 million yen has been contributed by the Government and the remainder by the Ministry of the Imperial Household, special organizations, and the general public.

The principal business of the Pension Chest is as follows:

- (1) To make loans on the security of pension under the Pension Law.
- (2) To make loans on the security of annuities granted for distinguished services.
- (3) To make loans on the security of

pensions granted by other laws and ordinances than the Pension Law.

(4) To receive pensions and annuities for the person in question, and to receive as deposits such pensions and annuities.

(5) To undertake business incidental to those mentioned above.

The surplus fund of the Pension Chest is employed in the following manner only:

(a) To acquire national bonds, local government bonds, or other securities designated by the competent Ministers.

(b) To deposit money with the Deposit Funds of the Ministry of Finance, banks, or the Post Office Savings Bank.

The Pension Chest is authorized to issue debentures to the amount not exceeding 15 times the paid-up capital, but such debentures must not exceed the total amount of outstanding loans and holdings of securities. The Chest is under the control of the Prime Minister and the Minister of Finance.

The Big Seven

Among the non-governmental banks in the country there are seven which stand out from all the others in importance, these being the Mitsui, Mitsubishi, Dai-ichi, Sumitomo, Yasuda, Daihyaku (the One Hundredth Bank) and Sanwa, the last named having been created by the amalgamation of three banks, i.e. Kōnoike, Yamaguchi and the 34th in December 1933:

BUSINESS CONDITIONS OF THE BIG SEVEN

(In ¥1,000)

1. Dai-ichi Bank		Deposits		1,514,821		1,725,726		
Kinds	1940	1940	Foreign bills	1,712	340			
	First half	Second half	Total liabilities	1,746,756	1,960,291			
Paid-up capital	57,500	57,500	Fixed assets	19,938	21,517			
Deposits	1,937,627	2,195,593	Loans	775,442	875,483			
Foreign bills	938	984	Total assets	1,746,756	1,960,291			
Total liabilities	2,159,828	2,422,120	Total profits	15,210	15,958			
Fixed assets	23,743	23,449	Rate of dividend	8.0	8.0			
Loans	1,051,295	1,242,771	3. Yasuda Bank					
Total assets	2,159,828	2,422,120	Kinds	1940	1940			
Total profits	19,348	19,687		First half	Second half			
Rate of dividend	8.0	8.0	Paid-up capital	150,000	150,000			
2. Mitsubishi Bank		Deposits		2,144,690	2,349,118			
Kinds	1940	1940	Foreign bills	10	43			
	First half	Second half	Total liabilities	2,447,756	2,663,483			
Paid-up capital	100,000	100,000	Fixed assets	13,952	13,749			
			Loans	1,230,159	1,327,890			

Total assets	2,447,756	2,663,483	Rate of dividend	8.0	8.0
Total profits	11,806	12,447	6. Sanwa Bank		
Rate of dividend	8.0	8.0	Kinds	1940	1940
4. Mitsui Bank				First half	Second half
Kinds	1940	1940	Paid-up capital	107,200	107,200
	First half	Second half	Deposits	2,253,017	2,588,768
Paid-up capital	100,000	100,000	Foreign bills	3,576	3,512
Deposits	1,457,813	1,589,393	Total liabilities	2,481,121	2,837,448
Foreign bills	1,373	333	Fixed assets	27,109	27,029
Total liabilities	1,728,283	1,842,827	Loans	872,720	1,163,367
Fixed assets	16,475	16,001	Total assets	2,481,121	2,837,448
Loans	851,813	985,489	Total profits	7,611	7,958
Total assets	1,728,283	1,842,827	Rate of dividend	8.0	8.0
Total profits	18,857	19,617	7. Dai-Hyaku Bank (The One Hundredth Bank)		
Rate of dividend	8.0	8.0	Kinds	1940	1940
5. Sumitomo Bank				First half	Second half
Kinds	1940	1940	Paid-up capital	38,988	38,988
	First half	Second half	Deposits	1,282,508	1,429,610
Paid-up capital	80,000	70,000	Foreign bills	923	1,230
Deposits	2,144,927	2,445,153	Total liabilities	1,381,501	1,538,522
Foreign bills	3,419	2,264	Fixed assets	19,458	18,477
Total liabilities	2,432,783	2,647,247	Loans	592,336	702,759
Fixed assets	16,503	16,121	Total assets	1,381,501	1,538,522
Loans	1,234,441	1,494,023	Total profits	3,254	4,155
Total assets	2,342,783	2,647,247	Rate of dividend	7.0	8.0
Total profits	12,301	14,229			

FOREIGN BANKS WITH BRANCHES IN JAPAN

Name	Nationality	No. of Branches in Japan	Places of Branches in Japan
Hongkong & Shanghai Banking Corporation	Great Britain	3	Kobé, Yokohama, Tokyo
Chartered Bank of India, Australia & China	"	2	Yokohama, Kobé
National City Bank of New York	U.S.A.	4	Kobé, Yokohama, Tokyo, Osaka
Banque Franco-Japonaise	France	2	Tokyo, Kobé
Nederlandsche Handel-Maatschappij	Holland	1	Kobé
Nederlandsch-Indische Handelsbank	"	2	Kobé, Tokyo
Bank of China	China	1	Osaka
Central Bank of Manchu	Manchoukuo	1	Tokyo

Clearing Houses

The establishment of the first clearing house in Japan took place in Osaka in 1879, preceding by eight years that in Tokyo, where one was established in 1887. Cash transactions marked the commercial society of this country early in the Meiji era and no transactions in bills or cheques were then conducted. Viscount Shibusawa and other business

leaders encouraged paper transactions among businessmen at large and the time soon came when it was necessary for Tokyo to establish a clearing house, one being eventually brought into existence by the Bankers' Association in 1887. At the end of 1940, there were 53 clearing houses in Japan. The amount of clearings in Tokyo and Osaka and Japan proper were as follows:

BILLS CLEARED AT THE CLEARING-HOUSES IN JAPAN PROPER

(000's omitted)

Year	Tokyo		Osaka		(All Japan)	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1933	13,577	31,549,888	10,412	22,175,225	37,296	66,871,808
1934	14,253	25,338,571	9,547	24,438,933	37,739	64,376,620
1935	15,153	25,512,016	10,472	22,688,248	40,725	63,858,341
1936	15,887	27,400,087	11,090	24,979,292	42,961	69,862,561
1937	17,308	34,125,353	11,983	30,153,543	45,846	85,270,132
1938	18,326	37,387,153	12,058	28,535,903	47,105	86,091,458
1939	20,437	46,867,000	13,097	33,819,000	57,417	117,708,990
1940	20,688	57,029,598	12,671	43,284,338	51,516	132,077,148

Postal Savings Deposits

The postal savings deposits system of Japan was adopted from the Post Office Savings Act of Great Britain. It was established by an Imperial Ordinance of August 1874, and was enforced in May of the following year at 22 post offices in the country. The history of this service in Japan is one of the oldest in the world, older than that of Germany or France and 36 years older than that of America. At first the annual interest rate was 3 per cent, the highest rate was 7.2 per cent during 1881-1884, but it is 2.76 per cent since April 1937. The maximum amount one could deposit was at first ¥500. In the first year of enforcement the amount totalled ¥51,224 for 1,843 depositors. In 1882 the Mail Act was passed and the deposit business became jointly controlled by the Minister of Finance and the Minister of Agriculture and Commerce. The service was looked after by 4,000 post offices in the country. In 1890 the Postal Savings Deposit Act was issued. In 1920 the Exchange Deposit Bureau was established and was later replaced by the Deposits Bureau in the Ministry of Finance.

The number of depositors and amount of savings since 1933 are as follows:

March 31,	Number	Amount in yen
1933	39,838,438	2,772,004,751
1934	41,625,306	2,919,345,286
1935	43,908,510	3,062,750,943
1936	46,568,533	3,232,947,127
1937	49,564,766	3,485,835,081
1938	54,628,871	3,903,261,783
1939	74,654,584	4,760,150,164
1940	85,880,088	6,177,646,619
1941	96,244,782	7,927,909,852

Note: Figures include Postal Transfer, which, for instance, amounted to ¥214,463,461 on March 31, 1941.

Currency System

Coinage The present coinage system is based on the Coinage Law issued in 1897, which established the gold mono-metallic system. Its principal points are summarized as follows:

(1) The coinage unit is 2 fun (0.75 grams) of pure gold, that is, one-half of the former gold unit, and is to be denominated one yen.

(2) The standard gold coins are of three denominations, namely, five yen, ten yen and twenty yen; the former gold coins pass for double their nominal value.

(3) The subsidiary silver coins are of two denominations, namely, twenty sen and fifty sen; the former five-sen, ten-sen, twenty-sen and fifty-sen silver pieces are allowed to circulate.

(4) The other subsidiary coins are the nickel five-sen and ten-sen pieces and the bronze one-sen and five-rin pieces; the former five-sen nickel as well as two-sen, one-sen, five-rin and one-rin copper pieces are allowed to circulate.

(5) The fineness and weights of the coins prescribed in the Coinage Law are as follows:

(a) Fineness		(b) Weights	
Gold coins:		Denominations	
pure gold 900 copper 100		20-yen pieces	16.6666
Silver coins:		10-yen pieces	8.3333
pure silver 720 copper 280		5-yen pieces	4.1666
Nickel coins:			
pure nickel			
Bronze coins:			
copper 950 tin 40 zinc 10			

Subsidiary coins:

Denominations	Weights Grams
50-sen silver	4.95
20-sen silver	1.98
10-sen nickel	4.00
5-sen nickel	2.80
1-sen bronze	3.75
5-rin bronze	2.10

Paper Notes of Small Denominations In order to make good the deficiency of subsidiary silver coins caused by the World War, paper notes of small denominations, namely, fifty-sen, twenty-sen and ten-sen, were issued as a substitute in accordance with the Imperial Ordinance No. 202 promulgated on October 29, 1917. The issue of these petty notes went on increasing in volume till at the end of February 1922, it reached 218 million yen, the largest on record. After that time the volume gradually dwindled in consequence of the minting of new subsidiary coins to displace the notes, the latter coming down, by the end of 1939, to ¥10,853,327 consisting of ¥5,264,129 of 50-sen notes, ¥1,087,954 of 20-sen notes, and ¥4,501,244 of 10-sen notes. At the end of 1939, there were also 50-sen notes of ¥237,912,778 issued under the Emergency Currency Law of 1938.

Emergency Currency Not only to effect economy, for the time being, in the use for monetary purposes of some metals as provided for in the Coinage Law, but to meet the increasing requirements for subsidiary coinage, emergency currency was issued in accordance with the provisions of the Emergency Currency Law promulgated in June 1938. It consists of subsidiary coins of 10-sen, 5-sen and 1-sen, and of paper notes of small denomination of 50-sen.

The fineness and weight of these subsidiary coins are specified by Imperial Ordinance No. 388 of 1938 as follows:

A. Fineness.		B. Weight.	
10-sen piece aluminium	50 copper 950	10-sen piece	4
5-sen piece aluminium	50 copper 950	5-sen piece	2.8
1-sen piece copper	900 zinc 100	1-sen piece	3.75
1-sen piece aluminium		1-sen piece	0.9

Note:—The copper 1-sen piece was displaced by the aluminium 1-sen piece

under Imperial Ordinance No. 724 of November 1938.

Convertible Bank Notes In May 1884, there was promulgated the Convertible Bank-notes Law providing for the issue by the Bank of Japan of bank-notes which were to be converted into silver, but on the adoption of the gold standard in 1897 these notes became convertible into gold. Certain amendments were made in the law in 1932 and 1938. The principal points may be summarized as follows:

The Bank of Japan is required to hold as a conversion reserve against the issue of notes, gold and silver coins and bullion to the same amount as that of the notes issued; and the total value of silver coins and bullion must not exceed one-fourth of the entire conversion reserve. The Bank of Japan may, in addition to the notes specified in the preceding paragraph, issue bank-notes to the amount of ¥2,200,000,000 against Government bonds, Treasury bills and other reliable securities or commercial bills. The Bank may also be allowed to issue notes against such securities beyond the maximum mentioned above. In case the issue in excess of this limit lasts more than 15 days the approval of the Minister of Finance is required, and such issues outstanding after a period of 15 days are subject to a tax of at least 3 per cent per annum of the amount so issued. The bank-notes are of 7 denominations, namely, one yen, 5 yen, 10 yen, 20 yen, 50 yen, 100 yen and 200 yen.

Currency System of Chosen and Taiwan The currency system of Chosen had fallen into such a state of disorder and confusion that the credit of legal tenders was entirely gone, and consequently commodity prices perpetually fluctuated. In 1905, at the time of the protectorate régime of Japan, the radical reform of the system was started, the Coinage Regulation was revised and new coins equal in quality and weight to those of Japan were minted. At the same time, the use of the old nickel coins was prohibited on and after December 31, 1909. After the annexation, with the object of unifying the coinage in Chosen with that of the Empire, the minting of coins under the Coinage Regulation was suspended and the circulation of Japanese coins was encouraged. As the old Korean coins in circulation diminished steadily, the Imperial Coinage Law was put in force

In April 1918 in Chosen and the use of the old Korean coins as legal tender was permitted till the end of 1920 only, the Government undertaking to exchange during the five subsequent years. The use of "Yō-sen" (bronze pieces), however, was left free for the time being in consideration of the economic conditions of Chosen.

Bank-notes issued by the Bank of Chosen are convertible notes. Besides issuing, under the Charter of the Bank of Chosen, on the security of gold specie, gold and silver bullions and the Bank of Japan's convertible notes, the Bank is authorized to issue notes up to the limit of ¥100,000,000 on the security of the exchequer bills and other reliable bills or trade bills. Being the principal medium of exchange in Chosen the volume of issue has steadily expanded with the development of economic conditions in the Peninsula.

The Emergency Currency Law was put into operation in Chosen as from June 1, 1938.

By Law No. 38 promulgated in April 1897, the Bank of Taiwan was empowered to issue notes convertible into silver, but the frequent fluctuations in the value of silver yen have since not only impeded the smooth circulation of silver notes, but tended to foster a speculative spirit among the public. The repercussions of such developments had been so seriously felt in many directions that attention was directed in 1903 to the reform of the currency system, and an emergency measure, designed to relieve the situation, was taken by promulgating in June 1904 and enforcing in July of the same year, an Ordinance authorizing the Bank of Taiwan to issue notes convertible into gold against gold and silver coins and bullion. This Ordinance, however, was abrogated concurrently with the Law relating to the Bank of Taiwan being amended in 1906 so as to

vest the Bank with lawful authority to issue notes convertible into gold. The issue of gold-notes markedly facilitated business operations as they were favorably received and their circulation was highly satisfactory. The Government thereafter encouraged a greater diffusion of gold-notes on the one hand, and adjusted silver coins and notes on the other. Thus, the silver-notes had been withdrawn from circulation by April 1909. It should specially be noted that the Coinage Law of the Empire was put into operation in April 1911 in Taiwan, with the result that the currency system of the island became uniform with that of Japan proper.

The abnormal economic condition resulting from the World War suggested the necessity of placing the specie under protection, and restriction was imposed in 1917 on the export of gold and silver coins and bullion by Ordinances No. 41 and 44. It was prohibited, at the same time, to collect, melt down, or demolish gold or silver coins for sale or use as bullion. As, however, economic conditions returned to normal, the Government issued in 1929 Ordinance No. 66, abrogating the Ordinances mentioned above and permitting the export of gold as from January 11, 1930. Gold shipments abroad have since continued on so large a scale that the Government, with a view to protecting the specie reserve, promulgated in 1931 Ordinances No. 67 and No. 71, prohibiting the export of gold coins, gold bullion, gold manufactures and alloys of gold as from December 13, 1931. On December 17 of the same year, an Imperial Emergency Ordinance suspending the conversion of bank notes into gold was promulgated, whereby the conversion of the notes of the Bank of Taiwan into gold coin was prohibited. The Emergency Currency Law was put into effect in Taiwan as from June 1, 1938, by Imperial Ordinance No. 387 of 1938.

AMOUNT OF BANK-NOTES ISSUED BY THE BANK OF JAPAN

Year	Notes Issued (In yen)				
	Balance brought over from the preceding year	Amount newly issued	Total	Amount withdrawn	Balance
1933	1,426,158,957	4,526,878,038	5,953,034,995	4,408,237,301	1,544,797,694
1934	1,544,797,694	4,858,410,704	6,403,208,398	4,775,859,229	1,627,349,168
1935	1,627,349,168	5,602,732,128	7,230,081,296	5,463,526,001	1,766,555,295
1936	1,766,555,295	6,237,474,940	8,004,030,235	6,138,326,850	1,865,703,385
1937	1,865,703,385	7,028,397,610	8,894,101,001	6,589,030,281	2,305,070,719

Year	Balance brought over from the preceding year	Amount newly issued	Total	Amount withdrawn	Balance
1938	2,305,070,719	7,649,764,920	9,954,835,639	7,199,912,262	2,754,923,377
1939	2,754,923,377	9,259,363,130	12,014,286,507	8,335,255,976	3,679,030,531

Reserve (In yen)

Year	Specie Reserve			Security Reserve		Amount of Reserve for Every 100 yen of Notes Issued	
	Gold Coin and Bullion	Public Loan Bonds	Other Securities	Total	Total Reserve	Specie	Security
1933	425,069,230	597,074,267	522,654,197	1,119,728,464	1,544,797,694	27.52	72.48
1934	466,338,325	631,786,391	529,224,451	1,161,010,843	1,627,349,168	28.66	71.34
1935	504,065,115	738,959,289	523,530,900	1,262,490,180	1,766,555,295	28.53	71.47
1936	548,342,455	886,253,738	431,107,192	1,317,360,930	1,865,703,385	29.39	70.61
1937	801,002,607	1,095,458,486	408,609,626	1,504,068,112	2,305,070,719	34.75	65.25
1938	501,287,020	1,690,911,422	562,724,935	2,253,636,357	2,754,923,377	18.20	81.80
1939	501,287,188	2,211,371,151	966,372,192	3,177,743,343	3,679,030,531	13.63	86.37

COINS TURNED OUT BY THE MINT

Year	(In yen)							
	Gold Coins				Silver Coins			
	20-yen Pieces	10-yen Pieces	5-yen Pieces	Total	50-sen Pieces	20-sen Pieces	10-sen Pieces	Total
1933	—	—	—	—	21,240,000	—	—	21,240,000
1934	—	—	—	—	11,760,000	—	—	11,760,000
1935	—	—	—	—	15,000,000	—	—	15,000,000
1936	—	—	—	—	13,000,000	—	—	13,000,000
1937	—	—	—	—	34,200,000	—	—	34,200,000
1938	—	—	—	—	18,000,000	—	—	1,800,000
1939	—	—	—	—	—	—	—	—

Year	Nickel Coins			Bronze	Grand Total
	10-sen Pieces	5-sen Pieces	Total		
1933	1,457,000	640,000	2,097,000	400,000	23,737,000
1934	3,582,999	1,859,999	5,442,998	1,000,000	18,202,998
1935	3,705,000	684,000	4,389,000	2,000,000	21,389,000
1936	7,755,000	1,816,000	9,571,000	1,076,000	23,647,000
1937	4,000,000	2,220,000	6,220,000	1,344,000	41,764,000
1938	—	500,000	500,000	880,000	11,466,000
1939	—	—	—	—	20,484,000

Note: In 1938 and 1939 Emergency Coins only have been turned out, and the grand totals for those years represent their amounts.

CIRCULATION OF PAPER NOTES AND BANK NOTES

(In ¥1,000)

End of	Petty Government Notes	Bank of Japan Notes	Bank of Chosen Notes	Bank of Taiwan Notes	Total
1933	11,260	1,470,468	148,176	48,994	1,678,897
1934	11,160	1,538,188	192,457	62,653	1,804,460
1935	11,040	1,607,870	220,777	70,190	1,909,878
1936	10,900	1,756,483	210,654	79,138	2,057,246
1937	10,965	2,080,555	279,502	112,033	2,483,055
1938	88,838	2,474,134	321,977	140,018	3,024,969
1939	248,766	3,393,693	443,986	171,169	4,257,614
1940 (May)	257,592	3,101,416	425,167	171,974	3,956,150
1941 (May)	354,371	3,905,429	506,563	191,239	4,957,602

MONEY RATES

(Per annum rate)

	1936 Mar.	1937 Mar.	1938 Mar.	1939 Mar.	1940 Mar.	1941 Mar.
Bank of Japan { Commercial Bills Re- discount	3.65	3.285	3.285	3.285	3.285	3.285
Gov't Bonds Collateral Discount Bills	4.015	3.650	3.285	3.650	3.650	3.650
Postal Savings Deposits (Japan Proper) { Ordinary	3.00	3.00	2.76	2.76	2.76	2.76
{ Fixed	2.24	3.24	3.04	3.04	3.04	3.04
Bank Deposits (Agreement Rates) { Class A Bank	{ Time	3.7	3.3	3.3	3.3	3.3
	{ Current	0.73	0.37	0.37	0.37	0.37
	{ Savings	2.19	1.83	1.83	1.83	1.83
	{ At Notice	2.56	2.19	2.19	2.19	2.19
	{ Time	4.0	3.5	3.5	3.5	3.5
	{ Current	1.10	0.73	0.73	0.73	0.73
Class B Bank	{ Savings	2.56	2.19	2.19	2.19	2.19
	{ At Notice	2.92	2.56	2.56	2.56	2.56
Bankers' Call Loan (Agreement Rate)	2.56	2.56	2.56	2.56	2.56	2.56

Tokyo Open Market

Month	Overnight Call Loan			Prime Name Spinner Bills		
	High	Low	Average	High	Low	Average
1935 March	3.29	2.46	2.70	4.38	3.29	3.83
1936 "	3.83	2.56	2.88	4.38	3.29	3.83
1937 "	3.65	2.46	2.81	4.02	3.29	3.65
1938 "	2.56	2.19	2.48	4.02	3.29	3.65
1939 "	2.56	2.48	2.52	4.02	3.29	3.65
1940 "	2.56	2.46	2.51	4.02	3.29	3.65
1941 "	2.56	2.48	2.53	4.02	4.02	4.02

BANK OF JAPAN RATE CHANGES

(Rates per diem and per annum)

Effective on	Effective Period for Each Rate (No. of Days)	Effective Rate	Loans and Discounts with Government Bonds Collateral		Loans and Discounts with Nongov't Securities Collateral		Rediscounts of Commercial Bills		Overdrafts on Current Deposits & Correspondence	
			sen %	%	sen %	%	sen %	%	sen %	%
1925 Apr.	15	537	2.0	(7.30)	2.2	(8.03)	2.0	(7.30)	2.3	(8.40)
1926 Oct.	4	155	1.8	(6.57)	2.0	(7.30)	1.8	(6.57)	2.1	(7.67)
1927 Mar.	9	215	1.7	(6.21)	1.8	(6.57)	1.6	(5.84)	2.0	(7.30)
Oct.	10	1,093	1.6	(5.84)	1.7	(6.21)	1.5	(5.48)	1.9	(6.44)
1930 Oct.	7	364	1.5	(5.48)	1.6	(5.84)	1.4	(5.11)	1.8	(6.57)
1931 Oct.	6	30	1.7	(6.21)	1.8	(6.57)	1.6	(5.48)	2.0	(7.30)
Nov.	5	128	1.9	(6.94)	2.0	(7.30)	1.8	(6.57)	2.2	(8.03)
1932 Mar.	12	128	1.7	(6.21)	1.8	(6.57)	1.6	(5.84)	2.0	(7.30)
June	8	88	1.5	(5.48)	1.6	(5.84)	1.4	(5.11)	1.8	(6.57)
Aug.	18	309	1.3	(4.75)	1.4	(5.11)	1.2	(4.38)	1.6	(5.84)
1933 July	3	1,009	1.1	(4.02)	1.2	(4.38)	1.0	(3.65)	1.4	(5.11)
1936 Apr.	7	464	1.0	(3.65)	1.1	(4.02)	0.9	(3.29)	1.3	(4.75)
1937 July	15	68	0.9	(3.29)	1.1	(4.02)	0.9	(3.29)	1.2	(4.38)
1938 Dec.	15	—	0.9	(3.29)	1.0	(3.65)	0.9	(3.29)	1.1	(4.02)

Deposit Funds Management Bureau of the Ministry of Finance
(Commonly called "Deposits Bureau")

Organization of the Deposit Funds Management Bureau Although the Deposit Funds have been in existence since 1877, it was only after many changes that the present system was established in 1925. The chief of the Deposit Funds Management Bureau is under the control and supervision of the Minister of Finance and he is responsible for its activities and efficiency. Its finances are segregated in a Special Account and the Bureau is given control over the expenditure of its entire revenue. The chief business of the Bureau is not merely confined to the control of deposits, but also includes the investment and management of other funds. The deposits, which are made according to laws and ordinances, consist, for the most part, of postal savings deposits received by the Government; but the Deposit Funds also include other deposits, reserves in the Special Account of the Deposit Funds and surpluses. It may specially be noted that the total of the Deposit Funds reached 10,018 million yen on November 8, 1940, this representing some 2/3 of the total deposits in ordinary banks throughout the country. All business connected with receipt and payment of cash is transacted on behalf of the Bureau by the Bank of Japan in accordance with instructions from the Minister of Finance.

Investment of the Deposit Funds It is laid down by law that the Deposit Funds are to be invested solely for the benefit of the State and the public in profitable and safe manner, and that such investments are to be made only after investigation of their purposes and methods in consultation with the Committee on Investments of the Deposit Funds. The following is an explanation of the nature of the Committee and the methods it employs.

Committee on Investments of the Deposit Funds This Committee consists of the following members: The Minister of Finance, as a chairman, the Parliamentary Vice-Minister of Finance, high officials of the Government Offices concerned, one of the Chief Auditors of the Auditing Board, the Governor of the Bank of Japan and other eminent persons in financial circles. The number of full members is not to exceed fifteen; but in order to meet special needs,

temporary members may be appointed. The Committee is placed under the supervision of the Minister of Finance, and its function is to answer the questions of the Minister, after both investigation and study of matters relating to the investment of the Deposit Funds has been completed. At the beginning of every fiscal year, the Minister of Finance is to draw up the necessary plan to govern the investment of the funds to submit it to this Committee, and the same process is to be undertaken should there be any occasion to supplement or to change this plan. In addition to answering the question of the Minister of Finance the Committee may send him proposals concerning the investment of the Deposit Funds. The Minister should present to the Committee, after every fiscal year, a report stating particulars of important matters concerning conditions of investment of the Deposit Funds and changes in the funds invested.

Method of Investment As mentioned above, the Deposit Funds are to be invested for the benefit of the State and the public welfare in a profitable and safe manner. Consequently, in conformity with this principle, the investment of funds is to be limited to the following items:

(a) The subscription to, underwriting or purchasing of national loans or making of loans to the General or Special Accounts of the Government.

(b) The subscription to, underwriting or purchasing of local loans, irrigation associations' loans or health insurance associations' loans, or making of loans to local public corporations, irrigation associations or health insurance associations.

(c) The subscription to, underwriting or purchasing of bonds issued by corporations organized under special laws or making of loans redeemable within a period not exceeding three years to these corporations.

(d) The subscription to, underwriting or purchasing of bonds issued by corporations other than those mentioned in (c) under Government guarantee in respect of the payment of their principal and interest.

(e) Loans to banks organized under special laws but not authorized to issue debentures.

(f) The subscription to and purchasing of foreign Government bonds.

(g) The subscription to or purchas-

ing of bonds issued in Japanese currency by foreign corporations under the said foreign Government guarantee in respect of the payment of their principal and interest, as subscribed in Japan.

(h) Deposits with the Bank of Japan to be held abroad for designated purposes.

These items only indicate the method of the investment of the funds and the question whether any particular investment is for the promotion of the benefit of the State or public welfare or whether it is profitable and safe is left to the joint consideration and decision of the Minister of Finance and this Committee.

The investment of the Deposit Funds is determined, within the limits mentioned above, at the beginning of every fiscal year. The Deposit Funds Management Bureau gives, at the end of March 1940, the following figures of investment, classified according to purposes:

Items	(In ¥1,000)	%
National loans	6,131,943	63.01
Loans to the General and Special Accounts	163,603	1.68
Local funds invested	2,218,157	22.79
Loans to the special banks and companies	1,010,252	10.38
Foreign Government bonds	104,953	1.07
Funds held abroad	2,681	0.02
Cash	98,838	1.01
Total	9,730,371	100.00

Local funds representing the funds to be invested for the benefit of local districts to local public corporations, various associations and individuals are advanced from the Deposit Funds Management Bureau to the borrowers either directly or through special banks and similar institutions. These funds are allotted for the following purposes—

A. Advances to be generally made every year for:

(a) Public utility undertakings of public corporations such as water supply works, prevention of disasters, sanitary arrangements, improvement of roads, rivers and harbors, road making and construction of bridges, reclamation works, construction of school-houses and teachers' dwelling-houses, electric and gas enterprises, and tramway, local railway and car enterprises, and others.

(b) Social works such as housing reform and the establishment of public markets, public pawnshops, day nurseries and intelligence offices and others.

(c) Enterprises by various associa-

tions such as land adjustment associations, industrial associations, forestry associations, fishery associations, live-stock breeding associations, manufacturers' associations and commercial associations and those by federations of these associations.

B. Advances to be made for urgent needs:

Repair works of disasters, reconstruction works necessitated by earthquakes, accommodation to the silk-raising industry, the relief of the unemployed, and accommodation to middle and lower class merchants, manufacturers and farmers.

C. Advances to be made for:

Such institutions as public corporations and various associations in overseas territories.

With regard to the rate of interest paid on the deposit it is to be noted that the rate was reduced as from April 1, 1937 to 2.76% per annum for the greater part of postal savings. The postal savings amount to some 69% of the total amount of the Deposit Funds, and details are given in the Statement of the Deposit Funds. Other deposits are divided into two classes, namely, fixed deposits and ordinary deposits. The rate of interest on fixed deposits is in principle 2.5% per annum, but the rate on deposits of such character that the depositing of cash is confined by laws and ordinances to the Deposit Funds Management Bureau is 3%. The rate on post office life annuities and insurance is 3.5%. The rate on ordinary deposits is in principle 0.75% per annum, while that on deposits of such character that the depositing of cash is confined by laws and ordinances to the Deposit Funds Management Bureau is 1%. The rates on fixed deposits have been effective since July 1, 1936 and those on ordinary deposits since April 1 of the same year. Turning to the rates for the advances made by the Deposit Fund Management Bureau, it will be found that those for the advances to prefectures, large cities, and local corporations remain, for the most part, at 3.2% per annum. As to the advances made through banks and similar institutions, the intermediate institutions gain 0.7% and actual borrowers must pay at the rate of 3.9%.

Plans approved in 1940 Plans for the investments of funds to the amount of ¥2,553,000,000 were made in the fiscal

year 1940, and are roughly classified into the following three principal items:—

	(In yen)
(a) Funds for taking up loans to be issued in 1940, and for purchases of loan bonds	1,800,000,000
(b) Local funds	274,910,000
(c) Funds for the expansion of productive capacity and other funds	478,150,000

In the examination of the above state-

ment, it will be observed that the funds for taking up Government bonds occupy the greater part of the investments. A large investment is also made as local funds in the quarters necessary under the present situation. It is planned to supply, in response to the condition on the money market, especially on the issue market, funds required for the achievement of the expansion of productive capacity throughout Japan, Manchoukuo and China. Besides these items, considerable short-term loans are to be made this year as usual.

STATEMENT OF THE DEPOSIT FUNDS OF THE MINISTRY OF FINANCE

(At the end of March)

(In ¥1,000)

	Liabilities			
	1938	1939	1940	1941
Deposits of the Post Office Savings Bank	3,803,481	4,620,825	6,004,136	7,726,221
Deposits of the Postal Transfer System	115,097	161,225	190,892	251,294
Proceeds of Savings Certificates and Reconstruction Savings Certificates	93,724	172,671	327,854	693,082
Surplus funds of various Special Accounts of the Government	657,132	547,574	932,286	1,499,454
Certain funds and deposits from public corporations	46,082	46,368	46,233	46,240
Funds in custody and deposits with the Government	45,191	43,350	49,975	32,902
Reserves	623,094	693,748	760,788	857,330
Receipts	242,695	265,054	341,303	418,306
Total	5,626,500	6,550,820	8,653,472	11,545,063
	Assets			
Government bonds	2,796,045	3,686,492	5,437,416	7,411,933
Advances to the General & Special Accounts	92,269	89,784	88,660	110,766
Foreign Government bonds	75,438	85,243	95,108	129,706
Local government and municipal bonds	1,068,282	1,074,349	1,125,922	1,199,429
Advances to local public corporations, etc.	302,032	307,851	328,903	338,332
Debentures of Special Banks, etc.	675,252	649,113	664,971	843,072
Debentures of Special Companies, etc.	61,515	122,030	220,751	577,697
Advances to Special Banks and Companies, etc.	286,029	266,791	461,013	352,436
Deposits	135,422	110,212	63,956	342,788
Expenditures	133,709	139,810	166,743	214,626
Amount written off	503	19,135	27	4,272
Total	5,626,500	6,550,820	8,653,472	11,545,063

PROFIT AND LOSS ACCOUNT OF THE DEPOSIT FUNDS OF THE MINISTRY OF FINANCE

Receipts

(In yen)

	1937-38	1938-39	1939-40
Interest on securities	172,844,865	192,806,695	230,897,399
Interest on advances	22,687,425	22,243,753	22,200,891
Interest on deposits	463,701	465,834	464,082
Transferred from General Account	1,122,000	1,050,000	1,464,011

	1937-38	1938-39	1939-40
Profits from the disposal of the specie held abroad	6,968,283	8,623,620	8,409,138
Profits from the sale and redemption of securities and other profits	3,208,401	2,505,745	3,080,308
Total	207,294,675	227,695,647	267,124,829
Payments			
Interest on deposits and commissions	116,389,118	118,475,046	143,157,295
Amount transferred to other Government Accounts	18,730,000	21,957,322	25,980,000
Administrative expenses and others	1,018,294	1,084,544	1,168,044
Depreciation	503,077	19,139,303	27,171
Transfers to reserves	70,654,186	67,039,432	96,762,319
Total	207,294,675	227,695,647	267,124,829

Foreign Exchange

Foreign Exchange Control Law It was after the coming into operation on July 1, 1932, of the Capital Flight Prevention Law enacted with the object of controlling movements of capital in and out of the country that the flight of capital through purchases and sales of exchange, remittances to foreign countries, or investments in securities in foreign currencies was prevented almost completely. With the coming into operation on May 1, 1933 of the Foreign Exchange Control Law the Capital Flight Prevention Law was abrogated.

The Government established the Foreign Exchange Control Bureau in the Ministry of Finance as an execution organ of the Foreign Exchange Control Law. It has also created two such committees as the Foreign Currency Valuation Committee and the Foreign Exchange Control Committee, the former being authorized to fix the sale price in cases where the Government may, in accordance with the provisions of the Law, require the sale of gold bullion and assets expressed in foreign currencies and the latter acting in consultation with the competent Minister on important matters relating to the enforcement of this Law.

Such authority as has been vested in the Government under the Foreign Exchange Control Law does not operate in all cases. The scope of transactions or acts to be prohibited or restricted and the manner of control are, therefore, provided for in detail in the Ordinance of the Ministry of Finance issued in accordance with this Law (The Ordinance came into force on May 1, 1933, the date of the coming into operation of the Foreign Exchange Control Law). Several amendments have been

made in this Ordinance since its promulgation, the most important amendments having been made on November 27, 1936, and put into effect as from December 1; on December 11, 1937 (effected on the same day, except for certain provisions), on October 8, 1938 (effected on the same day, except for certain provisions which were put into operation as from October 15, 1938) and on June 23, 1939 (effected as from July 1, 1939).

Revision of the Foreign Exchange Control Law in 1941

The peacetime control continued until April 1941, when the present revised Foreign Exchange Control Law was promulgated. The old laws (see pp. 330-334, the Japan Year Book, 1940-41) and the three relative Finance Department Ordinances, or detailed regulations for its enforcement, have accordingly been superseded by the new law and a single ordinance of detailed regulations.

Essential Points of Revision The Revised Foreign Exchange Control Law has been promulgated and put in force as from April 12, 1941. The range of revisions is wide enough to cover almost the entire provisions, the number of articles having been increased from 8 to 15. Main points of the revisions are briefly explained below:

(1) Article 4 of the revised law empowers the Government to give necessary orders in respect of the methods, conditions and other matters concerning international settlements between Japan and any other country or between foreign countries. London ceased, last year, to function as the center of international finance, due to the enforcement of exchange control on the part of Great Britain. Nor is the

future of the New York money market secure in this regard. Japan, therefore, must enter into agreements for international settlements separately and directly with each country concerned, as it has already been carried out with a few countries. Such means as the use of new forms of bills of exchange, or bills expressed in designated currency, and the creation of special financing organs for the purpose, or the adoption of special methods of settlement, have to be devised. In order to ensure a smooth execution of these international exchange agreements, the power of the Government must be strengthened for the effective control of the new methods. Respecting the settlement of accounts with a country with which no special agreement has yet been concluded, the Government must also exercise similar measures of positive control.

(2) Article 3 provides for vesting the Government with a wider power of issuing orders pertaining to Japanese assets in foreign currency and property existing in foreign countries. Whereas, the former provisions authorized the Government to give necessary orders concerning the sales or disposal of the overseas property in order to increase our funds in foreign currency, the provisions of Article 3 of the revised Law have widened its scope to cover all matters concerning the assets in foreign currency and property existing in foreign countries, including their supervision, operation and acquisition. Under the strained international situation, any of these property may at any time be frozen or blocked. To minimize the national loss in such cases, the Government must have wider powers to take necessary measures for safeguarding and utilizing those property and assets before it is too late.

According to Article 1, number 9, the term "property" used in this law is defined to include "undertakings, and businesses and investments therein." The value of the property to be sold by order to a designated purchaser has hitherto been fixed by the Commission for Appraising Foreign Currency. However, since that commission has been abolished, the Government itself now assumes the responsibility on recommendation by the Foreign Exchange Control Commission. The losses sustained by foreign exchange banks and traders on account of the orders issued by the Government by virtue of the enlarged power are to be compensated

out of the annual amount of 500 million yen earmarked for the purpose, outside of the general national budget.

In the prevailing world situation, international transactions will meet with more or less dangers; nevertheless, our trade should not be allowed to diminish or come to a standstill on that account; positive measures should immediately be taken for the promotion of exports and for the maintenance and extension of commercial rights. For this purpose the Government must give necessary orders to foreign exchange banks and others engaged in foreign trade concerning foreign exchange, claims expressed in foreign currency or against residents in foreign countries, or any other property held abroad, even when their sacrifices are anticipated. Losses thus sustained on the part of the banks and traders have to be compensated by the Government. Without such governmental backing, the people can hardly enter into a desperate international trade war. The Government, therefore, obtained the consent of the Imperial Diet to set aside a special fund of 500 million yen for fulfilling the State contract for compensation, as a charge on national treasury outside of the general budget.

(3) Article 1, number 9, and Article 10 provide for governmental supervision of the acquisition or disposal of property, existing in Japan, by Japanese residents in foreign countries, foreigners residing in Japan, or foreign corporations established under the Japanese law.

The safety of economic rights and interests as well as property of the Japanese existing in foreign countries is exposed to an imminent danger under the strengthened exchange and trade control of other countries. In order to protect our rights and interests and property abroad, Japan also must have the right of controlling, in time of necessity, the transactions or other acts of foreign nationals residing in Japan concerning their rights and property. Such right of control created by the Japanese Government is intended to have the effect of checking the enforcement of the drastic measures by foreign countries, directed against our assets and property, or cause them to cancel or modify such measures; or it can be used, at the worst, as the means for reprisals. These provisions as such have the characteristics of wartime exchange control; their enforcement should be

made after a careful consideration of its consequences.

(4) The provisions of Article 1, numbers 4 to 6, empower the Government to control payments or receipts in Japan or in foreign countries for the settlement of international transactions which are not made through exchange banks, or payment made in Japan on behalf of residents in foreign countries. The purpose of the provisions is to effect control on the practices in connection with settlement of international transactions directly between persons in Japan and in foreign countries, practices which increase as they get a good knowledge of and experience in the exchange business, and which are similar in nature to regular settlements through exchange banks. They must, therefore, be placed under powerful governmental control.

(5) Article 6 of the revised law prescribes that a part of the duties concerning the enforcement of the present law shall be entrusted to the Bank of Japan and other organizations designated by the Government, and that the officials of the Bank of Japan and other designated organizations who handle the said matters shall be regarded as official agents.

The nature of official duties to be performed in accordance with the provisions of the present law is such that it requires, in many cases, quick handling by experienced hands, while the volume of such duties is constantly on the increase. The Government may, therefore, order the Bank of Japan or other institutions to execute necessary duties for the Government as circumstances require.

(6) Article 14 of the new law prescribes that persons who are or have been connected with duties pertaining to the enforcement of the present law and have disclosed or made an unauthorized use of any secret of which they have gained knowledge while executing such duties shall be punished. This provision, while protecting the interests of persons who are made subject to the control law, places special importance on the official responsibilities of persons engaged in duties provided in the present law. Similar penal clauses are found also in other control legislation recently enacted.

(7) In view of the past experience in carrying out the old control law, various additions and readjustments

have been made in the revised law. Some of the important revisions in this connection relate to the following points:

(a) Control of foreign exchange of an exchange bank for collecting claims against or on behalf of residents in foreign countries (Article 1, numbers 7 and 8).

(b) Enlargement of the governmental power for making investigation or inspection, enabling the Government to issue orders for keeping books and documents necessary for controlling exchange, to designate the methods of keeping such books and documents, or to cause competent officials to make inquiries, searches or seizures in cases of violation of the present law (Article 5).

(c) Revision and adjustment of the penal clauses in accordance with the revisions of or additions to the provisions of the old law (Articles 7 to 10).

(d) Punishment of persons who have violated the conditions annexed to a permission given, in order to make control effective (Article 11).

(e) Punishment of persons who have attempted an illegal export or import of Japanese currency, foreign currency, or securities (Article 7, paragraph 2).

Counter Measures Against the Freezing of Japanese Assets

Upon receiving the report of the American Government freezing Japanese assets held in the United States, which was effected by the Executive Order on July 25, 1941, the Japanese Government immediately decided to take retaliatory measures. The Foreigners Transactions Control Regulations were accordingly enacted on the basis of the Foreign Exchange Law recently revised and promulgated on July 28 as Ordinance No. 46 of the Department of Finance, whereby all assets and transactions of Americans in this country will be controlled.

Thus, all economic transactions conducted by American interests are placed under restriction and made subject to the permission of the Minister of Finance. In this connection, a word of explanation may be necessary respecting the term "Americans" or "American interests" used in this article. Although no mention is made of "American" or "any other nationals" except "a national of a designated country" in

the text of the regulations, the above-mentioned terms are widely used herein for convenience, signifying nationals of the United States, juridical persons whose head offices are in the United States, juridical persons established under the laws of the United States, Japanese or any other juridical persons which are managed by nationals or juridical persons of the United States, Japanese or any other nationals resident in the United States, or branch offices of Japanese or any other juridical persons in the United States.

Essential Points of the New Regulations When an American in Japan acquires or disposes of any property listed below the permission of the Minister of Finance must be obtained (Article 9):

1. Immovables or perpetual leases.
2. Movables valued at 100 yen or more.
3. Superficies, easements or the right of repurchasing immovables.
4. Pledges or mortgages.
5. Mining, placer mining, fishing or lumbering concessions.
6. Ownership of industrial property, copyrights or rights corresponding thereto.
7. Enterprises, business or investment therein.
8. Securities, other than domestic money orders, valued at 20 yen or more.
9. Domestic money orders.
10. Foreign currencies.

Any act of an American creditor or debtor specified below may not be performed in Japan unless with the permission of the Minister of Finance (Article 10):

1. Disposal of the right to a debt in terms of a foreign or Japanese currency, including set-off.
2. Assignment of the right to a debt in terms of Japanese currency.
3. Undertaking of a debt.
4. Guaranteeing of a debt.

Placing or receiving assets in trust by an American should be performed with the permission of the Minister of Finance as specified below (Article 11):

1. To place or to receive in trust immovables, Japanese currency, foreign currency, movables valued at 100 yen or more or securities valued at 20 yen or more.
2. To receive back any of the foregoing assets placed in trust, or to give back any of the foregoing as-

sets received in trust.

An American may not let, lease, sublet or sublease immovables, movables valued at 100 yen or more or securities valued at 20 yen or more; or acquire or dispose of the rights to lend or borrow any of the said assets in this country unless with the permission of the Minister of Finance (Article 12).

Any of the acts of an American, in connection with the transactions through banking organs, specified below shall be performed with the permission of the Minister of Finance (Article 13):

1. Advancing or collecting a loan.
2. Contracting or redeeming a loan.
3. Placing or drawing out a deposit.
4. Receiving or paying out a deposit.

The acquisition or disposal of Japanese currency by an American is controlled by the provisions of Article 14 as follows:

An American in Japan may not acquire or dispose of Japanese currency amounting to 500 yen (500 yen for each household in the case of a person other than a corporation) or more in the course of one month unless with the permission of the Minister of Finance, except where permission has already been obtained in regard to acts likely to affect such acquisition or disposal under Articles 9-13 or under the provisions of the Foreign Exchange Control Law Enforcement Regulations. A check drawn within Japan on a bank in Japan and payable in Japan, insofar as it is used as a means of payment in Japan, shall be considered as Japanese currency.

The control regulations on the transactions mentioned in the foregoing are applied not only to Americans (in the broader sense of the term as explained above) but also to Japanese when they perform these acts with Americans or as their agents. Any Japanese individual or corporation may come under the control regulations in any transaction with an American.

The Foreign Exchange Control Law Enforcement Regulations contain many mitigating clauses in order to modify the application of the original law, but they shall not govern the case of Americans, or nationals of designated countries, thus discriminating them from other nationals.

With regard to designation by the Minister of Finance as those foreigners coming within the purview of the

present Regulations, the nationals and juridical persons of the United States of America and her territories, the Philippines, England, Canada, Hongkong, the Netherlands, the Netherlands East Indies, Burma, Australia, British Malaya and British India had been listed as of August 2. Those of the Union of South Africa and other members of the British Commonwealth of Nations may sooner or later become included in the list.

Elasticity under the General Permit System In the operation of the Regulations covering so wide a range of transactions it is expected that various difficulties will be encountered. The Government, therefore, will give much elasticity in the actual application by means of the general permit system, similar to the American general license system, by which certain economic activities in the designated cases may be performed without obtaining the Ministerial permission.

In principle, the Government is empowered to strictly apply the provisions of the Regulations to any transaction of the designated foreigners so as to prohibit entirely their economic activities in the country. The sole intention of the Japanese Government, however, is to take counter-measures against the unfriendly action by the countries which took the initiative in freezing Japanese assets, and the actual application of the Regulations to the Americans, for example, will be made as flexible as possible, corresponding to the manner of applying the American order, by means of the general permit system or others, thereby minimizing the effects on the economic relations between Japan and America.

Since the application of the Control Regulations covers a wide sphere of international and national economy, requiring the coordinated working of various government agencies for a smooth operation of the provisions of the Ordinance, a Hason committee composed of the representatives of the Board of Planning, the China Affairs Board, the Manchurian Affairs Board, the Ministries of Foreign Affairs, the Army, the Navy, Commerce and Industry, Agriculture and Forestry, Communications, and Overseas Affairs, has been organized. At the committee meeting proper actions to be performed for coping with the international economic warfare are to be scrupulously studied on the basis of reports and informa-

tion brought in by the members, and immediate retaliatory measures will be decided upon.

Cooperation with Manchoukuo and China Simultaneously with the freezing of all Japanese assets, the American Government also froze all Chinese assets in the United States. According to the American Government's statement, Chinese assets were also included in the freezing order at Chiang Kai-shek's special request, apparently intended to prevent Chinese funds in the United States from being utilized by the National Government at Nanking.

When the Japanese Government effected, on July 28, retaliatory measures against the United States, Great Britain and the Dutch East Indies, the Governments of Manchoukuo and China also joined Japan in effecting the freezing of the assets of those countries.

On the same day the authorities in the Chinese territory occupied by the Japanese army issued an order freezing the holdings of nationals and juridical persons of the United States and Great Britain in that area.

Since the economic relations of Manchoukuo and China with the United States or Great Britain are different from those relating to Japan, the counter measures taken by these countries may differ accordingly. But the measures taken by the three countries, however, are essentially in common; their Governments will keep in close touch with each other in effecting reprisals against the unfriendly economic actions of the United States and other countries, all necessary communications being constantly exchanged between them.

Japan's present retaliation is not merely that of a tooth for a tooth, but that for causing the United States and other countries to reconsider their unfriendly economic actions against her. It is sincerely hoped that peace between Japan and these countries may be maintained and economic and commercial relations between them may be promoted even under numerous difficulties arising out of the present world conflict. It is believed that the true intention of the Japanese Government will be appreciated and recognized by the other party in the course of the operation of the Control Regulations.

Foreign Exchange Rates The most important change in Japan's foreign exchange policy during 1939 was the shift-

ing of the yen exchange basis from sterling to the American Dollar. On October 25, the basis of the yen's exchange value was abruptly diverted from British currency to the U.S. dollar, and the standard exchange rate which had hitherto been 1s 2d per yen was altered to \$23 7/16 per 100 yen.

This was not an arrangement aimed to depreciate the external value of the yen, but, on the contrary, the step was an expression of the intention of the Government to maintain it at a normal level. The change of foreign exchange rates of the yen since 1937 has been as follows:

FOREIGN EXCHANGE RATES

(Yokohama Specie Bank T.T. Selling)

Parity Year & Month	Paris 12.722 Francs per ¥1.00			Hamburg 2.0925 Marks per ¥1.00		
	High fr.	Low fr.	Average fr.	High m.	Low m.	Average m.
1937	8.50	6.11	7.146	0.71%	0.70%	0.7118
1938	10.45	8.45	9.876	0.72%	0.67%	0.7075
1939	10.58	10.15	10.319	0.68%	0.57%	0.6454
1940	13.08	9.50	10.462	0.58%	0.57%	0.5810
1940 Jan.	10.48	10.33	10.415	0.57%	0.57%	0.5775
Feb.	10.48	10.33	10.419	0.57%	0.57%	0.5775
Mar.	11.83	10.48	10.960	0.58	0.57%	0.5778
Apr.	11.93	11.53	11.704	0.58	0.58	0.5800
May	13.58	11.75	12.625	0.58%	0.58	0.5817
June	12.90	10.70	11.622	0.58%	0.58%	0.5825
July	10.00	10.00	10.000	0.58%	0.58%	0.5825
Aug.	10.00	9.50	9.796	0.58%	0.58%	0.5825
Sept.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Oct.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Nov.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Dec.	9.50	9.50	9.500	0.58%	0.58%	0.5825
1941 Jan.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Feb.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Mar.	9.50	9.50	9.500	0.58%	0.58%	0.5825
Apr.	9.50	9.50	9.500	0.58%	0.58%	0.5825
May	9.50	9.50	9.500	0.58%	0.58%	0.5825
June	9.50	9.50	9.500	0.58%	0.58%	0.5825

Parity Year & Month	Amsterdam 1.2400 Florins per ¥1.00			Rome 9.470 Lira per ¥1.00		
	High fl.	Low fl.	Average fl.	High lr.	Low lr.	Average lr.
1937	0.51	0.50%	0.509	5.47	5.38	5.421
1938	0.52%	0.49%	0.5134	5.54	5.12	5.385
1939	0.51	0.41%	0.4817	5.19	4.20	4.971
1940	0.43%	0.43%	0.4373	4.61	4.61	4.610
1940 Jan.	0.43%	0.43%	0.4368	4.61	4.61	4.610
Feb.	0.43%	0.43%	0.4369	4.61	4.61	4.610
Mar.	0.43%	0.43%	0.4370	4.61	4.61	4.610
Apr.	0.43%	0.43%	0.4375	4.61	4.61	4.610
May	0.43%	0.43%	0.4375	4.61	4.61	4.610
June	0.43%	0.43%	0.4375	4.61	4.61	4.610
July	0.43%	0.43%	0.4375	4.61	4.61	4.610
Aug.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Sept.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Oct.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Nov.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Dec.	0.43%	0.43%	0.4375	4.61	4.61	4.610
1941 Jan.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Feb.	0.43%	0.43%	0.4375	4.61	4.61	4.610
Mar.	0.43%	0.43%	0.4375	4.61	4.61	4.610

Parity Year & Month	Amsterdam 1.2400 Florins per ¥1.00			Rome 9.470 Lira per ¥1.00		
	High fl.	Low fl.	Average fl.	High lr.	Low lr.	Average lr.
Apr.	0.43 $\frac{3}{4}$	0.43 $\frac{3}{4}$	0.4375	4.61	4.61	4.610
May	0.43 $\frac{3}{4}$	0.43 $\frac{3}{4}$	0.4375	4.61	4.45	4.586
June	0.43 $\frac{3}{4}$	0.43 $\frac{3}{4}$	0.4375	4.45	4.40	4.428

Year & Month	London (Parity 2 s. 0.582 d. per ¥1.00)			Tokyo Open Market			Yokohama Specie Bank		
	High s. d.	Low s. d.	Average s. d.	High s. d.	Low s. d.	Average s. d.	High s. d.	Low s. d.	Average s. d.
1937	1/-2	1/-1 $\frac{25}{32}$	1/-1.972	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
1938	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
1939	1/-2 $\frac{5}{8}$	1/-2	1/-2.054	1/-2 $\frac{5}{8}$	1/-2	1/-2.054	1/-2 $\frac{5}{8}$	1/-2	1/-2.054
1940	1/-5 $\frac{12}{16}$	1/-2	1/-2.761	1/-5 $\frac{12}{16}$	1/-2	1/-2.707	1/-5 $\frac{12}{16}$	1/-2	1/-2.707
1940 Jan.	1/-2 $\frac{5}{8}$	1/-2 $\frac{1}{16}$	1/-2.182	1/-2 $\frac{5}{8}$	1/-2 $\frac{1}{16}$	1/-2.182	1/-2 $\frac{5}{8}$	1/-2 $\frac{1}{16}$	1/-2.182
Feb.	1/-2 $\frac{1}{4}$	1/-2 $\frac{1}{16}$	1/-2.182	1/-2 $\frac{1}{4}$	1/-2 $\frac{1}{16}$	1/-2.173	1/-2 $\frac{1}{4}$	1/-2 $\frac{1}{16}$	1/-2.173
Mar.	1/-3 $\frac{12}{16}$	1/-2 $\frac{5}{16}$	1/-2.925	1/-4 $\frac{1}{4}$	1/-2 $\frac{1}{4}$	1/-2.925	1/-4 $\frac{1}{4}$	1/-2 $\frac{1}{4}$	1/-2.925
Apr.	1/-4 $\frac{1}{4}$	1/-3 $\frac{11}{16}$	1/-3.823	1/-4 $\frac{1}{4}$	1/-3 $\frac{11}{16}$	1/-3.946	1/-4 $\frac{1}{4}$	1/-3 $\frac{11}{16}$	1/-3.946
May	1/-5 $\frac{12}{16}$	1/-4	1/-5.146	1/-5 $\frac{12}{16}$	1/-4	1/-5.146	1/-5 $\frac{12}{16}$	1/-4	1/-5.146
June	1/-5 $\frac{5}{8}$	1/-2	1/-3.635	1/-5 $\frac{5}{8}$	1/-2	1/-3.630	1/-5 $\frac{5}{8}$	1/-2	1/-3.630
July	1/-3 $\frac{3}{8}$	1/-2 $\frac{1}{8}$	1/-3.341	1/-3 $\frac{3}{8}$	1/-2 $\frac{1}{2}$	1/-2.710	1/-3 $\frac{3}{8}$	1/-2 $\frac{1}{2}$	1/-2.710
Aug.	1/-2 $\frac{12}{16}$	1/-2	1/-2.015	1/-2 $\frac{12}{16}$	1/-2	1/-2.015	1/-2 $\frac{12}{16}$	1/-2	1/-2.015
Sept.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Oct.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Nov.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Dec.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
1941 Jan.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Feb.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Mar.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
Apr.	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2
May	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2	1/-2

Year & Month	New York (Parity \$84.396 per ¥100.00)			Tokyo Open Market			Yokohama Specie Bank		
	High \$	Low \$	Average \$	High \$	Low \$	Average \$	High \$	Low \$	Average \$
1937	23 $\frac{7}{16}$	23 $\frac{7}{16}$	28.724	29 $\frac{1}{8}$	28 $\frac{1}{2}$	28.817	29 $\frac{1}{8}$	28 $\frac{1}{2}$	28.817
1938	29 $\frac{2}{16}$	28 $\frac{7}{16}$	28.443	29 $\frac{1}{4}$	27 $\frac{7}{16}$	28.498	29 $\frac{1}{4}$	27 $\frac{7}{16}$	28.498
1939	29 $\frac{2}{16}$	27	25.981	27 $\frac{5}{8}$	23 $\frac{7}{16}$	25.986	27 $\frac{5}{8}$	23 $\frac{7}{16}$	25.986
1940	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.420	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
1940 Jan.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Feb.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Mar.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Apr.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
May	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
June	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
July	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Aug.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Sept.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Oct.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Nov.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Dec.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
1941 Jan.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Feb.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.334	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Mar.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.332	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
Apr.	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438
May	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438	23 $\frac{7}{16}$	23 $\frac{7}{16}$	23.438

BANKING AND THE MONEY MARKET IN 1940-41

In the first half of 1940, the money market in Japan showed a change from preceding years, the general tendency becoming somewhat strained. Causes

for the tightness of money may be sought, first, in the Government's policy for suppressing inflation in view of the general rise in prices and consequent speculative contracts in the country after the outbreak of the second European war. The Government enforced measures for controlling the distribution of funds, for restricting the amount and nature of advances, and regulated Governmental payments, including the stoppage of advance payments to munition manufacturers, while making a drive for encouraging the consumption of public bonds; secondly, in the decline of the increasing rate of national deposits because of the unsatisfactory expansion of national productive power, the governmental control of the manufacture and distribution of commodities, the decline of business among smaller industrialists, the decline of foreign trade with third countries, and a shrinkage in the stock and commodity markets; and thirdly, in the ever increasing demand for business funds which increased the call of money on debentures and shares.

In order to modify the strained tendency the Government began, in September, to distribute funds from the money kept in the Deposits Bureau of the Finance Ministry, to quicken Governmental payments and to make greater loans through the Industrial Bank of Japan, with the result that the money market toward the end of the year became almost normal.

On the other hand, the Government continued strengthening economic control with the purpose of raising sufficient funds for the expansion of productivity in Japan and supplying money to corporations on the continent, together with realizing a smooth consumption of public bonds. The Government, which had revised the supplementary regulations of the Fund Adjustment Law for lowering the maximum amount of free advances for equipment funds and requiring reports to the Bank of Japan of advances for operation funds in December 1939, demanded banking organs to make preliminary consultation with the Bank in regard to major advances as from May 1940, giving legal power on the measure by the promulgation, on October 20, of a law concerning the circulation of funds by banking organs on the basis of the National General Mobilization Law. For raising sufficient amount of funds for the expansion of produc-

tivity, a planned debenture flotation system was devised, in the fourth quarter of the year, for restricting the amount of debentures floated and increasing the amount of underwriting by the Governmental offices and the syndicate.

Distribution of the National Funds and the Currency In 1940 the excess payment of the National Treasury continued to increase, the total amount reaching ¥3,312,000,000, an increase of about 400 million yen over the previous year. The amount decreased considerably in the second half of the year on account of the enforcement of the revised taxation law in April as well as other reasons, but the amount stood at over 1,000 million yen at the end of the year.

The amount of advances made by the Bank of Japan stood at ¥946,000,000 on December 30, a decrease of ¥134,000,000 from the previous year, while the monthly average of the outstanding amount was ¥662,000,000, an increase of ¥189,000,000.

The average amount of bank notes issued monthly in 1940 reached ¥3,335,000,000. The circulation of petty paper money and bank notes issued by the Bank of Japan, the Bank of Chosen and the Bank of Taiwan continued to increase, the aggregate amount outstanding at the end of the year reaching ¥5,593,451,000 for the Empire, an increase of ¥1,335,836,000 over the previous year.

Deposits in Banks and Demand for Funds In accordance with the excessive distribution of public money, deposits in banking organs continued to increase in 1940. The aggregate amount of deposits in banks (excepting the Bank of Japan), money in trust and P.O. savings reached ¥41,081,000,000 as outstanding at the end of the year, an increase of ¥10,415,000,000 over the previous year.

As to the demand for business funds, the aggregate amount of funds drawn by paying in on debentures and shares or in the form of loans reached ¥7,028,000,000 during one year ending in November 1940, an increase of ¥1,405,000,000 over the similar period of the preceding year. During 11 months of 1940, the Japanese bond market supplied Manchoukuo and China with ¥1,042,000,000 an increase of nearly 100 million yen over the similar period of 1939.

According to the investigation of the Bank of Japan, the total amount of new capitalization in the year was ¥4,397,000,000, a decrease of ¥912,000,000 or 17.2 per cent as compared with the previous year. But the main cause of the decrease was due to the decrease of investment in new corporations which amounted to 1,982 million yen, while increases in the existing corporations reached 1,200 million yen.

Bond Market The bond market, which had been phenomenally active in 1939, was greatly depressed in 1940, while the demand for industrial productivity expansion funds continued to be brisk as mentioned above. Despite the severe selection to which descriptions of debentures to be floated were subjected on the basis of the concentration principle, the amount of debentures issued to meet urgent requirements continued to expand and advances against corporation debentures tended to gain. In view of this situation, the authorities concerned resorted to various kinds of measures from the beginning of 1940 in an attempt to maintain and foster the market. Thus, in the second half of 1940, the first step toward an epoch-making bond flotation plan was taken through a special allotment of Industrial Bank of Japan debentures or the establishment of the fourth-quarter flotation scheme. Although the market conditions were not at all favorable, a well-planned-out mobilization of funds of Government offices and banks was maintained through the realization of the fundamental readjustment flotation activities from issuance to consumption. As a result, the total amount of debentures floated in 1940, exclusive of Government bonds, aggregated ¥3,480,000,000, well eclipsing the record set in 1939. Under the circumstances, little was left to be desired in general for the circulation of industrial productivity expansion funds absolutely essential for coping with the wartime situation. On the other hand, the position of a free bond market has remarkably deteriorated as a natural result.

Since the beginning of 1941, the expanding tendency of the currency was increasingly accelerated on the one hand while the Government bond consumption, tending downward ever since the 1939 fall, failed to make an active recovery. The total consumption of Government bonds in 1940 aggregated

a little more than ¥5,230,000,000 against the total issue of ¥6,667,000,000. Thus, the consumption rate in 1940 stood at 78.5 per cent, a drop from the 89.1 per cent in 1939. Various monetary organs extended a wholehearted co-operation to the Government policy of enforcing the consumption of bonds from the very start of 1940. However, the sales of interest-bearing Government bonds in the city in 1940 receded slightly to ¥2,750,000,000 as compared with 1939 because of the briskness of the money market. In addition to the declining tendency of the surplus capacity to invest in valuable securities, the consumption of Government bonds proved a fresh weight. As an inevitable result, corporation debentures failed to show the activity of 1939. Market quotations of already-floated debentures, therefore, were greatly affected and started to move downward from the middle of February. Because of several sales for liquidation since March, quotations of different debentures joined in a general decline ranging from 30 to 40 sen. With a few exceptions, they went lower than the issue prices. Even the lower prices failed to stimulate the sluggish tone in the market, and debenture prices did not make a complete come-back until the end of 1940. The consumption of new issues failed to progress smoothly, and the market remained uncertain. For all that, however, the bond market in 1940 succeeded in floating bonds and debentures to an extent greater than in 1939 because of proper adjustment measures adopted by the authorities in charge, although surrounding circumstances were more or less aggravated.

Thus, the bond market successfully played an important role in supplying funds for the expansion of productivity and the development of continental resources.

Increase of National Savings The united efforts of the nation in the 12,000 million yen campaign for the 1940-41 fiscal year ended in complete success in March 1941 with an increase of national savings amounting to ¥12,817,000,000 over the figures outstanding at the end of March 1940. The amount of increase is larger by ¥2,615,000,000 or 25 per cent as compared with ¥10,202,000,000 for the previous year. The goal for the 1941-42 fiscal year has been raised to ¥13,500,000,000.

CHAPTER X

COMMERCE AND INDUSTRY



K.K. SANYO SHOKAI

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(Daido Seimei Building)

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CHAPTER X

COMMERCE AND INDUSTRY

Number of Companies

There were a total of 85,122 companies throughout the country at the end of 1939, which showed an increase of 2,080 or 2.4 per cent over similar figures recorded one year before. The change of the number of companies during the past 10 years is illustrated by the following figures:

	Number of Companies	Index No.	Increase Over Preceding Year	Percentage of Increase
1931	57,226	123	5,316	10.2
1932	65,041	139	7,815	13.7
1933	71,196	152	6,155	9.5
1934	78,198	167	7,002	9.8
1935	84,146	180	5,948	7.6
1936	87,511	187	3,365	4.0
1937	85,042	182	-2,469	-2.8
1938	83,042	178	-2,000	-2.4
1939	85,122	184	+2,080	+2.4

Kinds of Companies

Of the 85,122 companies, 15,279 were Gomei Kaisha (unlimited partnership), 36,644 were Goshi Kaisha (limited partnerships), 33,170 were Kabushiki Kaisha (joint stock companies), and 29 were Kabushiki Goshi Kaisha (joint-stock limited partnerships).

Capitalization of Companies

Among these companies there were in 1939, 50,042 companies with an authorized capital of less than ¥50,000, a decrease of 3,670, while the number of companies with an authorized capital more than ¥5,000,000 was 1,085, an increase of 50, as compared with 1938. The number of companies classified according to capitalization follows:

Authorized Capital (in yen)	No. of Companies	Percentage
Less than 50,000	50,042	58.6
50,000-100,000	10,269	12.0
100,000-500,000	18,364	21.5
500,000-1,000,000	2,427	2.8
1,000,000-5,000,000	2,935	3.4
5,000,000-10,000,000	459	0.5
More than 10,000,000	620	0.7
Total	85,122	100.0

In the percentage in the total those with an authorized capital of less than ¥50,000 decreased from 64.7 per cent of the previous year to 58.6 per cent, while those with ¥100,000 showed the greatest increase from 16.7 to 21.5. Further details in this connection are given in index number as follows:

INDEX NUMBER OF COMPANIES BY CAPITAL

	Less than ¥50,000	Over ¥50,000 and less than ¥100,000	Over ¥100,000 and less than ¥500,000	Over ¥500,000 and less than ¥1,000,000	Over ¥1,000,000 and less than ¥5,000,000	Over ¥5,000,000 and less than ¥10,000,000	Over ¥10,000,000
1931	183	123	107	94	98	101	109
1932	220	128	108	92	99	99	109
1933	246	135	112	95	99	98	109
1934	274	147	120	98	103	104	113
1935	294	162	128	104	108	113	116
1936	302	175	139	109	114	122	123
1937	283	179	148	114	125	134	145
1938	262	187	172	112	128	141	158
1939	247	209	227	115	132	145	168

Kinds of Enterprises

The greater part of the companies are engaged in commerce as shown by the figures recorded at the end of 1939 which placed the commercial firms at 42,608 or 50.5 per cent of the total. Those engaged in the manufacturing industry numbered 32,937 (38.4%); those in transport business, 6,422 (7.6%); those in agriculture, 1,609 (1.8%); those

in mining, 1,234; and those in fishery, 312. It is to be noted in this respect that those classified under the heading of commerce include those dealing in merchandise, in warehouse business, in banking and in insurance business as well.

The following is a table showing the increasing tendency of the various companies during the past 9 years in index number:

INDEX NUMBER OF COMPANIES BY ENTERPRISE

	Agriculture	Fishery	Mining	Manufacturing Industry	Commerce	Transport
1931	124	109	97	120	126	118
1932	169	115	99	136	144	124
1933	190	117	108	149	159	130
1934	225	122	131	163	174	140
1935	241	123	155	176	187	148
1936	244	129	177	186	192	156
1937	239	131	212	184	184	157
1938	217	116	252	184	176	155
1939	196	153	313	198	174	158

NUMBER, CAPITAL AND BUSINESS CONDITIONS OF COMPANIES IN JAPAN PROPER

Business Results of Companies

(Amount in yen)

No. of Companies	Capital	Reserves	Total Profit	Dividend	Loss	
1931	57,226	19,551,543,522	2,892,130,298	743,674,676	549,313,737	272,977,645
1932	65,041	19,484,540,099	2,934,912,608	830,322,113	545,112,912	201,617,106
1933	71,196	19,960,318,207	2,992,993,198	1,092,033,665	638,799,501	138,608,044
1934	78,198	21,126,978,409	3,317,792,057	1,329,053,672	777,697,886	148,710,392
1935	84,146	22,352,402,224	3,609,218,698	1,510,294,180	903,013,099	109,388,955
1936	87,511	23,977,761,065	3,986,663,110	1,682,681,941	1,009,358,614	118,143,245
1937	85,042	26,912,152,345	4,305,417,115	2,008,815,507	1,200,848,789	111,333,703
1938	83,042	30,250,178,604	4,823,040,937	2,414,852,806	1,393,379,120	90,913,761
1939	85,122	34,025,000,000	5,477,000,000	2,889,000,000	1,544,000,000	83,000,000

Agricultural Companies

No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss	
1931	1,005	179,419,567	9,410,873	1,101,824	930,572	4,794,527
1932	1,370	175,921,870	9,549,321	1,190,261	845,917	3,489,771
1933	1,548	172,688,571	10,185,207	2,247,291	1,385,094	2,253,861
1934	1,833	179,817,967	11,408,104	4,562,720	2,600,127	2,617,079
1935	1,957	178,378,964	13,054,122	5,824,581	4,238,327	2,848,996
1936	1,987	184,422,763	13,116,044	6,747,455	4,471,217	1,401,934
1937	1,942	199,981,339	13,903,841	8,749,496	6,474,018	1,577,020
1938	1,763	216,174,635	14,059,678	8,428,878	5,563,702	1,876,810
1939	1,609	224,300,000	15,100,000	10,600,000	6,400,000	900,000

Fisheries Companies

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1931	294	127,245,564	10,535,168	1,555,358	1,180,065	2,496,473
1932	309	149,269,571	10,091,826	6,470,393	3,871,431	2,198,027
1933	316	144,111,727	9,616,241	8,037,036	6,018,768	978,924
1934	324	142,754,058	9,345,619	11,755,919	6,795,758	1,160,121
1935	332	151,089,613	13,911,080	16,320,589	10,136,150	1,360,076
1936	346	182,241,152	16,665,136	15,491,053	10,367,297	900,904
1937	353	253,677,652	24,033,043	16,077,870	10,776,322	1,368,416
1938	313	263,093,982	27,901,291	21,173,009	16,022,402	1,732,257
1939	312	259,200,000	29,500,000	24,900,000	16,900,000	1,200,000

Mining Companies

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1931	383	961,868,883	97,793,798	19,027,144	15,651,820	15,857,406
1932	389	951,969,923	96,981,747	26,812,546	19,093,927	12,647,560
1933	427	975,954,664	96,736,497	50,605,374	31,914,230	5,509,475
1934	515	1,066,996,905	120,127,123	76,317,610	49,989,059	2,228,960
1935	611	1,269,098,458	141,984,183	98,089,442	63,862,501	3,250,888
1936	697	1,418,426,383	170,580,240	113,489,849	69,654,072	8,916,621
1937	836	1,758,504,011	210,737,740	131,457,216	85,221,659	7,027,587
1938	991	2,294,097,623	246,328,767	179,034,250	107,928,726	8,369,046
1939	1,234	2,768,600,000	289,900,000	186,400,000	124,700,000	8,600,000

Industrial Companies

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1931	19,969	7,673,518,695	827,873,104	340,977,420	268,876,915	93,350,984
1932	22,575	7,571,152,934	863,546,716	359,856,144	261,873,820	58,961,769
1933	24,717	8,008,172,269	905,296,435	493,721,537	310,217,934	40,159,609
1934	27,067	8,825,335,800	1,034,280,329	614,251,026	392,603,151	63,235,825
1935	29,312	9,456,415,605	1,202,110,825	752,602,721	480,508,664	33,068,171
1936	30,986	10,701,376,368	1,371,321,074	839,868,165	542,065,633	40,950,550
1937	34,518	12,851,303,570	1,597,920,518	1,026,367,425	646,736,061	37,362,611
1938	30,565	14,972,278,836	1,965,666,396	1,313,700,622	783,334,336	31,435,087
1939	32,937	17,419,800,000	2,290,900,000	1,570,500,000	864,800,000	31,600,000

Commercial Companies

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1931	30,794	8,292,845,679	1,783,832,237	324,341,080	216,505,974	137,501,905
1932	35,315	8,325,581,416	1,789,408,407	385,676,586	220,975,645	105,951,777
1933	38,850	8,350,747,964	1,803,069,497	479,743,200	251,077,831	73,901,069
1934	42,716	8,610,933,679	1,965,678,690	553,716,588	281,054,019	71,881,733
1935	45,852	8,965,151,295	2,041,359,679	542,051,927	286,177,248	62,257,141
1936	47,090	9,105,441,190	2,205,007,423	608,212,852	319,615,445	58,794,378
1937	44,953	9,299,678,059	2,223,407,286	679,650,816	370,946,405	57,068,974
1938	43,040	9,830,539,065	2,285,799,424	725,874,129	382,964,737	42,373,993
1939	42,608	10,429,500,000	2,498,200,000	883,400,000	413,900,000	36,100,000

Transportation Companies

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1931	4,781	2,316,645,134	162,685,118	56,671,850	46,168,391	18,976,350
1932	5,083	2,310,644,398	165,334,588	50,316,183	38,462,172	18,368,202
1933	5,335	2,308,643,012	168,089,321	57,779,227	38,185,654	15,805,106

	No. of Companies	Capital	Reserves	Net Profit	Dividend	Loss
1934	5,739	2,301,140,000	176,952,192	68,449,800	44,655,772	7,586,674
1935	6,082	2,332,268,289	196,798,809	95,404,920	58,090,209	6,603,683
1936	6,405	2,385,583,209	209,973,193	98,872,567	63,154,950	7,178,858
1937	6,440	2,549,007,708	235,414,687	146,512,684	80,694,324	6,829,095
1938	6,370	2,673,994,463	283,285,381	166,641,918	97,515,217	5,126,568
1939	6,422	2,932,900,000	347,100,000	213,300,000	116,900,000	4,800,000

OUTSTANDING AMOUNT OF BANK AND CORPORATION BONDS

(At the end of the year)

(Compiled by the Bank of Japan)

(In ¥1,000)

	1936	1937	1938	1939
Internal Bonds				
Bank bonds				
Hypothec debentures	711,258	936,892	893,011	841,888
Savings bonds	—	30,000	119,760	359,095
Reconstruction savings certificates	76,025	75,245	74,439	73,677
Debentures of the Industrial Bank of Japan	243,091	640,759	872,033	866,405
Debentures of the Hokkaidō Colonization Bank	121,330	119,066	104,729	98,446
Debentures of Agricultural & Industrial Banks	355,506	135,146	115,388	109,482
Debentures of the Chosen Industrial Bank	326,230	344,656	389,572	440,328
Total	1,833,443	2,281,766	2,568,936	2,789,324
Corporation bonds				
Railway and tramway	1,267,904	1,286,298	1,387,830	1,602,505
Shipping and shipbuilding	77,470	73,450	65,380	60,950
Mining and metallurgy	24,027	83,426	109,535	180,507
Electric and gas works	983,740	985,324	1,052,896	1,304,735
Spinning and weaving	187,395	197,215	211,736	217,370
Manufacturing	315,246	235,725	433,734	750,055
Commercial, etc.	255,165	269,614	371,022	601,009
Total	3,150,655	3,131,054	3,632,584	4,717,135
Total internal bonds	4,984,098	5,412,821	6,201,520	7,506,459
External Bonds				
Bank bonds				
Debentures of the Industrial Bank of Japan	—	—	—	—
Debentures of the Hokkaidō Colonization Bank	—	—	—	—
Total	—	—	—	—
Corporation bonds				
Railway and tramway	—	—	—	—
Electric and gas works	268,826	257,527	243,615	229,875
Railway and tramway	—	—	—	—
Commercial, etc.	54,807	52,207	50,896	48,525
Total	323,633	310,734	294,511	278,400
Total external bonds	323,633	310,734	294,511	278,400
Grand total	5,307,732	5,723,555	6,496,031	7,784,860

EXTERNAL LOANS OF PRIVATE COMPANIES

Companies	Year of Issue	Rate of Interest %	Issue Price	Amount of Issue	Amount outstanding at the end of 1939
Outstanding issue					
Oriental Development Co., Ltd.	Mar., 1923	6.0	92.0	\$ 19,900,000 (39,919,400)	\$ 11,714,000 (23,498,284)
Do	Nov., 1928	5.5	90.0	\$ 19,900,000 (39,919,400)	\$ 12,476,000 (25,026,856)
Nippon Electric Power Co., Ltd.	Jan., 1928	6.5	94.0	\$ 9,000,000 (18,054,000)	\$ 5,672,000 (11,378,032)
Daidō Electric Power Co., Ltd.	Aug., 1924	7.0	91.5	\$ 15,000,000 (30,090,000)	\$ 4,197,000 (8,419,182)
Do	July, 1925	6.5	86.0	\$ 13,500,000 (27,081,000)	\$ 4,054,000 (8,132,324)
Tokyo Electric Light Co., Ltd.	June, 1928	6.0	95.5	\$ 70,000,000 (140,420,000)	\$ 51,620,000 (103,549,720)
Do	June, 1927	6.0	90.0	£ 4,500,000 (43,933,500)	£ 3,431,050 (33,497,341)
Do					
Shinyetsu Electric Power Co., Ltd.	Dec., 1928	6.5	93½	\$ 7,650,000 (15,345,900)	\$ 4,782,000 (9,592,692)
Ujigawa Electric Power Co., Ltd.	Mar., 1925	7.0	91.0	\$ 14,000,000 (28,084,000)	\$ 4,478,500 (8,983,871)
Toho Electric Power Co., Ltd.	Mar., 1925	7.0	90.5	\$ 15,000,000 (30,090,000)	\$ 1,682,500 (3,375,095)
Do	July, 1925	5.0	97.0	£ 300,000 (2,928,900)	£ 105,872 (1,033,628)
Taiwan Electric Power Co., Ltd.	July, 1931	5.5	93½	\$ 22,800,000 (45,736,800)	\$ 20,714,000 (41,552,284)
Total				(461,602,900)	(278,039,309)

Note: Figures in parenthesis denote corresponding amount in yen.

BOURSES

(Ministry of Commerce and Industry Figures)

Joint-Stock Companies

(Amount in yen)

Year	Number of Companies	Number of Brokers	At the End of Year	
			Authorized Capital	Paid-up
1932	31	861	138,802,300	105,628,200
1933	29	918	138,802,300	105,745,200
1934	26	914	141,402,200	108,237,300
1935	26	898	141,002,200	108,087,200
1936	26	859	141,002,200	108,087,200
1937	26	838	141,002,200	108,962,200
1938	26	795	141,002,200	108,962,200

Year	During the Year					
	Fees	Receipts Others	Total	Tax on Bourses	Expenses Others	Total
1932	13,700,918	6,236,902	19,937,820	2,076,346	6,992,606	9,068,952
1933	18,856,435	6,963,927	25,820,362	2,840,617	8,810,732	11,651,349
1934	16,631,634	7,567,536	24,199,170	2,508,929	9,667,401	12,176,330
1935	15,337,320	6,960,340	22,297,660	2,295,734	8,162,535	10,458,269
1936	15,001,237	6,719,005	21,720,242	2,227,416	7,986,596	10,214,012
1937	22,154,164	7,486,548	29,640,712	3,567,717	11,070,285	14,638,002
1938	14,331,272	8,300,818	22,632,090	2,364,315	9,542,928	11,907,243

Year	During the Year		
	Net Profit	Loss	Dividend
1932	10,924,830	24,195	7,997,109
1933	14,197,632	28,612	9,639,337
1934	12,026,918	4,078	7,920,831
1935	11,853,311	13,920	8,214,486
1936	11,515,629	9,399	8,140,473
1937	15,009,738	7,028	9,749,263
1938	10,734,899	10,052	7,162,255

Associations
(Amount in yen)

Year	At the End of Year			
	Number of Associations	Number of Members	Contribution Amount	Reserve Funds
1932	6	183	559,270	593,564
1933	6	187	562,950	732,537
1934	6	188	568,550	905,428
1935	6	188	571,450	1,036,420
1936	6	196	577,950	1,260,196
1937	7	236	656,850	1,546,903
1938	7	239	663,450	1,778,106

Year	During the Year			
	Fees	Receipts Others	Total	Expenses
1932	239,024	73,575	312,599	162,681
1933	316,993	76,923	393,916	161,044
1934	226,789	79,671	306,460	157,353
1935	311,128	81,407	392,535	187,615
1936	338,786	99,204	437,990	193,686
1937	597,142	96,628	693,770	322,628
1938	278,028	96,707	374,735	247,800

TRANSACTIONS IN SHARES, BONDS AND PRINCIPAL COMMODITIES
AT THE BOURSES

Year	Shares				
	Number of Bourses	Long Term		Short Term	
		Amount of Sales	Amount of Deliveries	Amount of Sales	Amount of Deliveries
1934	11	62,291,090	11,982,120	198,729,380	23,041,310
1935	11	41,065,140	8,153,130	214,320,750	23,545,450
1936	11	53,176,290	9,920,920	183,892,540	24,513,640
1937	11	72,943,670	13,933,380	289,128,520	34,115,900
1938	11	37,037,430	8,488,680	189,024,490	21,145,190
1939	11	39,701,000	7,703,000	197,740,000	22,122,000
1940	11	48,967,000	10,101,000	237,396,000	24,023,000

Year	No. of Bourses	Bonds		No. of Bourses	Rice	
		Long Term Amount of Sales	Amount of Deliveries		Amount of Sales Hectolitres	Amount of Deliveries Hectolitres
1932	2	{ 740,755,000 fr. 279,210,000	{ 148,845,000 fr. 39,420,000	24	400,031,293	3,061,235
1933	2	{ 536,370,000 fr. 624,970,000	{ 126,190,000 fr. 87,760,000	24	224,276,342	2,248,032
1934	2	{ 412,995,000 fr. 513,240,000	{ 99,730,000 fr. 65,430,000	24	198,615,902	1,842,333
1935	2	{ 539,620,000 fr. 271,170,000	{ 52,170,000 fr. 26,920,000	24	171,639,691	2,631,904
1936	2	{ 553,325,000 fr. 243,360,000	{ 55,090,000 fr. 25,490,000	24	76,976,800*	772,200*
1937	2	{ 585,310,000 fr. 208,390,000	{ 15,840,000 fr. 13,120,000	24	84,804,200*	667,700*
1938	2	{ 364,015,000 fr. 17,280,000	{ 25,610,000 fr. 11,070,000	24	42,608,800*	762,000*
1939	2	862,354,000	16,634,000	—	—	—
1940	2	1,208,131,000	12,381,000	—	—	—

(Note: * Indicates "koku")

Year	No. of Bourses	Raw Silk		No. of Bourses	Cotton Yarn	
		Amount of Sales kg.	Amount of Deliveries kg.		Amount of Sales Bales	Amount of Deliveries Bales
1932	2	41,077,140	1,250,400	3	10,492,050	58,000
1933	2	44,379,840	652,800	3	9,398,060	28,625
1934	2	48,118,800	1,020,000	3	8,010,060	42,170
1935	2	802,060,200	1,086,000	3	8,327,190	26,510
1936	2	178,814,400(kin)	2,041,000(kin)	3	9,070,880	37,030
1937	2	162,722,000(kin)	1,285,000(kin)	3	16,461,390	41,280
1938	2	115,201,600(kin)	1,695,000(kin)	3	2,243,200	710
1939	2	260,469,700(kin)	838,000(kin)	—	—	—
1940	2	197,424,000(kin)	3,906,000(kin)	—	—	—

NUMBER OF INDUSTRIAL FACTORIES AND OPERATIVES AND
VALUE OF PRODUCTION

(Compiled by the Ministry of Commerce and Industry)

At End of	Number of Industrial Factories		Number of Operatives		Production Value	
	Actual Number	Index Number	(1) Actual Number	Index Number	(2) Actual Production	Index Number
1929	59,887	100	1,825.0	100	7,759.0	100
1930	62,234	102	1,683.6	92	5,962.8	77
1931	64,436	107	1,661.5	91	5,174.6	67
1932	67,318	112	1,733.5	95	5,982.5	77
1933	71,940	120	1,901.1	104	7,871.4	102
1934	80,311	133	2,163.5	118	9,390.1	121
1935	85,174	142	2,369.5	130	10,836.9	139
1936	90,602	150	2,592.7	142	12,257.6	157
1937	106,005	177	2,936.5	161	16,356.2	210
1938	112,332	187	3,217.7	166	19,667.2	253
1939	137,422	229	3,766.7	201	24,360.1	314

Note—(1) In 1,000 operatives; (2) In millions of yen.

NUMBER OF FACTORIES AND OPERATIVES AND VALUE OF PRODUCTION BY KIND

Industries	Factories			(1) Operatives			(2) Production		
	1938	1939	Increase	1938	1939	Increase	1938	1939	Increase
Metals	11,183	11,603	3.8%	380.6	430.4	14.7%	4,694.4	5,472.1	16.6%
Machinery & tools	17,570	23,067	31.3%	860.4	1,126.0	30.9%	3,821.9	5,421.4	41.9%
Chemical industry	6,349	9,005	41.8%	337.9	399.2	18.1%	3,513.7	4,161.0	18.4%
Gas & power	669	672	0.4%	10.5	12.0	14.4%	47.2	69.2	46.7%
Ceramics & bricks	5,231	6,086	27.8%	111.7	139.7	25.1%	431.8	572.0	32.5%
Spinning	32,618	38,871	13.0%	1,045.5	1,063.4	1.7%	4,200.2	4,791.5	14.2%
Sawing & woodwork	10,629	13,111	23.4%	113.8	152.2	33.7%	457.3	719.8	57.4%
Foodstuffs	16,944	22,737	34.2%	190.7	229.7	20.4%	1,786.1	2,331.9	30.5%
Printing & bookbinding	3,932	3,777	3.9%	63.6	66.2	4.1%	281.2	297.5	5.8%
Others	7,217	9,893	37.3%	103.0	141.4	37.3%	433.3	523.6	20.9%
Total	112,332	137,422	22.3%	3,217.7	3,766.7	17.1%	19,667.2	24,360.1	23.7%

NUMBER OF APPLICATIONS AND GRANTS FOR PATENTS, DESIGNS, ETC. ACCORDING TO NATIONALITIES

(Compiled by the Patent Bureau, Ministry of Commerce and Industry)

Kinds	Year	Applied for		Registered		
		Japanese	Foreigners	Japanese	Foreigners	
Patents:	1933	12,110	1,794	4,306	1,196	
	1934	12,822	1,900	3,743	930	
	1935	14,785	1,887	3,816	950	
	1936	16,132	2,379	3,994	842	
	1937	14,772	2,609	3,725	890	
	1938	15,792	2,419	3,902	941	
	1885-1938 total	329,884	54,855	84,292	30,536	
	1939	15,957	2,592	4,741	1,172	
	Utility models:	1933	32,502	341	15,680	260
		1934	34,557	382	13,978	272
1935		40,580	408	14,014	226	
1936		44,210	422	15,396	274	
1937		38,110	473	13,686	264	
1938		35,048	376	14,267	263	
1905-1938 total		783,891	4,392	250,768	2,549	
1939		29,688	417	16,225	310	
Designs:		1933	9,388	39	4,044	13
		1934	9,566	45	4,026	26
	1935	12,285	79	5,434	40	
	1936	14,568	58	5,629	33	
	1937	10,102	50	4,447	17	
	1938	7,201	58	4,277	24	
	1890-1938 total	193,466	958	88,801	416	
	1939	5,151	70	3,382	38	
	Trade Marks:	1933	22,986	1,056	11,867	763
		1934	25,484	802	12,575	753
1935		28,912	749	13,456	564	
1936		29,365	748	14,615	525	

Kinds	Year	Applied for		Total	Registered		Total
		Japanese	Foreigners		Japanese	Foreigners	
Total:	1937	26,546	913	27,459	14,345	627	14,972
	1938	27,572	671	28,243	16,126	684	16,810
	1884-1938 total	631,808	38,983	669,791	309,317	22,473	336,790
	1939	25,721	740	26,461	18,586	702	19,298
	1933	76,986	3,230	80,216	35,897	2,232	38,129
	1934	82,429	3,129	85,558	34,322	1,931	36,303
	1935	96,535	3,123	99,658	36,720	1,780	38,500
	1936	104,275	3,607	107,882	39,634	1,674	41,308
	1937	89,530	4,045	93,575	36,203	1,798	38,001
	1938	85,613	3,524	89,137	38,572	1,912	40,484
	1884-1938 total	1,939,049	98,188	2,037,237	733,178	90,974	794,152
	1939	76,517	3,619	80,136	42,944	2,222	45,166

INDEX NUMBER OF WHOLESALE COMMODITY PRICES

(Compiled by the Ministry of Commerce and Industry)

(Based on December, 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Percentage of rise	
													Year over the	Average
1936	98.5	98.4	98.7	99.2	98.9	99.3	100.7	101.6	101.9	101.9	103.8	109.8	101.2	3.9
1937	120.0	119.9	123.3	126.1	123.7	121.8	122.8	122.3	123.7	124.5	126.9	128.8	123.8	22.3
1938	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7	140.2	13.2
1939	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7	153.7	9.6
1940	164.3	164.9	164.0	165.1	165.9	165.9	163.7	163.6	164.2	165.5	167.0	168.4	162.0	—

INDEX NUMBER OF PRICES

(Compiled by the Ministry of Commerce and Industry)

Comparison of Wholesale and Retail Prices

(Based on December, 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1936:												
Wholesale	98.5	98.4	98.7	99.2	98.9	99.3	100.7	101.1	101.9	101.9	103.8	109.8
Retail	93.6	95.5	95.9	96.6	95.5	92.8	93.3	94.4	94.4	93.8	93.7	96.7
1937:												
Wholesale	120.2	119.9	123.3	126.2	123.7	121.9	122.8	122.3	123.5	124.5	126.9	128.8
Retail	103.0	102.6	101.9	104.0	104.1	103.3	103.3	103.9	105.8	105.6	105.8	108.2
1938:												
Wholesale	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7
Retail	110.6	114.0	116.8	118.6	118.3	118.9	124.6	127.5	127.5	127.4	127.9	129.6
1939:												
Wholesale	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7
Retail	130.3	132.1	133.3	134.9	136.4	135.2	135.8	137.7	141.3	142.3	144.1	146.5
1940:												
Wholesale	164.3	164.9	164.0	165.1	165.9	165.9	163.7	163.6	164.2	165.5	167.0	168.4
Retail	151.2	154.2	157.0	163.0	164.3	163.5	168.7	171.4	166.3	163.0	162.6	162.3

WHOLESALE PRICES OF PRINCIPAL TRADE GOODS

(Based on December, 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1936:												
Exports	94.1	92.7	93.3	94.5	94.0	94.8	96.8	97.9	98.4	100.5	103.2	108.1
Imports	109.7	110.5	111.4	111.4	110.8	111.8	113.9	114.6	115.1	116.1	118.9	128.9
1937:												
Exports	115.9	114.3	114.6	115.6	113.8	113.9	112.0	107.7	109.7	107.8	106.9	108.9
Imports	143.2	142.0	150.3	157.3	152.8	149.1	151.8	153.1	153.2	153.4	156.7	158.1
1938:												
Exports	111.8	117.5	119.9	120.1	120.1	128.0	119.1	113.4	120.9	120.8	121.4	123.1
Imports	160.0	161.9	162.3	163.7	167.8	172.9	174.5	167.2	163.0	158.6	159.7	157.7
1939:												
Exports	125.1	140.4	144.1	144.4	139.9	139.6	139.1	139.0	132.0	133.3	135.9	142.4
Imports	157.3	158.5	160.0	159.8	161.2	158.4	158.6	159.1	166.8	166.8	169.8	175.5
1940:												
Exports	175.2	175.8	174.5	173.3	172.3	172.5	178.6	179.1	179.1	179.0	179.7	180.1
Imports	149.9	145.7	137.9	135.9	135.4	132.7	138.1	137.9	140.0	140.7	141.8	142.3

WHOLESALE PRICES ACCORDING TO KINDS

(Based on December, 1929=100)

	1938											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	113.8	113.9	114.1	114.0	114.2	115.7	115.9	116.0	117.7	120.0	122.4	125.1
Fiber goods	107.3	115.4	119.6	119.8	119.7	130.4	119.3	114.5	118.3	118.5	120.4	121.6
Metal articles	219.5	229.0	228.0	229.5	243.2	276.2	284.1	245.3	228.7	215.2	215.6	208.7
Building materials	134.1	138.4	142.0	144.9	145.5	147.0	147.3	143.2	146.5	144.3	146.9	150.0
Industrial chemicals	119.7	125.7	126.7	126.0	122.7	121.0	118.7	120.0	117.7	115.7	116.0	115.7
Fertilizers	128.3	127.5	128.8	128.8	128.0	128.0	128.0	126.0	127.8	130.3	132.0	133.0
Fuel	129.2	129.6	130.2	134.2	135.9	138.4	139.7	139.7	137.1	136.2	135.9	136.0
Miscellaneous	146.3	146.4	148.7	149.9	155.9	160.6	170.7	169.0	165.8	166.8	164.9	164.1
Average	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7
	1939											
Foodstuffs	129.2	131.4	132.5	134.6	137.0	138.7	138.0	142.1	150.5	154.8	159.9	163.0
Fiber goods	126.6	141.0	141.7	141.9	140.4	140.3	139.7	138.1	140.4	139.5	141.4	145.6
Metal articles	208.3	207.4	208.1	204.7	199.9	184.8	183.8	185.6	186.1	185.5	185.1	190.0
Building materials	150.1	154.1	156.1	156.2	158.3	148.0	149.8	152.3	158.0	160.8	163.1	165.8
Industrial chemicals	115.7	117.3	121.7	122.0	122.7	126.0	125.3	125.7	126.3	127.0	127.0	127.3
Fertilizers	136.5	138.8	140.3	143.8	145.0	145.8	144.8	148.0	162.8	166.0	167.3	171.5
Fuel	136.3	137.1	139.6	139.3	139.1	139.1	140.1	140.0	139.0	141.6	143.2	144.2
Miscellaneous	165.1	166.9	167.7	169.9	172.1	172.4	172.6	170.9	177.1	178.7	179.7	179.7
Average	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7
	1940											
Foodstuffs	164.2	165.4	166.7	169.6	172.0	172.6	175.0	173.5	172.9	172.5	172.5	173.1
Fiber goods	151.7	148.4	144.0	143.0	142.5	139.9	126.0	125.8	129.3	129.0	130.3	131.7
Metal articles	190.7	191.5	191.8	194.2	194.2	194.2	200.2	201.7	198.7	204.9	211.4	214.9
Building materials	166.7	171.3	172.4	174.6	175.6	175.1	174.0	178.3	183.3	186.9	187.7	188.1
Industrial chemicals	127.7	127.7	128.0	128.7	127.7	128.3	122.0	121.6	121.8	121.8	122.2	123.4
Fertilizers	180.8	187.8	185.0	181.8	184.3	184.3	181.3	172.8	169.5	168.8	168.5	168.8
Fuel	145.9	147.0	147.4	149.2	149.1	149.3	149.2	149.3	150.3	151.2	149.2	151.9
Miscellaneous	179.8	179.1	178.0	176.4	178.0	181.7	182.9	184.0	184.8	185.6	187.1	186.8
Average	164.5	164.9	164.0	165.1	165.9	165.9	163.7	163.6	164.2	165.5	167.0	168.4

RETAIL PRICES ACCORDING TO KINDS

1938

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	108.6	109.9	111.5	112.4	110.7	108.9	112.5	118.2	118.6	118.6	118.6	121.1
Clothes and accessories	107.0	117.3	123.0	126.3	127.5	131.6	143.0	142.5	141.0	142.3	143.5	144.6
Fuel	107.9	108.9	109.7	111.7	112.9	114.4	116.0	116.6	116.9	116.3	116.4	117.1
Building materials	146.0	148.3	152.0	152.9	155.0	160.3	169.3	165.1	167.3	164.7	168.3	168.9
Miscellaneous	105.8	108.8	112.8	116.2	118.1	120.4	126.0	127.7	126.8	125.7	125.7	125.3
Average	110.6	114.0	116.8	118.6	118.3	118.9	124.6	127.5	127.5	127.4	127.9	129.6

1939

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	121.4	123.1	123.5	126.1	128.9	127.4	130.1	133.1	138.8	138.7	141.9	145.2
Clothes and accessories	147.2	149.8	152.4	151.6	151.2	149.0	149.4	149.7	150.2	153.9	152.6	153.7
Fuel	117.6	117.9	118.6	119.0	118.6	118.6	119.1	119.1	119.1	120.3	121.6	123.1
Building materials	167.0	169.6	173.1	176.0	177.1	177.3	166.7	167.7	170.8	173.0	174.5	176.2
Miscellaneous	126.3	127.6	129.0	129.7	129.9	130.9	131.8	132.8	138.9	134.9	135.8	136.3
Average	130.3	132.1	133.3	134.9	136.4	135.2	135.8	137.7	141.3	144.3	144.1	146.5

1940

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	152.1	156.2	159.6	167.1	167.8	164.3	173.7	177.5	166.8	159.8	158.2	156.9
Clothes & accessories	156.4	157.0	159.5	165.8	169.8	173.5	170.2	170.8	171.8	173.1	174.3	175.5
Fuel	123.7	124.3	124.4	125.1	124.6	125.7	127.1	127.0	128.0	128.0	128.1	128.3
Building materials	179.2	182.7	185.8	188.7	189.2	185.2	186.2	188.7	193.5	194.7	194.8	196.7
Miscellaneous	137.8	140.4	141.4	143.8	145.6	150.8	155.4	159.3	160.2	161.8	162.9	162.1
Average	151.2	154.2	157.0	163.0	164.3	163.5	168.7	171.4	166.3	163.0	162.6	162.3

COMPARISON OF INDEX NUMBERS OF WHOLESALE PRICES AND CIRCULATION OF BANK-NOTES

(Based on December 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1935:												
Wholesale	97.9	98.3	97.6	97.3	96.9	95.7	94.8	95.3	97.5	100.1	99.6	98.5
Bank-notes	98.0	90.8	88.3	90.0	86.2	88.7	88.5	87.5	86.5	92.6	93.4	107.2
1936:												
Wholesale	98.5	98.4	98.7	99.2	98.9	99.3	100.7	101.1	101.9	101.9	103.6	109.8
Bank-notes	106.6	96.5	97.0	95.8	92.8	95.0	96.1	95.2	93.5	97.7	98.6	114.6
1937:												
Wholesale	120.0	119.9	123.3	126.1	123.7	121.8	122.8	122.3	123.7	124.5	126.9	128.8
Bank-notes	111.9	107.2	103.0	105.9	103.2	106.5	103.0	110.1	111.1	119.1	122.6	142.0
1938:												
Wholesale	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7
Bank-notes	141.3	130.9	129.5	132.4	131.3	136.1	139.9	140.9	140.0	146.5	148.6	171.3
1939:												
Wholesale	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7
Bank-notes	175.0	175.3	176.2	162.5	153.4	161.9	167.8	171.2	173.0	187.0	193.9	227.8

WHOLESALE PRICES OF PRINCIPAL TRADE GOODS

(Based on December, 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1936:												
Exports	94.1	92.7	93.3	94.5	94.0	94.8	96.8	97.9	98.4	100.5	103.2	108.1
Imports	109.7	110.5	111.4	111.4	110.8	111.8	113.9	114.6	115.1	116.1	118.9	128.9
1937:												
Exports	115.9	114.3	114.6	115.6	113.8	113.9	112.0	107.7	109.7	107.8	106.9	108.9
Imports	143.2	142.0	150.3	157.3	152.8	149.1	151.8	153.1	153.2	153.4	156.7	158.1
1938:												
Exports	111.8	117.5	119.9	120.1	120.1	128.0	119.1	113.4	120.9	120.8	121.4	123.1
Imports	160.0	161.9	162.3	163.7	167.8	172.9	174.5	167.2	163.0	158.6	159.7	157.7
1939:												
Exports	125.1	140.4	144.1	144.4	139.9	139.6	139.1	139.0	132.0	133.3	135.9	142.4
Imports	157.3	158.5	160.0	159.8	161.2	158.4	158.6	159.1	166.8	166.8	169.8	175.5
1940:												
Exports	175.2	175.8	174.5	173.3	172.3	172.5	178.6	179.1	179.1	179.0	179.7	180.1
Imports	149.9	145.7	137.9	135.9	135.4	132.7	138.1	137.9	140.0	140.7	141.8	142.3

WHOLESALE PRICES ACCORDING TO KINDS

(Based on December, 1929=100)

	1938											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	113.8	113.9	114.1	114.0	114.2	115.7	115.9	116.0	117.7	120.0	122.4	125.1
Fiber goods	107.3	115.4	119.6	119.8	119.7	130.4	119.3	114.6	118.3	118.5	120.4	121.6
Metal articles	219.5	229.0	228.0	229.5	243.2	276.2	284.1	245.3	228.7	215.2	215.6	208.7
Building materials	134.1	138.4	142.0	144.9	145.5	147.0	147.3	143.2	146.5	144.3	146.9	150.0
Industrial chemicals	119.7	125.7	126.7	126.0	122.7	121.0	118.7	120.0	117.7	115.7	116.0	115.7
Fertilizers	128.3	127.5	128.8	128.8	128.0	128.0	128.0	126.0	127.8	130.3	132.0	133.0
Fuel	129.2	129.6	130.2	134.2	135.9	138.4	139.7	139.7	137.1	136.2	135.9	136.0
Miscellaneous	146.3	146.4	148.7	149.9	155.9	160.6	170.7	169.0	165.8	166.8	164.9	164.1
Average	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7
	1939											
Foodstuffs	129.2	131.4	132.5	134.6	137.0	138.7	138.0	142.1	150.5	154.8	159.9	163.0
Fiber goods	126.6	141.0	141.7	141.9	140.4	140.3	139.7	138.1	140.4	139.5	141.4	145.6
Metal articles	208.3	207.4	208.1	204.7	199.9	184.8	183.8	185.6	186.1	185.5	185.1	190.0
Building materials	150.1	154.1	156.1	156.2	158.3	148.0	149.8	152.3	158.0	160.8	163.1	165.8
Industrial chemicals	115.7	117.3	121.7	122.0	122.7	126.0	125.3	125.7	126.3	127.0	127.0	127.3
Fertilizers	136.5	138.8	140.3	143.8	145.0	145.8	144.8	148.0	162.8	166.0	167.3	171.5
Fuel	136.3	137.1	139.6	139.3	139.1	139.1	140.1	140.0	139.0	141.6	143.2	144.2
Miscellaneous	165.1	166.9	167.7	169.9	172.1	172.4	172.6	170.9	177.1	178.7	179.7	179.7
Average	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7
	1940											
Foodstuffs	164.2	165.4	166.7	169.6	172.0	172.6	175.0	173.5	172.9	172.5	172.5	173.1
Fiber goods	151.7	148.4	144.0	143.0	142.5	139.9	126.0	125.8	129.3	129.0	130.3	131.7
Metal articles	190.7	191.5	191.8	194.2	194.2	194.2	200.2	201.7	198.7	204.9	211.4	214.9
Building materials	166.7	171.3	172.4	174.6	175.6	175.1	174.0	178.3	183.3	186.9	187.7	188.1
Industrial chemicals	127.7	127.7	128.0	128.7	127.7	128.3	122.0	121.6	121.8	121.8	122.2	123.4
Fertilizers	180.8	187.8	185.0	181.8	184.3	184.3	181.3	172.8	169.5	168.8	168.5	168.8
Fuel	145.9	147.0	147.4	149.2	149.1	149.3	149.2	149.3	150.3	151.2	149.2	151.9
Miscellaneous	179.8	179.1	178.0	176.4	178.0	181.7	182.9	184.0	184.8	185.6	187.1	186.8
Average	164.5	164.9	164.0	165.1	165.9	165.9	163.7	163.6	164.2	165.5	167.0	168.4

RETAIL PRICES ACCORDING TO KINDS

1938

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	108.6	109.9	111.5	112.4	110.7	108.9	112.5	118.2	118.6	118.6	118.6	121.1
Clothes and accessories	107.0	117.3	123.0	126.3	127.5	131.6	143.0	142.5	141.0	142.3	143.5	144.6
Fuel	107.9	108.9	109.7	111.7	112.9	114.4	116.0	116.6	116.9	116.3	116.4	117.1
Building materials	146.0	148.3	152.0	152.9	155.0	160.3	169.3	165.1	167.3	164.7	168.3	168.9
Miscellaneous	105.8	108.8	112.8	116.2	118.1	120.4	126.0	127.7	126.8	125.7	125.7	125.3
Average	110.6	114.0	116.8	118.6	118.3	118.9	124.6	127.5	127.5	127.4	127.9	129.6

1939

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	121.4	123.1	123.5	126.1	128.9	127.4	130.1	133.1	138.8	138.7	141.9	145.2
Clothes and accessories	147.2	149.8	152.4	151.6	151.2	149.0	149.4	149.7	150.2	153.9	152.6	153.7
Fuel	117.6	117.9	118.6	119.0	118.6	118.6	119.1	119.1	119.1	120.3	121.6	123.1
Building materials	167.0	169.6	173.1	176.0	177.1	177.3	166.7	167.7	170.8	173.0	174.5	176.2
Miscellaneous	126.3	127.6	129.0	129.7	129.9	130.9	131.8	132.8	138.9	134.9	135.8	136.3
Average	130.3	132.1	133.3	134.9	136.4	135.2	135.8	137.7	141.3	144.3	144.1	146.5

1940

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Foodstuffs	152.1	156.2	159.6	167.1	167.8	164.3	173.7	177.5	166.8	159.8	158.2	156.9
Clothes & accessories	156.4	157.0	159.5	165.8	169.8	173.5	170.2	170.8	171.8	173.1	174.3	175.5
Fuel	123.7	124.3	124.4	125.1	124.6	125.7	127.1	127.0	128.0	128.0	128.1	128.3
Building materials	179.2	182.7	185.8	188.7	189.2	185.2	186.2	188.7	193.5	194.7	194.8	196.7
Miscellaneous	137.8	140.4	141.4	143.8	145.6	150.8	155.4	159.3	160.2	161.8	162.9	162.1
Average	151.2	154.2	157.0	163.0	164.3	163.5	168.7	171.4	166.3	163.0	162.6	162.3

COMPARISON OF INDEX NUMBERS OF WHOLESALE PRICES AND CIRCULATION OF BANK-NOTES

(Based on December 1929=100)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1935:												
Wholesale	97.9	98.3	97.6	97.3	96.9	95.7	94.8	95.3	97.5	100.1	99.6	98.5
Bank-notes	98.0	90.8	88.3	90.0	86.2	88.7	88.5	87.5	86.5	92.6	93.4	107.2
1936:												
Wholesale	98.5	98.4	98.7	99.2	98.9	99.3	100.7	101.1	101.9	101.9	103.6	109.8
Bank-notes	106.6	96.5	97.0	95.8	92.8	95.0	96.1	95.2	93.5	97.7	98.6	114.6
1937:												
Wholesale	120.0	119.9	123.3	126.1	123.7	121.8	122.8	122.3	123.7	124.5	126.9	128.8
Bank-notes	111.9	107.2	103.0	105.9	103.2	106.5	103.0	110.1	111.1	119.1	122.6	142.0
1938:												
Wholesale	131.1	135.1	136.9	137.8	140.0	147.8	148.2	141.9	141.0	139.9	141.2	141.7
Bank-notes	141.3	130.9	129.5	132.4	131.3	136.1	139.9	140.9	140.0	146.5	148.6	171.3
1939:												
Wholesale	144.2	148.9	150.2	150.8	151.1	148.8	148.6	149.8	154.6	156.6	158.7	161.7
Bank-notes	175.0	175.3	176.2	162.5	153.4	161.9	167.8	171.2	173.0	187.0	193.9	227.8

COMMERCE AND INDUSTRY

NEW BUILDINGS IN JAPAN PROPER

(21 larger cities)

(Compiled by the Ministry of Commerce and Industry)

Nature of Construction	1938			1939		
	No.	Floorage (Sq. km.)	Expenses (In ¥1,000)	No.	Floorage (Sq. km.)	Expenses (In ¥1,000)
Steel-skeletoned						
reinforced concrete	91	145	12,888	50	68	6,181
Reinforced concrete	1,097	480	31,802	337	233	19,537
Steel-skeleton	1,653	1,388	80,662	700	963	64,675
Wooden	116,184	12,059	255,079	121,168	13,725	372,113
Brick, stone or concrete	212	15	624	364	59	3,332
Others	94	6	186	94	6	241
Total	119,331	14,095	381,243	122,713	15,054	466,119

MONTHLY LIVING EXPENSES OF OFFICIALS AND LABORERS IN JAPAN PROPER

(Investigations made by the Bureau of Statistics on the monthly incomes and expenses of the representative families of each group during the 12 months from September 1938 to August 1939)

Monthly Income (Amount in yen)

	No. of Households Investigated	Average No. of Members in each Household	Income from		
			Total Income	Salary & Property	Deposits, Loans Insurance etc.
Salaried men:					
Governmental officials	190	4.11	175.52	105.06	70.46
Bank & Company staffs	308	3.92	199.39	115.54	83.85
Educators	83	3.79	165.85	101.05	64.80
Laborers:					
Factory operatives	892	4.17	179.56	102.39	77.17
Transport laborers	170	4.20	176.12	98.60	77.52

Monthly Expenses

	Total of Expenses	Expenses for Daily Life					Total Deposits, Loans, Insurance, etc.
		Food	Housing	Heat and Light	Clothing	Others	
Salaried men:							
Government officials	175.52	33.51	14.32	5.14	8.94	28.79	90.70
Bank & Company staffs	199.39	35.23	15.87	5.12	10.26	34.88	95.49
Educators	165.85	31.53	15.57	5.15	6.94	27.51	86.70
Laborers:							
Factory operatives	179.56	34.66	12.27	4.41	8.26	24.41	84.01
Transport laborers	176.12	34.23	12.87	4.68	7.71	24.80	84.29

YEARLY LIVING EXPENSES OF FARMERS IN JAPAN PROPER IN 1938

(Compiled by the Ministry of Agriculture and Forestry)

(Amount in yen)

	Landed Farmers	Tenants	Semi-landed Farmers	Total and Average
No. of households investigated	78	81	99	258
Average No. of members in each household	6.47	6.47	6.38	6.44
Net gain from farming	1,082.8	717.0	912.8	904.2

LIVING EXPENSES

	Landed Farmers	Tenants	Semi-landed Farmers	Total and Average
Net gain from side works	141.0	175.9	175.1	164.0
Miscellaneous income	40.5	60.5	55.6	52.2
Total income	1,264.4	953.4	1,143.6	1,120.5
Total of household expenses	935.8	765.7	855.9	852.5
Balance	328.6	187.7	287.6	268.0

INDEX NUMBER OF LIVING EXPENSES FOR JUNE 1940

(Compiled by the Cabinet Statistics Bureau)

(Base: July 1937=100)

	Total for Daily Life	Food	Housing	Heat and Light	Clothing	Others
Salaried men	142.8	155.6	113.6	136.3	190.7	116.1
Percentage of rise over the same month of 1939	21.1	30.3	7.6	15.5	27.6	9.0
Laborers	145.5	154.7	116.3	141.1	191.2	118.0
Percentage of rise over the same month of 1939	22.3	30.3	8.7	16.5	27.3	10.4

Note: Figures are based on investigation among salaried men and laborers whose monthly income is between ¥60 and ¥100.

INCREASE OF CAPITALIZATION OF BANKS AND COMPANIES IN THE EMPIRE

(Compiled by the Bank of Japan)

(In million yen)

	New Corporations	Old Corporations	Total (including debentures)		New Corporations	Old Corporations	Total (including debentures)
1931	308.9	201.4	557.6	1936	743.1	1,000.0	2,000.4
1932	211.1	158.3	439.5	1937	1,908.9	1,582.7	3,627.2
1933	432.9	641.4	1,135.7	1938	1,654.3	1,760.9	3,976.4
1934	584.0	510.7	1,334.5	1938	2,824.5	1,099.8	5,308.4
1935	747.6	442.9	1,426.9	1940	865.1	2,316.9	4,469.5
1940:				1940:			
Jan.	49.4	627.5	731.9	July	98.4	79.6	258.0
Feb.	20.6	89.5	288.0	August	32.4	280.4	407.9
March	60.1	23.1	148.2	Sept.	157.4	42.6	342.0
April	48.2	176.3	284.4	October	60.7	114.0	329.7
May	81.3	335.9	534.6	Nov.	44.9	145.7	182.5
June	42.2	100.4	205.6	Dec.	88.5	54.4	424.5

Note: These figures are compiled by the Bank of Japan of the surest proposed schemes for capital issues, each of which is over ¥100,000, in Japan proper, Chosen, Taiwan and Karafuto, excluding refunding, issues abroad and bank bonds.

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Compiled by the Ministry of Commerce and Industry)

(Base—The average of 1931, 1932, 1933=100)

Year	1933	1934	1935	1936	1937	1938	1939
Total average of manufacturing & mining industries	112.5	127.4	141.0	150.2	169.7	172.0	180.4
Average of manufacturing industries	113.3	129.1	143.3	151.9	172.4	173.6	182.6

Year	1933	1934	1935	1936	1937	1938	1939
Cotton yarn	109.7	122.9	126.0	127.7	140.4	106.7	96.0
Raw silk	95.7	99.1	100.9	91.1	102.6	90.9	78.8
Silk yarn	103.2	101.7	97.6	83.1	75.6	68.9	95.8
Woolen yarn	113.3	105.7	108.0	114.0	118.8	98.1	117.7
Cotton tissues	113.1	127.4	131.7	125.0	131.3	97.0	96.9
Silk tissues	109.1	118.3	112.2	88.1	100.9	89.8	107.7
Rayon tissues	113.8	143.3	203.9	294.3	311.6	380.2	216.3
Woolen tissues	102.7	91.8	101.1	80.6	56.9	44.8	77.5
Pig iron	125.0	151.5	165.2	173.6	119.7	—	—
Steel	124.5	156.0	181.9	210.0	248.7	—	—
Machine and tools	121.9	159.5	187.7	214.2	252.6	—	—
Cement	118.3	118.5	132.1	129.4	143.2	131.0	120.4
Sheet glass	177.4	128.6	134.5	145.9	176.0	130.5	103.3
Sulphate of ammonium	107.0	120.3	144.1	190.4	201.7	219.5	208.8
Lime nitrogen	131.4	117.4	171.6	170.2	242.3	226.8	178.0
Superphosphate of lime	110.8	105.5	125.1	141.6	161.6	126.1	144.4
Bleaching powder	127.6	140.9	161.0	169.8	199.2	183.7	180.5
Soda ash	128.8	163.8	196.5	213.2	229.5	240.7	292.5
Caustic soda	143.9	222.0	287.3	354.6	458.2	593.6	569.9
Rayon	134.5	205.0	299.0	389.5	483.0	297.3	340.2
Paper	106.0	116.9	126.3	134.1	156.3	142.9	148.2
Wheat flour	104.1	101.5	116.5	100.8	97.4	118.5	115.7
Sugar	104.5	100.2	112.9	97.5	100.6	97.4	87.4
Electricity	113.0	125.4	137.5	150.6	165.7	179.5	—
Gas	—	100.4	104.0	109.8	151.2	132.1	144.4

RATE OF PROFIT AND DIVIDEND OF COMPANIES IN 1937-1940

(The Mitsubishi Economic Research Bureau Figures)

Kind of Business	1937		1938		1939		1940	
	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend
Ordinary banks	(A) 12.9	6.7	13.1	6.9	13.6	6.9	15.6	7.3
	(B) 13.0	6.7	13.1	6.8	14.7	7.3	—	—
Savings banks	(A) 22.3	7.6	23.2	7.6	26.8	7.6	25.4	7.6
	(B) 22.1	7.6	28.2	7.6	27.1	7.7	—	—
Trust	(A) 21.7	5.9	18.4	6.3	20.6	6.5	22.9	6.5
	(B) 17.3	6.0	19.7	6.3	22.3	6.5	—	—
Bourses	(A) 13.7	9.8	8.9	6.8	6.6	5.1	9.1	6.9
	(B) 10.3	7.6	7.0	5.6	9.6	6.9	—	—
Warehousing	(A) 1.8	2.4	5.6	2.9	7.3	4.3	9.3	5.0
	(B) 5.0	2.6	6.3	3.6	7.9	4.7	—	—
Private railways	(A) 7.2	6.3	7.2	6.4	8.3	6.9	9.1	7.5
	(B) 7.5	6.3	7.7	6.8	8.6	7.2	—	—
Shipping	(A) 18.0	5.1	16.1	5.8	18.1	6.8	19.6	8.5
	(B) 22.9	5.6	17.4	6.2	17.7	8.2	—	—
Transportation	(A) 12.4	7.7	10.8	6.9	13.4	7.0	11.3	6.9
	(B) 13.4	3.0	12.2	7.2	12.5	6.9	—	—
Foreign trade	(A) 21.0	12.3	17.2	13.5	19.3	13.7	26.0	13.6
	(B) 16.5	12.6	18.6	14.1	26.4	13.8	—	—
Department stores	(A) 13.1	7.9	13.1	8.3	16.5	8.9	21.4	9.3
	(B) 13.1	8.2	12.4	8.5	21.5	9.1	—	—
Silk tissues	(A) 9.6	6.5	7.8	5.8	12.1	7.2	25.6	10.0
	(B) 6.2	5.6	9.7	6.8	32.5	9.1	—	—
Cotton spinning	(A) 23.0	14.9	19.4	15.1	18.8	14.3	22.7	14.1
	(B) 20.3	14.1	18.7	13.7	20.7	14.2	—	—
Cotton tissues	(A) 12.5	8.4	13.4	8.8	12.0	8.9	13.5	9.5
	(B) 13.4	8.8	13.4	8.9	13.0	9.4	—	—
Woolen	(A) 16.9	11.3	14.0	9.4	16.8	9.4	16.1	9.6
	(B) 13.8	9.4	13.9	9.4	10.1	9.7	—	—

	1937		1938		1939		1940	
	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend
Hemp	(A) 12.4	9.2	17.8	9.8	19.8	9.9	20.3	9.4
	(B) 16.1	9.4	17.2	10.0	16.9	10.0	—	—
Cement	(A) 9.4	7.1	8.8	6.9	9.2	7.4	10.2	8.1
	(B) 9.0	6.9	9.1	7.0	9.4	7.4	—	—
Bricks	(A) 12.2	8.3	16.2	9.6	15.5	10.4	14.6	10.1
	(B) 13.3	8.4	13.1	8.5	15.8	10.2	—	—
Glass	(A) 22.9	14.0	22.3	13.9	20.3	13.9	21.1	14.1
	(B) 21.2	14.0	21.3	13.9	19.9	14.0	—	—
Medicine	(A) 21.7	9.7	18.4	9.8	22.6	8.9	20.6	8.8
	(B) 18.2	8.8	18.3	8.8	19.7	8.6	—	—
Industrial Chemical	(A) 12.6	8.1	14.7	10.0	15.3	10.5	12.0	8.5
	(B) 13.5	9.9	15.7	10.9	14.1	10.0	—	—
Dyestuff	(A) 28.1	12.3	21.4	10.5	25.6	12.4	31.0	12.4
	(B) 20.9	12.0	21.0	12.1	28.2	12.4	—	—
Paint	(A) 15.6	8.4	16.7	8.4	18.2	9.3	16.8	8.3
	(B) 15.6	10.6	17.5	8.7	18.7	9.2	—	—
Oils	(A) 21.0	16.6	12.5	9.4	14.7	9.8	15.1	9.6
	(B) 14.0	9.3	13.2	9.9	15.5	9.8	—	—
Rayon yarn	(A) 15.6	11.0	13.8	11.0	13.9	11.1	14.1	11.2
	(B) 14.4	10.5	13.7	11.0	13.8	11.0	—	—
Paper	(A) 16.6	9.8	15.1	9.8	16.0	9.9	15.9	10.0
	(B) 15.3	9.6	15.9	9.9	16.1	9.9	—	—
Fertilizer	(A) 11.7	8.3	13.4	9.8	13.6	10.3	12.0	9.4
	(B) 12.8	9.6	13.0	10.0	12.3	9.6	—	—
Other chemical industries	(A) 20.9	10.1	18.4	11.1	20.7	11.0	19.5	10.8
	(B) 16.5	9.8	20.1	10.9	20.1	10.4	—	—
Electric machinery	(A) 18.1	9.5	19.6	10.5	22.3	10.8	28.7	10.6
	(B) 19.7	11.8	20.6	10.7	22.4	9.9	—	—
Shipbuilding	(A) 12.2	6.0	13.2	7.1	14.9	7.3	13.4	6.1
	(B) 10.2	5.8	13.8	7.3	15.0	7.1	—	—
Rolling stock	(A) 14.8	9.0	18.3	8.4	20.4	8.3	20.4	8.9
	(B) 17.6	10.3	20.5	9.0	19.1	8.4	—	—
Other machine manufac- turing	(A) 18.4	10.5	16.4	8.6	16.9	9.6	18.3	9.4
	(B) 18.0	9.2	15.6	8.7	17.9	9.6	—	—
Steel	(A) 20.0	7.7	23.9	7.7	20.7	8.0	15.6	7.8
	(B) 21.8	7.6	23.2	7.9	19.3	8.1	—	—
Other metallic industries	(A) 17.7	8.7	16.3	8.7	18.7	9.3	15.4	9.1
	(B) 16.4	8.9	18.2	9.3	18.3	10.3	—	—
Beer	(A) 21.1	11.5	18.7	11.5	17.2	11.5	14.3	11.5
	(B) 19.3	11.5	16.0	11.5	17.5	11.5	—	—
Sugar	(A) 26.7	10.9	23.5	11.2	26.5	11.1	23.4	11.3
	(B) 28.0	11.2	24.0	11.0	28.8	11.2	—	—
Wheat flour	(A) 14.9	9.4	14.1	9.9	15.1	10.0	16.8	9.2
	(B) 12.8	9.5	13.9	9.9	15.8	10.0	—	—
Bread & confectionaries	(A) 14.0	6.7	15.3	7.8	14.2	7.4	14.9	8.0
	(B) 15.1	7.3	15.4	8.0	14.6	7.8	—	—
Mining	(A) 16.3	10.2	19.2	11.4	15.1	10.7	14.1	10.7
	(B) 17.5	11.4	17.4	10.7	15.5	11.0	—	—
Petroleum	(A) 15.9	9.6	15.9	7.2	15.3	7.9	14.2	8.2
	(B) 16.4	7.9	16.5	8.0	14.2	8.2	—	—
Gas	(A) 10.1	8.8	10.3	8.9	10.5	8.7	10.8	8.7
	(B) 10.1	8.9	10.4	8.7	10.5	8.5	—	—
Electric power	(A) 8.7	7.5	8.5	7.6	8.6	7.7	8.3	7.3
	(B) 8.3	7.3	8.7	7.5	8.8	7.7	—	—
Lumber	(A) 9.3	5.9	13.4	7.2	18.6	7.4	29.0	7.4
	(B) 10.2	6.1	19.5	7.2	28.1	7.4	—	—
Fisheries	(A) 15.5	11.1	14.4	11.2	14.8	11.2	17.6	11.2
	(B) 13.7	10.6	14.8	11.2	16.5	11.2	—	—

	1937		1938		1939		1940	
	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend	Profit	Divi- dend
Real estates and building	(A) 5.0	3.4	4.9	3.2	4.9	3.7	5.1	3.9
	(B) 4.0	3.0	4.4	3.5	5.0	3.7	—	—
Gum plantation	(A) 15.1	10.5	7.0	5.6	9.0	6.4	14.9	8.2
	(B) 12.3	8.9	7.4	5.9	10.9	7.4	—	—
Life insurance	(Year) 38.4	23.2	50.3	29.2	81.8	16.6	—	—
Insurances for damages	(Year) 23.2	26.0	27.6	14.8	29.3	14.7	—	—

Note: (A) denotes a half-year period, from March to August. (B) the other half, from September to February of the following year. Profit rate means the rate of net profit against paid-up capital. These figures are obtained by averaging several representative companies for each kind of industry.

DEVELOPMENT AND TENDENCY OF THE NATIONAL ECONOMY IN 1940-41

Promotion of Capital in 1940 The figures for industrial funds licensed by the provisions of the Industrial Funds License Law are the surest indication of the progress of industrial projects based on the productivity expansion policy. In this respect, a survey of the new and expansion capital promotion by the Bank of Japan serves as a valuable indicator. This survey is made of the new establishment, capital expansion or debenture flotation of companies capitalized at more than ¥100,000, and also includes the capital for projects in China and Manchoukuo promoted in Japan. The total amount of capital promoted during 1940 aggregated ¥4,470,000,000, declining by about ¥840,000,000 principally because of the Government policy of checking the advent of inflation which was enforced from the close of 1939 until the fall of 1940. As a result, money became stringent and the promotion of capital grew more difficult. The amount of monthly capital promotion since February, 1940 tended steadily downward throughout the year but gained in December apparently because of the relaxation of the restriction policy of the Government. The increase of capital in 1940 was particularly notable in railway undertakings and chemical industry, the

South Manchuria Railway Company gaining a capital of ¥600,000,000 in January 1940. In the absolute amount of capital promotion, mining, mechanical industry and metal industry led in 1940, a natural phenomenon of Japan's industry aiming at the consummation of a high-tensioned defense State structure. In 1939 the new capital promotion slightly eclipsed the expansion capital promotion (capital increase and debenture flotation), while the new capital promotion was greatly checked and the expansion gained remarkably in 1940. This is because most of the new enterprises have stabilized themselves generally since the outbreak of the China Affair and have entered upon a stage of expanding existing facilities. Investments of capital in Manchoukuo and China in 1941 dropped sharply from 1940 for the reason that a stronger restriction was placed on investments in those countries in view of the mushroom rise of so-called national-policy firms since the outbreak of the Affair. Despite easy money which prevailed since the autumn of 1940, however, the increasing rate of deposits remained dull. It is believed that an improvement of this dull trend is a matter of utmost importance.

TABLE 1. CAPITAL PROMOTION IN JAPAN BY TERM

(In millions of yen)

1st half—	1938	1940	1941
Establishment	748.2	1,339.4	301.7
Capital expansion	1,053.2	466.9	1,352.6
Debentures	230.0	622.4	538.5
Total	2,031.3	2,428.6	2,192.8

2nd half—	1938	1940	1941
Establishment	906.2	1,485.1	563.4
Capital expansion	707.7	632.9	964.3
Debentures	331.2	761.7	749.0
Total	1,945.1	2,879.8	2,275.7
Year total	3,676.4	5,308.4	4,469.5

TABLE 2. CAPITAL PROMOTION IN JAPAN BY ESTABLISHMENT AND EXPANSION

(In millions of yen)

Industries	1939			1940		
	Establish- ment	Capital Increase	Deben- tures	Establish- ment	Capital Increase	Deben- tures
Banking	—	152.0	—	10.7	15.0	—
Trust & financing	4.9	—	—	51.4	0.5	—
Warehousing	1.2	0.5	—	1.0	0.6	—
Transportation	280.2	22.5	250.0	29.3	663.0	315.5
Railways	26.5	0.9	240.0	6.0	609.7	297.5
Shipping	132.7	17.6	5.0	8.0	41.2	18.0
Other	121.1	4.3	5.0	15.3	12.1	—
Mining	376.6	51.4	37.0	130.6	174.1	75.0
Gas & electricity	798.2	79.8	409.1	1.4	27.6	337.0
Manufacturing industries	882.5	750.9	445.8	289.1	1,131.7	295.0
Mechanical	270.8	321.4	95.0	55.7	475.8	45.0
Chemical	270.1	49.1	130.8	100.0	398.0	95.0
Metal	276.4	206.2	190.0	47.7	184.7	135.0
Other	65.2	174.2	30.0	85.7	73.2	20.0
Agriculture, forestry, commerce, etc.	480.8	42.4	242.2	341.5	304.5	265.0
Total	2,824.5	1,099.8	1,384.1	865.1	2,316.9	1,287.5
For Manchoukuo & China	834.0	299.7	430.0	315.3	135.6	279.0

TABLE 3. CAPITAL PROMOTION BY INDUSTRY

(In millions of yen)

Industries	1938	1939	1940
Banking	40.0	152.0	25.7
Trust	0	0	0
Insurance	0	0	50.0
Money-lending & other financing	0	4.9	1.9
Warehousing	8.4	1.7	1.6
Transportation	242.5	533.0	1,007.8
Railway	147.2	267.4	913.2
Shipping	58.4	155.2	67.2
Other	36.9	130.4	27.4
Mining	741.4	465.1	379.7
Gas & electricity	129.0	1,287.2	366.0
Electricity	129.0	1,278.3	351.8
Gas	0	8.9	14.2
Manufacturing industries	2,017.0	2,079.2	1,715.8
Silk-reeling	1.1	1.8	2.9
Spinning	74.3	21.7	26.2
Weaving	12.9	7.4	34.4
Dyeing & finishing	1.5	1.6	1.7
Chemical	701.6	450.0	593.0
Paper	6.3	2.2	19.9
Machinery & tools	604.1	687.2	576.5
Shipbuilding & dockyards	11.6	142.6	8.4
Metals	522.9	672.5	367.4
Ceramics	32.1	6.8	19.6
Foodstuffs	12.5	31.2	30.8

Industries	1938	1939	1940
Brewing	1.5	4.4	5.7
Sawing	4.7	1.9	4.0
Miscellaneous	30.2	47.9	25.3
Fishery	35.4	23.7	3.8
Agriculture & forestry	7.0	30.2	0.6
Commerce	79.7	374.0	386.5
Miscellaneous	677.0	337.5	524.1
Total	3,976.4	5,308.4	4,469.5

Business Results of Major Industrial Companies in First Half of 1940 The present survey was made by the Industrial Bank of Japan regarding the business results of 1,743 leading business and industrial firms with capital exceeding one million yen including 124 firms reporting on the settlement of accounts only once annually in a period of six months from March to August 1940. A kaleidoscopic change took place in the domestic as well as international conditions in the first half of 1940. The European war kept on expanding as Germany continued to achieve brilliant successes in the war with the Allies, culminating in Italy's entry into war on the side of Germany. France made an independent peace with Germany thus isolating itself from Britain. The Balkan situation became extremely unsettled, while thus isolating itself from the war clouds, threatened to spread to the United States, and that country began to put forth frantic efforts to expand its armaments. These developments in Europe and America, coupled with the invalidation of the American-Japanese Treaty of Commerce and Navigation and the American ban on exports to Japan, exercised considerable influence upon economic circles of Japan.

Imports of materials from overseas became increasingly difficult on the one hand and exports to third countries began to diminish on the other. Such a situation, together with a shortage in free supply of coal, power, raw materials and labor, came to seriously affect Japan's industrial activities. In order to cope with the situation, the priority principle and wartime control were further strengthened in productivity expansion operations. On the other hand, it should be noted that the increased taxation and the greater restraint on prices resulting from control and renovation gave rise to a general tendency toward higher cost of production and lower prices of manufactures.

The money market in the first half of 1940 was marked by a strong ten-

dency toward currency expansion with the convertible note issue at the end of that term aggregating ¥3,590,000,000. Because of the weakening of the rate of deposits in contrast with the sharp gain in commodity prices and greater demand for working funds and productivity expansion funds, the capital market proved comparatively busy.

Apparently because of those conditions, the consumption of Government bonds in the first half of 1940 continued to be dull and bond market was temporarily depressed. As a result of various expediency measures such as the postponement of flotation projects, etc., however, the situation was more or less improved toward the close of the first half of 1940. Reflecting the general conditions in economic circles, therefore, business results of business and industrial companies were not encouraging with little prospect for an increase in profits such as that which had marked the preceding year, although wartime industries continued to prosper. Even those urgent wartime enterprises reported lower profit rates because of the delay in construction plans, increasing difficulties in acquiring necessary raw materials, etc. Peace-time industries remained depressed. A slight sign of improvement in general business conditions was solely attributable to the gain in prices of consumption goods due to the expansion of general purchasing power.

Of 1,619 business and industrial companies settling their accounts twice a year, some 1,569 companies gained profits aggregating ¥1,048,840,000, while 50 firms reported losses to the amount of ¥3,780,000. Thus, the balance amounting to ¥1,046,060,000 represented the combined net profit of the above firms in the first half of 1940 (March to August). The profit rate against the combined authorized capital totalling ¥19,247,870,000 stood at 10.9 per cent and against the paid-up capital aggregating ¥14,320,090,000 at 14.6 per cent. Details follow:

TABLE 1. *PROFITS, DISPOSITION OF PROFITS AND DIVIDENDS OF MAJOR INDUSTRIAL COMPANIES OF JAPAN

	(In millions of yen)		
	1st Half 1939	2nd Half 1939	1st Half 1940
Authorized capital	16,807.2	17,828.8	19,947.8
Paid-up capital	12,785.0	13,476.5	14,320.1
Profits	883.7	964.3	1,048.8
Losses	3.5	2.2	2.8
Balance (net profits)	880.2	962.1	1,046.1
Profit rate (1) against authorized capital	10.5%	10.8%	10.9%
(2) against paid-up capital	13.8%	14.3%	14.6%
Reserves within companies	311.0	359.2	393.4
Reserve rate	3.5%	3.7%	3.8%
Dividends	523.4	558.1	582.6
Dividend rate	8.2%	8.3%	8.1%

* Only companies reporting on settlement of accounts twice a year are given in this table.

Comparing the profit situation in the three terms as shown by Table 1, it can be found that the collection of capital payments and increase of capital came in rapid succession, specially in wartime industries. The expansion of paid-up capital in the 1st half of 1940 totalled ¥843,560,000 or 6.25 per cent over the 2nd half of 1939, thus eclipsing the ¥691,530,000 or 5.40 per cent gained by that term over the 1st half of 1939. The gain in profit rate for the 1st half of 1940 excelled the increase of paid-up capital, amounting to 14.6 per cent, against 14.3 per cent for the 2nd half of 1939.

In the disposition of profits, the reserves within companies in the 1st half of 1940 totalled ¥393,000,000, increasing by about ¥24,000,000 or 9.54 per cent over the ¥359,000,000 reserved in the 2nd half of 1939. This tendency is attributable partly to the restraint brought upon dividends and partly to the steady policy of settling the accounts in a manner to cope with the possible advent of reactionary period in the future. The rate of reserve within companies in the first half of 1940 gained by 1 per cent over the 3.7 per cent in the preceding half. The dividend rate to shareholders stood at 8.1 per cent in the 1st half of 1940, dropping by 0.2 per cent from the 8.3 per cent for the second half of 1939 because of the increasing restraint on the distribution of profits outside of companies under the provisions of the Dividends Restriction Ordinance and the successive rise of companies cutting dividends. During the 1st half of 1940, some 103 firms cut their dividends. The fol-

lowing table shows the results of 124 business and industrial corporations reporting on the settlement of accounts only once annually:

TABLE 2. *BUSINESS RESULTS OF MAJOR INDUSTRIAL AND BUSINESS COMPANIES

	(In millions of yen)	
	1939	1940
Paid-up capital	405.1	459.7
Profits	34.9	45.2
Losses	0.9	0.7
Balance (net profits)	34.0	44.4
Profit rate	8.4%	9.7%
Reserves within companies	11.0	18.8
Reserve rate	3.4%	4.2%
Dividends	20.5	23.2
Dividend rate	5.1%	5.1%

* Survey of 124 firms reporting on settlement of accounts only once annually.

In studying the profit situation in the 1st half of 1940 classified according to industry, it is noted that spinning, reeling, trust business and rubber registered a sharp gain in profit rates. On the other hand, a notable decline marked the profit rates in hides and leathers, valuable securities, iron and steel, sugar and shipbuilding. Some of those industries reporting lower profit rates attributed the condition to the increase of capital burdens accompanying the expansion of facilities or the non-operation of large-scale fixed assets necessitated by the peculiar nature of enterprises even in the case of industries which proved prosperous and enjoyed

comfortable profits. The combined profit rate of 37 different banking and industrial enterprises in the 1st half of 1940 stood at 14.6 per cent, rising by 0.3 per cent and 0.8 per cent, respectively, over the 14.3 per cent in the 2nd half of 1939 and 13.8 per cent in the 1st half of that year. The combined profits of those 37 industries also gained by 8.2 per cent or ¥85,570,000 over the 2nd half of 1939 and 18.7 per cent or ¥165,110,000 over the 1st half of that year. Of those 37 industries, 21 industries reported increased profit rates over the preceding half while 16 industries, recorded lower profit rates. As compared with the 1st half of 1939, 25 industries increased profit rates and 12 industries reported smaller profit rates.

Recent Trend of Share Prices The outbreak of the European War gave rise to a general expectation of the advent of a boom in stock markets. However, the actual outcome was the reverse phenomenon of a decline in share market. As Japan was already on a wartime footing on account of the China Affair, the domestic supply of material, labor and power had been fully directed toward the successful completion of the China Affair, so that her export trade could not be accelerated as in the days of the first world war. There lies the fundamental cause of the fall of share prices. This discouraging tendency was further aided by the strengthened economic control, resulting in changes in management and lowered profit rates.

According to Table 1 showing the transition of share prices in 1940, it is noted that share prices tended generally downward from the start of the year, finally reaching the bottom in October. The drop of share prices from the end of 1939 until the beginning of 1940 was largely attributable to the abrogation and actual invalidation of the American-Japanese Treaty of Commerce and Navigation, while the decline noted from the start of the first half to the early part of the second half of last year was influenced by the collapse of the Cabinet. The Italo-German-Japanese Tripartite Alliance announced at the end of September completely hammered down share prices to the bottom. It goes without saying that the total control over the domestic economic structure, as referred to elsewhere, also brought about an indirect influence on share prices. The recession of share prices which had reached the bottom in

October was more or less successfully checked by operations of the Japan Securities Company (Nippon Shoken) established in August. However, the aggravation of relations between the United States and Japan culminating in rumors about a possible clash between the two countries drove share prices down to the bottom again in January 1941. The rumored crisis between the United States and Japan, however, was more or less alleviated toward the close of the first half of 1941. Those factors, coupled with the revision of excessive control by the Government, gave rise to an intermediate boom. The declining rates of share price indices as prepared from figures in Table 1 follow:

DECLINING RATES OF SHARE PRICE INDICES

	January 1940	January 1941	Falling rate
Mining	169.1	117.7	30.4%
Bourses	119.0	86.8	27.0
Power and gas	208.2	155.3	25.4
Manufacturing Industries	141.5	111.2	21.4
Commerce	75.4	60.4	19.8
Banking and Insurance	201.0	181.0	19.5
Transportation	146.8	121.3	17.4

As the preceding table shows, a wholesale drop in share price indices was noted during the year from January 1939 to January 1940. Mining led the list with a fall of 30.4 per cent, bourses ranked second with 27.0 per cent. Power and gas declined 25.4 per cent, commerce 19.8 per cent, banking and insurance 19.5 per cent and transportation 17.4 per cent.

In manufacturing industrial shares, the greatest drop marked foodstuffs which receded 31.0 per cent. Chemical industrial shares fell down 30.7 per cent, metal industrial shares 26.1 per cent, fibrous industrial shares 21.5 per cent and ceramics and others 13.7 per cent. A wide-margined fall also marked quantitative indices of share transactions and share-price collection indices (the former by 47.8 per cent and the latter by 59 per cent) in January 1940 as compared with the corresponding month in 1939, as shown by Table 3. This indicates the fall of private investing capacity. On the other hand, the interest yield of shares rose by 27.2 per cent during the period under review.

Active shares in contrast to leading shares, like other miscellaneous issues, recorded a drop of 24.8 per cent in January 1940, from January 1939. Even bourse shares (led by Tokyo Stock Exchange shares, new and old) which stand at the helm of stock mar-

ket were subjected to a drop of 27.0 per cent during the year under review. It was, therefore, quite natural that active shares were subjected to many and constant vicissitudes due to the transition of domestic as well as international situation.

TABLE 1. SHARE PRICE INDICES BY INDUSTRY

(January 1921 as 100)

	Transportation	Power & Gas	Mining	Mfg. Industries	Agriculture & Fisheries	Commerce	Banking & Insurance	Bourses
January, 1934	77.0	108.3	153.8	85.1	134.3	38.9	156.6	147.0
1935	72.0	103.5	130.3	85.2	172.6	34.2	164.9	111.6
1936	81.8	185.7	119.2	85.1	181.1	44.0	170.7	122.1
1937	101.9	173.4	146.6	105.1	236.6	34.5	174.1	122.3
1938	107.3	167.3	167.0	122.8	263.7	32.4	172.3	130.8
1939	99.6	170.4	143.4	104.4	238.6	31.8	175.1	95.7
1940—								
January	146.8	208.2	169.1	141.5	379.5	75.4	201.0	119.0
February	143.6	205.1	159.1	136.3	364.7	74.4	204.0	114.5
March	148.9	208.4	159.9	138.5	375.6	75.5	206.9	115.0
April	156.6	208.4	161.8	142.2	398.9	75.9	207.9	117.9
May	157.2	209.0	154.7	139.8	406.5	75.5	207.7	116.1
June	146.5	205.9	145.3	132.1	393.5	72.7	206.5	113.4
July	136.4	196.6	138.3	124.0	368.3	63.2	197.0	109.7
August	139.5	197.4	138.7	128.0	377.1	61.3	196.0	106.2
September	127.1	184.6	129.3	121.7	368.8	57.0	190.1	92.0
October	115.8	166.1	118.8	113.2	313.5	54.2	179.8	88.5
November	124.5	168.6	123.3	116.0	323.2	59.2	181.4	95.1
December	124.4	157.5	122.3	114.4	316.4	60.6	183.8	92.4
1941—								
January	121.3	155.3	117.7	111.2	305.3	60.4	181.0	86.8
February	123.8	158.6	121.3	114.5	320.9	61.1	182.3	90.7

Note: The table based on the Monthly Report of Tokyo Stock Exchange. The survey made of 27 transportation items, 21 power and gas items, 11 mining items, 95 manufacturing industrial items, 8 agricultural and fisheries items, 33 banking and insurance items and 7 bourse items.

TABLE 2. INDICES OF MANUFACTURING INDUSTRIAL SHARES

(January 1921 as 100)

In January	Fibrous Industry	Metal Industry	Mechanical Industry	Chemical Industry	Foodstuffs Industry	Ceramics Industry & Others	Average
1934	83.5	169.8	101.0	76.5	66.7	73.5	85.1
1935	78.7	150.1	101.4	70.8	72.5	57.4	85.2
1936	67.6	148.2	104.4	83.6	94.9	51.2	85.1
1937	82.2	179.5	133.3	105.0	100.1	55.1	105.1
1938	85.9	216.7	157.9	128.9	116.0	60.6	122.8
1939	70.4	184.5	133.8	103.1	111.1	62.5	104.4
1940	100.6	212.5	186.0	126.4	160.0	83.8	141.5
1941	79.9	155.2	157.6	87.7	110.3	72.3	111.2

Note: The survey is made of 21 items of fibrous industry, 13 items of metal industry, 21 items of mechanical industry, 12 items of chemical industry, 12 items of foodstuffs industry, and 15 items of ceramics and other industries.

TABLE 3. PRICE INDICES OF SHARES AND ACTIVE SHARES

(January 1921 as 100)

As in January	Price Indices		Quantitative Indices	Share Price Collection Indices	(2) Price Indices of Active Shares
	(1) Total Average	Interest Yield			
1934	122.5	5.35%	113.1	138.5	142.5
1935	117.0	5.84	67.6	79.1	118.4
1936	124.6	5.88	84.3	105.0	128.2
1937	144.6	5.63	126.3	182.6	129.3
1938	164.0	7.39	73.9	121.2	138.2
1939	139.8	6.69	59.4	83.0	105.6
1940	189.2	5.40	114.9	217.4	121.0
1941	145.9	6.87	61.5	89.4	90.3

Note: Table based on a survey of 217 different descriptions of shares.

(1) Average of January 1921-June 1923 as 100.

(2) Based on a survey of 10 active shares.

Rising Trend of Commodity Prices

Despite the enforcement of the low price policy by the Government prices of various commodities in Japan of late have continued to move upward. Although it cannot be denied that the rise in labor wages as well as in the cost of manufactured goods and raw materials since the outbreak of the China Affair and other factors were partly responsible for the present situation, it must be admitted that the principal cause has been the expansion of the purchasing power of the people under the influence of the flooding of currency and the increased national expenditure.

According to the Price Statistics compiled by the Ministry of Commerce and Industry of 30 major cities in Japan, affecting 199 important articles and trade items for the survey of wholesale prices and 116 daily necessities for the survey of retail prices, it was noted that metal goods were the highest in 1940, their wholesale prices at the end of that year advancing by as much as 115 per cent over the standard basis of 100 for December 1929. The yearly average of wholesale prices of metal goods in 1940 also recorded a 99 per cent gain. This tendency is regarded as a natural phenomenon on account of the absorption of metal in munitions industries. Building materials ranked second with about 79 per cent rise while fertilizers came third with a gain of about 78 per cent. The gain in the wholesale prices of foodstuffs by 71 per cent is also noteworthy. Thus, the average wholesale prices of commodities have been steadily going upward, recording 24 per cent rise in 1937 when the China Affair broke out, gaining 40

per cent in 1938, 54 per cent in 1939 and 65 per cent in 1940.

Classified by cities, Tokyo led with 78 per cent gain (as in December 1940), Nagoya ranked second with 77.5 per cent advance and Kobe placed third with 72 per cent gain. Fukuoka gained by 71 per cent. Of 9 leading cities, even the tail-ender rose by as much as 50 per cent. The average wholesale prices of those 30 principal cities in 1940 registered a gain of 68 per cent over December 1929.

The rising trend of retail prices has not been so pronounced as that of wholesale prices, while in some cases the former have even shown a decline of late. Continuing a slight gain since 1935, the average retail price index in 1940 made a sudden jump of 62 per cent over the basic index of 100 for December 26, 1929, rising at the same time by 12.5 per cent over the 1939 average. This is apparently attributable to a temporary sharp elevation resulting from the price adjustment caused by the adoption of the official price system following the September 18 Price Suspension Ordinance (1940) and a special consideration having been given by the Government to the profit-margin issue, etc. In fact, as the official price system has been extended to a wider range of commodities, the rising trend of retail prices started to weaken, and even recorded a marginal decline at the close of 1940. Classified by items, the rising trend of retail prices was the highest in building materials. Foodstuffs, which marked a slight decline at the end of 1940, have continued further upward, eclipsing the standard basis by 96.7 per cent at end of December 1940. The rising tone of fuel, clothing items

and personal effects has been comparatively insignificant. The same has been the case with miscellaneous items. Classified by cities, Sendai led with 70.7 per cent gain, followed by Fukuoka with 70.5 per cent, Nagoya with 69.3 per cent and Kobe with 67.1 per cent. Yokohama was the tail-ender with 50.3 per cent. The total average was 62-63 per cent up at the end of 1940. Thus, prices in Japan have continued upward since 1929 and recorded about 50 per cent gain at the close of 1940. However, illegal prices, or the so-called shady prices, due to the shortage of supplies of different articles have been rampant. The actual prices were, therefore, higher than these officially fixed.

Status Quo of Industrial Associations

The industrial association system in Japan made its advent by the provisions of the Major Export Industrial Association Law enacted in 1929. At that time, it aimed at improving and controlling the small-scale and medium-size industries. By virtue of the revision of the law which took place on several occasions later, the organization of the industrial associations became more complete and thorough-going. The system has also become widely diffused parallel with the development of economic conditions. The outbreak of the China Affair has compelled the adoption of economic control measures, and industrial associations have been called upon to act as organs for the distribution of material as well as to control occupational changes. In view of their importance for the execution of the economic control system, the number of industrial associations has increased sharply. At the end of 1940, there were a total of 6,580 industrial associations with 432,610 members enlisted. As industrial associations are charged with the task of controlling the distribution of material, they have been organized according to industry. At the same time, there are the federations of industrial associations as supreme control organs.

Because of the necessity of systematically organizing those industrial associations, the Central Control Council of Industrial Association was organized in July 1940, with the object of effecting the liaison and cooperation among industries, thereby thoroughly strengthening control over the production and distribution of industrial products. The council revises unilateral and unbalanced phases of economic con-

trol operations or brings about the liaison and cooperation among industrial associations and federations of industrial associations in order to ensure the smooth operation of production and distribution of industries classified according special lines, and to adjust the relation between production and demand among these industries. The council directs its efforts toward improving the quality of manufactures, through an emphasis on high industrial morality, as well as by elevating and developing industrial technique and control of commodity prices.

As measures for realizing these activities, the council establishes within it sub-committees, classified by special lines, for textile, metals and machinery, chemical products, foodstuffs, etc. It also has within it the Economic Organizations Liaison Council and other organs for securing liaison and cooperation among the Government, civil quarters and industries concerned.

NUMBER OF INDUSTRIAL ASSOCIATIONS IN JAPAN CLASSIFIED BY INDUSTRY

(At end of Dec. 1940)

Industries	Industrial Associations	Federations of Industrial Associations
TEXTILE	911	56
Twisting	55	1
Cotton tissues	119	6
Silk tissues	63	5
Silk-cotton tissues	38	—
Silk-rayon tissues	21	1
Rayon tissues	25	1
Woolen tissues	14	2
Hemp tissues	8	1
Staple fiber tissues	39	4
Hosiery	111	6
Hemp braids	16	2
Cotton	66	2
Refining, bleaching, dyeing & assorting	149	11
Drawn work	36	—
Silk, cotton and hemp nets	53	4
METALS	1,004	51
Metal smelting & raw materials	—	—
Casting	80	3
Aluminium ware	12	2
Antimony ware	5	1
Cutlery	39	—
Plated products	—	—

MACHINERY & TOOLS 909	73	Sawing	165	4
Weighing & measuring machines & tools	10	Furniture & fittings	305	18
Watches & clocks	4	Wooden cases for packing	78	—
Electric bulbs	7	Pails & casks	33	—
Bicycles	6	Tubes	6	1
Automobiles	44	Geta (Japanese wooden clogs)	36	—
Internal-combustion machines	37	PRINTING	110	1
Telegraphic machines & tools & material	28	FOODSTUFFS	997	51
Other iron machinery & tools	581	Japanese soy sauce (Shoyu) & bean paste (Miso)	206	24
Shipbuilding	83	Soft drinks	50	3
CERAMICS 248	7	Flour	11	—
Potteries	66	Starch	21	2
Glass & glass products	17	Tinned or bottled foodstuffs	51	2
Beads & artificial pearls	7	Aquatic products	71	—
Bricks	8	Refrigeration	32	2
Tiles	55	Buckwheat & vermicelli (Soba & Udon)	43	1
Cement products	75	OTHER INDUSTRIES	998	37
Lime	16	Paper work	107	3
CHEMICAL INDUSTRY 642	37	Bamboo work	35	—
Pharmaceuticals	—	Straw mattings	42	—
Animal & vegetable oils & fats, bean cakes	40	Straw & straw products	24	1
Rubber goods	91	Buttons	24	2
Paper	81	Lacquer ware	52	—
Celluloid and manufactures thereof	17	Needlework	328	23
Leathers & manufactures thereof	242	Hats	26	1
Briquette (Rentan)	26	Pencils	4	1
SAWING & WOODWORK 761	27	Japanese umbrellas	58	2
		Parasols	6	—
		Stone work	27	—
		Toys	23	—
		Total	6,580	340

CHAPTER XI

FOREIGN TRADE

NOMURA GOMEI KAISHA



Osaka, Japan

Capital Paid-up - - - - - Yen 20,000,000

THE NOMURA BANK, LIMITED

Capital Yen 20,000,000 Reserve Funds Yen 17,000,000

Head Office: Osaka, Japan Branches: Osaka, Tokyo, Nagoya, Etc.

THE NOMURA SECURITIES CO., LIMITED

Capital Yen 10,000,000

Head Office: Osaka, Japan Branches: Tokyo, Nagoya, Kyoto, Etc.

THE NOMURA TRUST COMPANY, LIMITED

Capital Yen 10,000,000

Head Office: Osaka, Japan Branches: Tokyo, Kyoto, Etc.

NOMURA LIFE INSURANCE CO., LIMITED

Capital Yen 2,000,000

Head Office: Tokyo, Japan Branches: Osaka, Kyoto, Nagoya, Etc.

YAMATO SANGYO KAISHA

Capital Yen 10,000,000 Head Office: Osaka, Japan

Branches: Tokyo, Heijo, Tientsin, Singapore, New York, etc.

N. V. Nomura Oost-Indische Cultuur Maatschappij

(NOMURA EAST INDIES DEVELOPMENT CO., LTD.)

Capital F. 5,000,000 Head Office: Bandjermasin, Dutch Borneo

NOMURA & COMPANY, (S. S.) LIMITED

Capital Paid-up S. \$1,000,000 Head Office: Singapore

COMPANIA AGRICOLA NOMURA LIMITED

Capital Paid-up 2,000,000\$00 Head Office: Estado Do Parana Brasil

THE CHOYA SHIRTS MFG. CO., LIMITED

Capital Paid-up Yen 500,000

Head Office: Osaka, Japan Branches: Tokyo, Shanghai

NOMURA SHOE COMPANY, LIMITED

Capital Paid-up Yen 1,900,000

Head Office: Tokyo, Japan Branches: Osaka, Fengtien

NOUVELLE CALEDONIE MINING CO., LIMITED

Mines: French New Caledonia

Capital Yen 5,000,000 Head Office: Tokyo

NOMURA MINING COMPANY, LIMITED

Mines: Hokkaido

Capital Paid-up Yen 4,000,000 Head Office: Tokyo

Nomura Securities Co., Limited of Manchoukuo

Capital Yen 1,000,000

Head Office: Fengtien Branches: Dairen, Hsinking

LA SOCIETE LE FUEL

Capital F. 5,000,000 Head Office & Mill: French New Caledonia

NOMURA STEEL PRODUCTS CO., LIMITED

Capital Yen 2,500,000

Head Office: Tokyo Works: Ichikawa, Funabashi, (Chiba Pref.)

NITTO SEIKO COMPANY, LIMITED

Capital Yen 1,500,000 Head Office: Osaka Works: Hiroshima

MUKDEN METALLIC INDUSTRY CO., LTD.

Capital Yen 300,000 Head Office & Works: Mukden

Established: 1871

President:

Y. IWAI

Trade



Mark

Cable Address:
"ROCKWELL OSAKA"
"BIWAKO TOKYO"
"IWAI KOBE"

IWAI & COMPANY, LIMITED

Capital (Fully paid) ¥15,000,000

Reserve Funds ¥ 6,000,000

**IMPORTERS, EXPORTERS AND
GENERAL MERCHANTS**

Head Office:

43, Kitahama 4-chome, Higashi-ku, Osaka

Branch Offices:

HOME: Tokyo, Kobe, Nagoya, Yawata, Fukui, Shizuoka, Yokohama, Himeji, Keijo, Taihoku, etc.

ABROAD: Dairen, Mukden, Hsinking, Tientsin, Peking, Tsingtao, Changkiakow, Shinkichwang, Hsinsiang, Shanghai, Hankow, Canton, Soerabaya, Batavia, Bangkok, Saigon, Haiphong, Bombay, London, New York, Buenos Aires, Lima, Sao Paulo, Santiago, Sydney, Melbourne, etc.

Principal Lines of Business

IMPORT: Iron, Steel, Ingots, Ores & Mineral Products, Wool & Woollen Products, Cotton, Hemp, Hide & Bones, Pulp, Machineries, Salt, Chemicals, Rubber, Coals, Lumber, etc.

EXPORT: Cotton, Silk, Rayon Yarns & Textile, Woollen Yarn & Textile, Hosieries, Steel & Metallic Products, Ferro-Alloys, Special Steels, Caustic Soda, Soda Ash, Chemicals, Paint, Cement, Celluloid, Rubber Goods, Produces, Fertilizers, Household Wares & Cutleries, Provisions, etc.

President:
SOICHIRO ASANO



Vice-President:
ARATA NINOMIYA

ASANO BUSSAN CO.

HEAD OFFICE:

Tokyo Kaijo Building, Tokyo, Japan

**General Exporters & Importers, Ship Agents,
Shipowners, Manufacturers, Commission
Merchants and Contractors**

PRINCIPAL LINES OF BUSINESS:

Aluminium, Asbestos, Asphalt & Roofing, Boilers & Stokers, Building Materials, Boring Outfits, Canned Goods, Cableways, Cement & Slate, Chemicals, Compressors, Conveying Pumps, Cotton, Crude & Fuel Oil, Dredgers, Ethyl Lead, Fertilizers, Fuel Testing Engines, Gasoline Engines, Glasses, Hardware, Hydrants, Iron & Steel, Joints, Lumbers, Machine Tools, Metals & Ores, Molybdenum, Oil Refining Equipment, Oil Separators, Paints, Paper & Pulp, Provisions, Pumps, Rails, Rayon, Road Machinery, Scrap Steel, Silk, Special Alloys, Tungsten, Tanks, Textiles, Valves, Waterworks Meters & Recorders, Well Sinking Outfits, Wheat & Flour.

BRANCHES:

Osaka, Nagoya, Moji, Sapporo, Yokohama, Kobe, Keijo, Seishin, Taihoku, Dairen, Mukden, Hsinking, Harbin, Tientsin, Tsingtao, Tsinan, Antung, Peking, Shanghai, Hankow, Chin-Kiang, Su-chou, Nan-King, Hang-Chou, Kia-Kiang, New York, Los Angeles, Seattle, London, Hamburg, Calcutta, Lima, Buenos Aires, Bogota, Rio de Janeiro

CHAPTER XI FOREIGN TRADE

Japan's foreign trade for the last 70 years can be divided into five periods, the first, before the Sino-Japanese War; the second, after the Sino-Japanese War to the outbreak of the Russo-Japanese War; the third, after the Russo-Japanese War to the outbreak of the World War; the fourth, the period following the World War and the fifth, the period after 1937. (For further historical explanations see the Japan Year Book, 1937, pp. 409, 410).

Foreign Trade of Japan in 1939

General Trend of Foreign Trade
Japan's foreign trade in 1939 increased greatly despite the many and various economic control measures taken by the Government. The total trade volume of the Japanese Empire, inclusive of the colonial trade with foreign countries, increased by 23.1 per cent over 1938 and amounted to ¥7,060,000,000, thus almost nearing the 1937 mark of ¥7,270,000,000, which is a remarkable advance after the depression of 1938.

Exports in 1939 aggregated ¥3,930,000,000, far exceeding the total of the preceding year and establishing a new record in the history of Japan's foreign trade, while imports gained by 10.2 per cent over 1938 to ¥3,127,000,000, thus almost nearing the 1937 level. The trade balance thus improved from an export excess of ¥60,000,000 in 1938 to one of ¥805,000,000. This striking improvement in the trade balance was certainly an abnormal phenomenon for Japan, where ordinarily an import excess is the rule, and where trade has been placed under various control measures since the outbreak of the China Affair, but it has to be reorganised that the success was largely attributable to a notable expansion of the Empire's exports to the yen bloc, which might be termed quasi-domestic trade.

The extent of this trade with the yen bloc is well testified to by the fact that the balance of Japan's trade with the bloc in 1939 recorded an export excess of ¥1,060,000,000 while the trade with third countries resulted in an import excess amounting to ¥406,000,000, though

trade with third countries did make a noteworthy advance, rising by 20.1 per cent in the case of exports and 6.5 per cent in that of imports; the import excess dwindled by ¥168,000,000. Since the outbreak of the China Affair, import control has been steadily strengthened, with the object of improving the balance of international accounts and facilitating imports of munition materials. Consequently, imports of non-urgent and non-necessary materials as well as raw materials for the manufacture of export articles have been strictly controlled, though the Government has made great efforts for a smooth distribution of supplies for the manufacture of export goods as a positive means of promoting exports and fostering import capacity, but restraints resulting from various control measures have been inevitable.

It should be noted, however, that the remarkable expansion of the trade volume of the Empire in the face of the various handicaps of wartime control certainly emphasizes the strength of Japan's national economy. As long as Japan has to depend on third countries for the supply of her principal raw materials, however, the export promotion policy should be emphasized from the standpoint of maintaining the balance of accounts in trade with third countries. The urgent necessity of developing Continental resources is also being keenly appreciated in this connection.

Japan's Trade with the Yen Bloc and Third Countries
Japan's trade with the yen bloc, that is, with Manchoukuo, the Kwantung Leased Territory and China, in 1939, amounted to ¥1,747,000,000 in exports and ¥683,000,000 in imports, the former gaining by ¥581,000,000 and the latter by ¥119,000,000 over the 1938 figures. The export trade with Manchoukuo expanded parallel with the progress of resources development operations in that State and the resultant increase in the demand for productive and consumption materials. The progress of construction and pacification activities in China served to re-

markedly raise the demand in that territory for Japanese goods. The advance of Japan's imports from the yen bloc was a result of a steady increase in the arrivals of beans and bean-cake from Manchoukuo and raw cotton, wool and coal from China.

The trade with third countries in 1939 was divided into ¥1,829,000,000 in exports and ¥2,235,000,000 in imports, the increase over the preceding year amounting to ¥305,000,000 in the former and ¥136,000,000 in the latter. The import excess in trade with third countries declined from ¥575,000,000 in 1938 to ¥400,000,000 in 1939. This noteworthy expansion of Japan's exports to third countries was partly attributable to an increase in international purchasing power due to worldwide prosperity accompanying the progress of national-defense industrial operations in leading countries after the second half of 1938 and the return of a business boom in the United States, and partly to the sharp gain in export prices caused by a sudden and noticeable rise in the demand for materials in different countries after the outbreak of the European hostilities. Various export promotion measures adopted by the Government also played an important part.

Among major import articles, imports of wheat, wool, sugar and 'others' dwindled sharply on account of import restrictions. On the other hand, imports of raw materials for producing export articles, such as raw cotton, as well as materials needed for productivity expansion operations rose markedly.

Changes in Organization of Trade
As long as import restrictions aim at facilitating imports of munition materials and commodities for emergency requirements within the country's limited importing capacity, it is quite natural that priority should be given to importations of these wartime materials. On the other hand, the stabilization of the domestic supply of raw materials for manufacturing export articles has become an important problem from the standpoint of accelerating and promoting exports as the basis of increasing import capacity. In this connection, the Government has endeavored to cope with the situation by adopting the link system, which deserves special mention for the part it has played in the remarkable results of the trade of 1939.

Japan's imports in 1939 increased in general, except in wholly manufactured articles. The increasing rate of imports of 'manufactures for further use in manufacturing' was the most remarkable. It is also noteworthy that imports of raw materials, which account for more than 48 per cent of the total import trade, rose by 9.1 per cent over 1938. Of those raw materials, imports of raw cotton, heavy oil, iron ore, etc., and hides and leathers, grouped under the list of 'manufactures for further use in manufacturing,' made notable gains. Machinery and tools, included among wholly manufactured goods, also rose conspicuously. This tendency clearly reflects the progress of the productivity expansion measure and the export promotion plan in operation. At the same time, the increase of imports of peas and beans in the foodstuffs group, and coal and oil-cake in the raw materials group, is noted to be indicative of the progress of the Continental resources development activities.

A general advance marked exports in 1939. The increasing rate was specially noteworthy with exports of raw materials and foodstuffs. The ¥40,000,000 gain in the exports of aquatic products and the ¥39,000,000 rise in tinned and bottled foodstuffs were largely attributable to the outbreak of the European War. On the other hand, wheat flour, which had gained in exports in 1938 over 1937, receded both in quantity and value because of the Government control over shipments to the yen bloc in 1939. The biggest gain in exports in the raw materials group was in lumber, due to the increase of shipments to the yen bloc. Exports of other raw materials, however, were generally depressed. Exports of partly manufactured goods rose both in volume and value, principally because of the increase in raw silk, cotton yarns and other fibrous materials. The remarkable expansion in raw silk exports reflects the business boom in the United States, and the phenomenal rise in raw silk export prices.

Exports of wholly manufactured goods, accounting for nearly 60 per cent of the total exports of the nation, recorded an advance amounting to nearly ¥370,000,000. Of these, papers, iron manufactures, machinery and tools, principally catering for the yen bloc, sharply advanced, the increase in these three items alone aggregating more

than ¥100,000,000 or nearly one-third of the total increase of the exports of wholly manufactured goods. Of fibrous industrial manufactures, artificial silk tissues increased most, exports gained both to the yen bloc and to third countries. Exports of cotton tissues slightly fell back as a result of the Government's control over shipments to the yen bloc, but the fact that they dropped by only ¥290,000 clearly shows that exports to third countries made a striking increase, this being attributable partly to various export promotion measures adopted by the Government, including the link system, though this served to reduce the unit export prices of yarns and grey tissues as cotton merchants hastened to make speedy sales in order to quickly get supplies of raw cotton under the link. The quantity of cotton tissues exported last year increased by as much as 260,000,000 square yards while the value made a slight decline; since the outbreak of hostilities in Europe, however, export prices have taken an upward turn again.

Progress of Export Promotion Measures. Since the spring of 1939, the promotion of the export trade as a means of increasing imports of munition materials has become an important item of the wartime trade policy. Originally, export promotion measures were confined largely to a limited field of trade activities, such as for stabilizing the supply of raw materials for manufacturing export goods or for smooth trade financing. As the margin of commodity prices in Japan and in overseas markets steadily widened, however, it became difficult even to prevent the steady decline of exports through the stabilization of raw material supplies. Export promotion, then, came to be studied and discussed as a link in national economic policy, and the price policy has to be examined not only as a means of stabilizing the national living but also from the viewpoint of export trade promotion.

(1) Stabilization of Supply of Raw Materials for Manufacturing Export Goods:

(a) Commodity-classified link system:
This system recognizes imports of raw materials against the exports concerned, mostly fibrous materials and certain miscellaneous goods. Great improvements have been made in the system since it was originally introduced, but various marked defects still exist

as, for instance and as mentioned above, in the case of cotton tissues linked with raw cotton.

(b) Special link system:

This link system, in operation since January 10, 1939, as a substitute for the composite link system, has been applied to 24 items, including beer. This system differs from the commodity-classified link system in that it permits the importation of raw materials necessary for manufacturing or finishing the certain export products concerned in advance of their actual exportations. The basis of the special link system is the value of the export products and import raw materials, whereas the commodity-classified link system is based on the quantity of manufactured products to be exported and raw materials to be imported. The term of obligatory exportation of the products manufactured from imported raw materials is fixed at from six months to one year. Because of various technical difficulties involved in the application of the special link system, the number of articles to which the system is now applied, namely, 24 items, is not likely to be increased.

(c) With the object of further facilitating and stabilizing the supply of raw materials for manufacturing export goods, the Government has given special consideration to raw materials technically difficult to subject to the link system. In this connection, companies specializing in the distribution of raw materials for manufacturing export articles have been established in eight principal cities, including Tokyo, their task being to accelerate the supply and distribution of raw materials to small-sized and medium-sized manufacturers. At present, 34 export articles are handled by these companies, which are control companies financed by public corporations to the extent of about 50 per cent. A steady expansion is predicted for them in the future.

(d) The foreign exchange fund was established by the Government under the charge of the Ministry of Commerce and Industry in July 1938, the object of the fund being to find the necessary finance for the purchase of raw materials to be used in the manufacture of export products. The conditions for getting loans from this fund were loosened on February 3, 1939, to enable small-sized and medium-sized industrialists specializing in the production of export articles to get easier access

to raw materials. As from that day, the interest rate on loans from the fund was reduced from 2.5 per cent to 2.0 per cent, and the loan term was extended from four months to six months.

(2) Trade Financing Operations:

Major trade financing measures adopted during 1939 were the revision of the system for compensating losses on export advances, the revision of the regulations for enforcing the Export Compensation Law, and the adoption of a system for compensating losses on advances to manufacturers of export goods. The system for compensating losses on export advance has been in operation since August 1938, and was revised to cope with the new developments of the trade situation on March 13, in 1939. The revision expanded the scope of those qualified for utilizing the fund.

(3) Adjustment of Exports to Yen Bloc:

In the second half of 1939, the Government decided to restrict exports to the yen bloc for the reason that sales to yen-bloc markets were little effective for acquiring foreign currencies. The Government had already taken various measures for restricting exports thence, but the restrictions were further strengthened parallel with the enactment of an ordinance fixing prices at the September 18 level, the Government enforcing an ordinance for adjusting exports to Manchoukuo, Kwantung and China as from September 25, 1939. Despite such governmental efforts, however, shipments of Japanese goods to yen-bloc markets steadily increased. In this connection, experts consider it necessary to strengthen restrictions over the consumption of Japanese products in the yen bloc parallel with the similar measures in operation in Japan.

Major Trade Problems in 1939 Parallel with the increasing strains of the international political situation and strengthened trade control measures adopted by foreign countries, the adjustment of trade relations with foreign powers has become further necessary. Toward the end of March 1939, the Anglo-Indian Trade Agreement was concluded favorably toward the British side, at least in so far as cotton tissues were concerned. Because Japanese cotton fabrics compete with British cotton tissues on the Indian market, close attention is being paid to the progress of the third Anglo-Japanese com-

mercial negotiations now under way. The third Japanese-Australian Commercial Agreement was concluded on June 27, 1939. That agreement provided that Japan was to import two-thirds of her total annual imports of wool from Australia and to export to Australia cotton and artificial silk tissues to an amount not exceeding 51,250,000 square yards. The application of the intermediate tariff to Japanese cotton and artificial silk tissues imported by Australia was also provided for in the agreement. Following the outbreak of the European War, the Commonwealth Government of Australia promulgated a wool export control ordinance, but has agreed to license shipments of wool to Japan amounting to about 300,000 bales annually. In the early part of the second half of 1939, a Japanese-German Commercial Agreement was concluded to increase the dependency of the two contracting parties on each other for supplies of principal goods. This agreement, however, was nullified in fact as a result of the outbreak of the second European War.

On July 26, 1939, the United States Government suddenly notified the Japanese Government its intention to abrogate the American-Japanese Treaty of Commerce and Navigation, concluded in 1911. As the reason, the Washington Government stated that the trade relations between the two countries had undergone a substantial change since its conclusion and that the provisions of the treaty had come to require new consideration. The abrogation was given at a six-month notice. In those six months no positive step was taken by either of the two countries for concluding a new treaty to replace the old, and the treaty lapsed on January 25, 1940. In its notification, the United States Government stated that the abrogation of the treaty became necessary to allow it to cope with new developments and protect and promote American rights and interests. At the same time, it may be taken that the step was taken as a political gesture on the part of the Washington Government to the American public, for, in view of the extremely favorable balance to the U.S. of trade with Japan, it is quite plain that the abrogation hardly aimed at adjusting trade relations with Japan. Political developments in the United States as well as in the Far East will prove a deciding factor in future com-

mercial dealings between Japan and the United States.

European War and Japan's Foreign Trade In view of the fact that the phenomenal expansion of Japan's export trade at the time of the first World War came in the third year of hostilities and that the present European War, expected to be more or less prolonged, is still in its initial stage, it would be difficult to predict the possible extent of the influence of the present war on Japan's foreign trade. The time is not sufficiently ripe for the advent of a wartime trade boom in this country. The general trend of the export trade during the last five months of last year (the five months directly following the outbreak of the war), however, serves to give an inkling of the situation. In the last half of 1939, while shipments to the belligerents in Europe fell off sharply, a noteworthy increase was noted in exports to British India, the Dutch East Indies, Australia, the United States, Central and South America, etc., different factors accounted for the rise. For example, the increase in exports to the United States was largely attributable to the price advance of raw silk.

In this connection, close attention should be paid to the rise in unit export prices of major export items in the latter half of the year. In December, exports of raw silk totalled 3,569,100 kin or 25 per cent less in quantity than in the corresponding month of 1938, but amounted to ¥70,357,697 in value, or 75 per cent more than in the same month of the previous year. The unit export price rose 133.7 per cent in that one year. The rise in unit prices of the major export items in the last five months of 1939 is shown by Table B, and reflects the general upward tendency of prices in the international market. Figures in that table show that unit export prices of tinned or bottled foodstuffs at the end of 1939 rose by 79.4 per cent over a year ago, and those of raw silk jumped by as much as 133.7 per cent, those of cotton and rayon tissues, some of Japan's most important export items, also gained markedly. Thus, it is noted that the expansion of Japan's exports after the outbreak of the European War, principally to the non-belligerent countries, failed to make any noteworthy quantitative increase, but was mostly attributable to the gain in unit export prices.

FOREIGN TRADE OF THE EMPIRE

(Unit: ¥1,000)

Year	Exports	Imports	Excess of Imports
1930	1,518,574	1,680,314	161,740
1931	1,179,212	1,319,406	140,193
1932	1,457,296	1,524,521	67,206
1933	1,932,069	2,017,504	85,435
1934	2,258,081	2,400,495	142,414
1935	2,603,152	2,617,910	14,758
1936	2,797,599	2,927,975	130,377
1937	3,318,820	3,954,726	635,905
1938	2,896,770	2,836,334 (Exp. exc.)	60,436
1939	3,932,926	3,127,460 (Exp. exc.)	805,466
1940	3,972,400	3,709,035 (Exp. exc.)	263,365

YEARLY COMPARISON OF THE VALUE OF EXPORTS AND IMPORTS

Japan Proper and Karafuto

(In ¥1,000)

Year	Exports	Imports	Total	Excess of Imports over Exports
1900	204,429	287,261	491,691	82,831
1901	252,349	255,816	508,166	3,467
1902	258,303	271,731	530,034	13,428
1903	289,502	317,135	606,637	27,633
1904	319,260	371,360	690,621	52,099

Year	Exports	Imports	Total	Excess of Imports over Exports
1905	321,533	488,538	810,071	167,004
1906	423,754	418,784	842,539	4,970
				(Export exc.)
1907	432,412	494,467	926,880	62,054
1908	378,245	436,257	814,503	58,011
1909	413,112	394,198	807,311	18,913
				(Export exc.)
1910	458,428	464,233	922,662	5,804
1911	447,433	513,805	961,239	66,371
1912	526,981	618,992	1,145,974	92,010
1913	632,460	729,431	1,361,891	96,971
1914	591,101	595,735	1,186,837	4,634
1915	703,306	532,449	1,240,756	175,857
				(Export exc.)
1916	1,127,468	756,427	1,883,896	371,040
				(Export exc.)
1917	1,603,005	1,035,811	2,638,816	567,139
				(Export exc.)
1918	1,962,100	1,668,143	3,630,244	293,956
				(Export exc.)
1919	2,098,872	2,173,459	4,272,332	74,587
1920	1,948,394	2,336,174	4,284,569	387,780
1921	1,252,837	1,614,154	2,866,992	361,317
1922	1,637,451	1,890,308	3,527,760	252,856
1923	1,447,750	1,982,230	3,429,981	534,479
1924	1,807,034	2,453,402	4,260,437	646,367
1925	2,305,589	2,572,657	4,878,247	267,068
1926	2,004,727	2,377,484	4,422,212	332,756
1927	1,992,317	2,179,153	4,171,471	186,836
1928	1,971,955	2,196,314	4,168,270	224,359
1929	2,148,618	2,216,240	4,364,858	67,621
1930	1,469,852	1,546,070	3,015,923	76,218
1931	1,146,981	1,235,675	2,382,656	88,693
1932	1,409,992	1,431,461	2,841,453	21,469
1933	1,861,045	1,917,219	3,778,266	56,174
1934	2,171,924	2,282,601	4,454,526	110,677
1935	2,499,072	2,472,235	4,971,307	26,837
				(Export exc.)
1936	2,692,976	2,763,681	5,456,657	70,705
1937	3,175,418	3,783,177	6,958,595	607,759
1938	2,689,677	2,663,440	5,353,117	26,237
				(Export exc.)
1939	3,576,370	2,917,666	6,494,036	658,704
				(Export exc.)

RATE OF TRADE EXPANSION OF JAPAN PROPER AND
KARAFUTO IN THE PAST 5 YEARS

Year	Export Amount in ¥1,000	Rate of Increase as compared with the Previous Year	Imports Amount in ¥1,000	Rate of Increase as Compared with the Previous Year	Excess of Imports(-)or Exports(+)
1935	2,499,073	15%	2,472,236	9%	(+) 26,837
1936	2,692,976	7.5	2,763,681	11.8	(-) 70,705
1937	3,175,418	17.9	3,783,177	36.9	(-) 607,759
1938	2,689,677	(-)15.3	2,663,440	(-)29.5	(+) 26,237
1939	3,576,370	32.2	2,917,666	9.5	(+) 658,704

RATIO OF EXPORTS CLASSIFIED BY CONTINENTS

Japan Proper and Karafuto (In ¥1,000)					
Continents	Value	1938		1939	
		Ratio to Total Exports	Value	Ratio to Total Exports	Ratio to Export of 1938
Asia	1,664,625	61.8%	2,320,265	64.8%	139.3%
Europe	261,037	9.7	238,256	6.6	91.2
North America	440,404	16.3	658,730	18.4	149.5
Central America	29,415	1.0	43,657	1.2	148.4
South America	60,151	2.2	67,111	1.8	111.4
Africa	137,336	5.1	152,909	4.2	111.3
Oceania	96,610	3.5	95,443	2.6	98.7
Total	2,689,677	100.0	3,576,370	100.0	132.5

RATIO OF IMPORTS CLASSIFIED BY CONTINENTS

Japan Proper and Karafuto (In ¥1,000)					
Continents	Value	1938		1939	
		Ratio to Total Imports	Value	Ratio to Total Imports	Ratio to Imports of 1938
Asia	1,023,585	38.4%	1,181,001	40.4%	114.4
Europe	376,269	14.1	309,935	10.6	82.3
North America	1,006,565	37.7	1,128,415	38.6	112.1
Central America	7,314	0.2	3,481	0.1	47.5
South America	91,235	3.4	115,730	3.9	126.8
Africa	60,621	2.2	92,788	3.1	153.0
Oceania	97,850	3.6	86,317	2.9	88.1
Total	2,663,440	100.0	2,917,666	100.0	109.5

EXPORTS AND IMPORTS OF JAPAN PROPER AND KARAFUTO BY
GROUPS OF COMMODITIES

(In ¥1,000)				
Group Number	Merchandise of Exports	1937	1938	1939
I	Plants and animals	4,226	4,131	6,231
II	Grains, flours, starches & seeds	45,963	74,735	78,989
III	Beverages, comestibles & tobacco	203,159	226,842	360,983
IV	Skins, hairs, bones, horns, teeth, tusks, shells etc. & manufactures thereof	21,979	13,405	13,167
V	Oils, fats, waxes & manufactures thereof	75,391	52,330	88,264
VI	Drugs, chemicals, medicines compounds or preparations thereof & explosives	70,149	73,652	107,502
VII	Dyes, pigments, coatings & filling matters	20,531	21,315	37,060
VIII	Yarns, threads, twines, cordages & materials thereof	598,346	474,630	694,867
IX	Tissues & manufactures thereof	1,000,019	731,240	808,151
X	Clothing & accessories thereof	229,912	145,012	168,466
XI	Papers, pulp & paper manufactures	60,389	80,937	120,104
XII	Minerals & manufactures thereof	23,949	24,564	33,534
XIII	Potteries & glass	87,544	66,363	75,679
XIV	Ores & metals	125,422	121,004	139,031
XV	Metal manufactures	98,813	100,113	147,826
XVI	Clocks, watches, scientific instruments, firearms, vessels, vehicles & machinery	227,699	267,237	370,323

	1937	1938	1939
XVII Miscellaneous articles	203,676	170,778	264,051
Mail-matters	34,375	30,231	50,047
Re-exported goods	43,877	11,157	12,097
Group			
Number Merchandise of Imports	1937	1938	1939
I Plants & animals	3,194	1,647	2,038
II Grains, flours, starches & seeds	208,981	177,191	212,446
III Beverages, comestibles & tobacco	85,115	50,768	50,647
IV Skins, hairs, bones, horns, teeth, tusks, shells, etc. & manufactures thereof	69,734	39,827	47,669
V Oils, fats, waxes & manufactures thereof	297,878	326,934	262,518
VI Drugs, chemicals, medicines compounds or preparations thereof & explosives	251,841	181,768	170,578
VII Dyes, pigments, coatings & filling matters	30,580	9,351	9,961
VIII Yarns, threads, twines, cordages & materials thereof	1,208,359	571,657	592,307
IX Tissues & manufactures thereof	17,341	5,632	2,564
X Clothing & accessories thereof	1,515	319	175
XI Pulp for paper making, papers, paper manufactures, books & pictures	14,259	48,364	60,249
XII Minerals & manufactures thereof	126,020	121,137	162,027
XIII Potteries, glass, & glass manufactures	4,739	4,240	3,633
XIV Ores & metals	901,131	661,895	848,500
XV Metal manufactures	12,019	8,430	5,175
XVI Clocks, watches, scientific instruments, firearms, vehicles, vessels & machinery	243,292	313,362	288,212
XVII Miscellaneous articles	160,904	123,595	178,524
Mail-matters	11,274	5,885	7,195
Hand-baggages of travellers	1,134	494	886
Re-imported goods	6,857	11,047	12,326

QUANTITY AND VALUE OF EXPORTS AND IMPORTS IN 1939
COMPARED WITH 1938

Japan Proper and Karafuto
EXPORTS
(Value in ¥1,000)

Articles	1938		1939		Increase or Decrease	
	Quantity	Value	Quantity	Value	Quantity	Value
Comestibles		300,214		431,958		131,744
(1) Crude		49,199		105,268		56,069
Rice & paddy 100 kin	138,599	2,265	335,504	5,825	196,905	3,560
Beans & peas ..	646,939	6,972	565,190	8,417	-81,749	1,445
Marine products ..	1,119,680	21,931	1,940,074	61,867	820,394	39,936
Others		18,031		29,159		11,128
(2) Manufactured		251,015		326,690		76,675
Wheat flour 100 kin	4,758,869	60,715	3,449,266	54,190	-1,309,603	6,525
Tea ..	280,002	12,063	391,166	23,461	111,164	11,398
Refined sugar ..	2,267,853	23,654	1,860,848	28,676	-407,005	5,022
Comestibles in tin and bottle ..	2,526,234	92,819	3,037,301	132,037	511,067	39,218
(Tin included)						
Others		61,764		88,326		26,562
Materials						
(1) Raw		105,185		183,382		78,197
Insecticide 100 kin	77,032	6,103	63,723	7,149	-13,309	1,046
Coal Long ton	746,481	10,147	669,131	9,665	-77,350	-481
Wood		46,887		128,157		81,270
Others		42,047		38,410		-3,638

Articles	1938		1939		Increase or Decrease	
	Quantity	Value	Quantity	Value	Quantity	Value
(2) Manufactured		672,232		948,882		276,650
Vegetable oil 100 kin	388,188	8,572	682,178	18,946	293,990	10,370
Raw silk ..	477,471	364,124	386,029	506,844	-91,442	142,720
Cotton yarns ..	315,795	39,355	626,249	71,094	310,454	31,739
Rayon yarns ..	166,606	17,888	277,760	29,349	111,154	11,461
Copper ..	113,456	8,636	142,651	10,122	29,195	1,486
Brass ..	18,741	1,812	11,822	1,089	-6,919	-723
Others		231,849		311,438		79,593
Manufactured goods		1,569,597		1,939,305		369,708
Silk tissues 1,000 sq. yd.	90,652	49,357	59,666	47,395	-30,986	-1,957
Rayon tissues ..	337,122	115,762	309,971	137,360	-27,151	21,598
Cotton tissues ..	2,518,081	404,240	2,445,538	403,948	264,728	-292
Woollen tissues ..	28,071	46,845	26,001	51,821	-1,970	4,976
Knitted goods 1,000 doz.	14,379	40,818	13,796	40,237	-583	-581
Hats, caps & bonnets ..	2,154	11,092	2,196	14,326	42	3,234
Buttons 1,000 gross	23,260	9,730	27,902	11,700	4,642	1,970
Paper 100 kin	2,483,851	52,127	3,171,316	77,945	687,465	25,818
Cement ..	8,190,534	6,411	11,642,755	11,548	3,452,221	5,137
Potteries		40,477		48,624		8,147
Glass & manufactures		25,886		27,055		1,169
Iron manufactures		52,231		70,256		24,025
Gum tire 100 kin	78,902	7,799	107,984	9,545	29,082	1,746
Machines		156,475		209,340		52,865
Toys		24,991		22,019		-2,972
Others		525,361		750,186		224,825
Miscellaneous articles		31,292		60,718		29,426
Total of Japanese produce & manufactures		2,678,520		3,564,245		885,725
Re-exported articles		11,157		12,096		939
Grand total of exports		2,689,677		3,576,341		886,664

IMPORTS

Articles	1938		1939		Increase or Decrease	
	Quantity	Value	Quantity	Value	Quantity	Value
Foodstuffs		199,246		230,729		31,483
(1) Crude produce		157,444		183,782		26,338
Rice & paddy 100 kin	378,275	2,808	729,441	6,288	351,166	3,480
Wheat ..	1,104,416	9,557	539,116	4,091	-565,300	-5,466
Beans & peas ..	13,884,618	102,076	13,727,013	123,576	-157,605	21,500
Others		43,003		49,827		6,824
(2) Products		41,802		46,947		5,145
Sugar 100 kin	639,858	5,241	13,690	140	-626,168	-5,101
Fresh beef ..	120,211	4,414	107,227	4,163	-12,984	-251
Others		32,147		42,644		10,497
Materials		1,295,659		1,414,089		118,430
Oil yielding materials 100 kin	3,167,080	28,790	2,672,233	31,998	-404,847	3,208
Crude rubber ..	784,372	51,374	717,202	57,491	-67,170	6,117
Sulphate of ammonium ..	4,930,390	31,710	1,372,313	8,240	-3,558,077	-23,470
Phosphorite ..	9,402,824	19,281	13,049,847	25,410	3,647,023	6,129
Oil cake ..	11,264,409	60,112	15,508,103	103,957	4,243,694	3,845
Raw cotton ..	9,378,454	436,835	10,093,418	462,008	714,964	5,173
Hemp & other						
Wool ..	881,889	94,426	801,688	72,590	-80,201	-21,836
vegetable fiber ..	1,261,597	27,306	1,411,347	38,209	149,750	10,903

Articles	1938		1939		Increase or Decrease	
	Quantity	Value	Quantity	Value	Quantity	Value
Coal	Long ton 3,682,531	67,217	3,794,710	78,361	112,179	11,144
Wood		28,178		32,325		4,147
Wheat bran	100 kin 2,115,583	8,932	1,752,476	8,412	-363,107	-520
Others		441,498		495,088		53,590
Manufactures for materials		702,009		859,903		157,894
Hides & skins	100 kin 489,384	27,826	507,469	30,574	18,085	2,748
Synthetic-color	" 4,216	2,838	5,751	3,445	1,535	607
Pulp	" 2,386,181	41,059	2,834,434	56,538	448,753	15,479
Others		630,286		769,346		139,060
Wholly manufactured articles		447,904		390,655		-57,249
Printing paper	100 kin 55,266	718	263	8	-55,003	-710
Machines		236,354		249,870		13,516
Others		210,832		140,777		-70,055
Miscellaneous articles		7,473		9,993		2,520
Total of foreign produce & manufactures		2,652,291		2,905,369		253,078
Re-imported articles		11,046		12,325		1,279
Grand total of imports		2,663,337		2,917,694		254,357

Note:—Figures may slightly differ from those in other tables, because this table is compiled by the Finance Ministry, while figures in other tables are based on the report of the Trade Bureau, Ministry of Commerce and Industry.

(100 kin=One picul)

VALUE OF CHIEF COMMODITIES EXPORTED TO VARIOUS COUNTRIES

Japan Proper and Karafuto

(In ¥1,000)

	1937	1938	1939		1937	1938	1939
Raw silk	407,118	864,124	506,845	U.S.A.	22,139	2,407	10,162
U.S.A.	325,225	297,882	437,611	Chile	7,951	4,289	8,772
Great Britain	31,430	26,175	36,920	Aden	9,891	6,285	8,550
France	26,111	24,631	16,180	Anglo-Egyptian			
Australia	8,132	6,461	9,381	Sudan	12,108	10,162	7,505
Switzerland	433	177	1,375	Burma	—	6,313	6,991
British India	8,460	1,520	581	Philippine Is.	12,057	1,968	5,985
Italy	269	351	214	Egypt	10,509	2,346	5,811
Cotton tissues	573,065	404,240	403,946	Straits			
Yen Bloc	96,470	79,308	20,672	Settlements	12,231	5,053	5,451
China	11,296	23,911	10,908	Venezuela	5,401	2,694	4,554
Kwantung L.T.	29,426	17,388	5,216	Honduras	2,222	1,344	3,603
Manchoukuo	55,748	38,009	4,548	Ceylon	2,641	3,621	3,578
Third Countries	476,695	324,932	383,274	Sweden	3,286	2,717	3,537
British India	63,041	67,876	62,364	Dominica	4,050	1,865	3,251
Dutch E. Indies	85,704	39,485	53,156	Argentina	29,196	13,130	3,177
Iran	2,231	4,160	17,574	Germany	4,048	3,115	3,012
Kenya Uganda & Tanganyika	23,003	15,882	16,686	Mozambique	3,919	2,784	3,003
Iraq	10,875	9,796	15,487	Arabia	3,273	3,863	2,981
Australia	13,528	15,070	15,118	New Zealand	3,044	2,493	2,721
French Morocco	10,821	13,788	14,799	Ecuador	1,901	504	2,523
Thai-Land	16,089	14,905	14,163	Uruguay	4,833	2,028	2,160
Syria	10,614	9,840	11,784	Palestine	2,690	3,045	1,881
Union of South Africa	10,214	7,124	10,646	Porto Rico	1,929	102	1,814
Hongkong	9,346	4,587	10,527	Belgium & Luxemburg	2,269	917	1,799
				Peru	1,347	1,331	1,741

	1937	1938	1939		1937	1938	1939
Norway	1,567	1,149	1,545	Kwantung L.T.	11,903	11,529	11,384
Panama	1,243	968	1,490	China	3,823	9,508	3,936
Costa Rica	1,896	1,380	1,251	Third Countries	30,556	14,156	18,095
Great Britain	4,776	2,677	1,147	British India	9,884	3,460	2,512
Machines and accessories	109,881	156,475	209,206	Egypt	4,671	1,458	2,084
Yen Bloc	85,570	142,116	201,894	Cement	6,836	6,411	11,549
Kwantung L.T.	46,584	75,807	101,015	Yen Bloc	437	2,440	8,031
Manchoukuo	14,835	30,384	63,896	Kwantung L.T.	286	904	3,341
China	24,152	35,025	36,982	Manchoukuo	13	625	2,757
Third countries	24,311	14,359	7,312	China	128	911	1,923
British India	6,443	5,794	3,305	Third Countries	6,399	3,971	3,528
Dutch E. Indies	2,113	1,038	888	Dutch E. Indies	1,046	1,150	1,044
Philippine Is	1,073	817	375	Straits Settlements	877	352	528
Brazil	436	270	276	Kenya, Uganda & Tanganyika	277	149	150
Rayon tissues	154,860	115,762	137,358	Philippine Is.	102	658	140
Yen Bloc	19,519	44,155	52,002	Potteries & porcelain	53,971	40,477	48,624
Kwantung L.T.	15,612	20,243	25,304	Yen Bloc	5,721	10,916	17,687
Manchoukuo	2,574	17,029	22,954	Manchoukuo	2,222	3,821	6,516
China	1,334	6,883	3,745	Kwantung L.T.	2,353	4,643	5,597
Third Countries	135,341	71,607	81,356	China	1,146	2,453	5,574
British India	32,466	11,627	19,581	Third Countries	48,251	29,560	30,936
Australia	16,667	17,303	18,375	U.S.A.	19,460	8,696	11,115
Dutch E. Indies	11,490	7,202	9,411	Dutch E. Indies	3,109	2,714	2,992
Union of South Africa	7,108	3,475	4,255	British India	2,240	2,580	2,553
New Zealand	4,621	3,318	3,487	Australia	2,599	2,915	2,264
Straits Settlements	3,632	2,207	2,690	Union of South Africa	1,259	1,009	1,318
Hongkong	7,673	2,150	2,598	Canada	1,038	1,235	1,230
U.S.A.	1,515	624	1,621	Brazil	1,036	576	916
Thailand	3,522	1,569	1,392	Philippine Is.	1,431	628	820
Canada	997	911	807	Great Britain	1,171	888	613
Philippine Is.	5,500	2,096	694	Straits Settlements	1,174	307	516
Uruguay	3,663	1,217	684	Holland	542	607	514
Kenya, Uganda & Tanganyika	1,295	543	672	Cotton yarns	54,906	39,355	71,090
Mozambique	1,360	510	647	Yen Bloc	10,782	4,226	10,671
Great Britain	1,537	1,034	586	Manchoukuo	8,334	3,232	6,671
France	205	98	169	Kwantung L.T.	1,423	368	3,999
Germany	398	153	165	China	1,025	626	1
Holland	248	180	107	Third Countries	44,124	35,129	60,419
Aquatic products	21,916	21,931	61,935	British India	19,846	20,502	28,959
Yen Bloc	11,398	16,760	50,906	Dutch E. Indies	13,790	7,419	14,094
Kwantung L.T.	7,402	9,230	26,294	Hong Kong	3,625	716	5,010
China	3,418	6,552	19,260	Philippine Is.	1,761	1,134	1,247
Manchoukuo	578	978	5,352	Thailand	543	269	790
Third Countries	10,518	5,171	11,028	Australia	235	372	410
U.S.A.	3,972	3,370	9,025	Iron manufactures	54,116	52,231	76,253
Hawaii	802	710	764	Yen Bloc	20,545	39,556	61,915
Philippine Is.	697	314	198	Kwantung L.T.	12,590	22,786	32,027
Hong Kong	2,016	134	177	Manchoukuo	5,288	10,413	19,135
Wheat flour	30,746	60,715	54,228	China	2,668	6,357	10,753
Yen Bloc	29,478	60,712	54,227	Third Countries	33,571	12,675	14,337
Kwantung L.T.	11,669	21,901	24,510	Dutch E. Indies	7,774	2,857	4,976
Manchoukuo	2,560	15,748	23,293	British India	6,221	2,728	3,585
China	15,249	23,063	6,424	Philippine Is.	2,262	651	457
Third Countries	1,268	3	1	Thailand	1,534	561	453
Woolen tissues	50,082	46,845	51,821	Straits Settlements	2,027	279	390
Yen Bloc	19,526	32,688	33,726				
Manchoukuo	3,800	11,651	18,406				

	1937	1938	1939		1937	1938	1939
Union of South Africa	845	364	376	Kwantung L.T.	2,839	4,049	4,914
Kenya, Uganda & Tanganyika	877	190	196	China	68	655	2,012
Australia	493	337	195	Third Countries	68,986	43,154	34,114
Mozambique	516	388	180	Great Britain	9,518	9,023	7,541
Hong Kong	657	105	158	U.S.A.	11,531	8,282	7,413
Papers	38,708	52,127	77,946	British India	13,838	7,896	5,416
Yen Bloc	26,685	44,400	69,815	France	1,673	1,515	2,716
China	6,940	16,149	27,663	Egypt	3,158	1,772	1,704
Kwantung L.T.	13,814	19,393	26,024	Australia	2,664	1,923	1,457
Manchoukuo	5,931	8,867	16,128	Germany	1,464	1,449	1,078
Third Countries	12,023	7,727	8,131	Union of South Africa	3,531	1,454	1,069
U.S.A.	1,773	1,497	1,797	Straits Settlements	4,597	1,122	656
British India	1,613	1,123	1,333	Dutch E. Indies	1,148	627	383
Dutch E. Indies	1,830	808	1,241	New Zealand	410	400	364
Australia	1,176	787	861	Holland	390	369	328
Thailand	921	572	547	Belgium	349	360	314
Hong Kong	1,777	718	535	Hong Kong	701	330	258
Great Britain	802	541	454	Argentina	1,882	620	207
Germany	372	529	294	Canada	222	174	188
Philippine Is.	404	328	208	Knitted goods	60,713	40,818	40,237
Straits Settlements	564	101	125	Yen Bloc	5,588	6,339	5,209
Timber	35,412	46,887	128,647	Manchoukuo	3,363	3,441	3,469
Yen Bloc	10,609	33,306	114,951	Kwantung L.T.	2,018	2,332	1,563
Kwantung L.T.	6,122	15,168	45,699	China	207	566	177
China	2,951	13,839	42,935	Third Countries	55,124	34,479	35,027
Manchoukuo	1,536	4,299	26,317	Dutch E. Indies	7,602	6,086	6,349
Third Countries	24,803	13,580	13,696	Philippine Is.	5,015	4,024	3,732
Great Britain	11,141	4,962	4,728	Union of South Africa	3,180	2,579	3,172
British India	1,533	1,242	1,382	Great Britain	5,967	3,203	2,748
Dutch E. Indies	1,687	1,636	949	U.S.A.	6,849	1,462	2,001
Holland	660	418	639	British India	4,560	2,366	1,732
Union of South Africa	1,169	534	462	Mozambique	1,083	969	1,030
Australia	383	355	254	Kenya, Uganda & Tanganyika	1,026	713	912
U.S.A.	622	159	230	Straits Settlements	1,401	695	627
Hong Kong	472	44	113	Egypt	1,030	272	178
Belgium	781	333	111	Australia	140	175	144
Straits Settlements	626	206	104	Hong Kong	426	82	118
Comestibles in tin and bottle	86,905	92,819	132,009	Rayon yarns	44,803	17,888	29,348
Yen Bloc	5,959	19,573	37,597	Yen Bloc	5,956	8,159	4,901
Kwantung L.T.	3,902	7,228	14,962	China	4,629	7,487	4,370
China	854	9,865	11,755	Kwantung L.T.	1,328	672	531
Manchoukuo	1,202	2,480	10,880	Third Countries	38,847	9,729	24,447
Third Countries	80,946	73,246	94,412	British India	23,154	4,550	14,163
Great Britain	29,122	30,832	40,991	Mexico	6,018	1,150	2,069
U.S.A.	21,940	12,212	31,991	Australia	518	550	1,201
Belgium	3,903	2,337	3,080	Refined sugar	18,577	23,654	28,677
Australia	2,489	2,464	2,534	Yen Bloc	17,783	23,650	28,677
France	2,722	1,675	1,732	China	8,298	7,309	15,446
Holland	1,635	1,072	1,661	Kwantung L.T.	7,770	13,081	9,371
Hawaii	1,755	1,747	1,643	Manchoukuo	1,715	3,259	3,860
Germany	673	495	338	Third Countries	794	4	—
Hong Kong	173	169	124	Glass & mfrs.	33,572	25,886	27,055
Silk tissues	72,286	49,352	47,397	Yen Bloc	3,711	5,470	7,822
Yen Bloc	3,300	6,198	13,283	China	1,161	2,015	2,935
Manchoukuo	393	1,494	6,350	Manchoukuo	1,370	1,820	2,518
				Kwantung L.T.	1,180	1,635	2,369

	1937	1938	1939		1937	1938	1939
Third Countries	29,861	20,416	19,233	Canada	666	383	390
British India	7,215	5,492	4,991	Australia	565	345	291
Dutch E. Indies	3,436	2,967	2,473	Straits Settlements	597	57	113
U.S.A.	4,543	1,857	2,471	Soap	5,531	7,837	17,413
Australia	1,412	1,367	880	Yen Bloc	3,727	7,302	16,989
Philippine Is.	1,991	1,130	732	Manchoukuo	2,141	3,713	7,924
Union of South Africa	1,070	663	687	China	432	1,500	5,169
Great Britain	890	963	445	Kwantung L.T.	1,154	2,090	3,896
Straits Settlements	1,337	260	412	Third Countries	1,804	535	424
Thailand	763	279	372	Straits Settlements	317	96	122
Mozambique	287	208	252	Vegetable oils	23,662	8,572	17,254
French Indo-China	234	120	147	Yen Bloc	543	936	278
New Zealand	446	462	112	Kwantung L.T.	310	431	278
Canea, Uganda & Tanganyika	258	129	102	China	159	411	—
Tea	23,181	12,063	23,463	Manchoukuo	74	94	—
Yen Bloc	478	1,356	2,716	Third Countries	23,119	7,636	16,976
Kwantung L.T.	313	489	2,716	U.S.A.	18,956	5,638	9,679
Manchoukuo	143	391	—	Germany	966	376	670
China	22	476	—	Great Britain	639	219	610
Third Countries	22,703	10,707	20,747	Hats and caps	26,337	11,092	14,327
U.S.A.	7,750	4,316	7,742	Yen Bloc	3,730	2,593	5,466
Canada	1,226	641	1,375	Manchoukuo	1,192	973	2,785
British India	862	599	322	Kwantung L.T.	655	820	1,350
Hawaii	62	74	101	China	1,884	801	1,331
Toys	42,295	24,991	22,020	Third Countries	22,607	8,498	8,860
Yen Bloc	1,200	1,322	1,784	U.S.A.	8,479	3,081	4,421
Manchoukuo	436	671	872	British India	1,736	536	643
Kwantung L.T.	426	381	464	Dutch E. Indies	693	397	419
China	339	270	449	Union of South Africa	768	401	396
Third Countries	41,095	23,668	20,236	Great Britain	1,603	429	345
U.S.A.	16,521	6,093	7,068	Australia	311	221	217
Great Britain	7,036	5,504	2,979	Mozambique	263	142	143
Australia	2,276	2,187	1,738	Clothing and accessories	15,535	10,167	11,707
British India	2,787	1,715	1,402	Yen Bloc	641	698	1,151
Canada	1,669	1,262	897	Manchoukuo	212	254	669
Dutch E. Indies	1,132	500	804	China	106	121	482
Holland	844	879	755	Kwantung L.T.	321	323	—
Union of South Africa	1,067	638	600	Third Countries	14,894	9,469	10,556
Brazil	378	331	432	U.S.A.	3,132	1,369	3,369
Philippine Is.	567	314	320	British India	4,048	3,515	2,566
Straits Settlements	631	135	214	Great Britain	827	762	529
Belgium	440	289	204	Australia	558	460	490
Egypt	366	178	182	Buttons	13,737	9,730	11,701
Argentina	562	406	104	Yen Bloc	864	1,107	1,503
New Zealand	551	434	103	China	318	380	801
Lamps & accessories	21,950	14,748	17,745	Manchoukuo	393	507	525
Yen Bloc	3,028	5,753	8,596	Kwantung L.T.	153	220	178
Kwantung L.T.	1,916	2,949	4,018	Third Countries	12,873	8,622	10,197
China	520	1,613	2,546	Great Britain	3,047	1,837	1,930
Manchoukuo	592	1,191	2,032	Holland	710	522	936
Third Countries	18,922	8,995	9,149	British India	1,432	808	826
U.S.A.	4,238	1,737	3,167	U.S.A.	575	343	739
Dutch E. Indies	1,801	811	1,028	Australia	669	516	723
British India	1,584	718	864	Dutch E. Indies	653	482	514
Great Britain	2,895	1,453	662	Argentina	620	506	469
				Belgium	680	445	413
				Germany	353	457	350

	1937	1938	1939		1937	1938	1939
Canada	116	133	189	Yen Bloc	1,275	3,568	3,716
Brazil	271	96	118	Manchoukuo	821	2,547	2,731
Cotton towels	8,935	6,961	9,835	Kwantung L.T.	235	957	930
Yen Bloc	709	894	667	China	219	64	58
Kwantung L.T.	321	357	667	Third Countries	6,817	2,753	4,012
Manchoukuo	344	442	—	Thailand	951	502	745
China	44	95	—	Dutch E. Indies	356	270	273
Third Countries	8,226	6,067	9,168	Philippine Is.	251	95	158
Union of South Africa	872	985	1,273	Canea, Uganda & Tanganyika	391	163	135
Australia	904	861	957	British India	1,610	40	126
Thailand	311	409	469	Insecticide	7,693	6,103	7,149
Dutch E. Indies	593	288	362	U.S.A.	6,879	5,275	6,247
Straits Settlements	387	100	152	Great Britain	57	80	189
Hong Kong	221	40	100	Camphor	4,774	3,723	5,868
Coal	9,927	10,147	9,665	U.S.A.	1,490	1,040	1,989
Yen Bloc	363	2,610	5,417	British India	1,447	1,405	1,923
China	290	2,514	5,417	France	269	252	244
Manchoukuo	72	96	0	Great Britain	116	45	223
Third Countries	9,564	7,537	4,248	Australia	154	135	157
Hong-Kong	3,564	3,216	2,013	Rice & paddy	2,306	2,265	5,826
Straits Settlements	3,388	1,948	1,690	Yen Bloc	601	936	1,764
French Indo-China	80	235	250	Kwantung L.T.	282	453	1,764
Rubber tyres	12,983	7,799	9,562	China	156	285	—
Yen Bloc	6,632	5,427	5,648	Manchoukuo	163	198	—
Kwantung L.T.	3,449	2,853	2,649	Third Countries	1,705	1,329	4,062
Manchoukuo	1,052	1,323	2,021	Canada	694	736	617
China	2,132	1,251	978	Hawaii	797	368	423
Third Countries	6,351	2,372	3,913	U.S.A.	89	102	205
British India	1,099	767	1,172	Fish and whale oils	15,414	7,027	5,802
Dutch E. Indies	1,503	403	488	Yen Bloc	844	663	479
Beer	5,686	10,019	8,602	China	248	43	314
Yen Bloc	3,232	8,204	6,608	Kwantung L.T.	562	578	105
China	944	6,034	5,148	Manchoukuo	34	42	—
Kwantung L.T.	1,980	1,646	1,096	Third Countries	14,570	6,364	5,323
Manchoukuo	308	525	364	U.S.A.	1,456	1,886	2,998
Third Countries	2,454	1,815	1,994	Great Britain	1,531	1,116	771
British India	753	639	787	Germany	6,314	1,857	272
Hawaii	397	380	320	Australia	254	141	139
Dutch E. Indies	126	62	119	Plaits for hat making	7,876	5,901	5,606
Beans	9,330	6,972	8,419	U.S.A.	4,780	3,640	3,743
Germany	1,700	1,808	3,150	France	643	679	335
Great Britain	4,739	2,706	2,797	Great Britain	526	402	135
Isinglass	6,761	6,201	8,144	Belgium	95	96	119
Yen Bloc	420	645	1,278	Menthol	6,116	4,381	5,313
Kwantung L.T.	216	264	626	U.S.A.	3,276	2,688	2,650
China	145	185	485	British India	656	387	981
Manchoukuo	59	196	167	Great Britain	161	218	351
Third Countries	6,341	5,556	6,866	Germany	479	289	235
U.S.A.	1,236	1,152	1,536	France	544	373	152
Great Britain	898	574	1,297	Canada	95	65	105
Germany	1,060	1,201	1,123	Brushes	6,916	4,078	5,167
France	875	601	628	Yen Bloc	499	813	1,410
Australia	188	295	444	China	119	200	723
Dutch E. Indies	533	285	417	Manchoukuo	232	412	687
Straits Settlements	286	104	130	Kwantung L.T.	148	201	—
Cotton Blankets	8,092	6,321	7,731	Third Countries	6,418	3,265	3,757
				U.S.A.	2,715	830	1,028
				Great Britain	731	497	347

	1937	1938	1939		1937	1938	1939
Holland	243	207	281	Umbrellas	3,714	1,463	1,675
Dutch E. Indies	244	228	277	Yen Bloc	168	247	415
British India	327	192	274	Manchoukuo	51	102	260
Matches	2,103	3,304	4,616	Kwantung L.T.	95	129	126
Yen Bloc	432	2,691	3,065	China	22	16	29
China	9	2,053	2,434	Third Countries	3,546	1,216	1,260
Kwantung L.T.	423	638	630	Union of South Africa	233	131	192
Third Countries	1,671	613	1,551	Waste cotton and silk	6,238	2,897	1,132
Hong Kong	574	64	186	Italy	1,567	735	116
Silk handkerchief	5,638	2,738	2,940	Yellow copper	5,899	1,812	1,089
British India	834	359	744	Yen Bloc	2,343	1,652	749
U.S.A.	1,704	667	664	Kwantung L.T.	666	1,222	439
Great Britain	809	569	403	China	1,513	83	159
Canada	148	101	143	Manchoukuo	164	346	150
Peppermint oil	2,975	2,168	2,584	Third Countries	3,556	160	340
Germany	1,133	981	963	British India	1,365	142	302
Great Britain	297	131	713				
France	876	808	461				

VALUE OF CHIEF COMMODITIES IMPORTED FROM VARIOUS COUNTRIES

Japan Proper and Karafuto							
(In ¥1,000)							
	1937	1938	1939		1937	1938	1939
Cotton & ginned cotton	851,163	436,835	462,007	Union of South Africa	82,763	4,266	1,599
Yen Bloc	23,648	71,792	46,810	Argentina	17,713	5,946	686
China	23,610	71,790	46,809	Great Britain	1,073	677	618
Manchoukuo	38	2	1	India rubber & gutta percha	99,218	51,374	57,490
Third Countries	827,515	365,043	415,197	Straits Settlements	41,566	25,184	18,999
U.S.A.	306,388	166,414	146,640	Dutch E. Indies	2,775	12,080	16,178
British India	363,635	113,331	120,997	French Indo-China	8,371	1,364	405
Egypt	58,759	27,529	37,093	Pulp for rayon	116,720	42,132	56,537
Kenya, Uganda & Tanganyika	21,529	5,218	19,144	U.S.A.	49,181	15,111	18,767
Dutch E. Indies	1,173	452	359	Norway	17,072	5,400	9,387
Beans	92,547	102,176	123,576	Finland	9,497	3,339	5,776
Yen Bloc	88,777	101,744	122,956	Sweden	26,993	6,276	4,191
Manchoukuo	84,708	98,641	119,829	Canada	12,619	5,046	2,034
China	3,635	2,184	2,515	Hemp, jute & Manila hemp	40,995	27,306	38,266
Kwantung L.T.	435	918	612	Yen Bloc	6,400	8,703	20,502
Third Countries	3,770	432	620	Manchoukuo	1,273	5,587	11,363
Dutch E. Indies	220	53	116	China	5,127	3,116	9,139
British India	3,234	72	105	Third Countries	34,594	18,602	17,764
Coal	59,224	67,217	78,364	Philippine Is.	23,224	11,887	10,550
Yen Bloc	46,297	55,059	64,963	British India	8,344	3,768	5,766
China	16,279	26,877	48,553	Dutch E. Indies	1,279	399	264
Manchoukuo	29,958	27,951	16,393	Lumber	64,817	28,178	32,320
Kwantung L.T.	60	231	16	Yen Bloc	1,486	1,590	1,381
Third Countries	12,927	12,159	13,400	Manchoukuo	660	1,294	783
French Indo-China	12,832	12,108	13,306	China	826	289	598
Wool	298,407	94,426	72,590	Kwantung L.T.	1	8	—
Yen Bloc	908	5,809	12,802	Third Countries	63,331	26,588	30,944
China	382	3,327	11,163	Philippine Is.	11,260	6,695	10,366
Manchoukuo	527	2,478	1,639	U.S.A.	30,077	9,770	9,448
Third Countries	297,498	88,617	59,788	Canada	11,517	3,803	5,171
Australia	118,196	64,882	51,428				
New Zealand	42,822	8,272	4,351				

	1937	1938	1939
British Borneo	3,197	1,980	2,159
Dutch E. Indies	2,477	2,282	1,793
Thailand	3,102	1,236	1,083
Seeds for oil			
making	43,612	28,790	31,982
Yen Bloc	33,306	24,065	27,832
Manchoukuo	19,206	17,069	25,469
China	14,093	6,963	2,249
Kwantung L.T.	7	33	113
Third Countries	10,306	4,725	4,150
British India	2,459	161	1,256
Dutch E. Indies	5,062	2,268	1,208
Hides & skins	44,571	27,826	30,573
Yen Bloc	11,307	4,672	13,497
China	10,070	3,083	13,248
Manchoukuo	1,039	1,564	249
Third Countries	33,265	23,154	17,077
U.S.A.	9,396	10,954	8,668
Australia	5,023	1,265	2,316
Argentina	5,871	6,883	1,877
France	835	378	349
Phosphorite	30,910	19,281	25,412
U.S.A.	7,760	4,725	7,370
Egypt	10,022	5,879	5,966
Straits Settlements	4,186	4,148	3,965
Oil cakes	45,310	60,112	104,639
Yen Bloc	42,675	59,958	104,639
Manchoukuo	29,662	49,946	83,686
Kwantung L.T.	6,870	8,056	15,359
China	6,143	1,957	5,594
Third Countries	2,635	154	0
Wheat bran	10,653	8,932	8,412
Yen Bloc	10,653	8,932	8,412
China	4,038	2,033	4,204
Manchoukuo	6,004	6,678	4,046
Kwantung L.T.	610	221	162
Sulphate of ammonium, crude	20,191	31,710	8,240
Yen Bloc	9,272	13,139	8,122
Kwantung L.T.	7,315	12,298	7,438
Manchoukuo	1,957	841	684
Third Countries	10,919	18,571	118
Great Britain	171	—	118
Rice & paddy	4,033	2,808	6,286
Yen Bloc	0	—	2,974
China	0	—	2,974
Third Countries	4,033	2,808	3,312
Thai-Land	3,757	2,800	3,189
British India	68	2	124
Meats	6,878	4,414	4,162
Yen Bloc	4,738	2,428	3,225
China	3,958	1,654	2,889
Manchoukuo	379	472	210
Kwantung L.T.	400	303	120
Third Countries	2,140	1,985	937
Wheat	29,604	9,557	4,090
Yen Bloc	2,139	2,633	2,603
China	178	442	2,601
Manchoukuo	1,961	2,191	2
Third Countries	27,465	6,924	1,487

	1937	1938	1939
Australia	15,623	4,008	230
Synthetic colors	16,928	2,838	3,507
Germany	12,313	1,711	1,873
Sweden	2,227	477	694
U.S.A.	1,932	355	538
France	418	261	353
Nitrate of soda,			
crude	3,630	2,558	2,865
Chile	3,032	2,272	2,554
U.S.A.	438	18	310
Caustic soda,			
soda ash and			
natural soda	6,534	1,973	2,246
Yen Bloc	186	210	673
China	177	0	486
Manchoukuo	9	210	187
Third Countries	6,348	1,763	1,573
Electric motors			
& transformers	1,841	2,766	2,184
U.S.A.	980	1,869	1,764
Germany	694	715	253
Sweden	125	59	106
Leather	7,520	1,875	1,695
U.S.A.	1,061	175	142
British India	3,436	1,088	136
Watches & parts	5,645	2,893	562
Switzerland	4,319	2,448	517
Sugar	18,806	5,241	140
Dutch E. Indies	17,724	5,189	132
Fats	1,949	431	117
Australia	1,147	301	117
Woollen tissues	9,292	2,724	63
Italy	12	26	44
Great Britain	8,971	2,613	3
Cotton tissues	793	236	48
Yen Bloc	2	0	44
China	2	0	44
Third Countries	791	236	4
Great Britain	624	177	3
Printing paper	9,171	718	8
Germany	282	87	4
Canada	6,658	360	—
Norway	657	173	—

Important Foreign Trade Countries

Great Britain Early in the Meiji Era Great Britain, China, the United States and France were the most important countries for Japan's export trade. In the import trade Great Britain, China, France and the United States were the principal countries, in that order. With a rapid gain in the export of raw silk in 1879, the importance of export countries was changed to the United States, China, France and Great Britain. As a result of the development of the so-called new order in East Asia in recent years, the largest buyers of Japanese goods in 1939 came to be the United

States, Manchoukuo, China, British India, Netherlands East Indies and Great Britain in the order named. A change came over the precedence in import countries in 1893 and British India became the largest exporting country to Japan, being followed by Great Britain, the United States and China in that order. This was due to the rapid growth of the Japanese spinning industry, for which Indian cotton was needed. But in 1930 British India became the fourth, biggest sellers being the United States, Manchoukuo, China, British India, Germany and Canada in the order named. Great Britain occupies the 16th place. When British India is included, however, she stands next to the U.S.A. both in buying Japanese commodities and in selling her goods to Japan among third Powers.

The U.S.A. America's economic condition and her financial and tariff policy have a direct bearing on Japan's export trade and domestic economy, for Japan's trade with the United States is far in excess of that with any other country. The close Japan-American trade relations trace back to the visit of Commodore Matthew Perry to Japan in the 6th year of Kaei, 1853. In the early stage the trade volume was less than that of Great Britain and France, but in 1879 Japan's exports to that country gained to more than ¥10,000,000, and America became Japan's largest customer, a position she has since retained. In 1904 Japan's exports to America reached the ¥100,000,000 mark; in 1915 they amounted to ¥204,000,000, in 1919 to ¥828,000,000, and the record amount was ¥1,006,000,000 in 1925. In the following year the amount went off to ¥860,000,000, but this, as compared with the exports of ¥4,000,000 in 1874, was an increase by 215 times and was 40 per cent of Japan's total trade volume. Raw silk, silk textiles, refined tea, straw-braid, fancy mats and porcelain have been the principal exports from the very beginning. Imports from America increased in consonance with exports. In 1874 the value of imports was just over ¥1,000,000, but by 1905 this had advanced to ¥100,000,000, and in 1920 the amount set an all-time record of ¥873,000,000. The 1926 figure of ¥680,000,000 was 680 times the 1874 trade volume and was 20 per cent of Japan's total import value of that year. Imports from America consist of raw cotton, kerosene oil, wheat, machin-

ery and iron. The most unique feature of the Japan-American trade in the past 68 years was that the trade balance was mostly in favor of Japan up to 1931. But a change came in 1932 and since that year the trade relations have shown a continuous unfavorable balance to Japan. In 1939 the total volume of Japan-American trade comprised 25.3 per cent of the total of Japan's foreign trade in that year.

China It is only natural that Japan, with its close proximity to China, should look to that country with its population of 400,000,000 persons and rich in natural resources as a market for its products and manufactures as well as for supplies of materials for its industries. The friction between this uncontrollable demand of Japan and the growing racial consciousness of the Chinese, however, brought about various political differences, and finally led to the Sino-Japanese War of 1894, the Manchurian Incident of 1931 and the Shanghai Affair of 1932. Boycotts of Japanese goods have been frequent.

Notwithstanding these political obstacles, the trade between the two countries steadily progressed and in 1925 the trade total reached the record amount of ¥701,000,000 including ¥486,000,000 in exports and ¥215,000,000 in imports, as viewed from the Japanese side. China thus became the second largest market for Japanese goods, the development of China as an important market for Japanese goods, as achieved by that time, may be illustrated by the following table:

CHINA'S SHARE IN JAPAN'S FOREIGN TRADE

	Proportion of Exports to China to Total Exports	Proportion of Imports from China to Total Imports
1894	8.0	9.9
1908	16.0	11.7
1912	21.8	8.9
1916	17.1	14.4
1921	22.9	11.9
1926	20.6	10.1

A strong anti-Japanese sentiment began to sweep China about this time and trade began to fall off until it reached its climax after the northern expedition of the Nationalist armies in 1930. An illustration of these changes may be obtained from the following table:—

	Exports to China	Imports from China
	(In yen)	
1926	421,861,000	239,410,000
1927	334,183,000	226,034,000
1928	373,141,000	234,556,000
1929	346,652,000	209,975,000
1930	260,825,000	161,666,000
1931	143,876,000	103,749,000

Even in 1930 when the northern expedition ended in success for the Nanking Government and the movement of the Chinese for their racial resuscitation was at its zenith, Asia still held an important position as a market for Japan's principal manufactures, chiefly cotton goods, consuming 42.6 per cent of Japan's total exports of this kind. In this consumption, China and the Kwantung Leased Territory and Hong Kong shared 24.7 per cent. Furthermore, almost all the remainder consumed in other parts of Asia was handled by Chinese traders.

The Manchurian Incident, 1931, enabled Japan to get the lion's share in the foreign trade of Manchoukuo, about 71 per cent in the imports of the new State during 1935 and 51 per cent in the exports during the same year, but on the other hand, combined with the Shanghai Affair, it intensified the anti-Japanese movement in China. Increases

in China's tariffs on Japanese goods were also effected in rapid succession, thus dealing a great blow to Japan's trade with China and at the same time, furnishing a chance for the United States, Great Britain and Germany to recover their commercial influence of former years in that country. But the trade relation is improving since 1936 with the increase of Japanese influence in that country as a consequence of the China Affair. In 1939 it regained a normal status, indicating a rapid progress of the new order in East Asia.

TRADE WITH CHINA AFTER THE MANCHURIAN INCIDENT

(In ¥1,000)

	Export	Import	Balance
1932	129,478	77,175	52,303
1933	108,253	113,357	5,104*
1934	117,062	119,573	2,511*
1935	148,788	138,817	14,971
1936	159,690	154,837	4,853
1937	179,251	143,636	35,615
1938	312,900	164,011	148,289
1939	455,479	215,062	239,817

Note: The figures with asterisk under the heading of "Balance" denote excess of import while others denote excess of export.

For details see the chapter on China.

AMOUNT OF EXPORTS TO VARIOUS COUNTRIES

(In ¥1,000)

	1935	1936	1937	1938	1939
Yen Bloc	575,102	657,715	791,259	1,156,540	1,747,103
Kwantung L.T.	300,269	347,165	395,916	536,317	755,943
Manchoukuo	126,045	150,859	216,092	316,322	535,681
China	148,788	159,691	179,251	312,900	455,479
Third Countries			2,384,159	1,524,137	1,829,267
U.S.A.	535,515	594,251	639,428	425,123	641,509
British India	275,637	259,108	299,367	188,040	210,995
Dutch East Indies	143,041	129,495	200,051	104,045	137,802
Great Britain	119,458	147,309	168,297	134,988	132,085
Australia	74,793	68,763	72,080	69,388	72,101
Union of South Africa	32,769	41,534	53,749	35,291	46,802
Hong Kong	49,731	58,445	49,650	16,754	30,578
Thailand	40,258	43,028	49,382	39,269	26,024
France	42,467	43,475	47,208	36,814	25,934
Germany	26,766	35,054	43,261	33,015	24,991
Philippine Islands	48,058	51,840	60,348	32,599	24,744
Iraq	22,073	19,019	23,644	17,082	24,344
Kenya, Uganda and Tanganyika	25,083	30,602	40,122	22,504	22,874
Burma	—	—	—	16,302	21,555
French Morocco	18,813	20,512	18,283	18,727	20,593
Straits Settlements	48,536	58,770	67,433	20,696	20,426

	1935	1936	1937	1938	1939
Iran	—	—	2,630	4,632	19,324
Canada	7,977	14,553	20,036	15,244	17,202
Syria	12,559	13,078	19,250	12,539	15,987
Egypt	53,800	40,907	32,772	13,997	15,666
Brazil	5,925	8,840	17,305	10,388	15,609
Ceylon	11,887	13,840	18,656	14,620	14,544
Chile	6,647	7,426	10,742	6,129	14,010
New Zealand	11,304	16,740	19,358	14,808	12,277
Holland	—	—	18,440	11,474	11,706
Mozambique	10,752	10,860	16,055	9,830	10,665
Belgium and Luxemburg	15,393	16,230	20,650	10,151	10,476
Aden	13,208	13,851	14,177	8,534	10,002
Sweden	6,784	8,821	11,545	8,277	9,314
Anglo-Egyptian Sudan	13,034	11,915	15,811	11,895	8,923
Hawaii	7,242	9,299	11,155	9,774	8,627
Belgian Congo	1,720	7,649	16,474	6,927	8,593
Argentina	28,603	22,712	42,481	19,607	8,152
Panama	6,150	9,546	10,248	6,227	8,103
Venezuela	3,565	7,814	9,139	5,480	7,984
Mexico	5,464	7,190	14,622	5,317	7,940
Curacao	—	—	5,527	5,425	7,624
Peru	6,961	6,256	6,344	5,760	6,084
Italy	6,988	4,468	7,111	3,256	5,719
Honduras	—	—	3,203	1,783	4,916
Norway	4,482	6,172	8,901	4,561	4,845
Dominica	—	—	5,602	2,325	3,945
Uruguay	5,676	7,891	10,106	3,988	3,771
Arabia	—	—	4,827	4,979	3,748
Palestina	8,400	5,377	5,745	3,087	3,514
Paraguay	—	—	4,665	1,837	3,454
Switzerland	—	—	2,149	1,200	3,197
Ecuador	—	—	—	1,023	3,171
Nigeria	4,737	7,011	14,683	4,084	2,955
Cameroons	—	—	5,662	1,637	2,837
Bolivia	—	—	2,550	3,874	2,492
Costa Rica	—	—	2,911	2,134	2,054
Gold Coast	—	—	6,766	2,121	2,026
Porto Rico	—	—	2,554	363	2,018
British Malay	—	—	3,866	2,181	2,004
French Indo-China	4,020	—	4,624	3,182	1,981
Barren Islands	—	—	1,897	1,812	1,954
Trinidad and Tobago	—	—	1,684	1,362	1,731
Denmark	1,359	—	1,899	1,361	1,711
French Africa	—	—	—	1,387	1,619
Finland	—	—	6,001	3,684	1,585
Gibraltar	—	—	2,257	1,842	1,488
Cuba	5,047	—	2,016	1,347	1,370
Portugal	1,062	—	1,519	1,225	1,252
Dutch Guiana	—	—	904	1,131	1,244
Jamaica	—	—	1,675	920	1,177
Eritrea	—	—	6	1,402	1,105
Angola	—	—	1,985	1,027	1,060
Marta	—	—	1,490	1,463	1,056
Rhodesia	—	—	697	641	994
British Borneo	—	—	1,041	950	959
New Guiana	—	—	1,321	700	936

AMOUNT OF IMPORTS FROM VARIOUS COUNTRIES

(In ¥1,000)

	1935	1936	1937	1938	1939
Yen Bloc	350,339	394,253	437,905	564,206	682,973
Manchoukuo	191,005	205,567	249,071	339,271	405,561
China	133,817	154,838	143,636	164,612	215,602
Kwantung L.T.	25,517	33,848	45,198	60,323	61,750
Third Countries			3,345,272	2,099,234	2,234,693
U.S.A.	809,644	847,490	1,269,642	915,300	1,002,384
British India	305,646	372,009	449,486	172,231	182,263
Germany	120,817	115,500	176,363	171,170	141,003
Canada	52,531	73,179	104,692	91,260	126,022
Brazil	4,006	47,352	62,810	46,174	74,662
Dutch East Indies	78,186	113,546	153,450	88,249	71,629
Australia			165,252	82,875	71,026
British Malaya	28,495	39,125	47,795	46,801	69,006
Egypt	51,304	45,737	74,118	36,315	50,312
Philippine Islands	23,948	36,266	45,194	35,630	49,117
Straits Settlements	40,647	41,174	67,796	54,167	46,833
French Indo-China	15,011	20,155	27,012	20,301	20,651
Sweden	23,074	23,109	49,277	24,069	26,277
Great Britain	82,160	72,942	105,772	63,157	24,426
Norway	19,940	17,853	24,033	15,719	21,809
Kenya, Uganda and Tanganyika	2,955	29,865	24,155	6,020	19,090
Belgium and Luxemburg	24,562	16,019	41,059	15,441	19,028
Switzerland	13,455	14,000	19,239	30,198	16,656
Austria	4,409	4,263	9,104	10,271	15,309
Burma	—	—	—	8,185	15,065
France	19,798	19,898	27,885	13,506	14,264
Argentina	16,370	29,989	42,018	24,356	11,860
British Borneo	—	—	18,776	13,832	11,354
Chile	4,472	9,953	14,719	11,152	10,230
Union of South Africa	4,762	22,561	88,852	7,807	8,249
Italy	5,831	3,766	4,416	5,843	7,062
Peru	11,414	13,000	6,277	1,975	6,956
Iran	—	—	1,589	369	6,587
Finland	5,053	6,576	9,643	3,472	5,828
Thailand	5,458	8,753	13,571	4,951	5,536
New Zealand	6,363	21,973	48,633	10,210	5,396
Ceylon	—	—	4,077	2,297	4,194
Eritrea	—	—	1,879	2,270	3,995
Ecuador	—	—	1,725	539	3,938
Society Islands	3,279	3,444	3,239	859	3,809
Iraq	1,258	2,882	9,028	6,114	3,691
Uruguay	4,494	9,528	33,926	4,158	3,398
Spain	4,548	2,147	2,432	614	2,890
New Caledonia	—	—	947	952	2,883
Anglo-Egyptian Sudan	—	—	5,858	435	2,780
Gilbert and Ellis	—	—	3,053	1,981	2,746
Italian Somaliland	2,357	2,879	2,608	3,216	2,341
Denmark	—	—	1,449	1,232	2,339
Aden	—	—	1,357	547	2,292
Paraguay	—	—	163	17	2,218
Greece	—	—	603	1,096	2,106
Turkey	—	—	2,818	3,712	2,018
Bolivia	—	—	—	425	1,968

FOREIGN TRADE DURING THE FIRST HALF OF 1940

According to the report of the Finance Ministry the export trade for the first half of this year aggregated ¥2,018,980,000 and imports ¥1,856,729,000, with a favorable balance of ¥162,251,000. The figures indicate a gain of ¥403,446,000 or 25 per cent and ¥266,577,000 or 17 per cent in comparison with the corresponding period of 1939. The favorable balance is more than six times the corresponding figure for a year ago, showing an amazing improvement.

Marked advance was witnessed in exports to the yen-bloc area despite various stumbling blocks, including limitation on export to these areas applied to various kinds of goods. Exports of lumber, rayon yarns, pottery and machinery continued to quicken its upward pace. As to the outgoing shipments to

the non-yen bloc area, considerable briskness was made in cotton textiles, raw silk, silk textiles, woolen textiles, canned or bottled provisions, and rayon yarns.

According to the foreign trade experts, however, the jumping export business is interpreted as being attributable to the advanced prices.

Gain in quantity are far the less remarkable. Shipments of raw silk, for instance, suffered a drastic reduction of 31 per cent from a year ago, but made an appreciable increase of 16 per cent in value. The tendency is being solely attributed to the fact that the raw silk prices have been kept in the neighborhood of ¥1,736 in 1940 as against ¥1,032 per picul in 1939, a striking advance of 67 per cent.

VALUE OF FOREIGN TRADE OF THE EMPIRE DURING THE FIRST HALF OF 1940

(Including trade of overseas territories)

(In ¥1,000)

	Exports	Imports	Excess of Exports
Jan.-June, 1940	2,018,980	1,856,729	162,250
Increase over the same term of the previous year	403,450	266,577	25,372

VALUE OF FOREIGN TRADE OF JAPAN PROPER AND KARAFUTO

(In the same period)

(In ¥1,000)

	Total from January to June	Increase as Compared with the Same Term of the Previous Year	
		Amount	Percentage
Exports	1,862,258	407,853	28
Imports	1,712,730	234,350	16
Excess of Imports (—) or Exports (+)	(+) 149,528	(—) 23,975	

EXPORTS OF CHIEF COMMODITIES

(Japan Proper and Karafuto)

(In ¥1,000)

	1940, from January to June	Increase or Decrease as compared with the Previous Year	
		Amount	Percentage
Cotton tissues	200,988	18,006	9
Raw silk: Value	193,618	26,997	16

FOREIGN TRADE

Quantity	1940, from January to June	Increase or Decrease as compared with the Previous Year	
		Amount (—) 5,007,300 kin	Percentage (—) 31
Rayon tissues	66,318	4,169	7
Machineries	122,213	20,166	20
Comestibles in tin and bottle	42,061	88	1
Silk tissues	21,716	2,291	12
Knitted goods	19,917	1,301	6
Woollen tissues	21,728	(—) 6,271	(—) 23
Potteries and porcelains	31,172	11,455	58
Cotton yarns	26,264	(—) 4,201	(—) 14
Toys	9,198	(—) 138	(—) 1
Rayon yarns	32,810	21,399	188
Lumber	72,319	27,704	62
Others	1,002,956	285,025	40
Total	1,863,189	407,784	28

FOREIGN TRADE OF THE EMPIRE IN 1940

According to the report of the Finance Ministry, exports to Manchoukuo, the Kwantung Leased Territory and China during the twelve months of 1940 showed an appreciable increase over 1939, while those to other countries also more or less increased. Because of the second European war and other reasons, exports to Europe and Africa were behind in 1939. Exports to North and

Central America were, on the whole, on a par with 1939, but shipments to South America and the South Sea regions showed a striking increase. Exports valued at 3,972 million yen, increased one per cent and imports valued at 3,709 million yen increased 19 per cent over 1939, leaving an export excess of 263 million yen, as divided into each month as follows:

MONTHLY TRADE DURING 1940

(Unit: ¥1,000)

Month	Exports	Imports	Total	Excess of Imports(—) or Exports(+)
January	236,425	279,754	516,179	— 43,329
February	314,409	331,847	646,257	— 17,438
March	368,080	379,847	747,927	— 11,767
April	352,743	296,812	649,556	+ 55,931
May	403,801	300,601	704,402	+103,201
June	344,655	267,586	612,240	+ 77,070
July	359,169	281,943	641,112	+ 77,226
August	317,226	286,386	603,612	+ 30,840
September	277,203	281,614	558,817	— 4,412
October	316,567	314,734	631,301	+ 1,833
November	330,580	308,128	638,708	+ 22,452
December	351,546	379,784	736,000	— 26,000
Total (as adjusted for the year)	3,972,400	3,709,035	7,681,436	+263,365

CHAPTER XII

INSURANCE



MARINE & FIRE INSURANCE CO., LTD.

FOUNDED 1879

**Marine, Transport, Fire, Automobile, Accident,
Burglary, Plate Glass, Aviation,
Flood and Storm**

CAPITAL ¥ 75,000,000

PAID-UP ¥ 55,000,000

President:

S. SUZUKI

HEAD OFFICE:

TOKIO KAIJO BLDG., MARUNOUCHI, TOKYO

Branches:

Osaka, Kobe, Yokohama, Nagoya, Fukuoka,
Hsinking and Shanghai

Agencies:

Throughout the Empire of Japan
and in All Principal Foreign Cities

CHAPTER XII

INSURANCE

General Survey

Marine Insurance Comes First In Japan, as in most maritime countries, marine insurance preceded life insurance, but the margin of time separating the two was much narrower in Japan, for there was a difference of two years only. Following the Restoration in 1868, the feudal lords or daimyo were dispossessed of their domains, but the Meiji Government undertook to compensate them for the lands confiscated. The condition of Government finance, however, did not permit of the payment of large sums of cash to the daimyo and pension bonds were issued to them instead. Hachisuka, Ikeda, Daté and other powerful and rich lords searched for an outlet for their energies and surplus funds and, deciding on insurance, advanced a plan to form a marine and fire insurance business after the British system. A company was incorporated in Tokyo in January 1879, with Eichi Shibusawa as the person most intimately concerned with the consummation of the plan, and Yataro Iwasaki, the founder of the Mitsubishi interest, as his able lieutenant. The initial capital was ¥650,000. Marquis Hachisuka was president and Shibusawa and Iwasaki advisers.

Life Insurance Follows The late Tai-
zo Abé was the originator of life insurance in Japan. Two years after the introduction of marine insurance he founded the Meiji Life Insurance Com-

pany in September 1881, with a capital of ¥150,000. The promoters of this company were mostly graduates of the Kelo Gijuku (present Kelo University). In 1888 the Teikoku Life Insurance Company was founded, and the Nippon Life Insurance Company was incorporated in Osaka in the following year. Zenjiro Yasuda was the founder of the Meiji Fire Insurance Company, the first of the kind in Japan.

The Present Status The home insurance business at present consists of 13 kinds, namely, life, life annuities, military conscription, accident, marine, fire including forest fire, transportation, automobile, burglary, glass, fidelity, engine and boiler and air insurance. Conscription insurance is interesting as it cannot be considered as pure insurance. The idea is to provide relief to the parents of young men who are called up to serve their time in the army. The insurance is taken out at any time from birth to 15 years of age, then, when the boy is conscripted at 20 years of age, the sum contracted for is paid to his parents. In case the boy is not called upon to serve his time in the army the premium only is repaid, and the assured persons who are enrolled in the army and participate in the forfeited and accrued interest of those not called up together with that of those who have died before being conscripted. It is 40 years since the business was first commenced and four companies engage in it.

INSURANCE COMPANIES

(Compiled by the Ministry of Commerce and Industry)

Business Year	Number of Concerns	Paid-up Capital and Funds	Liability Reserves at End of Year	Contracts in Force at End of Year	
				No.	Amount
		(In ¥1,000 and 1,000 contracts)			
1931-32	91	122,170	1,637,178	22,693	27,649,633
1932-33	89	122,570	1,831,610	23,123	29,427,346
1933-34	84	150,925	1,985,929	25,443	33,108,786
1934-35	84	151,275	2,350,077	26,480	34,902,161
1935-36	83	150,273	2,442,402	28,599	37,480,869
1936-37	81	149,335	2,788,621	30,882	39,877,588
1937-38	81	149,735	3,093,085	31,917	43,170,731
1938-39	80	144,435	3,504,383	37,702	50,124,438
1939-40	79	348,860	3,530,132	41,855	55,378,774

INSURANCE

Kind of Insurance	Business Year	Conditions of Business Earnings			Total	
		Premiums	Interest	Others		
Engine & Boiler:						
	1934-35	88,116	10,107	10,680	108,903	
	1935-36	99,458	10,952	8,480	118,890	
	1936-37	114,608	13,506	42,654	170,768	
	1937-38	125,768	11,865	14,039	151,672	
	1938-39	141,619	11,303	6,607	159,529	
Automobile:						
	1934-35	1,984,624	5,791	24,221	2,014,636	
	1935-36	2,675,503	60	35,198	2,710,761	
	1936-37	3,030,928	—	35,416	3,066,344	
	1937-38	3,446,369	—	38,084	3,484,453	
	1938-39	3,408,756	—	56,205	3,464,961	
Burglary:						
	1934-35	60,119	—	3,031	63,150	
	1935-36	73,219	—	1,303	74,522	
	1936-37	65,215	—	2,149	67,364	
	1937-38	46,088	—	2,412	48,500	
	1938-39	54,984	—	1,876	56,860	
Glass:						
	1934-35	11,825	—	877	12,702	
	1935-36	12,925	—	1,371	14,296	
	1936-37	11,295	—	1,480	12,775	
	1937-38	15,906	—	2,058	17,964	
	1938-39	18,580	—	2,701	21,281	
Air:						
	1937-38	10,250	—	58	10,308	
	1938-39	303,643	—	2,313	305,956	
Life:						
	1934-35	419,803,582	101,842,188	31,067,876	553,713,646	
	1935-36	449,716,033	110,642,695	27,523,541	587,864,269	
	1936-37	519,508,056	120,886,258	40,677,759	681,072,073	
	1937-38	594,410,101	136,185,764	39,875,260	770,471,125	
	1938-39	700,901,524	151,816,801	40,186,330	892,904,655	
Conscription:						
	1934-35	30,471,839	12,283,255	8,145,974	50,851,068	
	1935-36	34,503,310	14,379,890	7,205,263	56,088,463	
	1936-37	41,712,449	15,772,258	6,229,088	63,713,795	
	1937-38	49,779,269	18,399,985	6,831,729	75,010,983	
	1938-39	22,594,861	22,594,861	11,188,418	56,378,140	
Life Annuity:						
	1934-35	14,140	—	—	14,140	
	1935-36	13,626	—	—	13,626	
	1936-37	12,646	—	—	12,646	
	1937-38	9,173	—	—	9,173	
	1938-39	5,000	—	—	5,000	
Kind of Insurance	Business Year	Conditions of Business Expenses			Total	
		Claims Paid	Payment by Contract Other than Claims	Business Expenses		Others
Accident:						
	1934-35	547,659	80,880	337,063	64,459	1,030,061
	1935-36	613,722	28,527	391,090	29,474	1,062,813
	1936-37	596,722	76,218	370,327	22,784	1,066,051
	1937-38	566,156	53,599	371,145	37,921	1,028,821
	1938-39	577,623	38,423	411,936	7,999	1,035,981

BUSINESS CONDITIONS

Kind of Insurance	Business Year	Conditions of Business Expenses				Total
		Claims Paid	Payment by Contract Other than Claims	Business Expenses	Others	
Fire:						
	1934-35	41,534,912	11,834,873	57,592,514	5,862,325	116,824,624
	1935-36	32,184,327	13,709,218	61,210,976	5,999,436	113,103,957
	1936-37	30,073,003	14,276,932	63,721,188	6,334,542	114,405,665
	1937-38	25,944,771	15,592,563	69,082,276	7,426,040	118,045,590
	1938-39	30,441,257	16,821,796	78,896,218	11,429,680	137,588,951
Marine:						
	1934-35	24,243,554	2,360,659	7,497,025	5,596,146	39,697,384
	1935-36	23,137,480	2,676,831	8,497,886	5,841,181	40,153,378
	1936-37	20,402,964	2,538,977	8,852,945	7,031,607	38,826,493
	1937-38	21,576,081	3,785,595	10,241,525	11,074,660	46,677,867
	1938-39	30,367,256	2,948,279	12,774,359	18,189,245	64,279,139
Transportation:						
	1934-35	336,789	118,777	241,623	8,572	705,761
	1935-36	254,156	121,637	279,620	4,958	660,371
	1936-37	180,859	142,133	303,106	31,830	657,928
	1937-38	254,329	165,385	331,166	8,893	760,773
	1938-39	351,733	220,547	444,291	22,259	1,038,830
Fidelity:						
	1934-35	21,600	976	26,256	125	48,960
	1935-36	28,382	1,100	29,601	173	59,256
	1936-37	25,091	4,837	34,583	194	64,705
	1937-38	15,062	8,053	38,750	577	62,442
	1938-39	21,529	9,113	37,306	208	68,156
Engine & Boiler:						
	1934-35	—	390	80,905	5,720	87,015
	1935-36	—	735	84,428	7,446	92,609
	1936-37	525	530	90,057	42,960	134,072
	1937-38	1,550	1,174	100,193	18,112	121,029
	1938-39	557	2,259	109,224	10,344	122,384
Automobile:						
	1934-35	877,095	293,041	554,454	20,751	1,745,341
	1935-36	983,425	393,349	781,127	59,058	2,216,959
	1936-37	1,076,888	473,007	876,753	50,505	2,477,153
	1937-38	1,376,661	551,583	1,007,451	13,394	2,949,089
	1938-39	1,376,803	535,651	1,057,832	12,051	2,989,337
Burglary:						
	1934-35	18,176	1,299	24,185	169	43,829
	1935-36	29,814	2,737	28,952	1,685	63,138
	1936-37	17,988	4,721	23,579	3,332	49,620
	1937-38	14,007	11,938	14,862	593	41,400
	1938-39	17,320	4,954	19,371	523	42,168
Glass:						
	1934-35	5,139	561	2,929	15	8,644
	1935-36	5,111	929	4,076	40	10,156
	1936-37	6,430	493	3,441	39	10,403
	1937-38	6,217	1,611	4,584	22	12,434
	1938-39	7,986	2,072	5,242	28	15,328
Air:						
	1937-38	21,901	31	1,109	2	23,243
	1938-39	174,972	1,243	18,642	9,144	204,001
Life:						
	1934-35	139,890,791	91,552,425	96,970,690	27,910,235	356,324,141
	1935-36	143,817,994	68,480,705	102,427,574	30,667,198	345,393,471
	1936-37	167,531,843	71,344,489	108,933,815	38,718,528	386,528,675
	1937-38	192,705,499	75,855,960	122,001,416	40,212,825	430,775,700
	1938-39	243,313,700	80,860,924	136,431,903	60,575,600	521,182,129

Kind of Insurance	Business Year	Claims Total	Payment by Contract Other than Claims	Business Expenses	Others	Total
Conscription:						
	1934-35	2,283,129	6,684,205	13,547,886	5,028,983	27,544,203
	1935-36	2,802,208	7,024,635	13,409,799	6,985,700	30,221,712
	1936-37	4,058,583	7,826,972	15,945,841	4,515,734	32,347,130
	1937-38	4,262,315	7,700,177	17,713,749	6,426,046	36,102,287
	1938-39	6,482,120	7,838,941	22,340,422	14,874,626	51,536,109

Kind of Insurance	Business Year	Claims Total	Payment by Contract Other than Claims	Business Expenses	Others	Total
Life Annuity:						
	1934-35	1,432	28	—	—	1,460
	1935-36	3,480	—	—	—	3,480
	1936-37	4,476	—	—	—	4,476
	1937-38	6,391	—	—	—	6,391
	1938-39	5,309	—	—	—	5,309

Conditions of Business

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Accident:					
	1934-35	186,198	204,813,000	174,057	160,728,000
	1935-36	178,675	243,433,000	162,173	182,989,000
	1936-37	165,477	263,794,000	134,696	179,284,000
	1937-38	141,686	276,290,000	119,073	194,971,000
	1938-39	161,587	306,490,000	133,745	217,008,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Fire:					
	1934-35	20,856,048	28,678,717,000	17,064,927	21,321,758,000
	1935-36	21,314,830	29,742,490,000	18,023,182	22,223,679,000
	1936-37	21,301,471	30,041,467,000	18,305,746	22,286,504,000
	1937-38	21,378,750	31,860,709,000	18,042,103	22,790,755,000
	1938-39	25,580,648	35,667,513,000	21,831,149	26,054,153,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Marine:					
	1934-35	5,983,524	9,676,112,000	975,081	2,056,947,000
	1935-36	6,470,590	10,543,046,000	1,088,088	2,079,711,000
	1936-37	6,838,623	10,906,507,000	1,270,885	2,387,322,000
	1937-38	6,793,531	13,326,855,000	1,284,529	2,865,262,000
	1938-39	7,182,396	14,434,316,000	1,599,168	3,447,604,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Transportation:					
	1934-35	1,921,886	6,067,066,000	96,020	295,399,000
	1935-36	2,068,014	6,688,453,000	99,010	347,746,000
	1936-37	2,228,642	7,506,516,000	119,224	438,599,000
	1937-38	2,484,973	7,774,507,000	116,442	476,016,000
	1938-39	3,571,411	9,104,245,000	99,853	586,365,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Fidelity:					
	1934-35	4,123	6,734,000	3,883	6,124,000
	1935-36	4,416	7,385,000	4,285	7,126,000
	1936-37	4,323	8,545,000	4,125	7,855,000
	1937-38	4,671	9,404,000	4,371	8,478,000
	1938-39	5,054	10,912,000	4,775	8,620,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Engine & Boiler					
	1934-35	1,302	4,455,000	1,288	4,313,000
	1935-36	1,534	4,770,000	1,502	4,713,000
	1936-37	1,848	5,643,000	1,786	5,353,000
	1937-38	2,091	6,135,000	2,060	6,064,000
	1938-39	2,576	7,883,000	2,307	7,011,000

Kind of Insurance	Business Year	New Contracts		Contracts in Force at the End of Business Year	
		Number	Amount	Number	Amount
Automobile:					
	1934-35	100,792	95,712,000	60,474	63,088,000
	1935-36	271,115	128,996,000	184,896	85,428,000
	1936-37	164,382	142,758,000	120,243	98,440,000
	1937-38	179,741	153,713,000	138,996	110,464,000
	1938-39	201,062	165,408,000	151,846	122,226,000
Burglary:					
	1934-35	4,596	12,100,000	3,829	9,537,000
	1935-36	5,588	15,793,000	4,852	13,518,000
	1936-37	7,421	22,580,000	6,412	19,262,000
	1937-38	3,546	9,572,000	2,761	6,348,000
	1938-39	4,982	12,078,000	3,869	8,654,000
Glass:					
	1934-35	397	199,000	391	192,000
	1935-36	471	236,000	443	219,000
	1936-37	509	225,000	472	213,000
	1937-38	546	750,000	501	280,000
	1938-39	574	353,000	538	330,000
Air:					
	1937-38	25	328,000	15	253,000
	1938-39	1,863	15,516,000	1,579	11,451,000
Life:					
	1934-35	1,286,437	2,144,302,000	6,702,346	10,049,122,000
	1935-36	1,429,087	2,443,231,000	7,486,937	11,495,614,000
	1936-37	1,627,357	2,800,491,000	9,170,139	13,247,858,000
	1937-38	1,802,630	3,169,452,000	10,232,485	15,309,734,000
	1938-39	2,209,986	3,893,526,000	11,669,164	17,977,765,000
Conscription:					
	1934-35	317,963	249,392,000	1,398,454	934,593,000
	1935-36	311,961	233,551,000	1,544,160	1,040,126,000
	1936-37	346,947	262,159,000	1,749,053	1,207,198,000
	1937-38	381,495	300,690,000	1,974,551	1,397,038,000
	1938-39	500,589	426,377,000	2,294,454	1,683,246,000
Life Annuity:					
	1934-35	4	1,663	5	2,095
	1935-36	5	1,385	10	3,480
	1936-37	2	1,661	12	5,141
	1937-38	4	811	14	5,068
	1938-39	1	593	14	5,309

Note: Business year covers the period from April 1 to March 31 of the following year. Most companies have several kinds of insurance and accordingly capital is not given here separately.

FOREIGN INSURANCE COMPANIES IN JAPAN
(Compiled by the Ministry of Commerce and Industry)
(Amount in yen)

Business Year	Number of Companies	Deposits with the Govt.	Premiums Received	Claims Paid	Business Conditions New Contracts		Contracts in Force at the End of Business Year	
					No.	Amount	No.	Amount
1932-33	3	31,708,560	12,256,409	6,065,434	3,528	17,698,000	38,957	220,780,000
1933-34	3	30,750,399	10,629,538	4,994,645	2,177	11,260,000	34,822	189,614,000
1934-35	3	30,013,250	9,367,042	4,863,891	1,919	8,960,000	31,253	162,849,000
1935-36	3	29,775,751	8,174,748	3,934,567	1,407	7,594,000	38,371	145,743,000
1936-37	3	27,832,074	7,430,965	5,590,660	1,189	5,882,000	25,840	129,688,000
1937-38	3	26,672,700	6,492,107	4,541,053	850	4,745,000	23,748	117,318,000

Fire Insurance

Business Year	Number of Companies	Deposits with the Govt.	Premiums Received	Claims Paid	Business Conditions			
					New Contracts		Contracts in Force at the End of Business Year	
					No.	Amount	No.	Amount
1932-33	26	5,126,901	4,438,087	2,519,249	201,824	1,473,093,000	143,650	918,122,000
1933-34	26	4,978,522	5,164,637	1,944,304	291,280	1,648,619,000	197,789	1,009,439,000
1934-35	26	5,240,905	6,167,260	6,879,393	363,519	2,010,920,000	237,731	1,271,407,000
1935-36	25	6,152,652	7,193,832	3,330,935	499,065	2,251,013,000	325,706	1,434,902,000
1936-37	25	6,317,095	7,081,046	4,104,787	557,341	2,404,350,000	305,216	1,307,478,000
1937-38	26	6,537,485	7,449,305	2,869,413	546,817	2,541,963,000	310,035	1,372,823,000

Marine Insurance

Business Year	Number of Companies	Deposits with the Govt.	Premiums Received	Claims Paid	Business Conditions			
					New Contracts		Contracts in Force at the End of Business Year	
					No.	Amount	No.	Amount
1932-33	16	3,757,780	1,052,831	575,059	107,901	316,005,000	16,452	46,737,000
1933-34	16	3,740,557	1,474,722	807,466	137,684	386,125,000	20,883	76,146,000
1934-35	16	4,002,939	1,833,343	2,155,218	155,613	467,512,000	22,549	92,191,000
1935-36	17	4,673,204	1,886,593	1,206,433	155,151	463,060,000	17,105	90,711,000
1936-37	17	4,796,107	1,761,142	1,028,326	169,316	445,115,000	22,346	61,183,000
1937-38	17	4,947,405	2,341,266	1,178,579	180,616	570,128,000	15,610	51,038,000

Automobile Insurance

Business Year	Number of Companies	Deposits with the Govt.	Premiums Received	Claims Paid	Business Conditions			
					New Contracts		Contracts in Force at the End of Business Year	
					No.	Amount	No.	Amount
1934-35	3	701,638	63,905	19,782	644	24,438,000	571	19,926,000
1935-36	3	877,952	80,502	29,844	753	27,488,000	586	21,461,000
1936-37	3	997,628	76,125	18,443	719	25,399,000	572	19,200,000
1937-38	3	1,333,508	74,975	21,372	646	23,724,000	561	18,096,000

INVESTMENTS OF HOME INSURANCE COMPANIES

(The Insurance Year Book by the Ministry of Commerce and Industry)

(Amount in ¥1,000)

Advances

Year	Number of Companies	Mortgages on Real Estate	Mortgages on Factories, etc.	Mortgages on Vessels	Loans on Securities	Loans on Companies' Policies	Loans to Public Bodies	Other	Total
1934-35	84	77,377	76,675	10,900	105,885	242,695	54,676	4,180	572,386
1935-36	82	70,819	83,037	10,152	112,583	257,602	109,071	7,338	650,602
1936-37	81	66,838	84,331	11,092	109,876	280,644	131,262	4,667	688,710
1937-38	81	69,714	83,703	14,641	155,124	307,969	156,821	4,008	791,781
1938-39	80	66,072	75,267	12,581	157,139	322,825	168,747	11,378	814,509
1939-40	80	58,512	72,194	9,263	226,241	323,685	164,253	18,699	872,639
1940-41	79	52,706	88,401	8,708	267,414	319,316	213,137	33,929	983,611

	Government Bonds	Local Government Bonds	Debentures	Securities		Total	Deposits with Banks	Grand Total Including Advances
				Shares	Foreign Bonds, etc.			
1934-35	177,674	101,904	564,989	594,279	49,529	1,488,375	340,372	2,401,133
1935-36	218,694	87,537	600,732	696,931	53,850	1,657,744	360,320	2,668,666
1936-37	238,291	88,375	667,748	887,565	56,412	1,938,391	350,743	2,977,844
1937-38	293,412	79,564	676,828	1,081,530	86,381	2,217,714	321,780	3,331,275
1938-39	405,521	83,492	718,410	1,273,622	53,479	2,534,524	347,053	3,349,033
1939-40	611,209	78,160	780,418	1,453,209	140,643	3,063,638	382,178	4,318,455
1940-41	1,046,541	78,484	876,245	1,664,422	257,680	3,923,372	419,259	5,326,242

Note: Figures for 1939-40 and 1940-41 are estimates.

IMPORTANT INSURANCE COMPANIES

	Est'd.		Est'd.
Aikoku Life	1896	Nippon Movables Fire	1898
Chiyoda Fire	1913	Nissan Fire and Marine	1911
Chiyoda Life	1904	Nisshin Life	1907
Daido Life	1902	Nomura Life	1895
Dai-ichi Conscripton	1898	Osaka Marine and Fire	1883
Dai-ichi Life	1902	Showa Life	1931
Fuji Life	1909	Sumitomo Life	1907
Fukoku Conscripton	1923	Taihei Fire and Marine	1919
Fukuju Life	1908	Taihei Life	1909
Fukutoku Life	1912	Taisho Life	1913
Fuso Marine and Fire	1917	Taisho Marine and Fire	1918
Japan Physicians' Mutual Relief	1919	Taiyo Life	1896
Jinju Life	1894	Teikoku Fire	1912
Katakura Life	1921	Teikoku Life	1888
Kobe Marine and Fire	1907	Teikoku Marine and Fire	1893
Kyodo Fire	1906	Tokiwa Life	1913
Meiji Fire	1891	Toho Fire	1911
Meiji Life	1893	Tokyo Fire	1887
Mitsubishi Marine and Fire	1919	Tokyo Marine and Fire	1878
Mitsui Life	1914	Tokyo Movables Fire	1917
Nikka Life	1914	Tomel Fire and Insurance	1907
Nippon Conscripton	1911	Toyo Fire	1920
Nippon Dental Life	1934	Yasuda Life	1894
Nippon Fire	1892	Yokohama Fire and Marine	1897
Nippon Life	1889	Yurin Life	1894
Nippon Marine	1896		

Post Office Life Insurance and Annuities

Post Office Life Insurance With a view to promoting the welfare of the middle and lower classes of the community, the Post Office Life Insurance Law (Law No. 42) and the Post Office Life Insurance Special Account Law (Law No. 43) were promulgated on July 8, 1916, the former being put into effect on October 1 and the latter on August 20 of the same year. The main features of the life insurance schemes may be summarized as follows:

1. This insurance is the work of the

Government and is to be dealt with at the post offices.

2. The amount of insurance for a person will be from ¥50 up to ¥700.

3. The insured need not be subjected to any physical examination.

4. If the insured die within one and a half years from the conclusion of the insurance contract by some causes other than the calamities or the infectious diseases specified in law, a portion of the amount insured will not be paid.

5. This insurance is divided into Whole Life, Endowment and Infantile. Endowment policies are divided into four

kinds of the terms of 15 years, 20 years, 30 years and 40 years. Infantile policies are, at present, either 15 years or 20 years endowment.

6. The age of a person to be newly insured must be between 1 and 60 years.

7. The Mortality Table constituting a basis for the computation of premium was compiled by adding 20% to the Male Mortality-Rates of the Japanese Population Table No. 2 published in 1912 by the Government Statistics Bureau. The rate of interest assumed is $3\frac{1}{2}$ % per annum.

8. The premiums are to be paid monthly. Reduced premiums are prescribed for the cases in which monthly premiums are paid in a lump sum in advance.

9. The period within which premiums should be paid is fixed at one month, and two months' grace is allowed.

10. Within one year after the lapse of the policy, it may be revived.

11. When, after the conclusion of the contract, the insured either loses one or both of his limbs or becomes blind of both eyes, future premiums need not be paid.

Whenever a policy has been in force for a period of thirty years and the insured person has reached the age of 70, the policy holder concerned may propose to have his future premiums paid up.

12. When, after the lapse of five years from the conclusion of the contract, the payment of the insured sum or the repayment of the paid-in premium is made, the beneficiary shall receive an additional sum as a dividend.

13. A loan may, on the application of the policy-holder, be granted within the limits of the amount which is to be paid back on the cancellation of the insurance contract, provided, however, that such loan shall not exceed 50/100 of the amount of insurance.

14. In order to maintain and promote the health of the insured, 240 Health Consultation Stations have been established so far in pursuance of the Health Consultation Service Regulation, 1922, in the principal cities.

15. Beneficiaries or policy-holders are required to ask the judgment of the Post Office Life Insurance Committee of Inquiry prior to legal action against the Government for their contracts.

Post Office Life Annuities While the history of the Post Office Life Annuities may be traced to as far back as 1897, the authorities concerned thought it wise to introduce Post Office Life Insurance first and see how this would work. In 1926, changed social conditions and with the maturing of the first Post Office Life Insurance Endowment Policies gave favorable indications that the Annuity business would be successful, and a bill was introduced into and approved by the Diet in March.

It came into operation as from October 1 of the same year. The Post Office Life Annuity Law as amended (Law No. 47) which provided for several new kinds of annuities was put into effect as from September 1, 1939.

The main features of the system may be summarized as follows:—

1. The annuity business is to be administered by the same system as that of the Post Office Life Insurance.

2. The Annuities that may be purchased are divided into:

- (1) Immediate Life Annuities.
- (2) Immediate Life Annuities with Guaranteed Number of Payments.
- (3) Deferred Life Annuities.
- (4) Deferred Life Annuities with Guaranteed Number of Payments.
- (5) Temporary Annuities.
- (6) Group Annuities.

3. Immediate Life Annuities may be purchased either with or without provision for return of the purchase money. Deferred Life Annuities and Deferred Life Annuities with Guaranteed Number of Payments not yet in commencement of payment and Temporary Annuities are with, and Immediate Life Annuities with Guaranteed Number of Payments without, refund of the purchase money.

4. The Guaranteed Number of Payments in the case of Deferred Life Annuities is 20, and that of Immediate Annuities is 30 if the annuitant is under the age of forty, 20 if under the age of 65, and 15 if over the age of 66.

5. If not less than ten employees of a corporation, a factory, etc. constituting not less than 70% of all eligible employees (or not less than 70% of all members of a group or class determined by conditions pertaining to the employment) enter into a contract of Deferred Life Annuities with Guaranteed Number of Payments, premiums in respect of

which are payable at such amount and time as they please (convenient premium payment plan), premium abatement of not more than 10% is granted to the purchasers.

6. The ages of persons entitled to become annuitants under this system must fall, in the case of Immediate Life Annuities, between 40 and 80 inclusive, in the case of Immediate Life Annuities with Guaranteed Number of Payments between 20 and 75 (purchasers under the age of 40 are limited to widows and disabled persons), in the case of Deferred Life Annuities and Deferred Life Annuities with Guaranteed Number of Payments between 12 and 60, and in the case of Temporary Annuities between 1 and 18.

7. The premium rates are calculated on the mortality rates worked out by deducting 20 per cent for males and 30 per cent for females from the general mortality rate (in the case of Temporary Annuities 20 per cent from the male mortality rate) of the Japanese population.

The rate of interest allowed in the calculation of the value of annuities under the instalment payment plan is 3.5 per cent and under the single payment plan, such rate shall be determined, from time to time, by the Minister of Welfare upon the basis of the current market price of public bonds. The rate is fixed at 3.7 per cent for the present.

The reserves to be maintained against policies are worked out by the net premium method.

8. The maximum annuity that can be purchased on the life of any one person is ¥2,400 and the minimum is ¥100 under the instalment premium plan and in the case of Temporary Annuities or ¥30 under the single premium plan and convenient premium payment plan.

9. Premiums are payable in a single sum, by instalments or under the convenient payment plan; in the case of instalments the premium may be paid yearly, half yearly, quarterly (excluding Temporary Annuities) or monthly (Temporary Annuities only). All premiums are payable either at any post office designated by the purchaser or at his residence to the collector.

10. In the case of Immediate Annuities, payment of annuity will begin on the date of premium payment and will continue until the death of the annuitant. In the case of Deferred Annuities, payment of annuity will begin on the date of the annuitant's attaining the age of 50, 55, 60 or 65 and will continue until the death of the annuitant. In the case of Annuities with Guaranteed Number of Payments, the deceased family (annuitant in succession) receives the annuity of the same amount for the unexpired period of guaranteed payments. And finally, in the case of Temporary Annuities, payment of annuity will commence on the date of their attaining the age of 12, 15, 17 or 20 and will continue for five or ten years, as the case may be, provided that they are alive.

11. Annuitants may, subject to certain conditions, claim a change in their contracts, if applied for before commencement of annuity payment.

12. Should events stipulated as a reason for return of the purchase money actually occur, such return is to be made according to prescribed conditions.

13. Should the annuitant die as the result of war or similar incidence within a certain specified period of time, special refundment of the purchase money along with the ordinary one shall be made to the beneficiary.

14. Provided a contract reserves the right for the purchaser, the annuitant or the annuitant in succession to claim refund of premiums paid, such person may avail himself of a cash loan of not more than a certain proportion of the premiums paid, provided that the sum is not less than ¥50 per contract, or, if the proceeds are to be applied to the payment of the premium, a sum equal to one year's premiums.

15. Purchasers, annuitants, annuitants in succession or persons entitled to receive the amount to be refunded are requested, before bringing a civil action against the Government in respect of their contracts, to submit their cases before the Post Office Life Insurance Committee of Inquiry.

16. A special account is established for the management of this business.

POST OFFICE LIFE INSURANCE

Compiled by the Bureau of the Post Office Life Insurance,
the Ministry of Welfare

(Amount in yen)

New Contracts

Financial Year	Number	Premiums	Sums Insured
1931-32	2,800,819	2,453,427	388,633,808
1932-33	2,883,356	2,412,635	371,027,797
1933-34	3,096,872	2,647,667	417,989,686
1934-35	3,150,881	2,827,243	453,306,719
1935-36	2,939,911	2,777,355	479,154,048
1936-37	3,189,259	3,051,579	597,497,484
1937-38	3,597,328	3,554,071	748,573,890
1938-39	5,312,185	5,568,217	1,308,939,689
1939-40	6,417,250	6,872,800	1,698,786,332

Financial Year	Revivals		Death		
	Number	Premiums	Number	Premiums	Sums Insured
1931-32	166,531	129,941	200,888	168,270	27,915,317
1932-33	177,317	139,218	213,314	178,651	29,538,679
1933-34	114,736	93,231	238,634	201,423	33,086,754
1934-35	78,796	65,403	257,899	216,506	35,608,107
1935-36	61,723	52,211	288,684	243,699	40,123,337
1936-37	58,028	51,028	298,928	254,410	42,604,374
1937-38	46,616	41,383	349,208	299,826	51,925,011
1938-39	45,906	41,157	403,787	353,499	63,651,022
1939-40	54,177	50,169	494,974	444,589	85,639,703

Financial Year	Number	Expirations		Surrenders, Lapses and from Other Causes		
		Premiums	Sums Insured	Number	Premiums	Sums Insured
1931-32	55,302	43,466	4,487,420	1,544,375	1,362,097	221,778,654
1932-33	113,022	105,125	10,719,540	1,344,635	1,174,803	194,729,177
1933-34	133,608	144,528	14,809,962	964,867	869,666	144,322,939
1934-35	202,282	249,120	25,283,853	804,643	762,455	129,779,382
1935-36	283,968	313,664	31,894,568	685,812	692,006	120,202,203
1936-37	329,062	318,499	33,960,055	620,786	639,997	118,416,447
1937-38	353,632	315,919	35,201,978	505,104	549,325	106,588,529
1938-39	404,546	398,053	44,627,626	466,086	494,384	103,145,936
1939-40	389,479	403,665	47,693,500	513,175	546,434	123,118,126

Financial Year	Number	Net Increase		Contracts in Force at the End of Financial Year		
		Premiums	Sums Insured	Number	Premiums	Sums Insured
1931-32	1,166,785	1,009,535	151,770,077	16,793,485	13,632,759	2,253,136,387
1932-33	1,389,702	1,093,274	159,657,504	18,183,187	14,726,033	2,412,793,951
1933-34	1,874,499	1,525,281	241,389,306	20,057,686	16,251,314	2,654,183,347
1934-35	1,964,853	1,664,565	273,477,991	22,022,539	17,915,879	2,927,661,338
1935-36	1,743,170	1,580,197	295,517,371	23,765,709	19,496,076	3,223,178,709
1936-37	1,999,434	1,889,701	410,088,619	25,765,143	21,385,777	3,634,167,328
1937-38	2,436,000	2,430,385	561,031,788	28,201,142	23,816,167	4,196,083,346
1938-39	4,083,672	4,363,437	1,104,826,557	32,284,114	28,184,593	5,300,960,730
1939-40	5,073,799	5,528,280	1,451,901,726	37,357,913	33,712,873	6,752,862,456

POST OFFICE LIFE ANNUITIES

Compiled by the Bureau of the Post Office Life Insurance,
the Ministry of Welfare

(Amount in yen)

Financial Year	Kind of Annuities	New Contracts			Deaths		
		No.	Pre-minums	Amt. of Annuities	No.	Pre-minums	Amt. of Annuities
1935-36:	Immediate Annuities	5,868	5,435,903	383,765	851	788,337	71,509
	Deferred Annuities under the Single Premium Plan	15,467	4,179,067	864,840	1,414	217,169	73,493
	Deferred Annuities under the Instalment Premium Plan	18,364	962,777	2,491,939	710	27,488	86,496
1936-37:	Immediate Annuities	8,644	9,202,862	627,763	917	957,483	82,572
	Deferred Annuities under the Single Premium Plan	17,939	6,694,375	1,243,077	1,424	208,922	68,343
	Deferred Annuities under the Instalment Premium Plan	18,948	1,199,319	2,682,482	756	33,354	97,018
1937-38:	Immediate Annuities	7,711	6,797,075	448,230	1,213	1,184,345	102,935
	Deferred Annuities under the Single Premium Plan	15,298	5,088,666	839,190	1,643	283,899	86,038
	Deferred Annuities under the Instalment Premium Plan	12,785	836,174	1,762,548	1,023	40,962	123,833
1938-39:	Immediate Annuities	10,415	8,999,196	586,526	1,305	1,253,708	103,105
	Deferred Annuities under the Single Premium Plan	17,848	6,733,862	1,081,840	1,990	345,845	101,700
	Deferred Annuities under the Instalment Premium Plan	10,714	839,297	1,544,548	1,075	39,473	127,617
1939-40:	Immediate Annuities	8,584	8,768,082	582,657	1,682	1,656,677	137,263
	Immediate Annuities with Guaranteed Number of Payments	2,788	5,892,986	350,970	—	—	—
	Deferred Annuities under the Single Premium Plan	12,862	6,481,000	993,780	1,980	372,099	102,076
	Deferred Annuities with Guaranteed Number of Payments under the Single Premium Plan	3,584	3,584,735	434,090	3	1,337	180
	Deferred Annuities under the Instalment Premium Plan	6,614	603,033	987,286	1,165	57,534	141,647
	Deferred Annuities with Guaranteed Number of Payments under the Instalment Premium Plan	2,934	352,003	457,439	4	751	500
	Deferred Annuities with Guaranteed Number of Payments under the Convenient Premium Payment Plan	1,284	*45,075	*4,604	1	143	12
			247,437	27,372			
	Group Annuities	16,160	*66,943	*9,657	5	104	15
			447,583	57,958			
	Temporary Annuities under the Single Premium Plan	15,078	8,472,901	2,170,514	19	6,678	2,060
	Temporary Annuities under the Instalment Premium Plan	42,085	2,640,630	5,478,998	87	4,233	10,344

INSURANCE

Financial Year	Kind of Annuities	Surrenders			Cancellation of Contracts by Statutes		
		No.	Pre-miums	Amt. of Annuities	No.	Pre-miums	Amt. of Annuities
1935-36:	Immediate Annuities	—	—	—	—	—	—
	Deferred Annuities under the Single Premium Plan	1,630	266,116	81,672	—	—	—
	Deferred Annuities under the Instalment Premium Plan	5,246	175,965	617,640	2,727	53,671	335,142
1936-37:	Immediate Annuities	—	—	—	—	—	—
	Deferred Annuities under the Single Premium Plan	1,430	214,907	60,388	—	—	—
	Deferred Annuities under the Instalment Premium Plan	4,814	157,546	531,296	2,375	70,777	291,746
1937-38:	Immediate Annuities	—	—	—	—	—	—
	Deferred Annuities under the Single Premium Plan	1,072	232,837	54,717	—	—	—
	Deferred Annuities under the Instalment Premium Plan	3,591	116,415	373,215	1,846	58,785	228,159
1938-39:	Immediate Annuities	—	—	—	—	—	—
	Deferred Annuities under the Single Premium Plan	973	212,551	45,242	—	—	—
	Deferred Annuities under the Instalment Premium Plan	2,833	88,317	287,254	1,364	49,428	171,162
1939-40:	Immediate Annuities	—	—	—	—	—	—
	Immediate Annuities with Guaranteed Number of Payments	—	—	—	—	—	—
	Deferred Annuities under the Single Premium Plan	816	267,616	83,489	—	—	—
	Deferred Annuities with Guaranteed Number of Payments under the Single Premium Plan	6	2,896	350	—	—	—
	Deferred Annuities under the Instalment Premium Plan	2,453	72,670	244,425	1,540	59,354	192,077
	Deferred Annuities with Guaranteed Number of Payments under the Instalment Premium Plan	12	1,009	1,960	7	525	910
	Deferred Annuities with Guaranteed Number of Payments under the Convenient Premium Payment Plan	2	78	10	—	—	—
	Group Annuities	9	48	8	—	—	—
	Temporary Annuities under the Single Premium Plan	5	1,868	600	—	—	—
	Temporary Annuities under the Instalment Premium Plan	42	2,727	6,169	122	6,563	15,195

P.O. LIFE ANNUITIES

Financial Year	Kind of Annuities	Increase (+) or Decrease (-) from other Causes			Contracts in Force at the End of the Financial Year		
		No.	Pre-miums	Amt. of Annuities	No.	Pre-miums	Amt. of Annuities
(In yen)							
1935-36:	Immediate Annuities	+159	+117,048	+8,430	33,649	37,467,109	2,870,204
	Deferred Annuities under the Single Premium Plan	-88	-148,081	-21,859	187,986	30,432,578	10,197,216
	Deferred Annuities under the Instalment Premium Plan	-104	-222,721	-489,983	113,678	4,563,176	14,400,998
1936-37:	Immediate Annuities	+214	+158,711	+11,446	41,590	45,871,199	3,426,841
	Deferred Annuities under the Single Premium Plan	-123	-152,189	-23,784	202,947	36,550,934	11,287,778
	Deferred Annuities under the Instalment Premium Plan	-138	-191,429	-462,428	124,543	5,299,320	15,700,872
1937-38:	Immediate Annuities	+248	+233,075	+16,462	48,336	51,717,005	3,788,598
	Deferred Annuities under the Single Premium Plan	-124	-216,153	-32,094	215,398	40,906,265	11,953,159
	Deferred Annuities under the Instalment Premium Plan	-144	-221,230	-157,541	130,732	5,676,556	16,280,552
1938-39:	Immediate Annuities	+196	+75,763	+2,578	57,642	59,538,532	4,274,597
	Deferred Annuities under the Single Premium Plan	-140	-212,991	-29,570	230,143	46,868,740	12,858,498
	Deferred Annuities under the Instalment Premium Plan	-152	-208,164	-404,368	136,022	6,130,471	16,834,680
1939-40:	Immediate Annuities	+227	+200,987	+14,143	64,771	66,850,925	4,734,133
	Immediate Annuities with Guaranteed Number of Payments	+33	+17,886	+527	2,821	5,910,872	351,497
	Deferred Annuities under the Single Premium Plan	-173	-215,403	-29,558	240,036	52,494,621	13,667,150
	Deferred Annuities with Guaranteed Number of Payments under the Single Premium Plan	+2	+1,339	+76	3,577	3,581,841	433,636
	Deferred Annuities under the Instalment Premium Plan	-129	-174,960	-293,901	137,349	6,368,986	16,949,915
	Deferred Annuities with Guaranteed Number of Payment under the Instalment Premium Plan	+1	+13	+100	2,912	349,731	454,169
	Deferred Annuities with Guaranteed Number of						

INSURANCE

Financial Year	Kind of Annuities	Increase(+) or Decrease (-) from other Causes		Contracts in Force at the End of the Financial Year			
		No.	Pre-miums Amt. of Annuities	No.	Pre-miums Amt. of Annuities	(In yen)	
	Payments under the Convenient Premium Payment Plan	-2	-1,547	-92	1,279	290,744	31,861
	Group Annuities	—	+1	+1	16,146	514,375	67,592
	Temporary Annuities under the Single Premium Plan	—	+2,767	-232	15,054	8,467,122	2,167,622
	Temporary Annuities under the Instalment Premium Plan	-4	-619	-1,252	41,830	2,626,487	5,446,038

Note: 1. * The figures indicate the amount of the second and subsequent premiums paid in and the amount of bought thereby. 2. Premiums under the Instalment Premium Plan indicate the amount of yearly payment.

Loans and Investments of the P.O.L.I. Fund in 1940

(In ¥1,000)

	At the End of March 1940	At the End of Dec. 1940
Public advances	385,961	391,845
Advance against the insurance policies	143,373	138,635
Investments in Government bonds	394,593	481,920
Investments in local government bonds	675,817	764,314
Deposits at the Deposit Bureau	2,334	5,000
Short term investments	38,967	58,000
Cash on hand	4,348	27,012
Grand total including others	1,645,392	1,877,504

State Health Insurance

On March 31, 1936, the number of laborers holding policies in the State Health Insurance was 3,043,934, an increase of 717,240 as compared with the previous year. Of the total, 3,026,650 were compulsorily insured; the number

of contracts under Government control was 2,096,657 as against 947,277 of contracts under the control of 370 health insurance associations.

In 1936-37, the amount paid out to the beneficiaries reached ¥45,882,742 for 10,848,429 cases. For full particulars figures follow:

HEALTH INSURANCE

March of	Total	Persons Insured		
		Compulsorily	Voluntarily	Persons Insured in Continuation Voluntarily
1933	1,720,199	1,684,509	35,530	160
1934	2,001,481	1,965,026	36,333	122
1935	2,326,694	2,306,322	20,247	125
1936	3,043,934	3,026,650	17,098	186
1937	3,451,470	3,446,696	4,652	122

Under Government Control

March of	Total	Persons Insured		
		Compulsorily	Voluntarily	Persons Insured in Continuation Voluntarily
1933	1,122,141	1,117,478	4,503	160
1934	1,294,926	1,290,439	4,365	122
1935	1,503,550	1,497,075	6,350	125
1936	2,096,657	2,092,697	3,774	186
1937	2,346,637	2,341,863	4,652	122

STATE INSURANCES

Under Control of Health Insurance Associations

March of	Number of Associations	Total	Persons Insured		Persons Insured in Continuation Voluntarily
			Compulsorily	Voluntarily	
1933	347	598,058	567,031	31,027	—
1934	345	706,555	674,587	31,968	—
1935	349	823,144	809,247	13,897	—
1936	370	947,277	933,953	13,324	—
1937	379	1,104,833	1,104,833	—	—

Premiums Collected and Insured Money Paid Out (In yen)

During	Total		Under Government Control		Under Control of Health Insurance Associations	
	Premium	Insured Money Paid Out	Premium	Insured Money Paid Out	Premium	Insured Money Paid Out
1932-33	26,119,521	23,764,305	15,177,291	13,648,413	10,942,230	10,115,892
1933-34	29,304,218	26,636,928	17,370,322	15,218,077	11,933,896	11,418,851
1934-35	34,849,101	31,185,992	20,421,257	17,697,443	14,427,844	13,818,780
1935-36	46,588,307	41,633,545	29,119,041	24,814,765	17,469,266	16,818,780
1936-37	54,260,945	45,882,742	33,455,029	26,868,160	20,805,916	19,014,582

Agriculture Insurance 1939-40

(Amount in yen)

Number of associations	146
Number of members	2,364
Area insured (cho)	877,839.5
Claims	95,265,798
Premiums received	699,532
Re-insurance premiums	489,478
Extraordinary re-insurance premiums	243,048
Claims paid	6,182,708
Re-insurance claims paid	4,327,894
Re-insurance claims paid by the Government	4,148,345

State Live-Stock Insurance

The live-stock insurance business is making steady progress. In March 1930 there were only 6 societies engaged in the live-stock insurance business, and only 1,304 head were insured for an ag-

gregate amount of ¥127,622. The amount increased to ¥27,423,891 in March 1935, to ¥54,918,408 in March 1939 and to ¥70,420,558 in March 1940. The following shows the business results of the last 5 years:

LIVE-STOCK INSURANCE

March of	Insurance Societies	Insured Animals	Insured Amount	Premiums Received (In yen)	Claims Paid
1937	255	503,959	39,790,494	935,107	582,154
1938	263	502,642	43,340,131	1,021,255	635,733
1939	270	565,279	54,918,408	1,332,571	702,483
1940	271	642,479	70,420,558	1,822,780	1,003,528

Classified Between Horses and Cattle

March of	Insured Number of Animals	Insured Amount	Premiums
Cattle	279,693	22,134,347	404,189
Horses	142,601	10,206,922	369,187

INSURANCE

March of	Insured Number of Animals	Insured Amount	Premiums
1937:			
Cattle	353,595	28,822,938	530,920
Horses	153,501	11,244,365	412,501
1938:			
Cattle	327,768	31,981,159	599,770
Horses	135,132	11,831,260	434,869
1939:			
Cattle	423,909	39,758,807	761,265
Horses	144,597	15,501,809	581,928
1940:			
Cattle	443,652	46,386,955	897,324
Horses	202,337	24,492,967	940,851

STATE FORESTRY FIRE INSURANCE

Contracts in Force

At the End of March	Number	Area (In cho)	Claims (In yen)
1938	5,543	53,585.22	6,137,517.94
1939	19,420	122,398.31	14,360,003.26
1940	39,976	178,202.45	20,012,378.31

Increase of Contracts

In the Fiscal Year	Number	Total Area (In cho)	Claims (In yen)
1937-8	5,543	53,629.67	6,141,695.00
1938-9	15,545	95,082.14	11,088,319.31
1939-40	24,801	109,641.80	12,392,516.69

In the Fiscal Year	Premiums Received	Claims Paid Out
1937-8	36,040.63	—
1938-9	87,699.78	2,865,833.99
1939-40	130,874.25	6,744,320.54

STATE FISHING VESSEL INSURANCE

Year	No. of Vessels Insured	Tonnage (In ton)	Value of Vessels	Amount Insured (In yen)	Premiums Received
1937	594	16,437.55	6,390,216.50	2,968,894.00	79,402.47
1938	4,912	111,822.13	51,249,147.00	20,107,431.00	505,351.83
1939	17,720	222,093.22	115,390,091.00	36,186,664.00	875,731.12

Year	Re-insurance Premiums Received for Re-insurance	Number of Cases	Amount of Damages	Claims Paid (In yen)	Claims Paid for Re-insurance	
1937	2,078,225.80	49,895.96	6	677.76	593.69	415.57
1938	14,075,201.70	322,990.66	59	307,326.73	129,354.05	90,547.74
1939	25,330,664.80	553,361.04	411	1,157,393.53	513,569.74	359,497.95

CHAPTER XIII

AGRICULTURE

DAI NIPPON BOSEKI KABUSHIKI KAISHA

(THE JAPAN COTTON SPINNING CO., LTD.)

ESTABLISHED: 1889

President: G. KODERA



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All Kinds of Cotton Yarn, Cotton Piece Goods,
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HEAD OFFICE:
No. 378 Haneda
Hontyo, Kamata-ku.
Tokyo

FACTORIES:
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Kamata Second
Sinagawa,
Akabane

ESTABLISHED: 1913

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4-chome, Imabashi, Higashi-ku,
Osaka, Japan

CHAPTER XIII

AGRICULTURE

Farm Households and Arable Lands

Farm Households Number of farm households totalled 5,491,838 at the end of 1939, which is 40% of the total number of households in Japan proper. Comparison with that of the previous year indicates a decrease of 67,649 or 1.2 per cent.

As classified into those engaged wholly or in part in agriculture, the figure consists of 3,685,637 of the former, and 1,806,201 of the latter.

Farm households cultivating their own lands numbered 1,699,526; the number of tenant-farmers and households cultivating their own lands together with those leased being 1,460,953 and 2,331,359 respectively.

Classified by size of area cultivated, farm-households cultivating less than 0.50 cho number 1,853,610, a decrease of 16,142 from the previous year, those between 0.50 and 0.99 cho, 1,799,840, a decrease of 6,911, between 0.99 and 1.99 cho 1,325,805, a decrease of 3,411, and those over 1.99 cho, 512,583, a decrease of 1,178.

Owners of Arable-lands The number of owners of arable-lands totalled 5,081,874 at the end of 1939 decreasing from that of the previous year by 7,414. When classified according to area owned, those who own less than 0.50 cho

number 2,440,427, and those owning from 0.50 cho to under 0.99 cho number 1,329,483. In this way the greater the areas, the less number of owners, and so those owning 50 cho and over are only 3,034 (or 0.059 per cent) in number. In the light of the tendency during the previous 10 years general increase was traceable in the total number, but it turned to decrease in 1938, while by reference to the tendency of number fluctuation according to area owned, those under 3 cho are pursuing a steady upward course, those owning more than 3 cho showing the reverse trend.

Area of Arable-lands Area of arable-lands at the end of 1939 was computed at 6,078,729 cho, occupying 15% of the total area of Japan proper. This figure consists of 3,209,199 cho (53%) of rice-fields and 2,869,529 cho (47%) of up-land-farms. Comparison of these figures with those of the previous year indicates an increase of 945 (0.02%) in the former and a decrease of 499 cho (0.01%) in the latter.

Classified into those cultivated by owners of lands and those by tenant-farmers, area cultivated by the former was 3,297,345 cho (54%), an increase of 49,044 cho (1.4%), the latter being 2,781,383 cho (45%), a decrease of 48,598 cho (1.7%).

FARM HOUSEHOLDS AND ARABLE LANDS IN JAPAN PROPER

(Compiled by the Ministry of Agriculture and Forestry)

Year (At the Year End)	FARM HOUSEHOLDS				
	1935	1936	1937	1938	1939
Total	5,610,607	5,597,465	5,574,879	5,519,480	5,491,838
Households principally engaged in agriculture	4,164,035	4,176,422	4,180,672	3,704,316	3,685,637
Households partly engaged in agriculture	1,446,572	1,421,043	1,394,207	1,815,164	1,806,201
Classified by the mode of tenure of the lands					
Households cultivating their own lands	1,732,086	1,731,139	1,733,997	1,695,884	1,699,526
Tenant-farmers	1,518,181	1,517,701	1,500,994	1,462,276	1,460,953

Year (At the Year End)	1935	1936	1937	1938	1939
Household cultivating their own lands together with leased land	2,360,340	2,348,625	2,339,888	2,361,320	2,331,359
Classified by the size of agricultural area under operation					
Under 0.5 cho	1,908,642	1,896,357	1,884,575	1,869,752	1,853,610
0.50 cho—0.99 cho	1,919,073	1,914,018	1,905,425	1,806,751	1,799,840
0.99 " —1.99 "	1,254,817	1,262,106	1,262,814	1,329,216	1,325,805
1.99 " —2.99 "	322,583	320,615	318,182	314,004	314,405
2.99 " —4.99 "	127,920	126,540	125,539	133,302	122,065
4.99 cho and over	77,572	77,829	78,344	67,455	76,113

Excluding owners of arable-lands not engaged in cultivation.

OWNERS OF ARABLE-LANDS

Year (At the Year End)	1935	1936	1937	1938	1939
Total	5,147,412	5,150,220	5,141,968	5,089,348	5,081,874
Under 0.50 cho	2,555,398	2,556,630	2,550,259	2,475,141	2,440,427
0.50 cho—0.99 "	1,304,482	1,305,400	1,304,924	1,307,577	1,329,483
0.99 " —2.99 "	905,956	909,933	909,035	927,548	937,408
2.99 " —4.99 "	221,245	218,851	219,346	221,904	220,854
4.99 " —9.99 "	111,128	110,549	109,799	109,973	107,848
9.99 " —19.99 "	45,788	45,580	45,353	43,914	42,790
49.99 cho and over	3,415	3,277	3,252	3,201	3,034

ARABLE LANDS

(In cho)

Year (At the Year End)	1935	1936	1937	1938	1939
Total	6,058,753	6,085,887	6,098,435	6,078,282	6,078,728
Cultivated by owners of the lands	3,220,465	3,253,720	3,266,045	3,248,301	3,297,345
Cultivated by tenant-farmers	2,838,288	2,832,167	2,832,389	2,829,981	2,781,383
Rice-fields	3,219,326	3,217,686	3,217,929	3,208,254	3,209,199
Cultivated by owners of the lands	1,517,113	1,526,760	1,538,051	1,527,149	1,547,855
Cultivated by tenant-farmers	1,702,213	1,690,926	1,679,877	1,681,105	1,661,344
Upland-farms	2,839,427	2,868,201	2,880,506	2,870,028	2,869,528
Cultivated by owners of the lands	1,703,352	1,726,960	1,727,994	1,721,152	1,749,489
Cultivated by tenant-farmers	1,136,075	1,141,242	1,152,512	1,148,875	1,120,039

Rise in Land Value.

In the past, a survey by the Industrial Bank was perhaps the one and only authentic source of information regarding selling and purchasing prices of farmland. Quite recently, however, the Ministry of Agriculture and Forestry made a minute survey of not only farmlands but also residential lands as well as plains. This survey, of which the result was recently announced by the ministry, consisted of a compilation of all statistical figures of land actually sold or purchased throughout the country during 1939. For the reason that this survey was the first attempt of the kind made by the Ministry of Agriculture and Forestry, a yearly comparison

cannot be made. To make up for this defect, the following table showing the fluctuations of prices of farmland since 1932 as surveyed by the Industrial Bank of Japan is given with a comparison made between the prices surveyed by the bank and also by the ministry in 1939:

FLUCTUATIONS OF PRICES OF FARMLAND

(In yen per tan)

Year	Ordinary Paddy Field (Ta)	Ordinary Farm (Hatake)
1932	386	234
1933	387	234
1934	398	240

Year	Ordinary Paddy Field (Ta)	Ordinary Farm (Hatake)
1935	415	247
1936	435	249
1937	470	278
1938	519	304
1939	576	343
*1939	592	161
1940	687	422

* Survey by Ministry of Agriculture and Forestry: Others according to the Industrial Bank of Japan. (Figures for end of March).

A wide disparity in the average prices of ordinary farms (Hatake) as noted between the figures given by the Ministry of Agriculture and Forestry and those by the Industrial Bank of Japan in 1939 in the foregoing table was due to the exceptionally low prices

of farms in Hokkaido. In compiling the statistics, the Ministry took into account 70 per cent of the farm prices in Hokkaido whereas the bank referred to only 30 per cent of the prices of Hokkaido transactions. A wide difference in prices is also noted between prefectures because the productivity power as well as other special features such as farm rent and leases and similar profits from land have an important bearing on land prices in different prefectures. One of the principal features of the ministerial survey is the classification of sellers and purchasers according to classes to which they belong. In this respect, it is noted that the transfer and distribution of farmland are largely from landowners to independent farmers or independent tenants. This tendency is vividly endorsed by the following ministerial figures:

NUMBER OF LAND TRANSACTIONS SHOWN BY CLASSES OF BUYERS AND SELLERS (1939)

Ta (Paddy fields)	Category of purchasers	Categories of Sellers					*Total
		Land-owner	Independent Farmers	Independent Tenants	Merchants	Salaried Men	
	Landowners	621	332	370	129	94	1,593
	Independent farmers	860	1,490	658	331	255	3,721
	Independent tenants	1,999	1,146	1,182	562	384	5,443
	Merchants	308	339	268	219	113	1,292
	Salaried men	142	127	126	59	83	568
	Tenant-farmers	361	150	130	73	40	705
	Total	4,368	3,648	2,767	1,385	977	13,618
	Hatake (Ordinary farms)	Land-owner	Independent Farmers	Independent Tenants	Merchants	Salaried Men	*Total
	Landowners	91	89	128	50	17	390
	Independent farmers	225	689	309	148	114	1,537
	Independent tenants	404	436	506	203	130	1,808
	Merchants	80	126	84	127	49	489
	Salaried men	46	59	67	53	45	290
	Tenant-farmers	125	89	63	56	29	387
	Total	1,057	1,508	1,169	650	390	4,990

Note: (*) Including transactions through other channels.

The foregoing table shows that in 1939, the extent of space involved in those transactions amounting to 42 per cent of paddy fields and 41 per cent of ordinary farms of the total. Regarding the reasons for those farmland transactions, the ministerial survey shows that adjustment of debts is the dominating factor on the part of sellers and the establishment and maintenance of independent farms on the part of pur-

chasers. This tendency is largely due to the fact that farmland prices have gone up sharply and the owners are tempted to sell their lands to settle their debts. Extension of Government facilities and improvement of the economic life of the agricultural community account for the increase of purchases of farmland among tenant farmers for establishment and maintenance of independent farming. A

growing shortage of labor in the agrarian community recently has resulted in a demand for a cut of farm rents and has thus placed landowners in a very disadvantageous position. On the other hand, the living conditions of the agricultural community have improved remarkably and the number of farmers purchasing land from land-

owners has increased sharply. Other reasons for the land transactions are the exchange and adjustment of land, purchases as sites for factories, residences and other profit-making purposes. In those cases, it is noteworthy that prices of land are specially high. Relative figures are given by the following table:

LAND TRANSACTIONS BY REASON AND PER-TAN PRICES
(1939)

Reasons	Number of Transactions		Total Area (in Tan)		Per-Tan Prices (in Yen)	
	Paddy fields	Ordinary farms	Paddy fields	Ordinary farms	Paddy fields	Ordinary farms
Adjustment of debts	5,322	1,721	11,982	5,814	564	154
Raising living expenses	495	134	993	350	550	292
Raising business expenses	398	137	838	540	672	289
For profit-making (real estate merchants)	61	29	169	52	1,323	608
For profit-making (individuals)	313	56	834	195	996	568
Cut of farm rents, etc.	119	29	282	85	519	207
Fall of utility value	664	290	1,226	790	507	254
Exchange or adjustment of land	910	278	1,913	1,021	564	135
Labor shortage	208	87	334	471	551	98
Establishment or maintenance of independent farming	1,316	359	2,981	2,725	476	69
Dispute with tenant farmers	198	38	655	196	395	155
Impossibility of management	215	68	486	647	533	54
Impossibility of independent farming	142	57	254	127	540	187
Death of family head and absence of successor	48	19	76	71	489	186
On condition of taking back	514	157	1,257	497	420	157
As site for factories	210	75	610	175	1,248	833
As site for residences	84	63	114	45	1,225	1,265
Sales by banks, guilds, etc.	57	19	342	101	294	416
Sales by order or instruction	80	43	92	102	949	930
Abolition of joint-farming land	22	4	22	7	487	213
Change of business	88	51	278	609	390	157
Removal, etc.	674	371	1,689	2,867	490	63
By request of buyers	157	134	263	131	809	562
Other reasons	419	158	750	507	570	237
Total	12,712	4,377	28,442	18,136	574	160

The transfer of arable land from landowners to those actually engaged in farming is an encouraging phenomenon from the standpoint of pure agricultural administration. However, it should be noted that the total area of arable land thus transacted amounts to only about 3,000 chobu. Naturally, it is too premature to judge the general

trend of the disposition of the entire arable land in Japan aggregating 6,000,000 chobu only on the basis of those figures.

Land transactions during 1939 as classified by price were given as follows by the Ministry of Agriculture and Forestry:

TRANSACTIONS IN FARMLAND IN 1939

(Classified by Price)

(Prices (In yen per tan)	Rice Fields	Number of Transactions				Plains
		Ordinary Farms	Mulberry Plantations	Orchards	Residen- tial Land	
Less than 100	197	852	40	4	24	521
100-200	637	1,207	215	19	41	281
200-300	1,189	997	253	29	84	210
300-400	1,889	925	266	35	137	61
400-500	2,069	589	186	29	96	
500-600	2,007	329	131	31	91	
600-700	1,984	294	123	16	151	
700-800	1,517	148	69	10	111	
800-900	1,092	78	42	14	63	
900-1,000	895	92	28	17	150	123
1,000-1,100	612	66	22	—	90	
1,100-1,200	290	28	7	—	55	
Over 1,200	1,219	359	47	—	1,200	
Total	15,597	5,964	1,429	258	2,293	1,196

Value of Production

The total value of production by 5,491,838 farm-households in 1939 amounted to ¥6,847,808,862 (¥1,263 per household) including farms products, minor industries, live stock, cocoons, raw silk and forestry production. (For details of the last three items see following chapters.)

PRODUCTION BY FARMERS IN 1939
(In yen)

Rice	2,874,323,357
Barley and wheat	604,184,104
Vegetables	391,593,699
Fruits	156,459,188
Sweet potatoes	141,999,759
Other agricultural products	541,609,266
Live-stock production	380,303,480
Cocoons	882,946,776
Wood and bamboo	874,371,233
Total	6,847,808,862

1940 Production According to a tentative report published by the Ministry of Agriculture and Forestry at the end of March 1941, the total value of agricultural production in 1940 (excluding a part of livestock production and wood

and bamboo) amounted to ¥6,111,880,000 an increase of 54,181,000 or 0.9 per cent over the previous year, as detailed below:

INCREASE IN THE VALUE OF PRODUCTION IN 1940 OVER 1939
(In millions of yen)

Crop	1939	1940	Increase or Decrease	
			Amount	Percentage
Rice	2,874	2,553	-320	11.1
Barley and wheat	604	725	+121	20.0
Cocoons	883	862	-21	2.7
Others	1,696	1,970	+274	16.1
Total	6,057	6,111	+54	0.9

Note: "Others" does not include a part of live-stock and wood and bamboo given in the preceding table. Inclusive of figures for these items, the total for 1940 must have reached over 7,000 million yen.

Rice Statistics

Supply and Demand of Rice The supply and demand of rice in Japan proper for the past 10 years were as follows:

Rice Year	SUPPLY (In koku)			
	Brought over from the Previous Year	Production of the Year Before	Imports including those from Territories	Total
1930	7,027,557	59,557,694	8,602,411	75,187,662
1931	5,719,241	66,875,535	11,521,639	84,116,415

Rice Year	Brought over from the Previous Year	Production of the Year Before	Imports including those from Territories	Total
1932	9,140,247	55,215,263	11,603,648	75,959,158
1933	8,907,430	60,390,098	12,747,714	82,045,242
1934	9,007,598	70,829,117	14,251,095	94,087,810
1935	16,430,872	51,840,182	13,020,173	81,291,227
1936	9,936,142	57,456,976	14,204,449	81,597,567
1937	8,006,500	67,339,699	11,879,389	87,225,588
1938	7,511,728	66,319,764	15,271,388	89,102,880
1939	8,493,300	65,869,092	9,780,412	84,142,804

DEMAND

Year	Exports including those to Territories	Carried forward to Next Year	Consumption	Total Population in Japan Proper	Per Capita Consumption
1930	558,367	5,719,241	68,910,054	64,051,000	1.076
1931	1,997,925	9,140,247	72,978,243	64,993,000	1.123
1932	677,652	8,907,430	66,374,076	65,904,000	1.007
1933	623,747	9,007,598	72,413,897	66,920,000	1.082
1934	936,785	16,430,872	76,720,153	68,805,000	1.131
1935	802,257	9,936,142	70,552,828	69,757,000	1.026
1936	557,048	8,006,500	73,034,019	70,763,000	1.047
1937	647,642	7,511,728	79,066,218	71,787,000	1.117
1938	587,185	8,493,300	80,022,395	72,827,000	1.115
1939	761,511	4,061,353	79,319,940	72,827,000	1.089

The rice year begins with November and ends with October of the following year, and hence the production of the year 1930 represents the crop in the autumn of 1929.

RICE CONDITIONS IN CHOSEN

Year	Production in the Previous Year	Exports to Japan Proper (In 1,000 koku)	Consumption
1931	19,183	8,409	10,537
1932	15,873	7,569	8,392
1933	16,346	7,972	8,508
1934	18,192	9,425	8,710
1935	16,554	8,856	8,134
1936	17,884	9,460	8,508
1937	19,410	7,161	12,579
1938	26,797	10,702	15,787
1939	24,139	6,051	17,647

RICE CONDITIONS IN TAIWAN

Year	Production in the Previous Year	Exports to Japan Proper (In 1,000 koku)	Consumption
1931	7,516	2,656	4,874
1932	8,072	3,338	4,676
1933	8,666	4,118	4,782
1934	9,088	5,045	4,270
1935	9,122	4,491	4,201
1936	9,558	4,787	4,634
1937	9,233	4,841	4,590
1938	9,816	4,800	4,832
1939	8,962	4,001	5,093

UTILIZATION OF RICE

According to Purposes, in Japan Proper (From November 1, 1937 to October 31, 1938)

Used for	Amount	Percentage
Seeding	844	1.05
The table	69,679	87.07
Saké brewery	3,874	4.84
Making "mochi" (rice cake)	3,754	4.69
Making Japanese sauce etc.	554	0.69
Making Japanese confectionaries and jelly	1,032	1.29
Paste	58	0.07
Others	227	0.28
Total	80,022	100.00

Rice in 1940

Price of Rice The standard price for 1941, or for rice cropped in 1940, was fixed at ¥39.00 minimum and ¥43.00 maximum per koku of unhulled rice in December 1940, in consonance with the rise of prices in general.

The standard prices for the years fixed according to Articles 2 and 3 of

the detailed regulation anent the Rice Control Law of 1933 have been as follows:

STANDARD PRICES OF RICE
(In yen, Per koku, Unhulled Rice)

Date of Announcement	Standard Price	
	Minimum	Maximum
Nov. 1, 1933	22.70	30.50
Dec. 10, ..	23.30	30.50
Dec. 21, 1934	24.30	31.50
Dec. 21, 1935	24.80	33.20
Dec. 21, 1936	24.90	33.90
Dec. 23, 1937	27.30	35.40
Dec. 22, 1938	29.90	35.40
Aug. 26, 1939	"	43.00
Nov. 6, ..	32.50	43.00
Dec. 23, 1940	39.00	43.00

Rice Crop in 1940 Rice crop in 1940 reached 60,874,252 koku according to an announcement made by the Agriculture and Forestry Ministry. Compared with crop obtained in the previous year this showed a decrease of 8,090,216 koku or 11.7 per cent and in comparison with the average for the preceding five years it meant a decrease of 4,315,748 koku or 6.6 per cent. Farm area covered with rice plants involved 3,178,220 chobu and the national average of crop per tan or 1/10 chobu amounted to 1.915 koku, a koku being equivalent of 5.11902 U.S. bushels.

Precipitation was wanting around the time for transplanting young rice shoots and water was insufficient, thus either delaying the transplanting work or entirely making it impossible. In

July, however, the weather was generally favorable for the growth of the plant, excepting Hokkaido and a part of the north-eastern districts of the Main Land. The low temperature in the beginning of August hindered the proper growth of the plant to a certain degree. Then a better weather condition persisted over a month and the first estimate of crop taken on September 20 reported 63,119,420 koku. But the following one month the plant was damaged by insects and diseases so that the second estimate taken on October 31 reported a decrease of 2,644,010 koku or 4.2 per cent from the first estimate. In November the weather and other conditions changed better for the ripening of the seeds, excepting Hokkaido, Kyushu and a part of Shikoku, and the actual crop increased by 398,832 koku or 0.7 per cent as compared with the second forecast.

The comparison of the last 6 years is as follows:

RICE CROP IN 1935-1940
in Japan Proper

Year	Area Planted in cho	Rice Crop in koku
1935	3,204,178.9	57,456,976
1936	3,206,963.0	67,339,699
1937	3,217,051.5	66,319,764
1938	3,220,729.0	65,869,092
1939	3,192,703.0	68,964,408
Average for 1935-1939	3,208,325.0	65,190,000
1940	3,178,220.2	60,874,252

VALUE OF CEREAL PRODUCTION IN JAPAN PROPER
(Area in cho, Value in yen)

	1936	1937	1938	1939
Total Area	5,082,713	5,095,489	5,116,801	5,074,467
Production (Value)	2,226,310,331	2,500,520,303	2,615,554,064	3,528,621,083
Rice Area	3,206,963	3,217,051	3,220,729	3,192,703
Production	1,865,268,551	2,071,889,318	2,172,706,376	2,874,323,357
Wheat Area	688,959	724,602	725,101	745,552
Production	173,215,048	210,937,714	202,001,262	317,056,062
Oats Area	125,557	122,594	137,371	123,871
Production	12,600,640	17,224,780	22,477,540	19,810,411
Barley Area	340,773	330,182	357,609	353,890
Production	60,871,161	75,185,874	87,037,171	118,954,061
Rye Area	439,570	429,494	414,812	409,557
Production	84,165,931	100,130,993	93,676,993	148,323,679
Other cereals Area	280,891	271,566	263,177	248,894
Production	30,189,000	34,151,624	33,654,722	50,153,513

Other Farm Productions

Leguminous Plants Area of leguminous plants in 1939 was 583,123 cho and the production was valued at ¥167,950,279. During the past decade the area planted has been pursuing a slow downward movement. Soya-beans and azuki (red) beans are predominant both in area and production. The area of plantation and the amount of production of these two articles in 1939 were as follows:

	(In cho)	(In koku)	(In yen)
Soya-beans	329,674	2,700,402	51,119,383
Azuki beans	97,392	701,048	29,770,625

Tuber and Root Crops Area cultivated with tuber and root crops in 1939 was 648,902 cho and the value realized from their production was ¥381,596,506 and both showed an increase as compared with preceding years. From the standpoint of area and production, sweet potatoes, 'daikon' (giant radish), satoimo and potatoes are predominant.

	(In cho)	(In kan)	(In yen)
Sweet potatoes	277,827	933,140,458	141,999,759
Daikon	109,446	662,360,067	69,081,274
Potatoes	161,558	492,816,846	50,967,490

Industrial Crops Area cultivated with industrial crops in 1939 amounted to 307,736 cho and the production was valued at ¥239,953,525.

Chief products are summarized below:

Tobacco	22,807,820 kan	¥85,837,932
Sugar cane	2,186,012,924 kin	17,071,057
Rapeseed	1,002,296 koku	25,902,028
Rushes	19,443,483 kan	22,923,632
Insecticide flowers	2,553,261 kan	18,340,191
Artem	15,733,471 kan	15,625,536

Vegetables Area under vegetables in 1939 was 221,392 cho and the value of the production was estimated at ¥188,983,431.

Chief products are given below:

	(In kan)	(In yen)
Water-melons	110,425,029	27,310,815
Tsukena	201,644,951	31,759,792
Egg-plants	113,771,380	24,814,567
Cucumbers	74,529,004	17,003,790
Negi (onion)	66,948,672	19,547,746
Pumpkins	83,098,868	15,484,575
Tomatoes	40,534,278	10,079,494

Fruits The production of fruits in 1939 was valued at ¥156,460,000, having increased by ¥41,356,629 as against the figure of the previous year.

Predominant are the following:

	(In kan)	(In yen)
Mandarin oranges	123,572,000	44,106,000
Persimmons	70,906,000	20,232,000
Japanese pears	44,203,000	19,849,000
Apples	55,925,000	32,247,000
Grapes	15,860,000	9,243,000

Tea Tea grown in 1939 was 15,325,273 kan in quantity and ¥46,865,475 in value. Review of the past decade indicates an unbroken rise in production as a whole, while fluctuations in values of production have been brought about by falling-off prices.

Livestock and Poultry (1) Horses. Horses at the end of 1939 numbered 1,431,920, consisting of 516,509 female and 615,321 male. Foals and horses died to the number of 127,316 and 27,218 respectively. The increase in number during the past decade has been very slow, often tending towards decline.

(2) Cattle. Cattle at the end of 1939 numbered 1,967,214 (female, 1,495,234, male, 471,980). Cattle died numbered 18,694. The tendency of the past ten years was a steadily increasing one.

(3) Swine. Number of swine at the end of 1939 totalled 1,069,732. During the year, swine died or killed numbered 175,352. The raising of swine has been showing a sharp advance during the past decade, the number at the beginning of the decade being nearly doubled by the close of the same period.

(4) Sheep and Goats. Sheep and goats at the end of 1939 numbered 149,003 and 286,702 respectively, the former increasing as compared with the previous year, and the tendency during the past ten years has been towards increase.

Generally speaking, the raising of sheep and goats is still on quite a small scale in spite of this marked progress.

(5) Fowls. The total number of fowls at the end of 1939 was 49,980,385 (valued at ¥54,774,472). During the past ten years the number has increased by 100 per cent.

Livestock Products (1) Milk. The quantity of milk obtained in 1939 amounted to 1,922,312 koku valued at ¥58,956,134. The number of cows milked was 122,911 at the year end.

(2) Meat and Animals Slaughtered. The number of slaughter-houses at the end of 1939 was 708 and number of animals slaughtered and the quantity of meat obtained were as follows:

Number of Animals Slaughtered

Horses	44,707
Cattle	373,781
Calves	33,808
Swine	1,311,553
Sheep	3,439
Goats	39,149
Total	1,806,437

Quantity of Meat Obtained

Horses	1,727,217 kan
Cattle	19,538,485
Calves	345,039
Swine	18,296,049
Sheep	17,190
Goats	92,729
Total	40,016,545

(3) Dairy and Meat Products. Dairy production in 1939 amounted to 62,432,435 kin valued at ¥39,986,778. Meat products totalled 7,155,878 kin valued at ¥6,577,476.

(4) Eggs. Number of eggs obtained during the year ending June 1939 was as follows:

	July 1938—June 1939	
	Number	Value
Fowls'	3,488,971,416	¥144,344,919
Ducks'	15,692,607	623,401

Village Societies

Agricultural Associations Agricultural associations are organized by local administrative bodies for the improvement

of the agricultural industry. In 1939 there were 11,049 city, town and village agricultural associations, 547 county agricultural associations, 47 prefectural agricultural associations and 1 Imperial Agricultural Association in Japan proper. The Imperial Agricultural Association (Teikoku Nō Kai) is the central organ or the federation of 47 prefectural associations. The membership consisted of 8,426,173 farmers. The total expenditure of these associations amounted to ¥39,957,100.

Cooperative Societies The cooperative societies of this country have developed from the older credit societies. The business of granting credits still forms the most important of the activities of the cooperative societies. There are at present about 15,000 of these societies throughout the country, which have a total membership of over 6,000,000. Of these institutions 13,700 are loan societies which are mostly located in agricultural villages, accommodating their members with industrial and economic funds and accepting deposits from their members and public organizations.

Of the 13,700 loan societies more than 749 are engaged only in supplying loans to members; but their number is gradually decreasing because the Government is, in line with a five-year cooperative expansion program, encouraging them to function as trading, purchasing and utilization associations as well.

VILLAGE COOPERATIVE SOCIETIES

Number of Cooperative Societies

(At the year end)

Societies	1934	1935	1936	1937	1938	1939
Credit	1,511	1,313	1,117	895	749	706
Trading	332	301	300	297	267	248
Purchasing	332	314	301	270	257	255
Utilization	306	298	286	243	238	237
Trading and purchasing	263	258	239	170	187	176
Trading and utilization	264	256	247	201	188	172
Purchasing and utilization	144	152	162	174	174	173
Trading, purchasing & utilization	496	518	492	412	479	475
Credit and trading	106	157	140	71	41	44
Credit and purchasing	1,056	760	504	219	136	113
Credit and utilization	96	82	84	75	49	57
Credit, trading and purchasing	2,361	1,952	1,560	988	797	648
Credit, trading and utilization	32	33	37	34	12	13
Credit, purchasing and utilization	248	204	160	101	83	76
Credit, trading, purchasing and utilization	7,206	8,430	9,831	10,362	11,671	11,839
Classified by the organization						
Limited liability	5,973	4,499	3,062	724	728	726
Unlimited liability	971	934	934	830	809	775
Guaranteed liability	7,871	9,595	11,464	12,958	13,791	13,731
Total	14,815	15,028	15,460	14,512	15,328	15,232

Operation of Cooperative Societies
(At the end of March)
(Amount in yen)

	1935	1936	1937	1938	1939
Number of societies investigated	13,616	13,864	14,140	13,743	14,301
Number of members	5,505,897	5,795,139	6,127,425	6,206,426	6,766,479
Capital					
Amount authorized	326,037,985	334,570,344	342,183,330	343,469,974	303,314,907
Amount paid up	250,856,520	259,996,044	263,540,430	264,759,483	279,112,453
Reserve fund	137,492,777	146,392,752	151,546,260	155,014,265	162,125,180
Loans	271,246,314	255,782,695	249,324,576	237,905,282	209,444,190
Credit societies					
Number of societies investigated	11,812	12,094	12,437	12,153	12,762
Number of members	4,261,000	4,494,000	4,785,662	4,914,655	5,488,765
Deposits	1,268,021,000	1,378,319,000	1,514,897,044	1,747,779,533	2,208,342,551
Advances	1,014,445,000	1,033,334,000	1,047,878,130	1,061,119,319	1,062,931,993
Trading societies					
Number of societies investigated	10,293	11,057	11,859	11,892	12,690
Number of members	3,857,000	4,199,000	4,624,881	4,692,671	5,426,538
Total amount of sales (for the year)	313,210,000	376,746,000	478,316,112	598,880,028	746,536,186
Purchasing societies					
Number of societies investigated	11,155	11,664	12,116	12,053	12,917
Number of members	4,108,000	4,374,000	4,879,540	4,937,494	5,702,461
Total amount of purchases (for the year)	196,126,000	249,296,000	281,541,238	353,868,062	432,922,783
Utilization societies					
Number of societies investigated	8,213	9,300	10,484	11,043	12,002
Number of members	3,308,000	3,822,000	4,378,065	4,652,454	5,335,749
Total amount of charges for utilization (for the year)	8,054,000	9,465,000	10,948,498	12,540,115	15,444,124

Village Cereal Warehouses At the time of the great crop failure which resulted from the unseasonably cold weather in the Tohoku or North-Eastern District in 1934, the Imperial House granted a large sum of money, in November of that same year, for instituting some permanent system of mutual relief and rehabilitation for the farmers in the district.

Accordingly the Government, in order to comply with the Imperial wishes, decided upon establishing and popularizing 'Go-Kura' or village warehouses for storing cereals against emergencies in those parts. It distributed an ag-

gregate sum of ¥1,636,800 for the 1934 and 1935 financial years to the prefectures in the district, where 1,209 old cereal warehouses were enlarged and renovated and as many as 4,921 new ones established.

A warehouse association has been formed in each village and each farmer-member of the association is required to store his crop of any particular year by the end of December. The aim is to complete full stocks of cereals in about five years. There are many villages where special community farms for the purpose are cultivated either by members themselves or by tenants.

NUMBER OF VILLAGE WAREHOUSES

	Total	Owners		Capacity	
		Public Bodies	Federation	For Cereals	For Cocoons
1934	6,834	6,724	110	23,540,000 (bales)	4,182,000 (kan)
1935	7,939	7,779	160	27,992,000 ..	4,107,000 ..
1936	8,513	8,304	209	30,430,000 ..	4,541,000 ..
1937	8,811	8,518	293	31,712,958 ..	4,352,784 ..
1938	9,313	8,943	370	33,512,943 ..	4,534,446 ..
1939	9,672	9,258	414	34,600,417 ..	4,519,410 ..

AGRICULTURE IN 1940-1941

Unification of Organizations There have been several organizations connected with farmers at work in the country, the leading ones being the Imperial Agricultural Association and the Japan Industrial (Cooperative) Association. These organizations have individual histories of their own and work for slightly different objectives. But the general trend of domestic affairs in recent years demands the unification of all societies or associations formed by farmers in order to strengthen and raise the status of the farming class as an important factor in the national economy. The existence of different organizations working at cross-purposes is harmful to the real welfare of farmers and hinders the speedy improvement in village life. The Government's policy of self-supply of staple foods has pledged itself to a 20 per cent increase of agricultural production, which makes it imperative that farmers, villages, and their respective organizations and leaders or competent authorities should unite together in achieving this national objective.

In the spring of 1940, therefore, the 75th Session of the Imperial Diet passed the Amended Agricultural Association Bill and the law was promulgated in August 1940. According to the provisions of this bill, the Imperial Agricultural Association is empowered to function as the controller of agriculture in the country, taking all farmers' organizations in the villages under its wings. A village farmers' organization which may become a member of the Agricultural Association of a city, town or village (administrative unit consisting of several villages) is an autonomous organization of all farming households in the village for handling matters relating to production, economy and living conditions of villagers and stands in the foremost line of all agricultural

associations in executing the national policy for increased production of staple foods.

In conformity with the principle of the revised Agricultural Association Law the united conference of agricultural and industrial associations, on July 18, came to the following understanding:

(1) The agricultural organization of each village shall be an autonomous organization of villagers and handle matters relating to the production, economy and livelihood of villagers;

(2) The existing agricultural organizations in each village shall be merged into one organization composed of all the households in the village;

(3) The Imperial Agricultural Association will take general leadership of the village agricultural organization, in cooperation with the Japan Industrial Association and other associations connected with farmers in detailed matters;

(4) The village agricultural organization shall be made a juridical person, as agricultural executive association; and

(5) The village agricultural organization shall be advised to enter the Imperial Agricultural Association and the Japan Industrial Association, so that the two associations may work together through and for the basic organization of villagers.

At the same time, the Home Ministry issued orders, on September 11, in regard to the organization of the Buraku Kai, or village society, as the lowest stratum of the Taisei Yokusan Kai (Imperial Rule Assistance Association), (see Chapter on Politics). The villagers, therefore, were required to form two organizations at once with the same members in both of them. The village agricultural organization or association is to deal solely with the economical side of the village, while the Buraku Kai is to make all matters pertaining to

the spiritual and material welfare of the village community its subject of consultation in its regular meetings. This twofold organization may have to be simplified sooner or later. At present, however, the villagers are required to work them as separate bodies until the competent Ministries, i.e. the Agricultural and Forestry Ministry and the Home Ministry, or the Government find out best means for simplification in due course.

Self-supply and Self-sufficiency The food problem in Japan proper is centered round the supply of rice to consumers. When left to the natural working of free trade and economy, the supply of rice may be managed in some way or other by traders. In this case, however, the rise in prices will be inevitable, notwithstanding the governmental low price policy. With a view to achieving self-sufficiency in staple foods in Japan proper the Government is taking measures to prepare for the time when supplies from overseas territories and Manchoukuo might be cut off on account of military operations in Japanese waters as a possible outcome of the worst international relations.

The annual production of rice in Japan proper is normal, but the demand has increased because of the increase of city population in recent years on account of greater industrial activities in city area, an increase of demand for rice among rural population who are robbed of foodstuffs other than rice on account of the increased demand for them as feed for animals and material for the chemical industry, the governmental control of foodstuffs other than rice, the promotion of exports of foodstuffs for obtaining foreign currency, and the increase of exports of manufactured foodstuffs to the yen bloc countries where construction works are going on in a large scale.

It became clear that the solution of the problem could not be reached by the increased production of rice alone, and the attention of competent authorities and agricultural associations has been directed toward wheat, barley, other cereals and tuber and root crops. The Imperial Agricultural Association presented to the Government the following resolutions in connection with the problem of increased food production, according to the decision adopted in its 32nd general meeting held on October

22-26, 1940.

It is earnestly hoped that the Government will immediately take necessary measures for the fundamental solution of food problem along the following lines:—

(1) For increased production of food,
(a) A permanent production plan should be made for securing the absolute amount of staple foods, through Japan proper and overseas territories.
(b) Fertilizers and materials of farming should be sufficiently supplied in order to enable farmers to accomplish the fixed aim of increased production.

(c) Proper measures should be taken to secure necessary labor and to heighten its efficiency.

(d) Plans must be laid out by the Government for the improvement of watercourses for farm lands, while subsidies should be granted to local works for the same.

(e) Facilities for the production of food or prevention of calamities should be improved and enlarged.

(f) Prices of agricultural products should be so adjusted as to induce the producers to increased effort in production.

(g) To meet the immediate need of the time a special study of agricultural technique should be made by the competent authorities, and all the experimental agricultural institutions, local governments, agricultural organizations and skilled farmers should be mobilized to demonstrate to the farmers the best methods in the art of farming.

(h) Village agricultural organizations should be strengthened and agricultural technicians of the Imperial Agricultural Association be sent in increased numbers.

(2) For the greater utilization of farm land.

(a) The Government should take necessary measures for improving farm lands and give aids to farmers for the same.

(b) A large scale cultivation of new arable lands should be carried out by reclaiming waste lands and by draining marshy areas.

(c) For the execution of (b) a special organ should be established by the Government in cooperation with competent individuals.

(d) Proper measures should be taken for protecting existing farm lands from being wasted and for the best utilization of all arable lands.

These recommendations were representative of the suggestions made in 1940 by other organizations connected with agrarian problems.

Stability of Farming Households The Government anxious to protect farmers, whose rôle in providing the nation with sufficient amount of food is of the highest importance, asked for the opinions of the Imperial Agricultural Association in regard to "the best measures to be taken by the Government in order to keep the agricultural industry on a secure footing and to stabilize the livelihood of farming households at this time of emergency." In reply, the I.A.A. sent the following recommendations:—

(1) Plans for Agrarian Villages.

(a) The structure of a farm village should be built on the basis of standard agrarian households maintained or created according to each stretch of arable land in different districts.

(b) The village agricultural organization should be reorganized making it responsible for the agrarian production and the village plans.

(c) The measures to be taken for the production and consumption of each unit village should be systematized and completed under a general plan of cooperation among villagers.

(d) Agricultural and forestry land plans should be firmly established, including a proper distribution of factory areas in suitable parts of rural districts.

(e) The material and the labor mobilization should be executed in consonance with the above mentioned plans for agrarian villages.

(f) The general national agricultural and forestry land planning should be established as soon as possible.

(2) Improvement of the Arable Land System.

(a) The administrative system in connection with arable lands must be clearly fixed.

(b) A system of control and management should be created in order to enable agrarian organizations of towns and villages to properly distribute arable lands among themselves.

(c) Facilities should be created and speeded up for the increase of landed farmers, in order to make them the standard agrarian households mentioned in (1) (a);

The calculation of the price of farm land given to the landed farmer, the money advances to him and the rate

of repayment should all be determined with a view to ensuring the welfare of the landed farmer himself;

The possible partition or forfeiture of the farm land possessed by the self-cultivating farm household must be prevented by establishing a new system of landownership such as the family property system; and proper measures must be taken to prohibit the purchase of arable lands by persons who intend to employ them for other purposes than farming.

(d) Proper measures must be immediately taken to regulate land value, tenant rates and other conditions of tenant farming.

(e) A special financing organ with sufficient power should be created to advance funds in connection with the execution of the above-mentioned plans.

Tenant Disputes Disputes between landowners and tenanted farmers numbered 6,824 in 1935 when class fighting was most severe under the leadership of socialistic parties. The spirit of class warfare among laborers and farmers has waned since the outbreak of the present China Affair in 1937. The wholesale round-up of socialist leaders since 1937 and the practical prohibition of trade unionism stamped out the socialistic movement in rural districts, allowing almost no class fighting among farmers. But the old conditions, economical and social, which are the causes of tenant disputes are not yet fully adjusted, and as a matter of fact the total annihilation of individual disputes is still far from realized, the actual number of disputes in 1939 being reported as 3,578. It is, however, noteworthy that the number has decreased to one half of the figures for 1935. The reasons for the decrease may be sought in the recognition among landowners and tenants of the emergency nature of the times, and better economic conditions in rural districts as a consequence of the rise in prices of agricultural products affected by the general industrial boom and inflation of currency. The farmers' attitude reflecting the times may be noted in the fact that over 82 per cent of the total disputes were settled by compromise, an increase of 4.3 per cent as compared with the preceding year. The figures for 1940 are yet unavailable, the final reports being usually given in November of the following year. But the decreasing tendency in the number

of disputes is in all probability persisting.

State Control of Rice Along with the progress of the State control of the national economy and with the purpose of securing sufficient amount of staple foods, the Government decided to control the distribution of rice in September 1940, beginning with the 1940 crop. The volume of rice which is to come under State control is 53 per cent of the entire crop, the rest being left with the rice producing farmers for their own consumption. The actual amount of rice which will be controlled by the Government is estimated at 36 million koku. The Government intends to distribute the rice to homes and communities in the city area by rationing, ¥18,300,000 being earmarked as expenditure for accomplishing the purpose.

1940 Crops The crops of important cereals in Japan proper in 1940 were as follows:—

Rice	60,874,252 koku, a decrease of 11.7 per cent from the previous year.
Barley	7,525,256 koku, a decrease of 0.3 per cent.

	Goal	Amount to be Increased (over the past normal year)
Rice	71,445,150 koku	2,064,000 koku
Barley	15,783,717 koku	2,871,000 koku
Wheat	13,000,000 koku	3,500,000 koku
Sweet potatoes	1,435,500,000 koku	455,500,000 kan
Potatoes	608,000,000 kan	178,000,000 kan

Note: The figures for barley and wheat refer to the crops in 1942.

The amounts to be increased shall be obtained by improving farming methods, increasing arable lands and converting mulberry garden into farms for these products. The 76th session of the Imperial Diet gave, in February 1941, consent to a special budget amounting to ¥33,319,000 to be expended for projects connected with the production increase plan for 1941, including 5 million yen to be granted to farmers for their efforts.

The rice increasing plan is to be extended to Chosen and Taiwan also, the goal for the former being 26 million koku and for the latter 10 million koku, so that the total volume of rice crops in 1941 in the Empire should reach around 108 million koku.

There is a danger of decrease in the self-supply of manure on account of the

Barley, (hadaka mugi)	6,262,341 koku, a decrease of 0.7 per cent.
Wheat	13,114,226 koku, an increase of 0.8 per cent.

The wheat crop surpassed the fixed goal of 13 million koku by 114,000 koku, but the rice crop did not reach up to the amount hoped for which was 71 million koku. The Government plans to cover the shortage with imports from Chosen, Taiwan and foreign countries, enforcing, at the same time, a thorough system of rationing for the year 1941.

National Drive for Increased Production The Ministry of Agriculture and Forestry mapped out a plan for the increase of production of staple foods in Japan proper in November 1940. According to the plan the crop of rice in 1952 is to be increased to 84 million koku, barley (including hadaka mugi) to 25 million koku in 1953, while the present amount of wheat crop which is 13 million koku shall be maintained. For the realization of the plan, 500,000 chobu of new arable land is to be brought under cultivation by 1952.

The goals set for 1941, the first year under the 12 year plan, are as follows:—

	Goal	Amount to be Increased (over the past normal year)
Rice	71,445,150 koku	2,064,000 koku
Barley	15,783,717 koku	2,871,000 koku
Wheat	13,000,000 koku	3,500,000 koku
Sweet potatoes	1,435,500,000 koku	455,500,000 kan
Potatoes	608,000,000 kan	178,000,000 kan

decrease in rural population and in the number of animals which depended on imported feed, while the production of chemical fertilizers is limited because of the decreased imports of material. In view of the importance of supply of fertilizers for the proposed increased production of staple foods, the Government is making all efforts to secure necessary volume of manures and fertilizers by giving instructions to young farmers at special institutions, and establishing a governmental company for production and distribution of chemical fertilizers.

Laws and Ordinances Issued In compliance with the requests or suggestions of the Imperial Agricultural Association, the Japan Industrial Association and others, the Government issued laws and ordinances in relation to the im-

provement and stability of agricultural conditions. Brief mention of important ones follow.

The Extraordinary Farmland Price Control Ordinance. The rising tendency of land price in agrarian districts threatened the Government's low price policy and started to give an upward push to commodity prices in general and thereby tending to increase difficulties in the agricultural industry, badly affecting the production and livelihood of farmers. The Government therefore issued the Ordinance, in accordance with Article 19 of the National General Mobilization Law, on January 30, 1941, and enforced on February 1. Article 3 of the Extraordinary Farmland Price Control Ordinance prohibits the contract, sale and purchase of the arable land with a price higher than the value recognized by the competent authorities. The Ordinance was enacted in overseas territories on February 15.

The Extraordinary Farmland Administration Ordinance. The Government which is carrying on a drive for the increased production of agrarian products issued and enacted the Extraordinary Farmland Administration Ordinance in order to prevent the decay of farmlands and their alteration for purposes other than farming, on February 1, 1941, for Japan proper, the same law to be enacted on February 20 for overseas territories. This Ordinance is an operation of Article 13, paragraph 1 and 3 of the National General Mobilization Law. Article 3 of the Ordinance requires the individual owner, lessee or tenant of the farmland, or one who holds the right of farming on it to get permission of the local Governor or the Minister of Agriculture and Forestry when he wants to use the farmland for purposes other than agriculture. Article 5 puts similar restrictions on any person who intends to obtain rights on farmlands for purposes other than agriculture. Article 8 empowers the local Governor to cause the prefectural or rural farmland commissions to give advice to the right holders of farmlands in regard to proper farming, or to order the right holder to lease his farmland to others whom the governor recognizes fit for managing it. Article 10 provides that the competent Minister or local Governor may restrict or prohibit the cultivation of certain kinds of agricultural products on any given locality.

In short, the Ordinance aims at the prevention of the decay of farmlands and compulsory cultivation and insistence on the choice of crops suitable to the area.

The Farmland Reclamation Law. The 76th session of the Imperial Diet passed the Farmland Reclamation Bill in February 1941, and the Law was promulgated in April. Article 1 of the Farmland Reclamation Law sets the purpose of the law to be the promotion of improvement and reclamation of arable lands for the execution of the food self-supply policy. Article 3 provides for the formation of a body called the Farmland Reclamation Corps to be constituted as a juridical person. The fund to be at the disposal of the Farmland Reclamation Corps was fixed at 30 million yen, one half of it to be met by the Government. The area of waste land to be reclaimed by the corps was placed at 250,000 chobu, or one half of the whole area to be newly brought under cultivation under the 12 year plan mentioned above.

Purchase of Foodstuffs by the State The Government revealed its plan for the State's purchase of foodstuffs other than cereals after September 1941 as follows:—

Sweet potatoes	120 million kan
Potatoes	30 million kan
Vermicelli, etc.	30 million kg.

The Government also purchased beans to be distributed in the city area, as for instance, 500,000 koku of Manchurian soya beans, 300,000 koku of Hokkaido red beans and green peas which were purchased to be distributed in March 1941 among the consuming centers.

Use of Machines Increasing The outflow of labor from rural districts and the development of cooperative farming in rural communities in recent years have accelerated the use of machines in agriculture. In 1940 the Ministry of Agriculture and Forestry made a preliminary investigation on the condition in 1939 to make plans for the encouragement of general use of machines among farmers in conformity with the increased production policy. According to the report on the results of the investigation published in February 1941, the number of tractors increased from 211 in 1935 to 2,819 in 1939, motors from average 16.5 for each village in 1937 to

26.3 in 1939, increase in horse power being from 35.5 to 67.9. Various motor machines which numbered 264,471 at the end of 1937 increased to 358,064 at the end of 1939; thrashing machines from 246,367 to 356,546; miscellaneous machines and tools from 118,555 to 181,184; and pumps from 32,613 to 83,105.

No More Side Lines Together with the concentration of national effort in expanding the output of staple foods, the former thriving side lines of agrarian communities have diminished since the latter half of 1940, and the Side Line Section in the Ministry of Agriculture and Forestry was closed after 24 years of history, at the beginning of 1941. The section was instituted in 1917, when the rice riots occurred on account of the unprecedented rise of rice prices, with the purpose of encouraging side lines among farmers who were hard hit by economic depression. But the production of side lines such as homespun cloth, ngaragar, foreign vegetables, fruits, canned foodstuffs, wheat flour and handwork articles has become difficult on account of State control of material; the badger feeding and cultivation of superior kinds of melons, grapes, etc. have been done away with on account of the price control on luxurious articles. On the other hand farmers have found better living with the rise in prices of main products as was mentioned elsewhere, so that their attention is drawn to their principal work.

Economic Conditions The economic conditions in rural communities have improved in general since the latter half of 1938. The annual income of agrarian households is increasing on account of the rise in prices of farm products, extra income which comes from earnings of house members in factories and the rise in land prices.

The total value of production by farmers in 1939 reached ¥6,057,690,000, an increase of 46 per cent from the previous year. The increase is largely due to rise in prices. The figures for 1940 are not yet available, but the estimated value of important cereals, i.e. rice, barley and wheat, is given at ¥3,177,305,000, a decrease of 300 million yen from 1939. When the totals for other products come out, however, the entire value is expected not to fall below the amount for 1939, because the

prices of vegetables, fruits, etc. have soared considerably as compared with those of cereals which are under strict State control, while it is certain that a still greater increase may be witnessed for 1941 as the result of the national effort for increased production.

According to the investigation on the household economy of farmers during the year 1939, made by the Ministry of Agriculture and Forestry in 1940, all classes of farmers were found to have an excess of income.

The investigation was made on the income and expenditure of farm-households in 732 villages representing different districts. In the average, 90 per cent of farmers in those villages had increased income. The average amount of annual income was ¥1,571, an increase of 24 per cent over the previous year; while expenditure amounted to ¥1,203, an increase of 23.6 per cent. The average excess amount of A class farmers was ¥380, B and C classes ¥261, or ¥368 in the average and 82.7 per cent of the investigated farmers increased deposits in banking organizations. The increase of deposits by farmers in Japan proper during one year, April 1939 to March 1940, was estimated at ¥1,549,000,000.

The total amount of debts among B and C class farmers was estimated at ¥4,091,000,000 at the end of August 1935. This figure is supposed to have dwindled at present to less than 4,000 million yen, because of the progress of farm village debt adjustment movement and the general increase in the amount of income. According to the investigation conducted by the competent Ministry on the debt conditions in farm villages as at the end of 1940, out of 22,997 households investigated the indebted numbered 64 per cent, a decrease of 19 per cent as compared with August 1935, the average amount of debt of the indebted households decreasing from ¥824 in August 1935 to ¥789 in December 1940. An investigation by the Central Chest for Industrial (Co-operative) Associations also shows that deposits by farmers are increasing, the percentage of farmers among depositors in 202 village industrial associations being 54.6 per cent at the end of June 1937, 55.1 per cent at the end of June 1938 and 55.8 per cent at the end of 1939.

CHAPTER XIV

SERICULTURE AND RAW SILK

The Largest Raw Silk Reelers in The World



Raw Silk

PRODUCTION:

All Grades and Sizes, Both White and Yellow,
Sixty-Five Filatures in Japan, Chosen and China

KATAKURA & CO., LTD.

3-chome, Kyobashi, Kyobashi-ku, Tokyo, Japan

CHAPTER XIV

SERICULTURE AND RAW SILK

History

Historical records show that the raising of silkworms has been practised in Japan for more than two thousand years. It is surmised that the industry was first introduced into the country from Korea or China, but for sometime it made but slow development, as the work was almost exclusively in the hands of the naturalized Koreans and Chinese. Following the introduction of Buddhism, and with the advance of civilization, the demand for silk gradually increased and the industry spread among Japanese farm households. After that, sericulture made steady growth until about 1,100 years ago, when, at the time of the Emperor Kamma, it made a sudden spurt and spread over half the Japan proper of these days, and in less than another century most of the remaining half of the country was engaged in silk production. Recent development made in the industry is outlined in the following table, showing the cocoon output for the past half a century.

Year	(In 1,000 kan)	Index Number
1880-1884	12,223	100
1885-1889	11,147	91
1890-1894	15,436	123
1895-1899	24,608	201
1900-1904	26,484	217
1905-1909	32,622	267
1910-1914	43,184	353
1915-1919	61,561	504
1920-1924	64,877	530
1925-1929	91,663	749
1930	106,469	871
1931	94,072	709
1932	89,550	732
1933	101,247	828
1934	87,199	713
1935	82,067	671
1936	82,892	675
1937	85,972	703
1938	75,256	615
1939	90,799	742
1940	87,546	716

The recent condition in the sericultural industry in Japan proper can roughly be explained as follows:

	1935	1936	1937	1938	1939
Number of agrarian families	5,610,607	5,597,465	5,574,879	5,519,480	5,491,838
Number of cocoon raising families	1,894,647	1,856,551	1,818,552	1,696,206	1,651,478
Percentage of cocoon raising families	33.7	33.1	32.6	30.7	30.0
Mulberry plantation area (chobu)	582,337	566,231	561,072	519,519	533,380
Egg-cards brushed (gram)	151,176,726	145,651,630	143,839,117	128,102,275	132,687,997
Quantity of cocoon yield (1,000 kan)	82,066	82,892	85,972	75,256	90,818
Value of cocoon yield (1,000 yen)	359,860	386,640	419,609	346,034	882,964

Cocoon-raising Industry

According to the Ministry of Agriculture and Forestry statistics the raisers of silkworm cocoons numbered 1,651,478 in 1939. The number of these cocoon raising houses decreased by 44,828 or 2.7 per cent from the previous year.

The quantity of cocoons produced in 1939 totalled 90,818,486 kan and the value was estimated at ¥882,964,776 consisting of 44,746,593 kan of spring cocoons valued at ¥407,690,283 and summer and autumn cocoons of 46,071,893 kan valued at ¥475,274,493. The total output increased by 15,562,200 kan or 17 per cent and value by ¥536,930,012

or 60.8 per cent as compared with the previous year.

Egg-cards brushed during 1939 amounted to 132,687,997 grams increasing 4,585,722 grams or 2.7 per cent over the previous year.

These remarkable increases are due generally to satisfactory weather conditions except in the western wing of the main island, Shikoku and Kyushu

where a severe drought unknown in recent years cut down the quantity of the summer and fall cocoons. The notable increases are also due to success in the official measures taken to encourage cocoon raising and to the favorable tone in silk market price. The last named factor gave much impetus to the raisers who then took minute care in rearing the worms for summer and autumn cocoons.

PRODUCTION OF SILKWORM EGGS

	(In kg.)				
	1935	1936	1937	1938	1939
Number of producers	4,346	3,827	3,512	3,157	2,757
Total					
Production	256,522	213,891	235,501	210,098	195,640
Qualified by government test	252,870	211,992	233,592	208,545	194,583
Reproductive eggs					
Production	8,616	7,235	6,989	7,070	3,919
Qualified by government test	8,256	6,976	6,788	6,883	3,833
Industrial eggs					
Production	247,903	206,655	228,511	203,028	191,720
Qualified by government test	244,615	205,015	226,804	201,661	190,750

Mulberry Plantation The success of the silk-worm raising industry depends upon an adequate supply of suitable leaves on which to feed the worms.

In Japan there are as many as 276 varieties of mulberry tree, and from these, 71 are selected by local government authorities as model kinds, each having its own special characteristics.

The total mulberry plantation area at the end of June 1939 was 533,380.1 chobu, representing a drop of 16,139.6 chobu or 3 per cent from 1938. This was due to progress of mulberry plantation readjustment all over the country. The number of mulberry saplings that were raised in 1939 counted 269,887,726 pieces valued at ¥3,971,657.

Educational Facilities There are in Japan three special colleges for the silk industry, namely, the Ueda Sanshi Senimon Gakko, Nagano prefecture; Tokyo Sanshi Gakko, Tokyo; and Kyoto Koto Sanshi Gakko, Kyoto; besides which, there are, in different parts of the country, 16 public schools of middle school grade. Some of the agricultural colleges and middle grade schools also have classes dealing with silk industrial enterprises. In addition to these regular seats of learning there is a class for the practical training of silk-raisers at every sericultural experimental station established by the

Government in each silk producing district, and a similar training is also given at a score of private institutes created for the purpose of diffusing knowledge on all phases of the silk industry.

The Cocoon Market The Numazu cocoon market for 1940 opened on May 31 for the first spring cocoon transactions in Japan. Usually at the Numazu market yellow cocoons are dealt in, but at the Hamamatsu market white cocoons are transacted. Prices of white cocoons were the highest for the last 15 years. High, low and average prices of the day, which formed the standard for the year's prices in this country, together with those for the preceding five years, were as follows:

	High	Low	Average
	(In yen per kan)		
1936:			
White	5.30	4.28	4.68
Yellow	5.29	4.51	4.94
1937:			
White	5.03	5.03	5.03
Yellow	6.28	5.20	5.93
1938:			
White	5.17	4.98	5.06
Yellow	4.96	4.38	4.61
1939:			
White	11.19	10.93	11.06
Yellow	10.07	9.20	9.63

1940:	High	Low	Average
	(In yen per kan)		
White	13.45	12.23	13.18
Yellow	12.23	11.45	11.76

The Statistics on cocoon production by kind in Japan proper in the past 5 years are given below:

COCOON PRODUCTION BY KIND IN 1934-38

		(Japan Proper)				
		1935	1936	1937	1938	1939
Total production						
Quantity	kan	82,139,796	82,892,193	83,972,363	75,256,286	90,518,486
Value	yen	350,860,428	386,640,792	419,609,741	346,034,764	882,964,776
Cocoons						
Quantity	kan	73,367,743	73,992,638	77,112,053	67,210,119	79,928,462
Value	yen	330,510,891	365,304,203	397,419,066	321,953,607	811,434,695
Doupons						
Quantity	kan	4,726,745	4,784,779	4,642,885	4,200,175	5,537,799
Value	yen	11,702,573	11,597,767	11,505,307	13,519,620	38,032,880
Waste cocoons						
Quantity	kan	3,971,565	4,114,776	4,217,425	3,845,992	5,352,225
Value	yen	8,646,964	6,738,822	10,685,368	10,561,537	33,497,201

AVERAGE COCOON PRICE IN JAPAN PROPER PER KAN

	(In yen)		
	Spring Cocoon	Summer-Autumn Cocoon	Average
1926	9.28	7.33	8.35
1927	7.18	4.77	6.03
1928	6.88	6.02	6.48
1929	7.57	6.53	7.06
1930	4.00	2.04	3.10
1931	3.08	2.96	3.03
1932	2.54	4.70	3.53
1933	6.25	4.27	5.28
1934	2.52	2.38	2.45
1935	3.82	5.37	4.50
1936	5.06	4.81	4.94
1937	5.55	4.13	4.88
1938	4.26	4.93	4.60
1939	9.11	10.19	9.65
1940	11.42	8.28	9.86

Cocoon Production in 1940

The domestic production of cocoons in 1940 aggregated 87,546,000 kan (1 kan=3.75 kgs.), declining by 3,272,000

kan or 3.62 per cent from the 1939 production. The total value of production in 1940 amounted to ¥863,000,000, falling by ¥21,000,000 or 2.3 per cent from the preceding year. The 1940 fall of cocoon production was due to an attempt on the part of silk-worm raisers to hold off the gathering of silk-worms from egg-papers for fear of possible drop in the supply of mulberry leaves due to the dry spell in 1939 and cold spell in 1940, although the climate following the gathering of silk-worms was normal and favorable and raising activities proved satisfactory in case of spring cocoons due to the expansion of cocoon production facilities. On the contrary, summer-autumn silk-worm production tended generally to go downward with the exception of certain sections in the Kinki, Chugoku and Shikoku districts. Unseasonable weather conditions at the fall-end worm-gathering season also proved a discouraging factor. As a result, the total cocoon production in 1940 marked a 3.6 per cent drop. Relative figures follow:

RECENT COCOONS STATISTICS

	1936	1937	1938	1939	1940
Silk-worm raising houses (in 1,000)					
Spring	1,604	1,678	1,534	—	—
Summer-autumn	1,754	1,699	1,576	—	—
Total	1,856	1,815	1,697	1,656	1,649
Silk-worm production (in million grams)					
Spring	65	66	59	59	55
Summer-autumn	81	77	69	74	73
Total	146	143	128	133	129

	1936	1937	1938	1939	1940
Cocoon production (in million kan)					
Spring	41.4	45.5	40.9	44.8	43.8
Summer-autumn	41.5	40.5	34.4	46.0	43.8
Total	82.9	86.0	75.2	90.8	87.5
Cocoon production value (in million yen)					
Spring	200.0	252.6	177.5	407.6	409.9
Summer-autumn	186.6	167.0	168.5	475.1	362.4
Total	386.6	419.6	346.0	882.7	862.3

COCOON PRODUCTION IN 1940 BY PREFECTURES

Prefectures	Silk-worm Production (In kgs.)	Cocoon Production (In 1,000 kan)		Total	Inc. or Dec. Com- pared with 1939 (In 1,000 kan)
		Spring Cocoons	Summer- Autumn Cocoons		
Hokkaido	23	7	1	8	Dec. 212
Aomori	67	38	15	52	Dec. 464
Iwate	1,227	757	318	1,076	Inc. 24
Miyagi	1,994	869	713	1,582	Dec. 31
Akita	303	122	76	198	Dec. 2
Yamagata	2,462	1,204	1,223	2,427	Dec. 214
Fukushima	5,921	2,383	2,002	4,385	Dec. 288
Ibaraki	5,315	1,934	1,746	3,579	Dec. 238
Tochigi	1,443	500	493	994	Dec. 16
Gumma	12,906	2,996	3,775	7,752	Dec. 274
Saitama	10,200	3,340	2,892	6,232	Dec. 54
Chiba	3,221	1,103	980	2,082	Dec. 54
Tokyo	2,296	738	796	1,533	Dec. 6
Kanagawa	2,371	879	755	1,635	Dec. 81
Niigata	2,276	874	685	1,559	Inc. 72
Toyama	243	75	74	148	Dec. 14
Ishikawa	539	205	175	379	Dec. 23
Fukui	319	130	99	229	Dec. 11
Yamanashi	8,363	2,901	2,699	5,600	Dec. 130
Nagano	15,196	3,740	6,071	9,811	Dec. 928
Gifu	4,911	1,823	1,732	3,556	Dec. 105
Shizuoka	2,628	1,019	927	1,946	Dec. 275
Aichi	7,760	2,532	2,896	5,429	Dec. 108
Miye	4,195	1,596	1,435	3,032	Inc. 37
Shiga	518	198	193	392	Inc. 25
Kyoto	1,491	601	505	1,106	Inc. 4
Osaka	23	10	7	17	—
Hyogo	1,515	724	419	1,143	Dec. 42
Nara	807	243	323	565	Inc. 8
Wakayama	773	297	287	585	Dec. 34
Tottori	1,704	563	678	1,240	Inc. 8
Shimane	1,854	514	670	1,184	Inc. 87
Okayama	1,220	308	502	810	Dec. 108
Hiroshima	748	318	298	516	Dec. 61
Yamaguchi	327	111	112	223	Dec. 14
Tokushima	2,607	754	976	1,730	Inc. 107
Kagawa	488	158	181	339	Inc. 34
Ehime	2,530	867	859	1,726	Dec. 86
Kochi	1,705	760	616	1,377	Dec. 96
Fukuoka	1,489	524	479	1,003	Dec. 1
Saga	822	354	262	615	Inc. 15
Nagasaki	970	315	339	654	Inc. 26
Kumamoto	4,039	1,319	1,563	2,882	Dec. 123
Oita	2,280	837	759	1,596	Dec. 83
Miyazaki	1,554	565	537	1,102	Dec. 136

Prefectures	Silk-worm Production (In kgs.)	Cocoon Production (In 1,000 kan)			Inc. or Dec. Com- pared with 1939 (In 1,000 kan)
		Spring Cocoons	Summer- Autumn Cocoons	Total	
Kagoshima	1,889	689	594	1,283	Dec. 76
Okinawa	334	68	66	134	Inc. 7
Total	128,855	43,761	43,785	87,546	Dec. 3,272

Raw Silk

Soon after the country's entry into foreign trade, the Tokugawa Shogunate put a restraint on the exportation of silk on the ground of its scarcity and of its being a prized national production. Notwithstanding such a restrictive policy raw silk exports from Yokohama increased by leaps and bounds, as enormous profits could be made by the exporters.

With the Restoration came the encouragement of home industries, the first among them to arrest the attention of the Government authorities being the silk industry, and ever since special efforts have been made toward developing this national industry. Unfettered financial help was extended to filatures in 1915, 1920, and again in 1930, and the Government has established facilities for the promotion of all phases of silk activities, schools, silk conditioning houses and various experimental stations.

The silk reeling and sericultural industry is represented by Nagano prefecture. Suwa is located in the central part of the prefecture and Okaya (Hirano Village) in Suwa district is the most thriving and largest silk reeling center. No other silk reeling district in the world can rival it, since Japan produces two-thirds of the world's entire silk production, and silk production in Nagano takes the foremost rank in Japan. Gumma prefecture is the next largest reeling center with Fukushima, Aichi, Saitama, Gifu and Kyoto following.

Production and Exports The production of raw silk of all kinds in 1939 amounted to 11,097,961 kan valued at ¥901,486,295, showing a decrease of 409,280 kan and an increase of ¥367,

295,162 as compared with the previous year.

The number of silk filatures has kept falling for past 12 years, except 1930 and 1937. The Government was giving subsidy to filatures for encouragement of scrapping surplus basins in accordance with the silk reeling industry law, and the readjustment of medium-sized filatures made headway. But the total number of filatures in 1939 was 37,442, a decrease of 3,813 as compared with the previous year. The decrease was witnessed among small and medium-sized filatures as shown by the following table:

FILATURES CLASSIFIED BY THE NUMBER OF BASINS OPERATED

Those operating	1938	1939	Comparison
Less than 10			
Basins	39,435	35,648	(-)3,787
10-49	816	828	(+) 12
50-99	398	387	(-) 11
100-299	451	425	(-) 26
300-499	103	93	(-) 9
500-999	49	54	(+) 6
1,000 and over	4	6	(+) 2

Of the total, filatures using machines numbered 1,813, re-reeling filatures 32,433, and dupion filatures 3,196.

The total number of operatives was 262,883, divided by sex, 19,937 males and 242,946 females, decreasing 14,123 in the total, 942 males and 13,181 females.

In spite of the decrease in the numbers of filatures, basins, operatives and quantity of the output the value increased which was ¥901,486,295. Production of silk waste also made an increase as shown in the following table.

NUMBER OF FILATURES, BASINS AND OPERATIVES

(Silk Bureau, Ministry of Agriculture and Forestry)

Year	Establishments	Filature Worked by Machinery	Basins	Operatives
1919	234,992	4,311	610,032	—
1924	196,929	3,674	523,582	546,813
1926	91,751	3,768	428,174	488,342
1927	83,469	3,787	425,595	496,230
1928	76,090	3,509	435,735	515,504
1929	69,417	3,719	437,738	525,307
1930	70,728	3,759	433,637	509,124
1931	66,400	3,687	418,402	495,449
1932	60,461	3,356	365,417	428,763
1933	54,397	3,218	343,579	395,027
1934	51,168	3,013	321,040	362,510
1935	45,703	2,708	297,657	347,513
1936	41,892	2,468	280,692	320,496
1937	43,422	1,892	256,115	295,148
1938	41,255	1,837	247,961	277,006
1939	37,442	1,813	239,013	262,883

SILK PRODUCTION

(Silk Bureau, Ministry of Agriculture and Forestry)

Year	Total Output		White Silk		Yellow Silk	
	Volume (kan)	Value ¥	Volume (kan)	Value ¥	Volume (kan)	Value ¥
1925	8,284,317	956,052,187	6,822,065	784,720,379	1,462,252	171,331,808
1926	9,101,310	850,751,982	7,151,726	667,505,253	1,949,584	183,246,729
1927	9,880,306	798,798,455	7,800,821	629,005,493	2,079,485	169,782,962
1928	10,584,232	835,467,904	7,760,865	615,721,117	2,823,367	219,746,787
1929	11,292,399	857,577,692	8,246,583	624,955,155	3,045,816	232,622,537
1930	11,365,026	536,663,848	8,097,133	384,978,584	3,267,893	151,685,264
1931	11,082,814	427,690,988	8,036,360	295,289,433	3,046,454	132,401,555
1932	11,090,711	454,457,838	7,805,617	320,777,178	3,285,094	133,680,660
1933	11,242,816	497,740,808	8,429,370	370,840,466	2,813,446	126,900,342
1934	12,064,894	398,369,167	8,785,013	294,268,393	3,279,881	104,100,774
1935	11,062,048	500,052,421	9,154,361	399,560,673	2,507,687	100,491,748
1936	11,287,329	517,246,143	9,621,836	442,153,148	1,665,493	75,092,995
1937	11,166,553	527,320,631	9,648,493	458,437,242	1,518,060	68,883,389
1938	11,507,241	534,191,133	9,720,524	454,969,224	1,786,717	79,221,909
1939	11,097,961	901,486,295	10,214,217	830,296,764	883,744	71,189,531

TOTAL PRODUCTION BY RAW SILK FACTORIES

	1935	1936	1937	1938	1939
Grand total					
Number of establishments	45,703	41,892	43,422	41,255	37,442
Number of boiling basins	297,657	280,692	256,115	247,961	239,013
Number of operatives	347,522	320,960	295,148	277,006	262,883
Male	26,175	23,922	22,122	20,879	19,937
Female	321,347	296,574	273,026	256,127	242,946
Production (Value)					
Raw silk	yen 522,606,348	538,558,343	548,804,996	562,093,262	948,327,525
Qt.	kan 11,662,048	11,287,329	11,166,553	11,507,241	11,097,961
Val.	yen 500,052,421	517,246,143	527,320,631	534,191,133	901,486,295
Waste					
Qt.	kan 4,019,588	3,430,462	3,234,206	3,523,851	3,860,465
Val.	yen 22,553,927	21,312,200	21,484,365	27,902,129	46,841,230

Note:—Silk year begins with June and ends with May of the following year.

Price of Raw Silk

In January 1920, raw silk was quoted at ¥4,360 per bale of 16 kan, the highest price in the history of the country's silk business. At that time the volume of production was 360,000 bales, but during the next 10 years production increased to 730,000 bales, but unfortunately the prices did not fall in inverse ratio. Had they done so, Japanese producers would have been happy, for in June 1932, the price fell below one-tenth that of 1920, whereas the out-

put had only doubled. In 1933 it regained a little, but in 1934 the price fell to its lowest, and it seemed to be showing an upward tendency from the following year. It went down again in 1938, regained upward tendency in 1939 ending with ¥2,068 in December. January 1940 was highest, but began to decline in the following months to end with ¥1,510 in December. The year average, however, was highest in the past 10 years, nearly attaining to the level of 1926.

RAW SILK PRICE AT YOKOHAMA SPOT MARKET

(In yen)

(Standard quality; per pleul, 133 lbs.)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
1920	1,942	1,800	1,711	1,503	1,519	1,576	1,602	1,557	1,601	1,532	1,466	1,441	1,585
1927	1,413	1,418	1,414	1,416	1,451	1,427	1,374	1,317	1,341	1,301	1,289	1,293	1,375
1928	1,311	1,357	1,356	1,348	1,326	1,251	1,247	1,282	1,312	1,375	1,362	1,370	1,321
1929	1,356	1,378	1,396	1,401	1,341	1,314	1,282	1,302	1,220	1,288	1,221	1,169	1,310
1930	1,174	1,169	1,165	1,139	1,100	795	705	708	648	574	581	562	775
1931	708	684	666	597	531	527	585	577	584	548	556	567	583
1932	672	653	617	534	473	469	536	803	938	891	914	928	702
1933	770	694	655	728	786	970	954	857	851	713	586	555	766
1934	583	643	570	538	523	494	474	463	465	510	550	598	537
1935	634	617	590	607	614	592	632	754	830	912	931	874	674
1936	916	764	749	746	691	681	738	771	734	771	863	871	775
1937	915	883	909	877	820	832	880	841	828	768	719	687	830
1938	683	707	713	700	701	702	797	762	778	827	808	817	750
1939	864	956	1,027	1,112	1,260	1,187	1,238	1,244	1,584	1,747	1,852	2,068	1,366
1940	2,133	1,688	1,636	1,471	1,518	1,466	1,361	1,350	1,371	1,417	1,360	1,350	5,510

American Consumption The American consumption of Japanese raw silk in the silk year 1939-40 amounted to 268,693 bales, a decrease of 116,471 bales from the previous year. The percentage in the total lowered from 93 to 83 per cent.

AMERICAN CONSUMPTION OF RAW SILK

(In bales)

	Consumption	Imports	Stocks in N.Y. (June)
1937-38			
Japanese silk	357,600	358,749	40,299

Raw Silk Industry Under Reorganization

Japanese raw silk has developed as an article of export to the United States, and the domestic raw silk production has increased as its export has expanded. For the past 10 years or more, the danger of Japan's excessive dependence upon the United States for its raw silk exports has been stressed, and during this period, this danger has be-

come increasingly realistic. In spite of this realization, nothing could be done to avoid this dependence, because there is no country other than the United States which has such well developed and prosperous silk industry to consume the Japanese raw silk. However, since the outbreak of the China Affair, the supply-demand relations of

raw silk have undergone a drastic change. At one time, about 80 per cent of the domestic raw silk production was exported. In 1939, raw silk exports fell to 52 per cent of the domestic production. To that extent, the domestic consumption has advanced. Since the commencement of the 1940 raw silk year, that is, since July 1940, raw silk exports have become further depressed, resulting in an enormous accumulation of stocks. To cope with the situation, the Government purchased 50,000 bales of raw silk and had the Imperial Raw Silk Company (Teikoku Sanshi Kabushiki Kaisha) purchase another 50,000. With the situation standing as it is, one is apt to think that the domestic raw silk industry may face a great crisis if once an American-Japanese war breaks out. However, it is believed possible that this problem can be solved without seriously affecting the sericulturists and without drastically cutting the cocoon production if the domestic raw silk production is allotted mostly to the domestic market as is being planned by the Ministry of Agriculture and Forestry.

According to a plan drafted by the Ministry of Agriculture and Forestry, the domestic raw silk production is to be reduced by 10 per cent with the resultant cut in the area of mulberry plantations (about 60,000 chobu) to be allotted to the cultivation of foodstuffs. The ministerial plan also calls for the allotment of 40 per cent of the domestic raw silk production for domestic consumption and the remaining 50 per cent to be exported, if possible, or used for manufacturing short-length fiber (by picking cocoons to be mixed with wool and other fibers). This is a plan not entirely impossible of realization. As Japan is now short of various fibers at home, raw silk is one of the best fibers for mixing purpose. In that case, however, there will have to be a change in the varieties of cocoons, and the Ministry of Agriculture and Forestry already has that plan ready. The only question is the prices of cocoons. As is well known, cocoons are a cardinal source of revenue for farmers in Japan, and the Government is required to give sufficient consideration to this aspect of the problem, before reaching any final decision. Since the situation has become so pressing, it has become clear that a strong control over the raw silk industry in general is essential, and the

Government, for this purpose, submitted a bill for the control of silk industry to the 76th session of the Imperial Diet. In this respect, the adjustment of the number of basins comes into question. After all, the future raw silk control plan shall be drafted not merely from the standpoint of sericulture and filature but also on the basis of the supply and demand of various fiber in this country.

Silk Conditioning

The Japanese Government established a silk conditioning house in 1895 at Yokohama, with the object of facilitating raw silk transactions between buyer and seller by providing an organ for the strict examination of raw silk, and also of encouraging reelers to improve the quality of their product in the light of the results of the examination. In 1931 another one was established at Kobe, and these two silk conditioning houses are making all efforts for the maintenance and improvement of the quality of raw silk produced in the country.

The Yokohama Silk Conditioning House

The Silk Conditioning House was established in 1895 and began to operate on August 5, 1896. It was at first on quite a small scale, but was successively enlarged owing to the continual growth of the raw silk export trade.

Under the Law which went into effect on and after July 1, 1927, all transactions in raw silk for export were regulated to base on the conditioned weight of the silk determined by this institution, and the classification tests were also enforced on and after January 1, 1932 as the compulsory test for export raw silk.

Organization and Functions. The Yokohama Silk Conditioning House performs the following functions:

- A. All kinds of tests and inspections on raw silk.
- B. Studies and investigations regarding the test and storage of raw silk.
- C. Courses and lectures on the test and assortment of raw silk.
- D. Examination of apparatus and equipment pertaining to raw silk.
- E. Supervision of the warehouses for raw silk and silk piece goods attached to the Yokohama Silk Conditioning House.

There are three departments: the Conditioning Department; the Quality

Department; and the Department of General Affairs. The Department of General Affairs is divided into two sections: the Section of General Affairs; and the Investigation Section.

The Conditioning Department carries out the necessary tests for determining the weight of raw silk, as well as studies relating thereto. These tests comprise tests for conditioned weight; tests for net weight; tests for moisture and boil-off tests.

The Quality Department performs tests to determine the quality of raw silk, such as the classification test and other tests pertaining to the quality of raw silk.

The Department of General Affairs attends to business matters, investigations in general and the supervision of the warehouses.

Compulsory Tests for Export Raw Silk

First of all, the entire books (bundles of 30 skeins) of a lot* are inspected carefully in a visual inspection room for making such sorting, as to provide proper value as a lot of merchandise. Fifty sample skeins representing a lot are then taken out at random from the entire lot for performing mechanical tests classified into: major test (evenness tests, cleanness test and nestness test) and auxiliary test (winding test, size deviation test, maximum deviation test, tenacity and elongation tests, cohesion test and average size test), and then the entire lot is delivered to the Conditioning Department.

Visual Inspection. The items of visual inspection are as follows:

General Finish: The condition of general finish of a lot and the presence and degree of defects arising from re-reeling, finishing packing and packing damage are inspected and the results are indicated by Excellent, Good, Fair, or Slightly Inferior.

Uniformity of a lot: The general condition of uniformity of a lot is inspected and the results are indicated by Excellent, Good, Fair, or Slightly Inferior.

Nature: The inspection of nature of raw silk is made on the shade and degree of shade of color, the kind and

* N.B. A lot usually consists of ten bales of raw silk and the weight of a bale (28 to 30 books make one bale) is about 60 kilos, or 132 pounds.

degree of lustre and the nature and smoothness of thread by hand.

Skein Inspection. Skein Inspection is to inspect the super major defects of the raw silk thread and also examine the existence and the degree of the number of the gum knots of the raw silk thread.

Winding Test. The object of this test is to determine the number of breaks which occur in the raw silk thread in the winding operation. The first 20 sample skeins are wound from the outer surface of the skeins, the additional 20 skeins from the inner surface of the skeins and the remaining 10 skeins from the middle part of the skeins on to bobbins at a known speed as follows, and the number of breaks occurring one hour are counted.

Winding Speed

Size of thread under test

12 deniers or finer	110 meters per min.
13/17 deniers	140 " " "
18 deniers	" " " "
or coarser	165 " " "

A denier is a unit of the size of raw silk and equals the weight of 5 centigrams in 450 meters in length.

Size Deviation Test. This test is to determine the average size deviation by taking the sum of the differences between the 200 individual sizing skeins and the mean size and dividing this sum by the number of sizing skeins.

Maximum Deviation Test. The object of this test is to determine the degree of spring size in 200 sizing skeins, 450 meters each.

The difference between the average size and average of four coarsest size, and also the difference between average size and average of four finest size shall be obtained. Both differences are compared and the larger one represents the result of Maximum deviation.

Average Size Test. The average size test is to determine the average size of raw silk in conditioned weight. 200 sizing skeins 450 meters each are taken and placed all together in a conditioning oven, dried to constant weight, and then 11% of the dry weight is added to constant weight, this shall be the conditioned weight of these skeins, from which the average size in conditioned weight shall be obtained.

Evenness Test. The evenness test is a

visual test to determine the evenness of raw silk by comparing with the standard photograph. The raw silk is first wound in sections (called "panels") on to boards having a flat black surface, by means of the seriplane. 100 such panels are used for the test. The method of carrying out this test is as follows:

The panels are compared with the panels of standard photographs and a selection is made of the standard photograph which most nearly resembles the test panel in unevenness pattern. The record of this test is made on the average percentage of the 100 panels and also on the average percentage of the low panels to the extent of one quarter of the total number.

Cleanness and Neatness Tests These tests are visual tests to determine the kind and number of cleanness defects and the percentage of neatness defects by comparing with the standard photograph.

Cleanness defects are classified into:—Super major defects, major defects and minor defects and the degree of imperfection is determined (in the form of a penalty percentage) by counting the actual number of these defects on both sides of the seriplane board.

Cohesion Test The raw silk is composed of several cocoon filaments agglutinated with cocoon gum. The object of the cohesion test is to determine the degree of agglutination of the cocoon filament by means of the duplan cohesion tester. The test is made by rubbing the raw silk with the rubbing blade of this tester. The record is taken of the average number of strokes needed to separate each filament of the raw silk.

Tenacity and Elongation Tests Tenacity and elongation tests are performed on ten sample skeins of known size by means of the serigraph, and determine the value of tenacity and elongation of the silk at the breaking point. Tenacity is expressed in grams per denier, while elongation is expressed in percentage; and their averages for the ten samples represent the record of tenacity and elongation respectively.

Gross Weight Weighing This test is to ascertain at first the gross weight of a lot, after taking out 16 sample skeins and then the net weight is ascertained by deducting the tare therefrom.

Conditioning Test This test is performed as a basis of the transaction on weight and the method is as follows:

Out of each lot, 16 skeins are drawn at random, and separated into four groups of 4 skeins each. Each of these groups is then placed separately in conditioning ovens and dried, and the degree of moisture of each is ascertained in percentages. The average of the four percentages obtained is deemed to be the average percentage of moisture content of the lot from which the 16 skeins were drawn.

This percentage of moisture is then deducted from the actual net weight of each bale of the lot (i.e. gross weight less tare) and the result shows the dry weight of each bale. The total dry weight of all the bales plus 11%, forms the conditioned weight of the entire lot.

Sealing Bales After the test has been completed, into each bale of the lot is inserted the identification ticket, and the Pass Tag is tied thereto and it is sealed with lead bearing the mark of the Yokohama Silk Conditioning House.

Delivery of Certificate The Certificates of Quality Test for Grading and Conditioning Test are delivered to the applicant after the test has been completed. The applicant or surveyer may also demand copies of the certificate.

Optional Tests The Conditioning House will carry out special tests including tests for moisture, net weight, boll-off, and quality in accordance with the items of test methods, or quantity of samples which may be specified by the applicant.

Publication of Data and Statistics A monthly bulletin is issued by the Silk Conditioning House giving data of the tests carried out. An annual review of the work accomplished by the Silk Conditioning House, together with data and statistics, is also published. In addition, special bulletins are published from time to time, giving the results of studies and investigations carried out by the Silk Conditioning House.

Supervision of Warehouses The warehouses attached to the Silk Conditioning House are leased to the Teikoku Sansi Soko Kabushiki Kaisha (Imperial Raw Silk Warehouse Company, Ltd.) which undertakes the storage of raw silk and silk goods under the supervision of the Silk Conditioning House.

CHAPTER XV

FISHERIES

NICHIRO GYOGYO KAISHA LIMITED

TOKYO—HAKODATE

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CHAPTER XV

FISHERIES

General

Japan Leads On account of her unique position as a maritime country Japan's fishing industry has naturally developed from of old until today Japan occupies the first position in the world in the output of aquatic products which amounted to ¥1,087,143,693 in 1939 as the following table shows. These products consist mainly of fish, shell-fish, seaweed, which are used as food, fish oils and animal fertilizers.

Value of Fishery Products in 1939

Classification	Value in yen
Coastal Fishery	378,431,439
Pelagic fishery, home	142,557,146
Pelagic fishery, colonial	2,976,801
Whaling	6,114,482
Trawling	9,676,397
Fishery in Russian waters	49,163,554
Floating canneries in	
Kamchatka	42,920,036
Aquiculture	43,025,843
Fish manufactures	391,048,310
Agar-agar	21,229,685
Total	1,087,143,693

Note: Figures for whaling do not include manufactures.

Of the total, 621 million yen was raised by catches in the waters surrounding Japan proper. Details are

given below in comparison with 1938 catches:

Catches in Japan Proper

Fishes	(In yen)	
	1938	1939
Costal fishing	179,907,511	262,026,084
Cultivated	12,976,755	18,328,279
Pelagic fishery (home)	71,863,990	141,887,673
Trawling	7,669,703	9,676,397
Total	272,417,599	431,918,433
Shell-fishes	16,267,512	25,626,456
Sea-weeds	23,697,451	39,476,394
Whales, crustaceans, Mollusca, etc.	86,485,133	124,154,253
Grand total	398,868,055	621,175,536

Persons Engaged in Fisheries

The fishery industry in Japan is now run on a modern industrial basis and especially pelagic fishing is developing rapidly. But by far the larger number of fishermen are still engaged in working in the old-fashioned way, generally on a small scale. In 1939, as many as 1,411,460 persons were engaged in all kinds of fishery industry, and of this number 1,117,638 were males and the rest females. Of the total number, 1,014,472 were fishermen, 139,537 were engaged in cultivation and 257,451 in the manufacture of aquatic products.

NUMBER OF PERSONS ENGAGED IN VARIOUS BRANCHES OF THE FISHERY INDUSTRY

Year	Total Number	Fishermen	Those engaged in Cultivation	Those engaged in Manufacture
1931	1,482,520	1,110,506	124,784	247,113
1932	1,499,040	1,106,850	141,394	250,796
1933	1,499,175	1,097,254	144,655	257,266
1934	1,521,916	1,103,346	151,007	269,563
1935	1,521,477	1,098,999	155,203	267,275
1936	1,534,432	1,102,502	154,627	277,303
1937	1,501,882	1,078,142	152,426	271,314
1938	1,442,713	1,035,878	144,135	262,700
1939	1,411,460	1,014,472	139,537	257,451

FISHERY EMPLOYERS AND EMPLOYEES

Year	Employers and Employees		Year	Employers and Employees	
	Employers	Employees		Employers	Employees
1931	634,699	847,821	1932	640,318	858,722
			1933	635,849	863,326
			1934	640,735	881,181
			1935	633,435	888,042

Year	Employers	Employees
1936	637,031	897,401
1937	619,227	882,655
1938	598,535	844,178
1939	588,481	822,979

Fishing Boats and Vessels

The total number of boats and vessels engaged in fishing at the end of 1939

was over 354,729, of which 283,090 were without engines, while 71,639 were with engines. The number of smaller boats, having capacity of less than 5 tons, is decreasing, while the number of vessels having engines has steadily increased. This shows an improvement in vessels and in the method of fishing.

Year	Total Number of Boats	Boats without Engines		Boats with Engines	
		Engines	Steam	Motor	Motor
1931	360,690	318,443	185	42,062	
1932	360,686	315,217	244	45,225	
1933	363,473	314,434	250	48,789	
1934	364,582	311,553	87	52,942	
1935	366,019	308,541	96	57,382	
1936	366,267	304,098	106	62,063	
1937	364,260	297,961	97	66,202	
1938	356,482	288,327	194	67,961	
1939	354,729	283,090	123	71,516	

FISHING BOATS AND VESSELS CLASSIFIED ACCORDING TO KINDS AND CAPACITIES

(At the end of each year)

Kinds and tonnage of steamers	1935	1936	1937	1938	1939
Without engines	308,541	304,098	297,961	288,327	283,090
Under 5 tons	300,651	266,798	290,734	281,849	276,663
5-10 ..	7,317	6,779	6,637	5,982	5,949
10-20 ..	530	499	568	478	464
20 .. and over	43	22	22	18	14
With engines	57,478	62,169	66,299	68,155	71,639
Steam engines	96	106	97	194	123
Under 50 tons	23	24	3	98	39
50-100 ..	3	10	1	5	2
100 tons & over	70	72	93	91	82
Oil engines	57,382	62,063	66,202	67,961	71,516
Under 5 tons	40,658	44,774	48,105	50,111	53,767
5-10 ..	6,841	6,999	7,198	7,568	7,449
10-20 ..	7,154	7,454	7,804	7,346	7,195
20-50 ..	2,108	2,117	2,295	2,105	2,348
50 tons & over	621	719	802	831	757

Coastal Fishery

Fish, shell-fish, etc. caught in 1939 amounted to ¥378,431,439, an increase of ¥129,536,702 or 34.2 per cent over the previous year, the major classification of which was as follows:

Fish	Quantity (In kan)	Value (In yen)
Fish	465,245,791	26,026,084
Shellfish	30,177,110	16,148,801
Crustaceans and Mollusca	60,873,731	72,952,881
Seaweeds	103,659,570	27,303,673

The amount of catches in coastal waters since 1935 is shown in the following table. In 1930-32 while the value of catches showed a gradual decrease, catches were steadily increasing, showing thereby that the decrease in value was due to decline in price caused by the depression of those years, but after 1933 the prices steadily rose, specially in 1938 and 1939, while catches decreased with the decrease in the number of fishing boats and fishermen.

YEARLY COMPARISON OF CATCHES IN COASTAL WATERS

(Quantity in Kan, Value in Yen)

Year	Total		Fresh Fish	
	Quantity	Value	Quantity	Value
1935	737,448,945	180,801,517	514,455,650	134,671,748
1936	782,031,824	212,648,020	571,592,193	159,764,206
1937	726,729,060	219,649,403	494,484,899	162,844,491
1938	696,862,307	248,894,737	449,431,414	179,907,511
1939	659,956,202	378,431,439	465,245,791	26,026,084

Year	Shellfish		Crustaceans and Mollusca		Seaweeds	
	Quantity	Value	Quantity	Value	Quantity	Value
1935	54,542,403	11,697,023	36,310,162	25,259,631	132,140,730	10,173,115
1936	40,620,877	11,202,085	42,133,322	29,373,380	128,685,432	12,308,349
1937	37,643,983	10,451,464	40,874,838	31,426,069	153,725,340	14,927,379
1938	31,169,303	10,720,760	56,437,301	43,934,469	109,824,289	14,331,997
1939	30,177,110	16,148,801	60,873,731	72,952,881	103,659,570	27,303,673

Catches of the more important fishes in coastwise fishery since 1935 are shown in the following tables:

CATCHES OF PRINCIPAL FISH BY KINDS

(In yen)

Kind of Fresh Fish	1935	1936	1937	1938	1939
Herring	5,077,161	4,381,435	5,506,548	2,674,255	7,954,831
Sardine	28,257,527	40,958,138	37,894,420	42,363,336	62,978,354
Bonito	1,901,310	2,419,598	2,021,248	2,975,588	4,072,428
Mackerel	6,596,660	8,406,727	8,938,207	10,892,248	16,387,668
Tunny	6,163,318	7,165,228	6,358,456	6,174,578	14,667,783
Yellow-tail	9,671,911	11,531,400	10,382,532	10,863,685	11,667,460
Cod	4,822,484	5,730,153	4,625,894	6,967,037	9,416,575
Shark	718,055	868,545	1,457,089	1,273,104	1,662,558
Sea-bream, red	9,786,482	10,199,904	10,582,643	11,609,202	15,247,609
Sea-bream, black	2,158,534	2,221,157	2,303,840	2,470,995	3,506,497
Flat-fish	4,330,465	4,757,784	4,807,336	5,855,704	8,731,186
Cyblum	2,449,911	2,652,746	2,716,541	2,612,556	3,736,739
Horse-mackerel	4,877,411	5,781,491	5,595,356	6,651,406	9,368,224
Flying fish	958,228	769,983	918,834	1,084,929	1,408,388
Grey mullet	2,722,809	2,754,766	2,843,577	3,147,337	4,354,744
Konosirus	838,942	791,141	899,589	978,327	1,396,588
Dog-salmon	4,994,644	9,154,512	11,815,728	13,034,405	13,431,482
Trout	5,244,056	3,995,978	6,261,477	7,043,602	12,876,044
Japanese smelt	2,915,007	3,291,607	3,603,235	3,978,717	5,236,893
Eel	2,475,619	2,492,801	2,385,702	2,476,371	3,339,429

VALUE OF VARIOUS KINDS OF SHELLFISH

(In yen)

Kind of Shellfish	1935	1936	1937	1938	1939
Awabi ¹	2,843,778	3,286,546	2,515,305	2,403,951	3,556,571
Oyster	506,377	533,147	455,107	656,143	814,133
Clam	512,038	523,582	561,570	618,036	829,494
Sazaé ²	506,423	576,911	610,912	642,591	862,909
Arca	362,709	387,496	231,155	204,657	339,603
Asari ³	861,534	753,809	780,313	914,061	1,267,186

1 Sea ear, abalone. 2 Turbo cornutus. 3 Tapes phillipinarum.

VALUE OF CRUSTACEANS AND MOLLUSCA

(In yen)

Kind	1935	1936	1937	1938	1939
Cuttle-fish	7,734,479	12,029,626	11,542,717	19,826,508	39,927,755
Octopus	3,736,233	3,680,606	4,612,075	5,530,585	7,953,191
Prawn and shrimp	7,044,016	6,867,408	7,234,061	8,720,523	12,095,649
Spiny lobster	1,170,757	1,555,317	1,573,159	1,576,158	2,006,638
Crab	2,526,257	1,902,042	2,479,464	3,074,568	3,163,893
Bêche-de-mer	1,015,148	1,125,481	978,484	1,688,998	2,891,413

VALUES OF VARIOUS KINDS OF SEAWEED

(In yen)

Kind	1935	1936	1937	1938	1939
Kombu ¹	4,195,723	4,389,327	6,219,462	5,427,481	11,266,364
Amanori ²	488,832	551,769	742,647	578,795	908,822
Wakamé ³	1,018,903	1,498,276	1,238,097	1,931,667	3,715,163
Tengusa ⁴	1,961,102	2,894,132	3,322,113	3,250,137	6,449,776
Funori ⁵	894,105	958,257	1,070,893	870,216	1,181,989

1 Laminaria. 2 Porphyra. 3 Undaria pinnatifida. 4 Gelidium corneum
5 Glolopeltis furcata.

Pelagic Fishery

Large-sized vessels with motors have increased greatly in number of late. There are over 10,000 vessels of over 10 tons, many of which are actively engaged in fishing at distances of up to 700 miles from Taiwan and Japan proper. The northern seas have been opened up by floating crab canneries, and mother vessels for the salmon and salmon trout fisheries. But there are still vast undeveloped areas in the Behring Sea, the Sea of Okhotsk, the Maritime province waters, the South Seas, the South China Sea, the Gulf of Thailand, and even in the Southern Pacific, so that the future for pelagic fishery for Japan is bright and of great importance to her. The following sections deal with different branches of

deep-sea fishing.

In Home Waters In 1939, the number of vessels engaged was 8,577, the number of men 110,093 and the amount of catches 209,204,180 kan of a value of ¥142,557,146, exclusive of catches in colonial waters. The vessels with engines numbered 8,416, while those without numbered only 161.

Catches of principal fish are as follows:

	In kan	In yen
Bonito	23,003,536	23,406,688
Tunny	13,691,179	21,888,220
Sea-bream	1,716,278	5,042,795
Flat-fish	11,645,966	11,271,005

The number and descriptions of vessels engaged in this fishing with their catches, since 1935, are given below:

NUMBER AND CREWS OF VESSELS ENGAGED IN DEEP-SEA FISHING IN HOME WATERS

Year	Total Number of Vessels		Vessels without Engines		Vessels with Engines	
	No.	Tonnage	No. of crew	No. Tonnage	No. of crew	No. of crew
1935	8,984	199,069	115,689	171	1,321	1,133
1936	9,885	215,026	125,775	240	1,940	1,391
1937	9,783	221,925	122,892	215	1,679	1,134
1938	8,836	211,968	113,148	167	1,370	1,297
1939	8,577	205,911	110,093	161	1,253	677

VALUE OF DEEP-SEA FISH CAUGHT IN HOME WATERS

In Japan Proper

(In yen)

Kind of fish	1935	1936	1937	1938	1939
Sardine	5,771,642	7,779,621	6,977,247	5,551,388	12,323,813
Bonito	10,888,267	12,963,536	13,186,667	19,513,606	23,406,688
Mackerel	3,473,178	4,321,971	3,893,867	3,894,842	4,701,261
Tunny	10,245,932	11,071,390	12,340,259	15,440,201	21,888,220
Cod	3,515,581	6,192,670	6,693,544	6,075,643	8,407,993
Shark	2,946,156	4,210,800	4,685,984	5,119,640	6,564,853
Sea bream	5,269,449	5,530,996	4,324,556	6,162,146	5,042,795
Flat-fish	5,323,953	6,358,031	5,611,904	7,753,607	11,271,005
Cyblum	38,206	25,419	21,868	18,651	171,371
Skipper	1,237,222	1,713,738	1,746,899	2,334,206	2,645,530
Others	25,555,326	27,322,115	30,404,238	38,677,860	46,133,617
Total	74,261,912	87,483,287	89,887,033	110,541,850	142,557,146

In Chosen Waters

	1935	1936	1937	1938	1939
Number of boats	1,063	—	—	—	—
Total value of catches	¥4,020,884	¥3,063,063	¥3,196,234	¥3,444,469	¥3,159,080

In Taiwan Waters

	1935	1936	1937	1938	1939
Number of boats	15	15	124	26	38
Total value of catches	¥26,083	¥23,318	¥126,364	¥91,807	¥173,043

In Kwantung Waters

	1935	1936	1937	1938	1939
Number of boats	212	200	167	146	115
Total value of catches	¥922,330	¥978,000	¥531,289	¥636,312	¥806,706

In South Sea Mandated Islands

	1935	1936	1937	1938	1939
Number of boats	—	84	128	191	82
Total value of catches	—	¥1,830,800	¥3,349,518	¥2,340,287	¥1,997,052

Norwegian Method Followed Whaling is being carried out according to the Norwegian method. As this method requires quick movements the vessels used are small-sized ones of a capacity below 120 tons. In order to allow whales to breed and also to maintain order in the work the Government has made it a rule that whaling should be carried on only under permit. The Government furthermore restricts the number of vessels engaged in this work to 30 in seas other than the South or

North Pacific Ocean. It also orders vessels to operate from headquarters placed in 18 suitable places along the coast of Hokkaido, the North-Eastern Sea, South-Western Sea and the Japan Sea.

Japanese whaling is now extending to the Antarctic Ocean and the Japanese whalers made good catches there in recent years. The total value of catches reached ¥6,114,482 in 1939. Details follow:

WHALES CAUGHT (Value in yen)

Whales caught		1935	1936	1937	1938	1939
In home waters	Total					
	No.	1,598	1,641	1,814	1,790	2,153
Finback whale	Value	2,460,962	2,577,692	3,397,426	3,872,804	5,067,775
	No.	134	92	92	125	107
Blue whale	Value	440,000	330,000	332,257	556,499	493,732
	No.	21	3	7	5	10

FISHERIES

		1935	1936	1937	1938	1939
Whales caught						
In home waters						
	Value	118,000	24,000	49,040	39,805	78,807
Sperm whale	No.	1,001	1,133	1,208	1,058	1,283
	Value	1,080,000	1,369,000	1,950,262	1,974,461	2,647,048
Humpback whale	No.	48	58	57	49	76
	Value	179,000	219,000	204,945	219,918	368,899
Sei whale	No.	392	351	445	551	677
	Value	641,000	616,000	839,946	1,069,499	1,479,269
Right whale	No.	2	4	5	2	—
	Value	8,856	19,517	20,976	12,622	—
In colonial waters						
Total	No.	173	173	236	189	145
	Value	647,434	754,322	894,680	1,118,083	1,046,727
Finback whale	No.	139	149	210	170	134
	Value	546,000	666,000	807,490	1,046,087	1,033,377
Blue whale	No.	—	—	5	—	—
	Value	—	—	28,413	—	—
Sperm whale	No.	4	2	5	—	—
	Value	4,547	3,619	14,781	—	—
Humpback whale	No.	30	21	16	18	10
	Value	97,000	83,000	43,996	71,083	41,904
Sei whale	No.	—	1	—	1	1
	Value	—	1,624	—	911	1,146

ANTARCTIC WHALING

	Number of Mother Ships	Number of Men Engaged	Whales Caught	Estimated Value (In yen)		
				Whale Oil	Salted Meat	Total Including Others
1934	1	213	213	473,639	13,014	486,653
1935	1	343	639	2,180,149	42,466	2,262,615
1936	2	766	1,969	8,662,277	64,627	8,726,904
1937	4	1,796	5,565	13,843,381	322,251	14,455,780
1938	6	2,794	7,540	19,709,760	1,196,102	21,785,502

Trawling Trawling in Japan is modelled after that now being carried on in the North Sea. The steam vessels engaged are from 200-300 tons in size, some being fitted with Diesel engines. A permit must be obtained from the Government before commencing trawl fishing. At present the Government is restricting trawlers in the East and South China Seas, and the Yellow Sea to 70 vessels. 56 vessels make Shimonoseki their headquarters, while 8 work from Nagasaki, and 6 from Hakata. It also prohibits trawlers, by special regulations, from operating in the nearby seas

in order to keep the coastal water free from the devastation caused by the destruction of immature fish, etc. During the World War there was a fall in the catches by trawlers owing to the decrease in number of trawlers, but since 1921, the trawling business has again become active though the number of trawlers as mentioned above is restricted to 70. But, it was increased later and, in 1939, there were 59 vessels with 1,171 members of the crew. Catches by trawling in 1939 amounted to 9,709,846 kan, value ¥9,676,397.

FISH CAUGHT BY TRAWLING

(Quantity in kan, value in yen)

Kind of Fish	1936	1937	1938	1939
Total quantity	13,886,917	13,380,415	10,072,302	9,709,846
Total value	6,831,152	7,951,200	7,669,703	9,669,703
Pagrus major				
Quantity	27,875	23,175	18,021	58,807
Value	51,219	50,575	25,057	147,974

TRAWLING

Kind of Fish	1936	1937	1938	1939
Sciaena japonica				
Quantity	738,290	1,054,498	1,036,857	580,070
Value	722,941	937,817	1,080,034	845,964
Sciaena schlegelii				
Quantity	4,752,700	4,631,250	3,229,947	3,325,574
Value	1,853,836	2,069,856	1,989,209	2,670,586
Flat fish				
Quantity	881,154	662,830	458,535	448,249
Value	612,030	508,205	481,796	536,414
Shark				
Quantity	572,312	451,199	304,957	326,424
Value	177,936	157,958	135,839	182,085
Others				
Quantity	6,914,586	5,557,463	5,023,905	970,722
Value	3,413,190	4,226,789	3,957,768	5,286,680

Fishery in Soviet Waters

Fishery in Russian or northern waters is an important right conceded to Japan in the Treaty of Portsmouth, signed at the conclusion of the Russo-Japanese War or 1904-05. In 1928, a new convention, under the conditions of the above Treaty was concluded for a period of eight years, after the expiration of which time the pact is to be renewed. The districts to be worked, extending from the Maritime Provinces to Kamchatka, are leased from the Soviet Union at annual auctions held at Vladivostok. (As to the disputes between Japan and Russia on the fishery question in recent years, see Chapter VI.)

In 1939 the number of fishing lots actually worked was 296, the number of steamers 118, and the number of fishermen and others engaged in the fishing 17,879. The amount of salmon, trout, and herrings caught in 1939, was 510,080 koku in total, and the crabs caught numbered 8,968,124. Good catches of salmon and trout are made every other year, while the quantity of crabs has a tendency to become larger in recent years. The amount of salmon, crab, etc. canned was 1,193,630 cases, valued at ¥27,910,574 in 1939. In the same year the amount of salmon and trout salted reached 257,104 koku. The following table shows the number of fishing districts leased, amount of fish caught, etc.

NUMBER OF FISHERIES, FISHING VESSELS, FISHERMEN, AND PRODUCTS IN SOVIET WATERS

	1936	1937	1938	1939
Number of fisheries:				
Fisheries leased from U.S.S.R.	399	389	386	356
Fisheries worked for the year	376	355	328	296
Fishing vessels:				
Steamships, No.	152	141	131	118
Tonnage	361,000	331,734	309,884	307,496
Sailing-ships:				
Number	1	1	1	—
Tonnage	525	525	525	—
Fishermen	20,364	19,858	19,031	17,879
Total fish caught, koku	571,000	549,858	479,745	510,080
Dog salmon	338,000	176,750	169,859	122,332
Trout	165,000	298,869	221,873	323,287
Red salmon	67,000	71,106	86,661	63,012
King salmon	1,925	3,086	1,257	1,422
Herring guano	34	47	95	27
Crab, pieces	6,565,000	7,759,066	8,428,248	8,968,124
Fishery products prepared, yen	35,489,000	37,598,284	44,007,054	49,163,554
Salt cured (Total)				
Quantity, koku	376,000	555,432	258,011	257,104
Value, yen	13,099,000	11,697,618	11,667,313	16,192,436

	1936	1937	1938	1939
Salmon				
Quantity, koku	308,000	374,486	151,552	107,201
Value, yen	1,560,000	7,824,974	8,536,473	9,254,648
Trout				
Quantity, koku	68,856	180,946	106,459	149,903
Value, yen	1,560,278	3,872,644	3,130,840	6,937,788
Canned food (Total)				
Quantity, cases	1,147,243	1,155,407	1,287,946	1,193,630
Value, yen	20,198,000	23,234,699	29,010,838	27,910,574
Red salmon				
Quantity, cases	343,000	342,325	444,624	275,345
Value, yen	8,826,000	11,840,559	15,984,991	12,060,909
Salmon				
Quantity, cases	117,000	1,318	35,015	17,673
Value, yen	2,425,000	25,682	694,683	509,250
Trout				
Quantity, cases	637,000	733,055	728,328	822,710
Value, yen	6,338,000	7,084,403	7,886,191	11,355,615
Crab				
Quantity, cases	50,000	78,509	79,979	77,896
Value, yen	2,610,000	4,284,055	4,444,973	3,894,800
Others: Value, yen	2,192,000	2,665,967	3,328,903	5,060,544

Note: One koku=40 kan=330.69 lbs.

FLOATING SALMON CANNERIES IN KAMCHATKA

	Mother Ships	Men Engaged	No. of Catches (in 1,000 pieces)	Value (In ¥1,000)				Total
				Canned	Salted	Frozen	Eggs	
1935	8	4,972	11,544	7,785	1,651	590	104	10,129
1936	6	3,478	8,796	7,409	1,760	455	67	9,691
1937	7	3,310	10,115	12,051	1,750	690	122	14,614
1938	7	3,529	9,829	10,448	3,631	—	169	14,249
1939	11	5,626	11,651	15,146	5,290	375	320	21,132

Floating Crab Canneries Fishing is carried on by vessels equipped with machinery for the purpose of canning the crabs on the vessels themselves. The first enterprise was made in 1921, and, in 1923, rules regulating the work of crab-manufacture vessels were issued by the Government, which also established districts where fishing was forbidden and made permits necessary before a vessel could set out to the fishery. Recently the rule has been re-

vised, the number of vessels on the western side of Kamchatka being restricted to 18 and the amount of canned crab to 320,000 cases.

Up to 1927, Japanese only were engaged in this fishing, but in 1928 two Soviet vessels came in, in 1929 another two entered and 1930 saw a further increase.

Canned crabs manufactured by this method since 1935 are as follows:

FLOATING CRAB CANNERIES

	1935	1936	1937	1938	1939
Vessels in operation					
Number	9	9	9	8	7
Tonnage	34,112	36,737	36,749	28,750	24,805
Fishermen engaged	3,124	3,243	3,420	2,824	2,597
Crabs caught, pieces	11,332,000	13,948,000	14,913,197	18,536,465	14,229,875
Canned foods					
Quantity, cases	171,000	184,000	204,375	253,596	204,000
Value in yen	8,429,000	9,490,000	11,193,937	13,886,050	10,441,252

Note: A case contains 22.32 kg.

Aquiculture

The conservation and cultivation of aquatic resources is very important to Japan as fish and other marine products constitute a great part of the staple diet of her people. Great care and study are being given to aquiculture in the country, the incubation and letting loose of salmon and trout and the cultivation of fish in shallow waters are being well looked after by the Government. From 1926 on, not only the incubation of salmon and trout, but also the transfer of crawfish, shad, etc., was tried several times with assistance obtained from the U.S.A. The aquicultural production for 1939 amounted to ¥43,025,-

843. The amount gained was ¥12,915,414 or 27.6 per cent over 1938. Of this total, production of carp amounted to ¥7,413,449; that of eels ¥9,229,911; that of oyster ¥3,290,000; that of sea weeds ¥12,172,721; and that of pearls ¥1,878,812. The principal fish, shell-fish and seaweed which are now being cultivated are carp, eel and tortoise in fresh water, and the seaweed laver in sea-water. The breeding is done in rice-fields, breeding ponds, reservoirs, marshes, etc.

The number of aquicultural establishments in 1939 was 141,342, the area covered 140,748,664 tsubo. Condition and results of the industry in recent years are given in full in the following tables:

NO. OF ESTABLISHMENTS ENGAGED IN AQUICULTURE, AREA AND PRODUCTS

Year	No. of Establishments	Area (In tsubo)	Value of Products (In yen)
1935	161,779	157,761,107	25,534,550
1936	162,326	154,930,254	25,551,596
1937	159,038	149,314,974	28,974,262
1938	158,629	151,201,913	30,110,429
1939	141,342	140,748,664	43,025,843

FISH, SHELL-FISH, ETC., RAISED THROUGH AQUICULTURE

	1936	1937	1938	1939
Carp:				
Ricefields				
Quantity kan	509,000	496,940	418,112	484,624
Value yen	683,000	705,948	684,606	1,114,179
Breeding-ponds				
Quantity kan	1,607,000	1,611,569	1,524,664	1,511,368
Value yen	2,203,000	2,345,091	2,550,778	3,081,377
Reservoirs, marshes, etc.				
Quantity kan	1,256,615	1,249,652	1,032,844	1,011,168
Value yen	1,629,000	1,973,268	1,819,806	2,617,893
Eel:				
Breeding-ponds				
Quantity kan	1,809,000	1,863,769	1,919,020	2,009,659
Value yen	4,931,000	5,018,502	6,549,175	9,137,658
Reservoirs, marshes, etc.				
Quantity kan	35,000	27,027	29,854	23,940
Value yen	82,000	73,818	87,678	92,253
Goldfish:				
Quantity kan	555,000	554,150	386,452	811,875
Value yen	581,000	667,446	530,741	635,960
Oyster:				
Quantity kan	15,741,000	14,949,475	12,145,345	11,034,760
Value yen	1,858,000	2,022,879	1,960,757	3,290,065
Asari:				
Quantity kan	11,359,000	16,459,681	13,804,741	14,689,131
Value yen	890,000	1,274,095	1,803,168	3,318,501
Pearl:				
No. of shells	7,072,000	10,857,953	10,883,512	10,482,024
Value yen	984,000	1,543,837	1,376,325	1,878,812

	1936	1937	1938	1939
Carp:				
Pearl shells:				
No.	36,216,000	29,790,061	24,936,320	56,374,201
Value yen	905,000	869,751	406,502	990,277
Amanori (Porphyra):				
Quantity kan	8,410,000	9,346,073	8,232,993	9,233,037
Value yen	8,566,000	9,987,805	9,365,454	12,172,721
Others:				
Value yen	2,239,917	2,491,822	2,975,439	4,096,147

Manufacture of Fishery Products

The supply of fish depends to a considerable extent on seasonal changes but demand is controlled by the tastes and customs of consumers, so that supply and demand are too often not well balanced. In order to adjust these difficulties satisfactorily, careful studies have been made regarding the storing and preserving of these products. Especially, as the problem of food has become a serious one lately, it is often argued that a portion of the fishes

which are now being turned into fertilizers and which amounted to 40% of the total yields, should be converted into food. Under these conditions Japan is paying very careful consideration to the manufacture of fishery products.

The total manufactured fishery products in 1939 was valued at ¥391,048,310, of which ¥55,744,195 was in fertilizers, ¥24,378,269 in fish oils, ¥1,114,510 in Glolopeltis dried, and the balance of ¥309,811,336 was the value of food products.

MANUFACTURED FISHERY PRODUCTS

(Units: Quantity in kan, value in ¥1,000)

Year	Total Value	Food Products		Fertilizers	
		Quantity	Value	Quantity	Value
1935	175,540	119,240,300	137,472	99,865,854	28,552
1936	215,861	132,637,000	156,144	120,298,000	37,474
1937	214,870	142,956,302	163,024	88,985,600	33,115
1938	241,883	164,363,368	199,096	68,050,231	28,990
1939	391,048	140,064,794	309,811	79,169,480	55,744

Year	Fish oils		Sukifunori*	
	Quantity	Value	Quantity	Value
1935	16,595,515	8,793	189,719	723
1936	30,079,000	21,527	190,000	716
1937	24,437,345	18,001	172,806	730
1938	20,428,790	13,138	139,071	658
1939	19,853,982	24,378	173,866	1,115

Note: Production of agar-agar is not included in the table.

* Dried seaweed, *Glolopeltis furcata*.

Products as Food To the present the Japanese people have not paid much attention to the manufacture of fishery products, except "fushi," as articles of food, because fresh fish is available at almost any time and any place. But since there is a large consumption of such products among people of Western nations attention has been turned

to the preservation of fish with a view to export. The principal items preserved are "fushi" (fishmeat steamed and dried), fish dried, salted and dried, boiled and dried, smoked, salt-cured, canned, and Japanese isinglass. Production of each for the last few years is as follows:

VALUE OF FOOD PRODUCTS

(Unit ¥1,000)

Year	Fushi	Dried	Salted & Dried	Boiled & Dried	Smoked	Salteured	Miscellaneous
1935	14,314	22,306	10,040	22,547	289	11,859	56,117
1936	17,525	27,264	10,527	23,469	402	14,559	62,398
1937	16,948	27,124	10,103	21,999	438	19,313	67,098
1938	17,251	36,103	13,027	28,744	614	30,073	73,282
1939	29,477	69,421	20,656	47,852	718	45,635	95,052

Agar-agar Kantén or agar-agar (or Japanese isinglass) is a gelatinous substance extracted from seaweed, especially from *Gelidium Amansil*, used for

food and industrial purposes, production of which is shown in the following table:

	1935	1936	1937	1938	1939
No. of establishments	463	512	520	528	623
Total production:					
Quantity, kan	665,000	680,000	708,203	687,731	718,362
Value, yen	6,390,315	9,712,497	10,122,783	11,142,642	21,229,685

Fertilizers Details of the production of fish fertilizers are given in the table below. As the table shows most fertilizers are made from herrings, sardines and bonito. Where transportation

facilities are not very good or where there is no satisfactory equipment for manufacturing them into food fishes are converted into fertilizers.

FISH FERTILIZERS

(Quantity in kan, value in ¥1,000)

Year	Total	Herring Sardine Fish Bone Sardine Dried						
		Quantity	Value	Cake	Cake	Cake	Dried	Herring
1935	99,865,854	28,552	1,679	18,157	945	1,194	1,688	4,836
1936	120,298,000	37,474	1,024	26,715	1,220	857	1,893	5,764
1937	88,985,600	33,115	973	21,545	1,688	359	1,370	7,178
1938	68,050,231	28,990	960	18,814	2,710	430	737	5,337
1939	79,169,480	55,744	3,740	35,409	3,330	1,803	1,853	4,709

Fish Oils Fish oils used for industrial purposes are sardine oil, herring oil, cod oil, whale oil and shark oil. Production in 1939 was 19,853,982 kan,

a decrease of 574,808 kan as compared with the previous year. The value amounted to ¥24,378,269, an increase of ¥11,239,401.

FISH OILS

(Value in yen)

Year	Total	Sardine	Herring	Cod	Whale	Shark	Others
1935	8,792,502	6,687,986	165,421	471,265	545,921	724,479	197,431
1936	21,527,114	16,112,027	361,868	1,006,645	2,371,291	1,026,241	649,042
1937	18,001,508	14,272,777	170,818	849,508	1,151,017	947,754	609,834
1938	13,138,868	9,700,667	372,628	641,250	892,373	1,063,795	468,155
1939	24,378,269	19,186,084	938,068	895,923	1,244,656	1,092,183	1,021,355

Organizations Connected with Fisheries

Suisankai (Fishery Societies) Suisankai is a public corporation, recognized

by the Suisankai Law of 1921, which has as its purpose the development of fishery. It is an organization covering a particular county or city and includes among its members, in addition to those

engaged in fishing, persons having rights to fish and those who manufacture, trade in, or store fishery products. A prefectural sulsankai is organized by county and city sulsankai of that particular prefecture, and at the head of prefectural sulsankai and sulsankai located abroad is the Telkoku (Imperial) Sulsankai. The functions of sulsankai include the encouragement of fishery, the improvement and extension of the manufacture of marine products, the development of fishing districts, protection of agriculture, etc. It also collects statistics, investigates markets, or engages in brokerage, etc. On the social side, the rescue of shipwrecked vessels, improvement of relations between employers and employees, employment agency work, mediation in labor troubles, etc., are looked after by the societies. And lectures on fishery subjects, exhibitions and fishery shows are held by them. The number of sulsankai was 338, with a membership of 447,748 in 1938.

Sulsankumiai (Fishery Guilds) There are two classes of sulsankumiai. The first of these is a corporate judicial person, organized by fishermen or those who are engaged in the manufacture or sale of aquatic animals or plants in a particular district for the purpose of the encouragement and improvement of fishery, cultivation and propagation of aquatic products, etc. The number of sulsankumiai is decreasing gradually. At one time there were as many as 220 or more of these Kumiai or guilds. At the end of 1938 there were 87, with a membership of 40,417 and an expenditure of ¥1,923,173. The Act for Sulsankumiai in Foreign Waters promulgated in 1902, authorizes any Japanese engaged in fishery or in the manufacture or sale of aquatic products in foreign waters, either by permit or by treaty, to organize sulsankumiai. At present Roryo Sulsankumiai (Sulsankumiai in Russian Waters) is the only one which belong to this class. This guild is formed by fishermen and those engaged in the manufacture and sale of aquatic products in the Maritime Province, Kamchatka, and Saghalien Island.

At the end of 1938, its members were 26 bodies. Its especially important task is to encourage amicable relations between the Japanese and Russian fishermen working in the same waters and thus ensure the smooth and effective working of the industry in those parts.

Gyogyo-Kumiai (Fishermen's Societies) Gyogyo-Kumiai is a judicial person recognized by the Fishery Law, and is organized by fishermen living in a particular district. It acquires fishery rights, etc., for member fishermen and takes any measures necessary to further or protect the common benefit of its members.

The principal object of gyogyo-kumiai is the acquisition of fishing rights, etc. This is quite natural in Japan for fishermen work with their village as unit and no fisherman can work independently. Therefore, fishing rights are mostly secured by gyogyo-kumiai, special privileges being given to the kumiai for securing them.

Though in the original Act, the object of gyogyo-kumiai was restricted to the acquisition of fishing rights etc, the Act was revised in 1910, whereby the kumiai had the obligation put on them of undertaking any proper measures that would redound to the mutual benefit of fishermen.

Gyogyo-Kumiai Rengokai are corporations of gyogyo-kumiai. Their principal functions are joint sales of fishery products, cultivation of fish and rescue of shipwrecked vessels. There were 3,983 societies with a membership of 613,266 in 1938.

Dogyo-Kumiai or Related Associations Dogyo means the same trade or profession, hence Dogyo-Kumiai are associations of those connected with the same trade. In relation to the fishery industry they are formed by those dealing in aquatic products, canned foods, salt, cultivation of fish, etc. In 1938 there were as many as 22 dogyo-kumiai connected with the fishing industry. There is also the Dai-Nippon Suisan Kai, which is incorporated for the purpose of the improvement and encouragement of fishery.

CHAPTER XVI

FORESTRY



TOYO MENKA KAISHA, LTD.

(The Oriental Cotton Trading Co., Ltd.)

Head Office:

Koraibashi 3-chome, Higashi-ku, Osaka, Japan

CAPITAL (PAID-UP): YEN 35,000,000

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CHAPTER XVI

FORESTRY

Introduction

Japan is one of the few countries of the world favored with extensive forests. The area of forests and fields in Japan including Chosen, Taiwan and Karafuto, was 45,299,105 hectares at the end of 1933 and was about 67% of the whole area of the country, which is 67,538,527 ha. It is about 3.8 times as large as her agricultural land.

Since Japan forms a long narrow chain stretching north and south from the northern extremity of the Kurile Islands to the southernmost point of Taiwan, and since her mild climate is very favorable for the growth of plants and trees, it is natural that there should be a thick growth of many varieties. There are as many as 1,500 kinds, of which principal forest trees alone number more than 100. In point of richness in variety, she occupies a high position even among countries which are favored with larger forest areas. While the amount of timber produced is valued at roughly ¥300,000,000 annually it is still far less than 10% of the value of the total staple products of the country and is not at present enough to fill domestic requirements. Every year it is necessary to import about 10,000,000 koku of lumber, equivalent in value to ¥100,000,000. Furthermore, forestry offers very limited labor opportunities. As compared with agriculture, which gives work to one-half of the total families in Japan, and fishing, which finds employment for 1,500,000 people, the number of persons engaged in forestry is small, being less than 720,000.

Distribution and Character

Forests in Japan stand, roughly speaking, in four different zones: sub-tropical forest zone, evergreen broad leaved forest zone, the deciduous broad-leaved forest zone and coniferous forest zone.

The Sub-tropical Forest Zone This covers the whole of Taiwan, the southern half of the Ryukyu Islands, including the Yayeyama Islands, annual mean temperature in it being over 21° C. As

to the altitude, the zone varies from below 2,000 meters above sea level in the southern part of Taiwan to below 1,000 meters above sea level in the northern part of the same island. In this zone, binroji, tsuga, (Arenga saccharifera) basho-banana and bamboo are found.

The Evergreen Broad-leaved Zone This comprises Shikoku, Kyushu, the northern part of the Ryukyu Islands and the southern part of Honshu (Main Island) (at 36° N. Lat. and Southwards), the annual mean temperature of this zone being 13°-21° C. As to the altitude, it is 854 meters on an average in Kyushu, 762.5 meters in Shikoku and 610 meters in the southern part of Honshu. Trees which grow in this zone are kusunoki (Cinnamomum camphora, Nees), oak, akamatsu (Pinus densiflora), white fir, tsuga (Tsuga sieboldi, Carr), etc.

The Deciduous Broad-leaved Zone This zone covers the northern part of Honshu, the southern part of Hokkaido and a greater part of Chosen, the annual mean temperature in this zone being from 6° C. to 13° C. As regards the altitude, it is from 976 meters to 1,372.5 meters in the northern part of Honshu and 457.5 meters in the southern part of Hokkaido. Trees which grow in this zone are cedar (the Japanese cypress), white fir, todo-matsu (Abies sachalinensis, mast), ezo-matsu (Picea ajanensis, Fisch), beech poplar, white birch, etc.

The Coniferous Zone This zone covers the northern half of Hokkaido, the group of the Kurile Islands and the Saghalien Island, the mean temperature of which is 6° C. to below zero. This zone starts at the height of 1,000 meters in Honshu and ends at the height of 2,592.5 meters in the same island, while it ends at the height of 1,067.5 meters in Hokkaido and 610-702.5 meters in Saghalien Island. Principal trees which grow in this zone are ezo-matsu and todo-matsu.

Forests in Kiso district extend over

mountain regions which range from 305 meters to 3,050 meters above the sea level along the course of the upper stream of the River Kiso. It covers 104,055 ha. in area and its growing stock amount to 28 million cu. m. Principal trees are the Japanese cypress, the swamp-cypress, sawara (*Chamae cypariss obtusa*, S. et Z), nezuko (*Thuja japonica*, maxim) and parasol-pines. They are old and are thickly grown. The reason that they are retained so well is due to the fact that during the feudal times, the cutting down of these trees was prohibited. Among these, the most magnificent trees are the Japanese cypresses which are about 190 years old. Most of them are 0.46 meter in diameter and 27.45 meters in height. Forests of sugi in Akita district are widely distributed along the Yaneshiro

and Omono Rivers, and belong to the Government. The forests cover an area of about 43,000 ha. and hold stock of 16 million cu. m. The forests, where they are not mixed with other trees, are beautiful and magnificent to look upon. Most of the sugi in these forests are from 120 to 200 years old, and in a dense part the stands hold as much as 1,400 cu. m. per ha. Some of them are so large that their diameter reaches sometimes to 1.22 meters. The forests are noted for the abundance of timbers of a superior quality. Annual cutting from these forests amounts to 280,000 cu. m.

Area of Forests, etc.

According to the report of the Ministry of Agriculture and Forestry the area of forests in Japan proper was as follows:

(In Japan proper the investigation on the area of forests, bamboo-groves and wild lands (productive yet uncultivated) is carried at the year-end every third year.)

AREA OF FORESTS, BAMBOO-GROVES AND WILD LANDS IN JAPAN PROPER

Year (At the year end)	1930	1933	1936	1939
	(In hectares)		(In chō)	
Grand total	23,011,218	23,645,731	24,186,376	24,079,801
Forested tracts	19,879,240	20,575,913	21,035,861	21,083,041
Coniferous	4,632,827	5,420,360	5,658,563	5,683,341
Broad-leaved	8,470,016	9,086,657	9,007,564	9,026,904
Mixed	6,148,369	5,454,838	5,758,616	5,770,844
Bamboo-groves	136,329	148,348	152,684	162,280
Miscellaneous	491,697	465,708	458,434	439,672
Bare tracts	3,131,977	3,069,817	3,150,515	2,996,760
Crown	1,432,649	1,413,885	1,380,087	1,334,601
National	7,638,263	7,657,609	7,712,934	7,650,205
Public	4,186,375	4,287,336	4,444,567	4,431,227
Temple and shrine	141,381	144,269	152,904	151,796
Private	9,612,550	10,142,631	10,495,885	10,511,971

Note: One hectare=2.47 acres. One cho=2.45 acres.

Stock of Growing Timber

Japan Proper To ascertain the amount of growing timber owned by the Imperial Household, Government, and public and private interests, careful investigations are made, the investigations

in the case of public and private interests being carried out by each prefecture. The following statistics show the growing timber in Japan proper in 1933 classified according to ownership: (Quantities in 1,000 cu. m. One cubic meter=35.3165 cubic feet.)

Kind	Public and Private					Total	%
	Crown	Government	Public	Temples and Shrines	Private		
Coniferous trees	32,452	139,948	71,172	7,333	327,510	578,415	46.0
Broad-leaved trees	14,121	323,431	83,503	5,000	252,823	678,878	54.0
Total	46,573	463,379	154,675	12,333	580,333	1,257,293	—
%	3.7%	36.6%	12.4%	0.7%	46.6%	—	—

Thus the total standing timber in Japan proper (Hokkaido excluded) is 1,257,293,000 cu. m., of which coniferous trees account for 578,415,000 cu. m.

and broad-leaved trees 678,878,000 cu. m. **Other Parts** The following table shows the number, ownership and type of trees in other parts of the country.

STANDING TIMBER IN HOKKAIDO, TAIWAN, CHOSEN AND KARAFUTO IN 1933

(Quantities 1,000 cu. meters)

Owners	Hokkaido			Karafuto		
	Coniferous Trees	Broad Leaved Trees	Total	Coniferous Trees	Broad Leaved Trees	Total
Crown	32,911	74,130	107,041	—	—	—
Government	165,705	212,599	378,304	165,951	22,905	188,856
Public	19,829	51,448	71,277	—	—	—
Shrines and temples	2	17	19	—	—	—
Private	2,899	28,994	31,893	—	—	—
Total	221,346	367,188	588,534	165,951	22,905	188,856

Owners	Taiwan			Chosen		
	Coniferous Trees	Broad Leaved Trees	Total	Coniferous Trees	Broad Leaved Trees	Total
Crown	—	—	—	—	—	—
Government	70,006	127,374	197,380	87,902	72,158	160,060
Public	68	297	365	4,316	2,095	6,411
Shrines and temples	—	—	—	2,413	1,472	3,885
Private	828	9,121	9,949	60,658	15,275	75,933
Total	70,902	136,792	207,694	155,289	91,000	246,289

The total stock of growing timber in the country classified according to ownership is as follows:

TOTAL STAND OF TIMBER IN JAPAN IN 1933

(1,000 cu. m.)

Owners	Coniferous Trees	Broad Leaved Trees	Grand Total
Crown	65,363	88,251	153,614
Government	629,512	758,467	1,387,979
Public	95,385	137,343	232,728
Shrines and temples	9,748	6,489	16,237
Private	391,895	306,213	698,108
Total	1,191,903	1,296,763	2,488,666

Afforestation

There is a great scope for the practice of afforestation in Japan because of the large wild areas, plains where there is only a thin growth of trees, and forests where there are many undesirable trees. However, since a great deal of timber is being cut, reforestation becomes more urgent every year.

Afforestation is divided into two classes, viz., natural and artificial. Natural afforestation is being carried out in only a small portion of the Crown and Government forests, while in most of the

public and private forests, conditions are such that no definite plans for natural afforestation have been made. However, as this is liable to cause forests to go to waste careful studies are being made to improve the situation.

In artificial afforestation Japan has had some good experience and artificial afforestation for the Imperial and Government forests is being carried out on a well-planned basis.

New Plantation Area newly planted in 1939 was 140,943.4 cho, and the number of trees planted was 408,770,186,

of which coniferous trees numbered 349,729,246 while broad-leaved trees numbered 36,411,703 exclusive of trees planted in the Crown area. The number of trees planted in the Crown-owned area in the same year was 12,629,237.

In addition to the above there were 59,596,290 trees supplementarily planted

in the forests in 1939, and bamboo-groves newly cultivated were 381.4 cho in area and 711,332 in the number of bamboos planted.

Naturally Regenerated Area of forests naturally regenerated in 1938 was 268,754.4 cho.

ARTIFICIAL AFFORESTATION

(Area in cho)

Year	1937	1938	1939
Area newly planted	118,065.4	125,308.2	140,943.4
Number of trees newly planted	340,557,533	367,484,980	408,770,186
Coniferous area	95,649.7	98,303.2	119,271.7
Number of trees	278,715,475	306,210,251	349,729,246
Broad-leaved area	18,200.9	17,152.9	17,411.5
Number of trees	50,417,523	47,797,102	46,411,703
Crown area	4,214.8	4,852.1	4,260.2
Number of trees	11,424,532	13,477,627	12,629,237

Production of Wood, Bamboo and Other Forest Products

Area of wood and bamboo lands cleared and the value of wood and bamboo produced in recent years were as follows:

	1936	1937	1938	1939
Area cleared in cho	455,398	445,873.7	471,001.2	513,354.5
Total value in yen	194,840,000	234,991,282	356,178,315	582,501,875
Timber	136,933,000	189,088,543	279,358,666	451,513,977
Fuel wood	55,153,000	63,218,575	73,697,698	126,745,786
Bamboo	2,754,000	2,684,164	3,171,951	4,242,112

Note: Figures for fuel wood include those for the wood converted into charcoal. The actual amount of the value of fuel wood only is estimated at ¥38,322,802, so that the total value of forest products is estimated at the figures given above.

During the ten preceding years no marked fluctuation has been observed in movements of quantities of timber and fuel wood produced, while, on the other hand, their value has been showing annually more than moderate de-

creasing trend until 1934 when it turned to increase.

Value of other forest products in 1939 amounted to ¥291,869,358. Details follow:

Kind	1936	1937	1938	1939
Seeds of trees	44,716	56,022	87,737	514,447
Fruits (Chestnuts, Walnuts, etc.)	4,297,997	4,306,391	4,419,446	7,005,750
Barks	2,512,932	2,901,405	3,889,410	6,524,010
Loam grass	18,432,950	21,423,867	23,827,480	28,817,749
Fresh mushrooms (matsutaké)	4,394,132	4,891,987	4,250,791	4,884,896
Dried mushrooms (shilitaké)	5,505,551	4,822,663	4,684,465	7,377,776
Bamboo sprouts	4,888,931	5,202,223	5,657,300	6,456,954
Horse-radish	1,744,885	1,658,627	1,593,629	1,786,918
Charcoal	101,796,857	131,460,169	161,477,762	227,104,455
Total including others	144,347,118	177,443,668	210,805,762	291,869,358

Protective Forests

Besides having a direct value through the produce they yield, forests have

a distinct indirect value through influence on climate, conservation of water supplies, prevention of erosion, etc.,

and in order that the fullest use may be made of them the Government established a system of "protective forests." In the following instances, under the Forestry Act, the Government is authorized to decree that certain forests, etc., shall be considered as "protective forests":

(1) When it is necessary to protect against soil denudation.

(2) When it is necessary to protect against sand shifting.

(3) When it is necessary to protect against flood, wind and tide.

(4) When it is necessary to protect against avalanches and rolling stones.

(5) For conservation of water supply.

(6) For fishery purposes.

(7) For guiding navigators.

(8) For public health.

(9) For scenery.

The area of protective forests in 1936-39 was as follows:

PROTECTIVE FORESTS

Year	1936	1937	1938	1939
(At the year end)				
Total				
Number	433,180	443,013	450,587	459,850
Area	2,135,437.9	2,143,554.4	2,143,687.9	2,162,421.0
Against soil-denudation				
Number	265,965	273,760	280,955	289,125
Area	933,159.1	938,844.7	948,395.7	954,322.1
For feeding springs				
Number	67,092	66,508	66,724	66,166
Area	998,030.4	998,833.0	988,917.6	1,001,372.0
Against flood				
Number	15,711	15,700	15,340	15,438
Area	6,526.4	6,532.0	6,569.4	6,544.8
Against rolling stone				
Number	474	485	487	503
Area	684.0	697.7	700.8	699.9
Against avalanche				
Number	4,968	6,116	6,209	5,465
Area	6,715.1	7,408.3	7,752.7	7,689.4
Against wind				
Number	14,892	15,524	15,646	16,479
Area	77,284.8	77,900.5	76,319.9	78,079.3
Against dust				
Number	11,598	11,586	11,643	11,865
Area	14,079.6	14,153.2	14,000.3	14,169.7
Against tide				
Number	15,137	15,959	16,248	17,124
Area	9,270.1	9,171.4	9,236.7	9,271.4
For attracting fish				
Number	25,893	25,947	25,915	25,928
Area	51,159.0	51,694.2	51,867.0	51,829.0
Landmark for navigation				
Number	257	258	256	266
Area	1,277.0	1,274.2	1,262.9	1,277.3
For maintaining public health				
Number	153	153	153	150
Area	90.0	89.7	89.7	99.6
For scenic beauty				
Number	11,040	11,017	11,011	11,341
Area	37,161.4	36,955.5	38,575.8	37,066.5

Owners of protective forests, etc., cannot, according to the provisions of the Forestry Act, cut down the trees, take the forest products from them nor

utilize them for any purpose, unless with the approval of the authorities concerned. Protective forests are divided into two classes for administrative pur-

pose. In the first class are forests in which limits for cutting and utilization are fixed, while in the second are those, the cutting of which is absolutely prohibited. Any owner who has his forest included in the second class and suffers any loss by this inclusion will have the loss reimbursed by the Government.

Forestry Associations (Shinrin Kumiai)

Forestry associations are those judicial persons recognized by the Forestry Act of 1907, which are formed not for

profit but for safety of the country, conservation of water supplies, protection of forests, etc. The nature of their work is to allow members to plant, fell, carry, guard, or sell timber under unified control and rational management. Forestry associations are classified according to their objects into four classes, viz., foresters' associations, business associations, coolies' associations, and protection associations.

The number of forestry associations in 1939 was 2,500, and the area covered was 2,140,753 cho. The growth of forestry associations in recent years is shown in the following table:

FORESTRY CO-OPERATIVE SOCIETIES

Year (At the year end)	(Area in cho)				
	1935	1936	1937	1938	1939
Total					
Number of societies	2,083	2,235	2,373	2,456	2,500
Area operated by societies	1,642,146	1,793,768	1,922,002	1,988,735	2,140,753
Number of members	325,172	359,048	389,921	405,018	443,044

Forest Damage and Insurance

Forests are subject to damage by fire, wind, snow, etc., damage and loss by fire being especially great. As the forestry business requires an investment which covers a long period of years it is essential to insure, for if a forest is swept by fire, not only the capital invested, but also the care and labor of many years is instantly swept away. The table below shows both the amount of loss and the area damaged by fire, wind, etc., during the last few years. In order to encourage forestry work

some means to minimize the loss which arises from fire had to be devised. For many years forest insurance was looked for but it was not until 1920 that the Toho Fire Insurance Co., Ltd., ventured to take on this business. The Tokoku Fire Insurance Co., Ltd., and Tokyo Marine and Fire Insurance Co., Ltd., quickly followed.

But the State Forestry Fire Insurance Law was promulgated in 1936 and the Government commenced the forestry insurance business as from 1937. The conditions of the business are as follows:

At the end of	Policies	Area insured (In cho)	Amount insured (In yen)	Premiums received (In yen)
1937	5,543	53,582	6,137,517	36,040
1938	19,420	122,398	14,360,003	87,699
1939	39,976	178,202	20,012,378	130,574

Damages done to forests in 1939 reached ¥16,173,260.

Forest Administration

The central office of forestry administration in Japan at present is the Forestry Bureau in the Ministry of Agriculture and Forestry. Under this Bureau, there are six Forestry Administration Offices, 218 Forestry Administration Stations and 1,544 administrative districts.

In the office of the Forestry Bureau there is a Section of General Affairs, a Section of Forestry Business, and for the administration of privately owned forests there is a Public and Private Forests Section. For experimental work there are, under the direct supervision of the Minister of Agriculture and Forestry, Forestry Experimental Stations, Forestry Administration Offices are

located in Aomori, Akita, Tokyo, Osaka, Kochi, and Kumamoto cities, and are under the supervision of the Minister of Agriculture and Forestry. The work of each office is to plan the afforestation work of Government and public forests, to establish or eliminate Government forests, to start civil engineering work, to sell forests, etc. They also supervise the works of forest administration stations which are placed under them. In each office there is a Section of General Affairs, a Section of Forestry Planning, a Section of Afforestation and a Section of Utilization.

Forest Administration Stations, which number 218 in all, are directly concerned with the management and protection of Government and public afforested forests.

In Hokkaido, the Forestry Section in the Development Bureau is the central administration office, and under it there are 19 forest administration offices. About 3,520,000 ha. of forests which are owned by the Government are administered by these 19 offices, the average area controlled by one office being about 185,000 ha.

Forestry Education

College Education—Forestry education in Japan began with the establishment of a forestry school at Nishigahara, Tokyo, in 1882, under the supervision of the Forestry Bureau. This school became the Tokyo Forestry School and by the University Ordinance of 1890 was incorporated as a branch of the Department of Agriculture of Tokyo Imperial University. Morioka and Kagoshima Higher Forestry Colleges were established in 1903 and 1904 respectively. The forestry education that was being carried on in Sapporo Agricultural College in Hokkaido, became a laboratory course when the college became a Department of Hokkaido Imperial University. During the World War, facilities for education were greatly extended, and Departments of Forestry were added to Kyoto and Kyushu Imperial Universities, while higher forestry colleges were established in Miyé, Utsunomiya, Gifu, Miyazaki, and Sulgen in Chosen and Taihoku in Taiwan.

Practical Education—The first and second class forestry schools established and supervised by various prefectures give practical lessons in forestry. They

exist either as independent schools of forestry, or as a part of agricultural schools.

Forestry Experimentation

Central Experimental Station—A plant experimental station was first established in Nishigahara, Tokyo, in 1878, to make investigations into the advantages of the cultivation of various plants, the growth of plants, the relation between the forests and climatic conditions of the country, etc. This station was abolished in 1822, but in 1890, the business of forestry experiments was taken up by the Forestry Administration Station of Tokyo. Later, in 1905, owing to the pressing need, plant nursery beds were established in Meguro, Tokyo. This nursery developed into a Forestry Experimental Station under supervision of the Forestry Bureau. In 1922, the station was detached from the Forestry Bureau and placed under the direct supervision of the Minister of Agriculture and Forestry. A subsidiary station was also established in the Ogasawara (Bonin) Islands for the purpose of experimenting with tropical plants.

In the Central Experimental Station there are departments of general affairs, afforestation, vegetable pathology, utilization of forestry products, chemistry, forestry work, and weather and climate. Since 1904 it has regularly issued bulletins on experiments and forest weather, besides occasional reports. The Station will, for payment, make analysis, carry out experiments and give advice and judgement on matters of forestry for the general public, if requested.

Local Experimental Stations—Among the various prefectures Hokkaido is the only one which has a forestry experimental station. It was established in 1908 and for twenty-five years has contributed to the development of forestry in that island. The station makes experiments in afforestation, the utilization of forestry products and the protection of forests. In Kagoshima prefecture, a forestry research bureau was established in 1929. This bureau studies plant rearing, afforestation, etc. and is the only bureau which engages in experimental work in prefectures other than Hokkaido.

Forestry experimentation in Taiwan is undertaken by the Forestry Bureau

under the Central Research Station in the Government-General of Taiwan. It has experimental forests of 52,000 cho. In addition to experiments in afforestation, utilization, and nursery work, it studies the classification and distribution of plants grown in the island. It has two branch stations.

The forestry experimental station in Chosen was established in 1922. As the climatic conditions in Chosen are rather continental the kinds of plants, their distribution, and the nature of forests, etc., differ widely from those in Japan, so the results of the experiments made in the Central Experimental Station in Tokyo cannot be directly applied to the forests in Chosen. The station is comparatively new, but as part of a plan which is to be completed in fourteen years beginning 1925, investigations on the classification and distribution of plants, experiments in rearing and the planting of principal trees, experiments in the prevention of damage from noxious insects and fungi on young plants and forests, tests on lumber and methods of storings, etc., have already been made and reports on the results of the investigations and experiments have been published in the bulletins issued by the station. In the experiments on rearing young plants it has already succeeded in showing the way to quicken their growth, its experimental success in rearing the Korean pines being specially noteworthy.

In Saghalien Island an experimental station was established in 1929. Prior to that experiments were made on frigid zone plants by the Temporary Industrial Investigation Bureau in the Government Office of Saghalien Island in experimental forests near the towns of Toyohara and Horo.

Lumber Price

The American lumber market in 1939 and 1940 went down, because of the price control of the Government.

IMPORTS OF LUMBER (In ¥1,000)

Year	Ebony, Kwarin, etc.	Teak	Cedar, Pine, Fir from Cedar, under 60 mm. thick to over 200 mm.		Kiri (paulow- nia) Aspen	Other Wood	Total	
			Pine and Fir (lofis and cants)	Cedar, Kiri (paulow- nia) Aspen				
1934	952	758	336	14,722	15,404	66	277	7,665
1935	967	1,347	16,533	20,230	83	304	9,945	49,775
1936	1,081	1,534	37,645		663	809	13,816	55,547
1937	815	2,852	41,640		821	727	17,962	64,817

January quotation was ¥26.13 per shakujime (about 1 cubic foot×12), but dropped to ¥19.37 in May and continued unchanged through the following months and 1940. The Saghalien timber was quoted at ¥1,130 per 100 koku (koku=1 cubic foot×10) in January 1939, ¥1,330 in October-December, with yearly average ¥1,283; during 1940 ¥1,330 persisted in January-August, and then it went up to ¥2,200 in September and continued unchanged through the following months, realising the yearly average of ¥1,620.

Supply and Demand of Lumber

The production of lumber is steadily increasing since 1930 as shown in the following table, supplying 90.8 per cent of the total demand in 1937.

PRODUCTION OF LUMBER

Japan Proper
(In koku)

1930	47,683,536
1931	48,861,820
1932	51,222,910
1933	56,296,382
1934	64,372,163
1935	65,650,465
1936	72,137,823
1937	79,426,961
1938	89,345,867
1939	109,840,413

(koku=1 cubic foot×10)

The quantity of import of lumber is on the decrease since 1932, although the value fluctuated according to different years. Imports from the United States have specially decreased in recent years to be replaced by those from the South Seas. On the contrary, exports are on the increase, nearly doubling the quantity exported in years prior to 1937.

The actual demand in Japan proper, therefore, remains almost unchanged in recent years, going up and down between 48,000,000 koku and 60,000,000 koku. The State control of building in these years may also be accounted for.

Year	Ebony, Kwarin, etc.	Teak	Cedar, Pine, Fir from Cedar, under 60 mm. thick to over 200 mm.		Kiri (paulow- nia) Aspen	Other Wood	Total
			Pine and Fir (lofis and cants)	Cedar, Kiri (paulow- nia) Aspen			
1938	198	1,405	13,181	289	608	12,497	28,178
1939	126	1,068	13,808	593	718	15,941	32,326

EXPORTS OF LUMBER (In ¥1,000)

Year	Bamboo	Railway Sleepers	Veneers	Shooks	Match Sticks	Wood Shav- ings for Match Boxes	Woods, Sawn	Logs, etc.	Total
1935	472	689	4,397	5,012	88	282	7,520	5,192	10,468
1936	895	699	5,965	4,872	377	273	9,146	3,371	12,186
1937	853	467	9,002	7,113	388	298	13,536	4,346	17,529
1938	1,132	286	6,064	6,745	662	509	17,825	14,358	14,704
1939	1,359	3,674	12,499	8,265	794	893	65,866	36,012	26,764

Pulp In regard to the supply and demand of pulp see "Rayon and Staple

Fibre" in Chapter XVIII and "Paper" in Chapter XXI.

Forestry Production of Japan in 1939

The forest area of Japan, accounting for some 62 per cent of the total area of the Empire, extends over 24,000,000 chobu (1 hectare=1.00833 chobu) and produces more than ¥870,000,000 worth of forest products (1939 figures) annually. This amount equalled the production of cocoons in 1939. The total forest production of Japan in 1939 recorded a marked increase by about ¥200,000,000 over 1938 with ¥570,000,000 and by ¥440,000,000 over the production in 1937, the year when the China-Affair broke out. As is well known, forestry products are many and varied. Among them, timber for use as munitions material, for mining and building purposes and for charcoal dominates, being demanded in greater quantities in fulfilment of the productivity expansion plan under wartime conditions. The recent expansion of forestry production has been attributable to a marked gain in demand and a noteworthy rise in prices under wartime influences.

Of forestry products, timber heads the list, having accounted for ¥450,000,000 or 52 per cent of the total forestry production. With the depression period in 1930 and 1931 as the bottom, the domestic timber production has tended steadily upward. The recent gain in production has been specially remarkable both in quantity and value. The 1939 production marked a rise of 62 per cent over the 1938 output and more than three times as much as the production in 1930 the year preceding the

outbreak of the China Affair. The 1939 production amounted to 110,000,000 koku (1 koku=about 1 cubic foot multiplied by 12), showing a rise by 23 per cent over 1938 and 52 per cent over 1936. The 1939 production showed an increase by more than three times in value over 1936 while it recorded a rise of 52 per cent in quantity.

The timber production consists predominantly of coniferous trees, broad-leaved trees accounting for about 10 per cent. In 1939, the cedars felled totalled ¥200,000,000, pine followed with ¥100,000,000 and oak and silver fir ranked third and fourth with ¥34,000,000 and ¥30,000,000, respectively. Pine and cedar, combined, accounted for about 70 per cent of the total amount of timber felled and 35 per cent of the total forestry production (exclusive of the production from the Imperial forests).

It is also noteworthy that the timber production of other trees kept pace in advance in general, thus demonstrating an active rise in demand for timber. This tendency, while principally due to the increase in demand for munitions and productivity expansion, is a result of increasing dependence upon domestic timber because of a prohibitive restriction imposed on imports of timber such as American timber and South Sea timber as well as the reduced production of Saghalien timber. As a result, there has been a tendency toward an excessive and premature felling, resulting in an unbalanced progress of planting and fell-

ing operations. This tendency is specially noted among privately-owned forests whose owners see an opportunity for large profits. It is a natural result, under the circumstances, that the distribution of stocks of standing trees should become extremely one-sided, and the forest resources heavily taxed.

Other important forest products include charcoal produced to the amount of ¥230,000,000 (26 per cent of the total) in 1939, fuel wood to the amount of ¥130,000,000 (15 per cent), forestry

by-products to the amount of ¥65,000,000 (7 per cent) and bamboo to the amount of ¥4,000,000. There is a large variety of other products among forest products, those mentioned here being the most representative among them. The per-chobu production, calculated by dividing the total forestry production by prefecture with the area of forest land, was highest in Osaka and Nagoya at ¥150, the lowest in Hokkaido at ¥12, the average for Japan proper being ¥37.35.

CHAPTER XVII

MINING

STK

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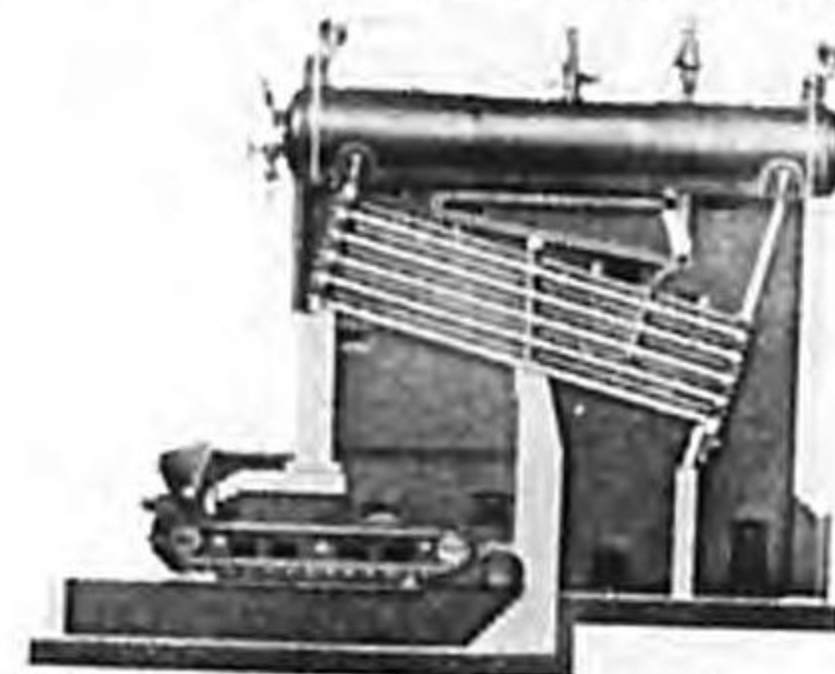
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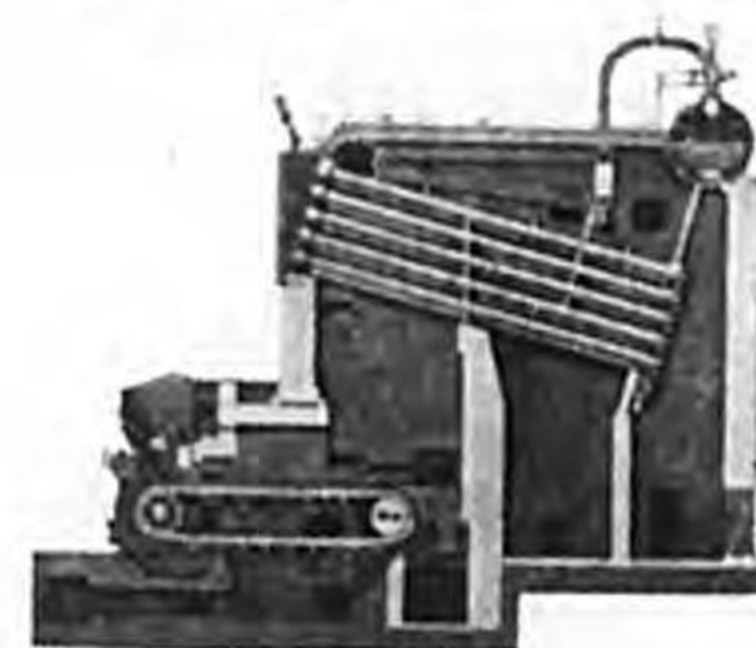
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Nickel, White Arsenic and Coal, Rock-Drills
and Accessories

CHAPTER XVII

MINING

History of the Industry

During the reign of the Emperor Kotoku (645 A.D.), a mineral deposit was discovered in the province of Iyo, present Ehime prefecture, and experts came over from Korea and China, to work the minerals extracted. Metals were being used for making coins, so mining received the encouragement of the rulers. During the time of the Emperor Shomu, (724-747 A.D.) mineral deposits were found in many places and the art of working them made considerable advance, a fact witnessed by the construction of the Great Buddha at Nara, a monument of the metal-working art of those days.

Later, during the time of the Ashikagas, mining made further development, especially in the field of gold, copper and sulphur. Influential lords who held sway in their own localities required metals to finance their army, and mines always proved good objects for fights. Mineral deposits obtained in this manner were well worked and the mining industry naturally developed.

In the time of the Tokugawas metallurgy further advanced. The government coined money which circulated all over the country and naturally the industry was well protected and carefully developed under its aegis. At this time Japan was known throughout the world as a country which abounded in gold and silver, and after the country was opened up to foreign trade, the quantity of these precious metals exported was considerable, a business which provided a natural stimulus to gold and silver mining. The government also encouraged private enterprisers to engage in the industry, a result of which was the entry of the Sumitomos. The chief mineral deposits discovered during those times were:

Ashio Copper Mine	in Tochi
Besshi "	in Ehime
Sado Gold Mines	in Sado Island
Miké Coal "	in Fukuoka
Karatsu "	in Saga

After the Meiji Restoration the indus-

try did not show much progress until after the Sino-Japanese War of 1884-1885, when the Government called in many mining experts from abroad and employed them in government operated mines, not only to improve, organize and work the mines more efficiently but also to teach the operating of them on a modern basis. The mines improved in this manner were sold to private companies, and the experts who were officials of the Government were transferred together with them, a factor which served to bring the mining industry of Japan to its present stage of development.

In all kinds of mineral products, the year 1925 witnessed considerable increases over the preceding years. This was caused by the enormous increase of overseas trade and the continued boom of munitions industries. The year 1936 far surpassed the productions of the preceding years, setting an all-time record. An upward price trend caused miners to produce more than ever before.

Speaking of gold, the 1937 output totalled 13,184 kilograms in contrast to 21,114 kilograms for 1936. Silver production, too, decreased and amounted to 184,391 kilograms against 298,793 kilograms for 1936. Copper was not exception to the rule. Its output totalled 48,823 metric tons against 78,114 metric tons for 1936. Coal production totalled 24,278,000 metric tons against 38,067,000 metric tons for 1936. Petroleum products for 1937 totalled 2,272,631 hectoliters for 1936. Production of sulphur totalled 140,502 metric tons, gaining over the 1936 figure of 175,314 metric tons. Production of lead was the largest known for recent years with a total of 5,521 metric tons against 8,021 metric tons for 1936. Demand for zinc became heavy with progress of munitions industry. Last year's produc-

Note:—Most of the items on mining are not made public since 1937, especially figures for outputs of minerals.

tion totalled 26,835 metric tons in contrast to 36,201 metric tons for the previous year. Tin decreased somewhat and totalled 949 metric tons for 1937 against 1,859 metric tons for 1936. Throughout

these two years the constant measures of encouragement of the Government and heavy demand for munitions industry provided the background for the large production.

NUMBER OF MINE-LOTS PROSPECTED AND THEIR AREAS

(Prepared by Ministry of Commerce and Industry)

(Area is given in ares)

	1934	1935	1936	1937	1938
No. of Mine-lots	8,918	10,191	11,175	13,180	19,208
Area	171,271,346	197,668,056	216,727,000	266,205,444	397,235,758

Classified according to Kinds of Minerals

(Area is given in ares)

Kind of Mineral	1936		1937		1938	
	No. of Mine-lots	Area	No. of Mine-lots	Area	No. of Mine-lots	Area
Metal	7,731	140,850,104	9,100	172,101,997	13,331	256,615,449
Phosphorus	19	308,582	20	378,852	53	1,117,279
Graphite	30	375,819	25	224,956	37	430,907
Coal	2,015	46,668,887	2,390	58,048,328	3,421	85,750,339
Lignite	144	1,525,784	148	1,634,154	239	3,284,464
Petroleum	884	19,598,611	1,054	24,228,692	1,503	35,785,307
Petroleum asphalt	20	440,591	37	955,728	61	1,542,041
Sulphur	291	6,116,556	381	8,223,615	531	12,125,533
Total including others	11,175	216,726,569	13,180	266,205,444	19,208	397,235,758

NUMBER OF MINE-LOTS OPERATED AND THEIR AREA

(Prepared by Ministry of Commerce and Industry)

(Area is given in ares)

	1934	1935	1936	1937	1938
No. of Mine lots Operated	1,395	1,448	1,613	1,863	2,091
Not optd.	2,915	2,888	2,764	2,544	2,382
Area Operated	23,723,094	23,874,047	28,874,000	28,384,319	31,592,079
Not optd.	21,678,168	22,267,615	22,587,000	19,832,958	18,873,669

Classified according to Kinds of Minerals

Kind of Mineral	1936		1937		1938	
	No. of Mine-lots	Area	No. of Mine-lots	Area	No. of Mine-lots	Area
Metal	Operated 711	9,493,034	898	11,352,413	1,061	13,219,490
	Not optd. 1,468	9,400,913	1,305	8,289,501	1,209	8,128,098
Phosphorus	Operated 2	13,374	3	38,405	4	40,436
	Not optd. 7	46,661	6	32,796	5	30,765
Graphite	Operated 3	36,048	9	69,890	5	55,057
	Not optd. 14	51,004	5	15,250	9	30,083
Coal	Operated 596	13,375,035	630	14,033,213	711	15,452,227
	Not optd. 832	10,536,721	807	10,074,404	725	9,188,167
Lignite	Operated 103	565,712	98	552,953	98	556,515
	Not optd. 94	327,129	94	324,811	93	287,180
Petroleum	Operated 132	1,559,169	144	1,654,847	129	1,567,244
	Not optd. 249	787,268	240	717,410	252	820,545

Kind of Mineral	No. of mine lots	1936		1937		1938	
		Area	No. of Mine-lots	Area	No. of Mine-lots	Area	
Petroleum Asphalt	Operated 9	122,042	10	122,908	9	122,550	
	Not optd. 3	2,958	2	2,092	3	2,451	
Sulphur	Operated 45	428,808	58	498,620	62	539,584	
	Not optd. 92	384,264	80	323,378	80	317,757	
Total including others	Operated 1,613	25,669,510	1,863	28,384,319	2,091	31,592,079	
	Not optd. 2,764	22,587,070	2,544	19,832,958	2,382	18,873,669	

PRODUCTION OF MINERALS

Japan Proper

(Value, in yen)

Unit	1935		1936	
	Quantity Produced	Value	Quantity Produced	Value
Gold	18,293,869 gram	56,234,439	22,235,000	74,828,000
Gold dust	27,447	75,262	—	—
Platinum-dust	1,575	9,980	—	—
Silver	256,004,834	17,917,084	303,753,000	15,172,000
Silver dust	—	—	—	—
Copper	70,317,043 kg.	52,152,075	77,973,000	66,617,000
Lead	7,070,361	1,774,996	8,883,000	2,691,000
Bismuth	51,980	318,793	—	—
Tin	2,068,839	7,872,479	1,871,000	6,377,000
Tin dust	241	499,901	—	—
Tin ore	173 metric ton	40,709	—	—
Antimony sulphide	— kg.	—	—	—
Antimony ore	5,089	27,555	—	—
Mercury	3,888,710 metric ton	1,318,678	—	—
Zinc	370,689	17,540,993	39,066	12,439,000
Cast iron	239,408	17,476,784	342,647	16,311,000
Steel	1,338,891	13,423,086	291,374	21,176,000
Iron pyrites	35,969	1,381,480	1,750,914	19,663,000
Chromite	71,659	1,370,671	—	—
Manganese ore	89	97,577	—	—
Dioxide metal	6,435	13,357	—	—
Scheelite ore	2,889,144	461,226	—	—
Arseneous acid	91,248 kg.	1,158,372	—	—
Phosphate rocks	1,201 metric-ton	78,325	—	—
Graphite	—	—	—	—
Coal	37,762,491	270,177,016	41,803,000	305,537,000
Atan*	108,526	568,000	—	—
Crude Petroleum	—	—	—	—
Crude Oil	3,509,568 hl.	11,985,514	3,907,000	15,529,000
Gasoline	414,741 100 cm.	696,924	—	—
Sulphur	164,945 metric ton	10,244,145	198,237	11,911,000
Sulphur ore	165,867	1,684,238	—	—
Sulphuric acid	2,582,437	699,429	—	—
Total	—	504,419,190	—	589,400,000

* Brown or soft lignite.

The amount of mineral production since 1937 is not made public.

But the Ministry of Commerce and Industry gives index numbers for the outputs in 1937, 1938 and 1939 as 150.6,

160.1 and 164.5 respectively, taking the average of the 3 years, 1931, 1932 and 1933 as normal. Judged from the index numbers, the increase in the amount of taxes collected by the Government

In connection with the mining industry and rise in prices the value of production in 1937 might have exceeded 800

million yen, in 1938 1,000 million yen and in 1939 1,100 million yen.

AMOUNT OF TAXES COLLECTED

Year	Tax on Mining Products	Special Tax on Mining Products (In yen)	Tax on Mine-lots	Total including others
1933	1,427,504	—	2,177,341	4,729,453
1934	1,701,007	—	2,600,445	5,886,661
1935	1,914,517	—	2,841,083	6,167,640
1936	2,204,200	—	3,071,534	7,112,929
1937	3,036,308	420,428	3,707,908	9,708,944
1938	4,279,139	987,052	5,306,939	13,894,304

Gold Since 1932, the Government has enforced many policies concerning gold: the purchasing of gold at current market prices; the reduction of railway freight rates on gold ore; the reduction of fees for analysing gold ore at the Bureau for Supervising Mines; the subsidization of construction of gold refineries, and the guiding of operations of gold mines on minor scales. As a result, the production of gold has increased considerably. In Japan proper alone, in 1936, it amounted to more than 22 metric tons valued at ¥74,820,000, whereas in 1931 only a little over 12 metric tons of gold valued at ¥16,500,000 were produced. Production in the Japanese Empire, including Taiwan and Chosen, which was about 22 metric tons, valued at ¥26,840,000 in 1931, increased sharply to more than 41 metric tons worth ¥138,560,000 in 1936.

The Government promulgated the Gold Production Law which went into effect on August 28, 1937, with a view to increasing production of gold in an aggressive manner and to concentrating the precious metal in governmental hands so that it may be utilized in equilibrating international accounts. In conjunction with the execution of this law, the Government is encouraging gold production with a sum of approximately ¥22,580,000 to be spread over five years from the 1937 fiscal year.

For the promotion of gold mining industry, the Government also introduced the Law Concerning the Japan Gold Production Promotion Company, Limited, at the 73rd session of the Imperial Diet in 1938. Approved by the Diet, the law was promulgated on March 29, 1938. The company organized under this law is a special semi-governmental corporation whose functions are to facili-

tate supply of abundant funds for gold mining enterprises and also to undertake various promotional enterprises in connection with the industry, such as the refining of poor ores.

On May 2, 1938, the Government raised its buying price of gold from the former level of ¥3.77 per fine gram to ¥3.85, the current level of the world gold market. On May 9, it abolished the gold buying commission which had hitherto been levied, and reduced by 50 per cent the rates of refining fees charged by the Mint on gold bullion to be sold to the Government, the rates of fees on certificates of the quality of gold bullion and those of fees on testing. At the same time, the buying commission on gold bullion in small lots below 50 grams was abolished.

The essential points of the Gold Production Law may be listed as follows:

1. Persons desiring to engage in the business of gold refining and of buying minerals containing gold are required to secure licences from the Government.

2. Persons who have acquired minerals containing gold or alluvial gold or any substance containing gold are required to refine them into gold bullion and to sell the latter to the Government, or to sell them to licensed gold refiners or buyers of minerals containing gold. When these buyers have refined the bullion, they are obliged to sell it to the Government. Thus, all newly refined gold is to be concentrated by the Government, irrespective of the channels through which it may be obtained.

3. Gold refiners are required to formulate their plans of operation in advance and to report them to the Government. Reports are also required concerning changes in plants. The

Government is authorized to order alterations in the plans of the refiners.

4. Whenever it is deemed necessary for the augmentation of gold production, the Government may, on the recommendation of the Gold Commission, command gold refiners to expand or improve refining facilities and may give necessary instructions concerning such facilities.

5. Owners of mining rights and rights on alluvial minerals containing gold shall be treated in the same manner as gold refiners, with respect to business operations.

6. When it is deemed necessary for the public welfare, the Government may, on the recommendation of the Gold Commission, issue orders to persons who are engaged in gold mining, gold refining and buying of minerals containing gold.

7. The Government is authorized to demand reports from gold miners, gold refiners and persons engaged in the business of buying minerals containing gold concerning their business methods and assets, and may also investigate such matters. The Government may further issue supervisory orders regarding the accounting methods of the above persons or may take the necessary action.

8. When it is deemed necessary, the Government may, on the recommendation of the Gold Commission, issue orders regarding the price of gold, restrictions on the use of gold and other matters relating to the consumption of gold. This provision has been put into force through Ordinance No. 60 Concerning Regulations on Gold Consumption of the Department of Finance, promulgated on December 28, 1937.

9. Machinery, tools or other materials necessary in the business of gold miners or gold refiners, when imported with the approval of the Government, shall be exempted from import duties for a period of five years from the day on which the Gold Production Law went into effect.

10. The Government may give subsidies to gold miners or gold refiners within the limits of the amount fixed in the budget.

Measures for encouraging the production of gold are roughly as follows:

1. To give subsidies to those prospecting for gold mines.

2. Subsidization of construction of

facilities for selecting and refining ore.

These measures are to be carried out in accordance with the provisions of the Gold Production Law. Procedures relating to these measures are provided for in Ordinance No. 22 Concerning Gold Production Encouragement Regulations of the Ministry of Commerce and Industry, promulgated on October 10, 1937. Other measures are:

1. To subsidize expenses covering institutions for training the field staffs of gold mining companies.

2. To survey mineral deposits in gold producing areas.

3. To hasten the disposal of applications for gold mining licences.

4. To lend machinery and tools for gold mining.

A summary of the prospectus of the Japan Gold Production Promotion Company, Limited, is as follows:

1. Organization of the company: This company is to be a special joint stock company organized under a special law.

2. Purpose of the company: To conduct operations necessary for the promotion of gold mining and refining.

3. Capital: ¥50,000,000, of which ¥25,000,000 is to be invested by the Government. The capital may be increased on the approval of the Government.

4. Officers: (a) The company shall have a president, vice-president, three or more directors and two or more auditors. (b) The president and vice-president shall be appointed by the Government; their term of office shall be four years. Directors shall be appointed by the Government from among the shareholders of the company; their term shall be three years. Auditors shall be elected from among the shareholders at a general meeting; their term shall be two years.

5. Business: (a) Financing of and investment in gold mining and refining enterprises and in enterprises for the manufacture of gold mining and refining machinery and tools. (b) Gold mining and refining. (c) Buying and selling of gold mining and refining machinery and tools, and other materials or equipment. (d) Buying and selling of minerals containing gold. (e) Survey and valuation of gold mines.

6. Debentures: (a) The company is authorized to issue debentures under the name of the Gold Production Debentures up to an amount five times the paid-up capital of the company.

(b) The Government may guarantee the payment of the principal of and interest on such debentures.

7. Dividends: (a) The company shall not be required to pay dividends on the Government-owned shares until private shares have been satisfied to the extent of 4 per cent per annum. (b) In case the profits to be divided among shareholders reach a ratio exceeding 4 per cent per annum on private investments and the company intends to declare dividends at a higher rate, distribution of such excess profits may be made on the Government shares and private shares at a ratio of 1 to 5, until the company becomes able to declare dividends of equal rates on both kinds of shares.

8. Subsidization of dividends: When the amount of profits to be distributed among shareholders fails to reach the rate of 4 per cent per annum on private investments, the Government shall subsidize the company with an amount covering the deficiency for the first year of its operation and for the subsequent five years. However, each subsidy cannot exceed the combined total of a sum equivalent to 4 per cent per annum on private investments and a sum of interest paid on Gold Production Promotion Debentures, with the exception of the first one.

9. Tax exemption: (a) The company shall be exempted from income tax and business profit tax for the first and the subsequent 10 business years. (b) No local taxes shall be levied on this company.

10. Subsidies: The Government may grant subsidies to the company principally for its enterprises relating to refining of poor ores.

11. Government supervision: (a) The Government is authorized to supervise the business of the company. The company is required to obtain approval from the Government regarding increase of capital, issuance of Gold Production Promotion Debentures, other borrowings, changes in the Articles of Corporation, disposition of profits, resolutions on amalgamation with other companies or dissolution, and business plans. (b) The company shall observe the Government's supervisory orders and orders necessary for the promotion of gold producing enterprises. (c) The Government shall appoint supervisors of the Nippon Gold Production Promo-

tion Company in order to supervise the business of the company.

12. Regarding the organization of this company, the Government shall appoint an Organization Committee, which shall make all preparations and follow the necessary procedures.

The foregoing explanations apply to governmental policies in Japan proper. In Chosen, the Decree on Gold Production was promulgated by Imperial Ordinance No. 16 of September 7, 1937. This Decree is similar in substance to the Gold Production Law of Japan proper. In Taiwan, the Gold Production Law is to be enforced as in Japan proper in accordance with Imperial Ordinance No. 518 of September 25, 1937.

The Japan Gold Production Promotion Company intends to increase the production of gold throughout the Empire. It will conduct business in Chosen and Taiwan as well as in Japan proper.

Silver Affected by the bounds and leaps in the silver quotations in foreign markets and on account of the close relationship of silver with gold smelting the production of silver increased too, the 1935 production amounting to 256,004,834 grams, which advanced to 303,753,000 grams during 1936. Average silver price in 1937 in Tokyo was ¥48.48 per kilogram, ¥46.56 in 1938 and ¥47.40 in 1939.

Tin Only about one-fourth of the total demand is being met by home products. To be exact 1,218,000 kg. was produced at home in 1934 against the total home consumption of 5,260,000 kg., leaving a balance of 4,062,000 kg. to be imported and 20,000 kg. for exports.

Osaka Tin Refinery Guild was established in October 1933. The reproduced tin put out by the members of the guild became such an important factor that its manufacture came to be designated as one of the principal industries by the Government in November 1934. The sales of the product have been well regulated after the formation of the guild. Before the guild was organized the product contained a good deal of impurities and the production was only two or three hundred tons. As the time went on the technique of refining improved and the production in 1934 went up to five hundred tons. All the product is consumed in the domestic market, the legal maximum price in 1939 being ¥47.58 per 100 kilograms.

Copper Production of copper, unlike

that of tin, lead, zinc, or aluminium, was comparatively large in Japan, occupying an important position among metal industries, especially in arms industry. Copper industry developed rather early in Japan. Its production in 1876 was less than 4,000 tons, but Japan was then known throughout the world as the second largest copper producing country, exporting one half of her product. But with the Great War as the turning point, her position as copper exporting country became less important, for new copper beds were discovered in Chile and Congo. Japan then came to occupy the fourth position in the production of copper, and has been compelled to become an importer, the quantity imported increasing every year.

Demanded as an indispensable requisite in the munition manufacturing industries its brisk tone was maintained in 1934 as it had been in the previous year. The 1936 copper output in Japan established a record high, with 77,973,000

metric tons in contrast to 69,829 metric tons for 1935. The copper market in Japan was long under the influence of New York and London markets. But since the second half of 1932, owing to the depression of the yen and the increased tariff, it began to regain an independent position from foreign influences. Copper prices in Japan for 1936 were unusually high affected by New York and London quotations. In 1939, the average market prices of electrolytic copper rose to ¥320.00 per 100 kg., a record high. The exports of copper reached 211,554 piculs valued at ¥15,105,000 for 1937, 113,456 piculs valued at ¥8,036,000 for 1938 and 142,651 piculs valued at ¥10,122,000 for 1939.

To meet the enhanced demand copper mines extended their equipments, the most important being the improvement of the furnace at Naoshima refinery of the Mitsubishi Mine, the extension of Saga refinery of the Nippon Mine, and opening of a new shaft at Ashio Mine of the Furukawa interests.

SUPPLY AND DEMAND OF COPPER (Kilograms)

	Production	Imports	Total	Exports	Home Consumption
1932	71,876,557	1,966,600	73,843,157	23,121,600	50,721,557
1933	69,032,756	17,617,700	86,650,456	8,512,100	78,138,356
1934	67,002,270	51,363,300	118,370,570	12,621,600	105,748,970
1935	69,407,000	65,261,000	137,441,000	72,000	134,170,000
1936	78,614,000	47,794,000	129,607,000	7,000	127,524,000

Lead The home production of lead barely satisfies 7% of the aggregate demand. In 1936 the total home production was 8,883 metric tons, and the import was 97,822 metric tons.

Zinc The origin and development of zinc mining in Japan is of comparatively recent date. In 1900, a Swiss clock firm, seeing bright prospects of developing the industry, purchased many zinc mines in the country and began exporting the metal. From this time the industry developed, the number of men engaged in mining increased, and the exportation of zinc grew in proportion.

Along with the development of other industries there has been an advance in zinc smelting. With increased demand during the World War, production and exports increased, the quantity produced in 1917 reaching 54,700 metric tons, and smelting furnaces numbering 16. From the slump of 1920 and the depression

which followed it, the industry received a heavy blow. Most of the furnaces were shut down, and only those in Miké, Takata, and Hiroshima were able to weather the storm. The last named has been especially successful in manufacturing sulphuric acid with the sulphur separated from zinc ores.

Zinc ores in Japan exist mainly in igneous and aqueous rocks. They seldom exist independently, sometimes being found mixed with lead ores. The principal ore which yields zinc is zinc sulphide, some of the best of which contains about 67% of zinc and 33% sulphur. Ordinary ores contain 40 to 55% of zinc and 24 to 28% of sulphur. The principal places of production are as follows:

Kamioka	Kozan in Gifu Prefecture
Budé	" " Niigata "
Ikuno	" " Hyogo "
Yasuda	" " Nagasaki "

Hosokura " " Miyagi "
 Kanayama " " Wakayama "
 Wanibuchi " " Shimané "
 Sasu " " Nagasaki "
 Ginya and Maden Kozan in Helando,

Chosen
 Mimuné Kozan in Kelando, Chosen.

The production, import, export, and consumption of zinc follow:

Year	Production		Imports kg.	Exports	Consumption kg.
	Quantity produced kg.	Value yen			
1931	25,407,089	4,471,742	24,633,600	—	50,040,789
1932	27,043,432	6,032,611	26,571,600	—	52,615,032
1933	30,657,632	9,746,995	32,525,600	—	63,183,232
1934	32,145,458	9,516,702	33,208,100	—	65,353,558
1935	34,191,000	—	45,842,000	—	80,034,000
1936	39,066,000	—	61,774,000	—	97,975,000

Iron and Steel Industry

Down to the Meiji Era The art of iron smelting is said to have been known even in prehistoric times in Japan, but no reliable record can be found. The granites found in large quantities in the Chugoku districts, i.e. Okayama, Hiroshima, Tottori, and Shimané prefectures were found to contain a good percentage of magnetite iron from which iron dust was extracted. These places became famous for their iron products and swordsmiths. In the middle of the 19th century, there were as many as 300 smelting works in these districts, but before the Restoration the utility of iron was not well realized and the demand for it was naturally small. Therefore, the iron and steel industry in its modern garb can be said to have begun with the Restoration.

Since the Restoration Early in the Meiji Era, mines were mostly operated by the Government. As the iron and steel industry was considered very important from a military standpoint the Government placed Kamaishi mine, in Iwaté prefecture, under its direct management, and established there some smelting works with foreign experts called from abroad. In 1879, two furnaces with a capacity of 25 tons each were installed, but, owing to a shortage of raw materials and fuels the enterprise failed.

After the Sino-Japanese War of 1894-1895, the necessity of establishing the iron and steel industry for manufacturing war supplies was very keenly felt, and the Yawata Iron Works was established in 1880. Owing to the increased demand for iron and steel by various expanding industries the Ya-

wata Works were extended in 1906 and again in 1911.

Private iron and steel works have since been established in rapid succession. In 1905, Suzuki Shoten of Kobé established Kobé Seikojo, and in 1907, Nippon Seikojo was established at Muroran with English and Japanese capital. In 1912, Nippon Kokan Kaisha, Ltd., was established, while in Manchuria, Honkefko Baitetsu Koshi was established in 1910 on joint account of Japan and China.

These iron and steel works expanded tremendously during the World War, and production increased with marvelous rapidity. The 1913 production of pig iron was 240,000 metric tons while the 1918 production had increased to 583,000 tons. During the same period the production of steel increased from 255,000 tons to 537,000 tons. The Mitsubishi Co. established their Iron Works in Kenjho, Chosen, about this time.

Perhaps the iron and steel industry received a heavier blow than any other from the slump of 1920, a blow that was intensified by the decisions reached at the Disarmament Conference of 1921. The price of pig iron fell from ¥541 per ton, the highest price, in July of 1918 to ¥65 per ton in 1921, steel bars fell from ¥451 to ¥132, and steel sheets from ¥1,285 to ¥109. Twelve pig iron manufacturing companies, four steel manufacturers and six steel materials manufacturing companies went out of business. Many small companies were amalgamated with or absorbed by bigger ones, until at present the whole iron and steel industry is controlled by a few powerful houses, Mitsui, Mitsubishi, Sumitomo, Okura, Asano and Okawa, and the Government.

Many new industries were started dur-

ing the Great War and as they progressed their demand for iron and steel expanded. Production increased to meet this demand and the 1923 output was greater than at any time during the Great War. The industry received blows from the great earthquake of 1923 and the financial panic of 1927, but with the finances of the largest concerns of the country behind it readjustments were soon made and as demand increased the industry steadily developed.

Iron industry in the country and foreign trade of iron and steel have been put under a strong Governmental control since the outbreak of the China Affair in 1937, by the enactment of the Iron Manufacturing Industry Law which was passed at the 71st session of the Diet in the summer of that year. The new law, while exempting all iron manufacturing concerns in the country from taxation makes it compulsory for them to ask the permission of the Government for any changes in their working program, and enables the Government to order the necessary changes.

In April 1937 the Minister of Commerce and Industry announced a scheme for abolishing customs duties on imports of pig iron for a year and increasing the annual production of pig iron to 5,600,000 tons and that of steel to 6,000,000 tons by the end of 1941. Accordingly, the expansion scheme of the Japan Iron Manufacturing Company was to continue for several years to come and new furnaces were to be installed in Hyogo and Korea while its existing factories were to be greatly expanded. But the occurrence of the China incident expanded the requirements and the Konoé Cabinet which came to power in June 1937, drew out a five-year program for expanding the production of iron in order to realize an annual output of steel amounting to 10,000,000 tons in Japan and Manchoukuo combined. To increase the supply of steel for special purposes the curtailment of the production of iron bars and rods for peacetime enterprises was enforced as from October 1937. At the same time regulations governing all factories using iron and steel were issued, and Governmental license was made necessary for any building in which more than 50 tons of iron bars and rods are used, the law

coming into force on October 20, 1937. The supply and demand relations are also brought under a thorough Governmental control. All phases of iron and steel manufacturing industries and trade are kept in secret since the second half of 1937.

Steel Competitive rearmament programs adopted by the leading countries of the world have resulted in a remarkable increase in demand for steel and the steel manufacturing industry in Japan has been witnessing unprecedented activity, as shown in the following table. The production in the latter half of 1937 is not made public, but it may be safely said that it reached an amount far surpassing the corresponding period of 1936.

SUPPLY AND DEMAND OF STEEL

(In 1,000 tons)

	Production	Imports	Exports	Domestic consumption
1936:				
First half	2,066	144	223	1,987
Second half	2,514	141	195	2,460
Total	4,580	285	419	4,446
1937:				
First half	2,454	294	212	2,535

Pig Iron and Waste Iron The problem of increasing the production of pig iron had been a long-standing one in Japan, and after the Hirota Cabinet came into power in 1936 it became the subject of one of the most important policies of the Government. Installation of additional furnaces was encouraged and exemption of pig iron from customs duty was proclaimed. Early in 1937 the Hayashi Cabinet established a scheme for increasing the annual production of pig iron to 5,600,000 tons by the end of 1941. The Japan Iron Works made preparations for increasing production in conformity with the Governmental plan and, at the same time, succeeded in concluding a contract with American companies for the importation of pig iron amounting to 150,000 tons during 1937. According to the Japan Iron Works' plan the produc-

Note: The publication of conditions in the iron and steel industry has ceased since 1937.

tion of pig iron in 1937 was to increase by some 500,000 tons, the amount of supply expected being 3,700,000 tons or an increase of 15 per cent over the previous year. Actual production and imports of pig iron in 1936 and 1937 was as follows:

PRODUCTION AND IMPORTS OF PIG IRON IN 1936 AND 1937

(In 1,000 tons)

	Production		Imports	
	1936	1937	1936	1937
January	233	191	62	65
February	220	185	71	56
March	239	228	91	57
April	231	231	85	54
May	241	230	94	64
June	231	212	101	102
July	239	—	67	117
Total for the year	2,809	—	978	—

Note: Figures for production have not been published since July and those for imports since August.

The imports of waste iron amounted to 1,356,000 tons in the first 7 months of 1937. Figures for the rest of the months of that year are missing, but the fact that those for the first 7 months alone were getting close to the total of the 12 months of the previous year indicates the increased activity of steel manufacturing industry in 1937.

IMPORTS OF WASTE IRON IN 1936 AND 1937

(In 1,000 tons)

	1936	1937
January	47	74

SUPPLY AND DEMAND OF IRON ORES IN JAPAN PROPER

(In metric tons)

Year	Amount produced	Amount imported	Amount imported from Colonies	Amount exported to Colonies	Demand	Percentage of Production to Demand
1930	245,991	1,973,659	278,727	2,466	2,504,900	21%
1931	208,181	1,549,919	176,585	5,176	1,929,509	20
1932	226,722	1,482,409	151,603	4,200	1,856,400	20
1933	320,670	1,523,627	255,320	5,600	2,093,900	28
1934	431,600	2,131,916	180,500	5,500	2,738,500	22
1935	515,800	3,404,099	242,100	5,700	4,156,400	18
1936	620,400	3,780,100	242,700	—	4,643,200	10
1937 (up to July)	—	1,856,800	1,009,700	—	—	—

	1936	1937
February	56	94
March	72	84
April	72	136
May	119	223
June	118	356
July	164	409
Total	648	1,356
Total for the year	1,497	—

Iron Ore Deposits in Manchoukuo and North China Iron ore deposits in Japan proper and Chosen are estimated at 200,000,000 tons and the domestic supply of iron ore meets but 24 per cent of the demand, the remaining 76 per cent coming from abroad. With the increase of output in Manchoukuo Japan may reduce imports of the metal from Western countries to 50 per cent of the demand. The percentage is hoped to diminish still further with the exploitation of iron resources in North China. The total iron ore deposits in China and Manchoukuo were estimated at 1,000,000,000 tons according to "An Outline of Mining Industry in China," or 555,000,000 tons according to the "Iron Ore Deposits and Iron Industry of China" by F. R. Tegengren, and approximately 90 per cent of which is in the five provinces of North China and Manchoukuo. The quality of these ores is said to be poor and the results of their exploitation are regarded very uncertain. Nevertheless, Japan may be able to get a good supply of iron ore from these districts for years to come through the efforts of skilful engineers and the application of modern scientific methods.

Pig Iron Pig iron is produced by Nippon Seltetsu Kabushiki Kaisha (Japan Iron Manufacturing Company). Coke is mostly used in its production, the amount produced with charcoal be-

ing so small that it is hardly worth mentioning. The amount of production classified according to the mode of production and raw materials from which it is produced is as follows:

Year	From Iron Ore		Reproduced From Ores	Total
	With Coke	With Charcoal		
1927	884,341	—	10,905	896,171
1928	1,077,065	381	14,237	1,092,536
1929	1,065,908	2,000	19,138	1,087,138
1930	1,136,853	241	24,743	1,161,894
1931	896,445	—	20,897	917,342
1932	993,447	1,253	15,837	1,010,761
1933	1,403,502	—	19,924	1,423,889
1934	—	—	—	1,728,100
1935	—	—	—	1,906,700
1936	—	—	—	2,007,500

During the war, Japan had the bitter experience of having her supplies of iron and steel cut off from Great Britain and the United States of America, and in view of this the Nippon (then Yawata) Works has steadily extended its production capacity. The 1930 pro-

duction was 2.5 times that of 1919.

Japan requires about 1,500,000 tons of pig iron every year. Her own production is not enough to meet this requirement and the shortage is filled by importing from Chosen, Manchoukuo and India.

PRODUCTION OF PIG IRON IN JAPAN AND MANCHOUKUO

(In metric tons)

Year	Production in Japan Proper	Production in Chosen	Production in Manchoukuo	Total
1929	1,087,128	153,627	295,380	1,536,135
1930	1,161,894	349,415	150,524	1,661,833
1931	917,342	147,257	342,270	1,406,869
1932	1,010,761	161,940	368,181	1,540,882
1933	1,423,889	161,163	433,523	2,018,575
1934	1,714,417	175,502	471,715	2,361,634
1935	1,906,787	147,774	—	2,999,328
1936	2,007,500	—	649,800	3,102,400

SUPPLY AND DEMAND OF PIG IRON IN JAPAN

(In metric tons)

	1934	1935	1936	1937
Production in Japan Proper	1,728,100	1,906,700	2,007,500	—
Imports from Ceylon, Manchoukuo and India	778,400	1,092,500	1,094,800	583,200
Total supply	2,506,700	2,999,300	3,102,400	—
Exports to colonies	800	—	—	—
Demand in the country	2,501,300	2,998,000	3,101,500	—
Percentage of production to demand	92%	81%	77%	—

Steel and Steel Materials Steel ingots are produced mostly from pig iron, principally by the open-hearth process. The Bessemer process is sometimes employed by small mills, but the number of mills which use either this or the

crucible method is small. Recently the electric process of production has been gaining ground. The amount of steel produced by different methods are shown below.

PRODUCTION OF STEEL INGOTS

(In metric tons)

Method of Production	1929	1930	1931	1932	1933	1934	1935
Open hearth	2,238,198	2,225,451	1,828,823	2,325,306	3,456,347	3,633,610	4,459,737
Bessemer	1,210	35	—	940	—	—	—
Electric	52,654	62,140	52,765	69,740	137,600	208,790	241,649
Crucible	1,778	1,711	1,537	2,296	2,192	1,120	1,200
Total	2,293,840	2,289,337	1,883,125	2,398,282	3,596,139	3,843,520	4,702,586

Total production in Japan proper and Chosen for 1936 was 4,914,000 metric tons.

PRODUCTION OF STEEL MATERIALS

CLASSIFIED ACCORDING TO KINDS (In metric tons)

	1929	1930	1931	1932	1933	1934	1935	1936
Round bars	683,841	483,556	467,333	568,446	846,997	778,451	1,015,744	—
Square bars	255,553	250,753	202,509	252,402	331,439	430,321	467,836	1,582,133
Thin plates	543,948	570,603	560,056	608,893	747,138	910,137	1,102,249	1,397,881
Steel pipes	78,492	88,336	63,491	95,890	117,287	136,969	166,682	188,659
Rails & fish plates	271,324	289,696	110,338	233,502	271,982	368,199	366,744	283,576
Wire rods	68,471	122,428	176,561	215,250	285,013	347,548	412,600	487,162
Black sheet	—	—	—	—	35,989	61,161	94,920	139,417
Others	26,048	31,709	21,513	36,724	53,110	63,522	107,994	—
Total	1,927,677	1,837,081	1,601,800	2,011,107	2,688,955	3,096,308	3,734,791	—
Wrought Steel materials	38,450	26,895	16,595	31,917	63,709	71,145	72,030	—
Cast steel	49,224	38,661	30,532	42,684	61,043	79,819	100,444	—
Special steel materials	18,529	18,429	13,931	27,929	49,448	57,912	72,088	—
Grand total	2,033,880	1,921,066	1,662,858	2,113,637	2,863,155	3,205,184	3,979,353	4,538,626

The annual requirement of steel materials in Japan is about 3,500,000 tons. The production in the country has greatly increased of late and in 1935 and 1936

it was able to meet the domestic demand. The following statistics show how the demand is met.

SUPPLY AND DEMAND OF STEEL MATERIALS

(In metric tons)

	1931	1932	1933	1934	1935	1936
Production	1,662,858	2,113,637	2,863,155	3,805,184	3,976,000	4,538,550
Amount imported	265,548	235,165	409,862	426,658	357,100	344,900
Total supply	1,928,406	2,348,802	3,273,017	3,731,842	4,333,300	4,883,500
Amount exported	203,547	299,867	435,297	254,955	811,100	887,900
Home consumption	1,724,859	2,048,935	2,837,720	3,476,887	3,522,200	3,775,600
Percentage of production to consumption	96	103	101	95	114	115

Coal Mining

Coal surpasses all other mineral products both in quantity and money value, the 1936 production amounted to 41,803,000 metric tons with an aggregate of ¥305,537,000. Both the output and value

for the year were the heaviest for 10 years since 1926. Compared with the 1935 production, the output gained 4,076,509 tons and the value ¥35,359,984.

The year 1936 was the most prosperous year for the coal industry. Details follow:

SUPPLY AND DEMAND OF COAL

(In metric tons)

	1936	1937	1938	1939
Coal actually marketed	41,000,000	38,941,000	42,495,000	—
Coal imported	4,189,000	4,429,000	3,741,000	3,855,000
Coal stocks at the beginning of year	722,000	—	—	—
Total coal supply	45,911,000	—	—	—
Coal exported	1,112,000	1,024,000	769,000	680,000
Coal stocks at the end of year	698,000	—	—	—
Coal demand in Japan proper	44,101,000	42,607,000	45,477,000	—

Note:—The imports of coal in 1938 amounted to 3,682,531 long tons valued at ¥67,217,000, and in 1939 to 3,794,710 long tons valued at ¥78,361,000. The exports amounted to 746,481 long tons valued at ¥10,147,000 in 1938, and decreased to 669,131 long tons valued at ¥9,666,000 in 1939. Figures for other items are not made public.

Japan's coal production since 1913 follows:—

(In 1,000 metric tons)

1913	21,315	1921	26,220	1929	34,257
1914	22,293	1922	27,701	1930	31,376
1915	20,490	1923	28,948	1931	27,987
1916	22,910	1924	30,110	1932	28,053
1917	26,361	1925	31,459	1933	32,523
1918	28,029	1926	31,426	1934	35,924
1919	31,271	1927	33,530	1935	37,762
1920	29,245	1928	33,860	1936	41,803

Business results of the coal-mining companies in recent years were:

Year	No. of Companies	Authorized Capital (In yen)	Reserve Fund	Net Profit Dividend Net loss (In yen)		
				Net Profit	Dividend	Net loss
1928	105	386,413,700	26,868,288	11,711,498	7,142,008	13,011,829
1931	87	865,800,700	30,149,827	4,424,070	4,183,130	5,654,419
1934	113	470,097,200	60,394,926	30,716,855	19,847,553	995,199
1937	184	620,964,906	85,004,467	50,082,609	31,368,706	2,342,734
1938	215	928,478,050	107,839,968	73,006,387	39,400,763	2,914,751

Coal Deposits No survey of coal resources was undertaken between the years 1911 and 1931, but in the latter year the Mining Bureau of the Department of Commerce and Industry commenced a survey which took 2 years to complete. The results, compared with the 1911 survey, are:

Investigation in 1932

	Anthracite Natural Coal	Bituminous Coal	Lignite	Total	%
Amount, already mined	29,888	984,130	6,965	1,020,483	5
Amount, unmineable	39,332	991,673	18,859	1,049,864	6
Amount, mineable	718,782	15,499,091	473,460	16,671,333	89
Percentage	4%	93%	3%	100%	
Amount mineable					
Actual deposits	454,745	5,439,905	65,765	5,960,415	36
Probable deposits	131,944	3,780,975	132,582	4,045,501	24
Possible deposits	132,093	6,278,211	275,113	6,685,417	40

Investigation in 1911

	Coal	Lignite	Total	%
Amount, already mined	283,200	—	283,200	3
Amount, unmineable	—	—	—	—
Amount, mineable	8,792,000	347,570	9,139,450	100
Percentage	86%	4%	100%	
Amount mineable				
Actual deposits	822,000	75,770	897,770	10
Probable deposits	2,940,000	205,000	3,145,000	34
Possible deposits	5,030,000	66,700	5,096,700	56

Note: "Amount unmineable" indicates the deposits, such as portions between pits, officially prohibited regions and where no pick is allowed.

"Probable deposits" as judged geologically and from conditions of coal seams and which can be presumed as available in future.

"Possible deposits" represent the deposits imagined to be there and are the most uncertain of all.

Petroleum

Production The home yield of crude oil until about 1916 was approximately 2,600,000 koku, by no means sufficient to satisfy domestic demand. Notwithstanding yearly increase in demand output was unable to keep pace with it so that by 1927 domestic production was only able to satisfy 25% of the home

consumption. The percentage has since increased and in 1932 was about 44%.

According to investigations conducted by the Nippon Petroleum Oil Company, the most important producer of crude oil, wells with a daily output of 20 kiloliters (approximately 11 koku) and over numbered no more than seven mentioned below:

Location	Name of Well	Date	Depth	Daily Output during 10 Days after Successful Date
Kashiwazaki	Warimachi Ro Style No. 3	Jan. 6	1,240 meters	24.64 kiloliters
"	Warimachi Ro Style No. 20	Feb. 11	1,246 "	27.13
"	Takamachi Ro Style No. 35	April 2	1,240 "	22.50
"	Takamachi Ro Style No. 36	April 24	1,240 "	34.08
"	Warimachi Ro Style No. 27	May 14	1,255 "	30.45
"	Warimachi Ro Style No. 14	June 11	1,325 "	32.88
"	Warimachi Ro Style No. 36	July 20	1,264 "	60.60

Supply and Demand One of the most conspicuous features in the oil production for the five years, 1931-1935 was the marked increase in the use of foreign crude oil in the manufacture of heavy oil. The amount for 1935 set an all-time record of 35,837,000 cases, one case being 9.5 gallons, far larger than the preceding four years. The supply of the heavy oil manufactured out of home crude oil for 1935 was fairly

heavy, second in amount from a previous record of 3,017,310 hl. for 1931. For three years following 1931 the amount was falling, but the 1935 amount gained again, due to a rapid growth of demand at home. The amount of home consumption for 1936 was the heaviest known so far. Below are given detailed figures on the supply and demand of oil:

SUPPLY AND DEMAND OF OIL (in hl.)

(hectoliter=26.4 American gallons)

(1 case=9.5 gallons)

Classification	Year	Production		Total	Imports
		From Home Oil	From Foreign Oil		
Gasoline Oil	1933	394,737	3,533,429	3,928,166	4,625,860
	1934	349,470	4,436,050	4,785,520	5,505,290

Classification	Year	Production		Total	Imports
		From Home Oil	From Foreign Oil		
Kerosene Oil	1935	436,760	5,341,710	5,778,470	5,925,440
	1936 (in case)	2,378,000	17,165,000	19,543,000	19,250,000
	1937 (")	1,799,000	10,182,000	11,981,000	9,084,000
	1933	208,660	589,694	798,354	576,510
	1934	206,700	709,780	916,480	877,780
	1935	296,500	828,600	1,125,100	933,560
	1936 (in case)	1,228,000	2,063,000	3,831,000	2,526,000
Light Oil	1937 (")	995,000	1,400,000	2,395,000	1,520,000
	1933	563,824	1,404,971	1,968,795	—
	1934	663,730	1,332,810	1,996,540	—
	1935	609,270	1,185,160	1,794,430	—
	1936 (in case)	1,375,000	2,789,000	4,164,000	222,000
	1937 (")	1,297,000	1,409,000	2,706,000	67,000
	1933	455,520	1,555,840	2,011,360	241,140
Lubricating Oil	1934	592,160	1,761,540	2,353,700	389,620
	1935	743,510	1,631,610	2,375,120	425,290
	1936 (in case)	1,815,000	4,985,000	6,800,000	1,787,000
	1937 (")	1,312,000	2,806,000	4,118,000	1,507,000
	1933	214,203	1,062,168	1,276,371	13,016,430
	1934	376,020	1,870,990	2,247,010	16,165,550
	1935	853,190	2,438,240	3,291,430	20,959,990
Heavy Oil	1936 (in case)	3,659,000	8,295,000	11,954,000	35,463,000
	1937 (")	1,945,000	5,306,000	7,251,000	23,007,000
	1933	1,836,944	8,146,102	9,983,046	18,459,940
	1934	2,188,080	10,111,170	12,299,250	22,938,240
	1935	2,939,230	11,425,320	14,364,550	28,244,280
	1936 (in case)	10,455,000	35,837,000	46,292,000	59,248,000
	1937 (")	7,348,000	21,103,000	28,451,000	35,185,000
Total	1933	2,188,080	10,111,170	12,299,250	22,938,240
	1935	2,939,230	11,425,320	14,364,550	28,244,280
Total	1936 (in case)	10,455,000	35,837,000	46,292,000	59,248,000
	1937 (")	7,348,000	21,103,000	28,451,000	35,185,000

Note: Figures for 1937 represent the results of the first half of the year.

SUPPLY AND DEMAND OF OIL (in hl.)

(1 case=9.5 gallons)

Classification	Year	Total	Export	Balance	Pct. of	
				Consumed at Home	Production to Demand	
Gasoline Oil	1933	8,554,026	—	8,554,026	45.9	
	1934	10,290,810	—	10,290,810	47.0	
	1935	11,703,910	27,180	11,676,730	49.0	
	1936 (in case)	38,712,000	81,000	—	—	
	1937 (")	21,029,000	36,000	—	—	
	Kerosene Oil	1933	1,374,864	51,000	1,323,864	60.3
		1934	1,794,260	44,320	1,749,940	52.0
1935		2,058,660	110,890	1,947,790	58.0	
1936 (in case)		5,493,000	864,000	—	—	
1937 (")		3,548,000	367,000	—	—	
Light Oil		1933	1,968,795	—	1,968,795	100.0
		1934	1,996,540	—	1,996,540	100.0
	1935	1,794,430	—	1,794,430	100.0	
	1936 (in case)	3,872,000	541,000	—	—	
	1937 (")	2,765,000	8,000	—	—	
	Lubricating Oil	1933	2,252,500	203,960	2,048,540	98.2
		1934	2,743,320	288,640	2,454,680	96.0
1935		2,800,410	270,540	2,529,870	94.0	
1936 (in case)		8,134,000	453,000	—	—	
1937 (")		5,297,000	328,000	—	—	
Heavy Oil		1933	14,292,801	—	14,292,801	8.9

Classification	Year	Total	Export	Balance Consumed at Home	Pct. of Production to Demand
	1934	18,412,560	—	18,412,560	12.0
	1935	24,251,420	—	24,251,142	14.0
	1936 (in case)	47,331,000	86,000	—	—
	1937 (")	30,253,000	5,000	—	—
Total	1933	28,442,986	254,960	28,188,026	35.4
	1934	35,237,490	332,960	34,904,530	35.0
	1935	42,608,830	408,590	42,200,240	34.0
	1936 (in case)	103,542,000	1,998,000	—	—
	1937 (")	62,892,000	744,000	—	—

Note:—Figures for 1937 show the results of the first half of the year.

Producers and Operatives

BUSINESS RESULTS OF MINING COMPANIES

Year	No. of Companies	Authorized Capital	Reserve	Net Profit	Dividend	Net Loss
			(In yen)			
1934	515	1,066,996,905	120,127,123	76,317,610	49,989,059	2,228,960
1935	611	1,269,098,458	141,984,183	98,089,442	63,862,501	3,250,888
1936	697	1,418,426,383	170,580,240	113,489,849	69,684,072	8,916,621
1937	836	1,758,504,011	210,737,740	131,457,216	85,221,659	7,027,587
1938	991	2,294,097,623	246,328,767	179,034,250	107,928,726	8,369,046
1939	1,234	2,768,598,000	289,900,000	186,400,000	124,700,000	8,000,000

MINING COMPANIES BY KINDS IN 1938

(Prepared by the Ministry of Commerce and Industry)

Kind of Mining	Number of Companies	Authorized Capital	Reserve	Net Profit	Dividend	Net Loss
			(In yen)			
Metal	397	1,086,981,900	100,240,890	84,655,748	55,864,457	4,086,967
Coal	215	928,478,050	107,839,968	73,006,387	39,400,763	2,914,751
Petroleum	38	180,845,000	32,724,013	15,800,679	8,488,750	291,812
Others	41	46,127,000	4,337,004	4,096,551	3,181,014	449,813
Stone	300	51,665,673	1,186,892	1,474,885	993,742	625,703
Total	991	2,294,097,623	246,328,767	179,034,250	107,928,726	8,369,046

NUMBER OF OPERATIVES ENGAGED IN MINING

End of June	Male	Female	Total	End of June	Male	Female	Total
1933	180,940	21,380	202,320	1936	249,182	25,512	274,694
1934	212,351	23,996	236,347	1937	326,266	39,905	366,171
1935	232,026	25,389	257,415	1938	389,365	46,445	435,810

Note: Figures for 1936 are the results of actual spot investigation on October 10.

CHAPTER XVIII

TEXTILE INDUSTRY

Vice-President:
HIKOE KISIMOTO

President:
TAKENOSUKE ITOH



SANKO

KABUSIKI KAISYA, OSAKA

Successors to
C. ITOH & CO., LTD.
KISHIMOTO SHOTEN, LTD.
MARUBENI SHOTEN, LTD.

Date of Amalgamation: September 17, 1941

SUBSCRIBED CAPITAL: ¥36,000,000

HEAD OFFICE:

35, 5-tyome, Kitahama, Higasi-ku, Osaka

TOKYO OFFICE (Sub-Division of Head Office):

Kisimoto Bldg., 16, 2-tyome, Marunouti, Kozimati-ku, Tokyo

FOREIGN TRADE DEPARTMENT:

51, 2-tyome, Azutimati, Higasi-ku, Osaka
P O. Box Osaka Central 117

EXPORT BUSINESS:

Cotton, Rayon, Staple Fibre, Woolen and Ramie
Textiles, Chemicals, Oils, Metals, Building
Materials, Machinery, Foodstuffs, etc.

IMPORT BUSINESS:

Raw Cotton, Wool, Pulp,
Minerals, etc.

BRANCHES:

4 in Osaka, 3 in Tokyo, Nagoya, Kyoto, Amagasaki,
Keizyo, Mukden, Hsinking, Harbin, Dairen, Tientsin,
Peking, Tsingtao, Tsinan, Shanghai, Hankow,
Canton, Saigon, Bangkok, Semarang and Bombay.

CHAPTER XVIII

THE TEXTILE INDUSTRY

The number of operatives, mills, etc. for almost all kinds of the textile industry in 1938 showed an increased over those of 1937, indicating that the industry as a whole was very prosperous in that year. The following table shows these figures:

NUMBERS OF OPERATIVES, MILLS, ETC. IN TEXTILE INDUSTRY IN 1938 AS COMPARED WITH THOSE IN 1937

Kind of Industry	No. of Mills		No. of Mills using Motors		No. of Officials		No. of Technicians	
	1937	1938	1937	1938	1937	1938	1937	1938
Silk reeling	2,006	1,938	1,908	1,843	4,652	4,523	4,328	4,491
Spinning	782	817	773	814	4,428	4,921	3,485	3,608
Twisting	2,081	2,142	2,039	2,041	545	532	320	327
Weaving	16,034	15,871	15,125	15,024	7,303	7,720	4,472	4,626
Hosiery	1,960	2,043	1,650	1,732	1,113	1,205	627	636
Dyeing, refining, bleaching, assorting	3,680	3,636	2,701	2,721	4,170	4,251	2,561	2,544
Miscellaneous	1,590	1,645	1,432	1,475	1,193	1,127	589	625
Total	28,133	28,092	25,628	25,650	23,354	24,279	16,382	16,857

Kind of Industry	No. of Operatives				Others	Total Workers		
	Male		Female			1937	1938	
	1937	1938	1937	1938				
Silk reeling	17,205	17,661	207,200	200,373	4,138	4,420	237,523	231,408
Spinning	34,360	31,007	229,353	209,554	8,974	8,960	280,600	258,050
Twisting	5,433	4,893	18,873	19,834	343	401	25,514	25,987
Weaving	64,989	59,702	315,300	310,805	5,536	5,800	397,600	388,743
Hosiery	10,020	8,733	20,477	18,309	403	376	32,640	29,310
Dyeing, refining, bleaching, assorting	60,725	52,529	15,687	16,043	2,304	2,365	85,447	77,732
Miscellaneous	8,614	8,830	24,265	27,450	639	508	35,250	29,710
Total	201,355	183,355	831,155	793,598	22,337	22,920	1,094,583	1,041,009

Note: Figures are for the factories where more than 5 operatives are employed.
Source: The "Factory Statistics."

Cotton Industry in 1939

The cotton industry of Japan in 1939 met various hardships on account of the State control of production and distribution, the restrictions on the exports to the yen-bloc countries and the link system in export trade (see chapter on Foreign Trade), until September when prices began to rise throughout the world because of the outbreak of the second European war. In spite of it, the rise in prices greatly benefited the cotton industry in Japan.

Exports The exports of cotton tissues in 1939 to third countries (countries other than the Kwantung Leased Territory, Manchoukuo and China) had been calculated to be less than 2,000,000,000 square yards. But the volume of exports to third countries reached 2,400,000,000 square yards and was valued at ¥383,000,000; this was an increase of 500,000,000 square yards and ¥58,000,000 over 1938. The value is the highest since 1930. On account of restrictions imposed on exports, the exports of cotton tissues to the yen-bloc

countries greatly decreased with but 45,000,000 square yards, valued at ¥20,000,000 for 1939 against 296,000,000 square yards valued at ¥76,000,000 for 1938.

The best customers of the Japanese cotton tissues in 1939 were British India, the Netherlands East Indies and other Asiatic countries, in the order named. The rate of increase was greatest in the trade with the United States, which bought five times as much as in 1938, while the exports to Central American countries increased by 80 per cent.

The volume of exports of cotton yarns to third countries nearly doubled, reaching 54,900,000 kin, valued at ¥60,400,000. The increase was due to the efforts of manufacturers and traders who concentrated on the exports of cotton yarns when the exports of cotton tissues reached the possible maximum. The greatest rate of increase in exports was to British India and the Netherlands East Indies. The exports to the yen-bloc countries were also doubled with 7,000,000 kin, valued at ¥10,000,000.

The exports of other cotton goods, i.e. hosiery, towels, etc., reached ¥142,000,000, including ¥99,500,000 to third countries and ¥42,700,000 to the yen-bloc countries.

The total value of exports of cotton goods during 1939 reached ¥617,226,000, an increase of ¥51,242,000 or 9.5 per cent as compared with the previous year.

Imports The imports of cotton in 1939 reached 10,094,000 piculs, valued at ¥462,007,000; this was an increase of 716,000 piculs and ¥25,000,000 over the

previous year. Deducting ¥46,800,000's worth imported from China, the amount imported from third countries was ¥415,000,000's worth, of which ¥350,200,000's worth of cotton was converted into cotton goods for exports and the remaining ¥65,000,000's worth was consumed for the manufacture of cotton goods for domestic use.

Imports of cotton from Brazil greatly increased while those from British India decreased. This may be due to the cheaper price of Brazilian cotton to the U.S. cotton and the progressive importation of cotton raised by Japanese farmers in Brazil. The shortage of imports of Indian cotton, which was 300 bales less than the 1,500,000 bales agreed upon between the two countries for the year, was mostly due to a greater purchase of Indian cotton by spinning mills in China.

Balance of International Payments In 1939 Japan bought cotton worth ¥462,000,000 and sold cotton goods worth ¥617,000,000, thus profiting ¥155,000,000 through the cotton industry. Outside of the yen-bloc countries, the value of cotton imports from third countries was ¥415,000,000, and that of exports of cotton manufactures was ¥542,000,000; thus Japan gained the balance of ¥127,000,000, not to speak of the ¥65,000,000's worth of cotton which was consumed in the manufacture of cotton goods for domestic use.

Production In 1939 the amount of cotton yarn produced, including the mixed, was 3,047,547 bales, a decrease of 0.5 per cent from the previous year; that of cotton tissues (broad weaves only) was 3,028,091,000 square yards.

BUSINESS CONDITIONS OF COTTON SPINNING COMPANIES IN JAPAN PROPER

(In ¥1,000)

	No. of Cos.	Paid-up Capital	Reserves	Debentures & Debts	Fixed Assets	Net Profits	Rate of Profit	Rate of Dividend
1936, 1st Half	68	454,640	278,307	179,832	665,027	33,016	1.45	1.14
2nd Half	67	466,492	280,629	184,563	699,382	36,828	1.58	1.12
1937, 1st Half	67	512,988	287,603	205,621	732,392	47,081	1.84	1.24
2nd Half	72	571,011	294,390	218,290	777,000	50,649	1.77	1.20
1938, 1st Half	76	604,629	302,505	214,863	792,225	49,196	1.62	1.23
2nd Half	75	628,222	309,591	219,063	819,549	49,505	1.57	1.19
1939, 1st Half	72	623,184	316,414	209,766	827,096	48,970	1.57	1.20
2nd Half	72	645,334	323,285	249,534	878,580	55,887	1.16	1.25
1940, 1st Half	72	660,141	336,139	247,390	887,798	61,158	1.08	1.23

SPINNERS' CAPITAL AND EQUIPMENT

(In Japan Proper and Chosen)

At the end of June	No. of Cos.	Paid Cap. (000s)	Reserves (000s)	Mills	Ring Spindles	Looms
1936	75	455,640	278,307	285	10,989,900	98,000
1937	74	512,988	287,603	282	12,190,800	104,600
1938	76	604,629	302,525	296	12,776,200	114,300
1939	72	623,184	316,414	246	11,602,000	104,100
1940	72	660,141	336,139	254	11,666,800	104,200

Note: In 1923 and in the years following, all figures include spinners not members of the Japan Cotton Spinners' Association. It must be noted that the looms include only those which are owned by spinners, not embracing those in mills which have no spinning equipment.

Source: The report of the Japan Cotton Spinners' Association.

JAPANESE SPINNING MILLS IN CHINA AND MANCHOUKUO

End of June	No. of Companies	Mills	Spindles (Unit: 1,000)	Looms
1935	15	43	1,934.0	21.8
1936	15	45	2,033.7	25.7
1937	15	45	2,291.4	33.3
1938	16	54	2,110.1	25.8
1939	16	—	2,154.0	31.9
1940	18	—	2,223.2	34.3

RAW COTTON IMPORTS

(Compiled by the Finance Ministry)

(In piculs and ¥1,000)

	1937		1938		1939	
	Quantity	Value	Quantity	Value	Quantity	Value
U.S.A.	4,223,964	306,388	3,248,976	166,414	2,979,000	146,640
British India	7,016,238	363,635	3,096,085	113,331	3,325,000	120,997
Egypt	670,390	58,759	404,720	27,530	551,000	37,993
China	400,824	23,609	1,432,414	71,790	64,000	46,809
Others	1,453,497	98,772	1,196,259	57,770	2,243,000	110,468
Total	13,764,913	851,163	9,378,454	436,835	9,163,000	462,007

CONSUMPTION OF COTTON

(Compiled by the Japan Cotton Spinners' Association)

(In 1,000 piculs)

	Indian	American	Chinese	African & Egyptian	Others	Total
1936	5,467	5,210	160	762	1,072	12,670
1937	6,082	5,239	250	920	1,355	13,845
1938	3,473	3,605	1,081	544	1,191	9,893
1939	3,246	2,801	670	844	1,641	9,202
1940 (June)	1,224	1,691	368	239	603	4,125

PRODUCTION, CONSUMPTION, IMPORTS AND EXPORTS OF COTTON YARNS SINCE 1933

(In bales)

Year	Domestic Output	Imports	Exports	Exported as Cotton Tissues	Domestic Consumption
1936	3,607,196	14,119	110,833	1,921,920	1,591,162
1937	4,010,576	10,877	128,908	1,890,690	1,949,981
1938	2,859,022	1,868	105,265	1,766,802	988,575
1939	2,673,063	800	208,750	1,762,210	702,908

(One bale = 3 piculs)

PRODUCTION OF COTTON YARNS IN JAPAN PROPER

(Compiled by the Ministry of Commerce and Industry)

Year	No. of Mills (At the end of Year)	No. of Operatives	Production	
			Quantity (In metric ton)	Value (In ¥1,000)
1934	417	170,114	635,385	795,686
1935	443	168,800	646,756	806,346
1936	473	183,504	673,124	830,909
1937	599	183,354	721,904	1,044,077
1938	607	151,201	560,360	764,885

Source: The "Factory Statistics."

PRODUCTION OF COTTON TISSUES IN JAPAN PROPER

(Compiled by the Ministry of Commerce and Industry)

Year	No. of Mills (At the end of Year)	No. of Looms	No. of Operatives	Value of
				Production (Unit: ¥1,000)
1934	51,130	376,704	224,645	816,361
1935	48,389	385,980	229,707	822,417
1936	46,915	392,941	239,881	883,341
1937	41,513	407,520	234,034	1,112,685
1938	33,828	386,841	209,247	888,221

Note: Figures include production by small factories which employ less than 5 persons, and differ from those given in the "Factory Statistics."

SUPPLY AND DEMAND OF COTTON TISSUES
IN JAPAN PROPER

(Compiled by the Japan Cotton Spinners' Association)

Year	Total Production (Broad Weaves) (In 1,000 yards)	Production		Consumption	
		Production by Spinning Companies (In 1,000 yards)	Production in Weaving Districts	Exports (In 1,000 sq. yards)	Home Consumption (In 1,000 yards)
1935	4,112,111	1,843,471	2,268,640	2,725,109	1,400,759
1936	3,973,479	1,799,033	1,780,972	2,709,885	1,269,692
1937	4,212,825	1,890,554	2,322,262	2,644,029	1,577,175
1938	3,101,028	1,611,794	1,639,379	2,180,810	920,218
1939	3,031,151	1,604,821	1,426,330	2,445,537	585,614

EXPORTS OF COTTON TISSUES

(Compiled by the Japan Cotton Spinners' Association)

(In 1,000 sq. yards)

	1935	1936	1937	1938	1939
Manchoukuo & Kwantung L.T.	222,283	348,263	326,985	192,275	22,698
China & Hongkong	105,424	121,937	84,996	133,693	79,749
Straits Settlements	44,739	48,379	51,779	26,294	29,454
Thailand	71,240	72,186	71,815	80,087	83,054
British India	558,071	479,885	332,277	469,512	474,461
Dutch East Indies	369,943	351,479	434,391	246,253	368,669
Philippines	87,041	44,550	54,084	32,678	36,922
Other Asiatic Countries	278,656	224,117	214,749	265,518	423,439
Europe	90,124	142,176	130,038	95,560	91,397
U.S.A.	48,038	73,431	123,850	16,115	71,549
Other North American Countries	223	819	1,325	890	5,158
Central America	70,063	66,413	70,668	37,785	77,343
Argentina	100,278	81,386	131,024	66,563	18,390
Other South American Countries	97,598	97,740	117,705	72,043	134,088

	1935	1936	1937	1938	1939
Egypt	163,052	106,123	49,677	21,336	30,807
Other African Countries	312,595	359,544	374,767	345,120	389,408
Australia	86,662	69,738	52,520	64,311	76,156
South Sea Region	9,950	17,830	19,022	13,097	15,832

Silk Textile Industry

Silk Weaving Districts As early as the days of the Emperor Sulain, about 1,960 years ago, weaving was already carried on, on a fairly large scale, under encouragement of the Imperial Court. During the Yedo Age the weaving industry made marked development as one of the most important domestic industries. The Ryomo district, which is one of the chief weaving districts for silk textiles for domestic use, has been known as a very prosperous weaving center for centuries. This district is in Gumma and Tochigi prefectures and includes great weaving centers such as Ashikaga, Kiryu, Isézaki, Sano and Tatebayashi. The district may be likened to Paterson, New Jersey, U.S.A.

Another important weaving district is Fukui, followed by Kyoto, Ishikawa, Niigata and Tokyo in the order named. Among silk weaves of Japanese manufacture habutaé, taffeta, poplin, chiffon, pongee, fuji silk, crêpe, etc. are well known abroad. In addition to these, however, there are many varie-

ties, which are used by the Japanese at home, but these weaves are generally of narrow width, omeshi, ro, sha, meisen, nishijin, etc.

The Industry in 1938 Continued prosperity featured the silk weaving industry in Japan in 1938, but exports decreased to ¥49,352,000 from ¥72,286,000 of 1937, largely owing to the state control of trade and the barriers set up by various foreign markets.

The number of mills was 65,229, a decrease of 323 as compared with the previous year, but that of looms increased by 12,078, indicating the increase of larger mills. The number of operatives increased by 1,064.

Production of Silk Weaves Owing to the increase in consumption at home production showed gains. Total production in 1938 was valued at ¥785,525,000, a gain of ¥54,078,000 or 7.4 per cent over the previous year. Production of silk textiles since 1931 follows:

PRODUCTION OF SILK TEXTILES

(Compiled by the Ministry of Commerce and Industry)

Year	1931	1932	1933	1934	1935	1936	1937	1938
No. of Mills	77,723	72,448	71,273	72,907	72,311	72,599	65,552	65,229
No. of Looms	232,443	245,689	260,377	301,721	334,845	369,319	379,213	391,292
No. of Operatives	213,285	224,561	236,997	267,345	290,912	310,359	294,292	304,932

Broad Weaves

	1931	1932	1933	1934	1935	1936	1937	1938
Crêpes and Kabe-ori								
Qt'y in 1,000 meters	34,646	45,812	85,385	124,950	179,348	231,376	284,122	236,395
Value in ¥1,000	27,964	33,546	66,105	73,721	82,973	91,974	109,141	92,639
Habutaé								
Qt'y in 1,000 meters	31,213	36,060	48,735	109,110	81,858	127,171	102,547	142,242
Value in ¥1,000	11,907	13,273	19,281	27,174	21,888	31,998	29,310	39,010
Pongee								
Qt'y in 1,000 meters	33,071	32,550	35,636	37,109	22,807	15,258	19,062	25,818
Value in ¥1,000	9,655	11,164	12,699	10,790	6,838	4,634	6,532	8,282
Fuji silk								
Qt'y in 1,000 meters	51,551	56,619	65,945	59,439	50,866	41,517	43,464	35,540
Value in ¥1,000	24,851	28,896	33,216	31,155	27,804	22,718	22,764	19,876
Satin								
Qt'y in 1,000 meters	25,490	45,799	45,527	74,577	91,087	89,556	86,617	91,851
Value in ¥1,000	14,268	20,048	21,904	26,546	26,790	27,361	27,473	38,766
Others & total								
Value in ¥1,000	137,251	175,640	235,902	273,097	283,420	311,842	366,581	358,774

Year	Narrow Weaves							
	1931	1932	1933	1934	1935	1935	1937	1938
Omeshi								
Qt'y in 1,000 tan	1,783	2,102	1,493	1,783	2,095	2,529	3,744	3,623
Value in ¥1,000	22,577	21,195	15,809	17,398	19,975	17,945	19,640	22,503
Crêpes and Kabé								
Qt'y in 1,000 tan	10,659	9,611	10,979	15,199	17,865	19,321	16,467	18,226
Value in ¥1,000	67,670	60,982	69,207	93,761	101,236	100,246	84,600	108,552
Habutaé, etc.								
Qt'y in 1,000 tan	3,701	3,495	2,911	3,748	4,688	3,170	3,654	3,681
Value in ¥1,000	20,475	20,241	17,553	19,389	23,365	16,955	16,871	20,038
Ro and Sha								
Qt'y in 1,000 tan	1,347	2,139	1,894	2,717	2,567	3,175	3,372	2,256
Value in ¥1,000	8,352	12,231	11,319	12,868	12,367	13,279	13,180	10,025
Melsen, etc.								
Qt'y in 1,000 tan	13,526	12,601	12,117	12,735	11,205	10,639	11,889	12,885
Value in ¥1,000	57,017	48,132	46,096	49,641	44,907	42,525	48,278	63,472
Others & total								
Value in ¥1,000	207,898	198,869	197,349	234,353	242,750	236,996	228,279	286,122
Special Weaves								
Value in ¥1,000	31,599	33,351	30,931	47,091	53,053	53,101	49,402	56,188
Total of Silk Textiles								
Value in ¥1,000	376,749	407,860	464,183	554,542	579,223	601,940	644,262	701,084
Silk-Cotton Mixtures								
Value in ¥1,000	30,107	31,159	36,912	46,328	53,709	61,102	77,185	84,441
Grand total								
Value in ¥1,000	406,857	439,019	501,095	600,870	632,933	663,133	721,447	785,525

Note: Figures given here show products by all mills, regardless of the size of mills or the number of operatives employed.

EXPORTS OF SILK TEXTILES

Kind		1935	1936	1937	1938
Habutaé	quantity in 1,000 sq.-yds.	20,840	26,664	39,318	39,597
	value in ¥1,000	9,844	10,840	17,393	15,492
Satin	quantity in 1,000 sq.-yds.	6,279	5,790	2,969	2,705
	value in ¥1,000	4,043	3,281	1,953	1,996
Fuji silk	quantity in 1,000 sq.-yds.	22,973	23,426	23,101	9,834
	value in ¥1,000	13,670	13,573	14,902	6,841
Crêpes	quantity in 1,000 sq.-yds.	50,476	42,173	40,692	26,440
	value in ¥1,000	38,827	31,274	30,831	19,477
Pongee	quantity in 1,000 sq.-yds.	17,093	9,191	10,301	6,121
	value in ¥1,000	5,085	2,976	3,679	2,088
Others and Total	Value in ¥1,000	77,444	68,027	72,286	49,352

Artificial Fiber Industries of Japan in 1939

Japan's production of artificial fibers in 1939 aggregated 550,000,000 pounds including about 240,000,000 pounds of artificial silk yarns and about 310,000,000 pounds of staple fiber, the former increasing by 14 per cent and the latter declining by 18 per cent, as compared with the production in the preceding year. The total production re-

ceded by 10 per cent from 1938.

The large decrease in production of staple fiber was due to the severe restrictions placed on domestic demand because of the shortage of raw materials, power and labor. It is true the restrictions applied to silk yarns also, but abnormally high exports more than counter-balanced the decreased domestic consumption—export goods being encouraged rather than restricted. In the case of staple fiber this did not happen

because of the trade's dependence upon home trade, added to which the material was so much under a cloud because of its lack of durability that at one time it was even proposed that production should be stopped. For domestic consumption, then, production fell off considerably in both artificial silk yarns and staple fiber, from 90,000 cases and 220,000 cases respectively, in January 1939, to 50,000 and 150,000 cases in December.

In the rayon industry, the application of an exclusive export-factory system was considered for the purpose of controlling the distribution of materials. A drastic revision of the link system for export artificial silk tissues, materialized at the end of October, the agreement prices were abolished, and the link took on more the nature of an individual link. On July 31, 1939, the Ministry of Commerce and Industry cut the sale price of pulp by 1.2 sen per pound, on the basis of which reduction, the Ministry ordered a cut in the price of artificial silk yarns, staple fiber and staple fiber yarns on November 1. Later, the maximum price system for export artificial silk yarns was abolished. The domestic consumption of those two important artificial fibers is now greatly restricted by quantitative and price factors, on the other hand, export goods are left entirely free and unrestricted and are enjoying boom conditions because of receiving priority in the supply of raw materials. Production control was inevitable in the first half of 1939 owing to the insufficient supply of pulp, while in the second half of the year control was necessary because of additional securities in the way of power and coal. As a measure for economizing in power consumption, the Ministry of Commerce and Industry, in mid-September, ordered the fiber industries to cut down their power consumption by 50-60 per cent at factories producing domestic goods. Later, the distribution of coal to factories manufacturing for domestic consumption was also cut.

Production The domestic production of artificial silk yarns in 1939 totalled 224,160,000 pounds, divided into 95,170,000 pounds for the domestic market and 128,980,000 pounds of export. Inclusive

of the production of non-members of the Japan Artificial Silk Manufacturers' Association and yarns for special purposes, total production came to aggregate 238,340,000 pounds, gaining by 14 per cent over the 1938 output, the increased production, despite the reduced output of domestic items being due to the gain in export items. At the end of 1939, the production of export items was three times as great as that of domestic products.

The total production of staple fiber last year amounted to 317,090,000 pounds, including 246,850,000 of domestic consumption items, 35,500,000 pounds of export items and staple fiber for special purposes, thus dropping by 18 per cent from 1938. The production of staple fiber for domestic consumption steadily fell off in the second half of the year because of the falling supply of power and coal as well as pulp, but the production of export items became specially active after the outbreak of the European War. Thus, the total production of artificial silk yarns and staple fiber aggregated 555,437,000 pounds, including 238,340,000 pounds of artificial silk yarns and 317,097,000 pounds of staple fiber, or about 10 per cent less than the 1938 production of 597,600,000 pounds. Detailed figures follow:

1939 PRODUCTION OF ARTIFICIAL SILK YARNS

(In 1,000 lbs.)

	Domestic Items	Export Items	Total Production
January	9,220	6,598	15,818
February	8,237	8,470	16,707
March	8,264	10,922	19,186
April	9,304	9,834	19,137
May	9,357	11,698	20,995
June	9,178	11,599	20,777
July	8,689	10,919	19,608
August	8,802	9,996	18,698
September	7,906	9,599	17,504
October	6,229	11,927	18,156
November	5,534	13,220	18,754
December	4,554	14,306	18,860
Total	95,174	128,986	224,160

(Note: Exclusive of production by non-members of Japan Artificial Silk Manufacturers' Association and yarns for special purposes)

1939 PRODUCTION OF STAPLE FIBER

(In 1,000 lbs.)

	Domestic Items	Export Items	Special Staple Fiber	Total Production
January	24,028	—	2,999	23,941
February	23,040	1,506	3,089	27,633
March	20,559	1,902	3,092	25,553
April	23,439	1,983	2,065	27,478
May	22,309	1,992	—	24,301
June	22,354	2,325	—	24,679
July	21,465	2,209	—	23,674
August	21,165	1,940	—	23,105
September	19,414	3,216	—	22,630
October	16,742	5,614	—	22,356
November	16,005	7,839	—	23,844
December	16,286	4,984	—	21,270
Total	246,805	35,507	11,234	293,546

(Note: Exclusive of staple fiber for special purposes).

Exports of Artificial Silk The exports of artificial silk yarns in 1939 totalled 36,740,000 pounds, gaining by 67 per cent over the preceding year. In 1938, about a half of the total exports went to Manchoukuo, Kwantung L.T. and China, while the exports last year were divided into 12 per cent to the yen bloc and 88 per cent to third countries. This noteworthy change in the direction of the exports of artificial silk yarns was attributed to the adoption of the export quota system for shipments to Manchoukuo, Kwantung L.T. and China and the individual link system for exports to third countries. The outbreak of the European War and the resultant active purchasing operations by third countries also played an important part in increasing shipments to third countries. Shipments to British India accounted for more than a half of the 1939 exports of artificial silk yarns, being about three times as much as in the preceding year apparently because of decreasing stocks and increasing purchasing power in that district, thus bringing about a reaction in the extreme depression in exports to that destination in 1938. The European War was another encouraging factor. Increased exports were also noted to the Dutch Indies, Mexico, Hongkong, Australia, Syria, Egypt, and South Africa, while shipments to Manchoukuo, Kwantung L.T. and China receded considerably.

In artificial silk tissues exports last year decreased by 8 per cent from the preceding year to 809,020,000 square yards. In 1938, exports were divided

into 35 per cent to Manchoukuo, Kwantung L.T. and China, and 65 per cent to third countries. Last year, the ratio changed to 23 per cent to the former and 77 per cent to the latter. Thus, the shipments to third countries last year gained by 8 per cent while shipments to the yen bloc dwindled by 38 per cent for the same reasons as did exports of yarns. Because of the unsmooth working of the link system for tissues, however, exports to third countries failed to increase so largely as in the case of yarns. British India also took most of the artificial silk tissues, replacing Australia, which ranked first after the yen bloc in 1938. Shipments of tissues to Australia, the Dutch Indies, South Africa, Hongkong, etc. also increased last year, while the Philippines, New Zealand, Iraq and Thailand as well as Manchoukuo, Kwantung L.T. and China bought less. Detailed figures follow:

EXPORTS OF ARTIFICIAL SILK YARNS TO YEN BLOC AND THIRD COUNTRIES

(In 1,000 lbs.)

	1938	1939
Pure exports		
Yarns	10,766	32,762
Tissues	39,475	43,165
Tissues exported from Chosen	587	19
Miscellaneous artificial silk items	7,500	10,172
Total	58,528	65,999
Exports to yen bloc	45,300	35,916
Grand Total	108,828	121,425

(Note: tissues counted as yarns)

EXPORTS OF ARTIFICIAL SILK YARNS BY DESTINATIONS

(In 1,000 lbs.)

Destinations	1938	1939
British India	6,074	19,457
China	8,445	3,904
Dutch Indies	644	3,034
Mexico	1,730	2,797
Hongkong	219	1,713
Australia	725	1,372
Syria	111	996
Egypt	158	927
South Africa	—	662
Kwantung L.T.	762	387
Manchoukuo	2,011	288
Total (including others)	21,985	36,742

EXPORTS OF ARTIFICIAL SILK TISSUES BY DESTINATIONS

(In 1,000 sq. yds.)

Destinations	1938	1939
British India	32,450	40,848
Australia	40,657	44,034
Manchoukuo	47,400	33,330
Dutch Indies	26,688	32,059
Kwantung L.T.	49,549	31,798
South Africa	8,603	9,839
Hongkong	8,458	9,323
Curaçao	6,408	9,254
French Morocco	7,072	8,104
New Zealand	8,988	7,892
St. Settlements	7,775	7,745
Panama	4,872	7,713
Iraq	8,664	7,505
China	20,788	7,318
Thailand	5,984	4,499
U.S.A.	1,659	4,410
Philippines	10,586	2,541
Canada	2,424	2,209
Honduras	542	1,930
Anglo-Egyptian Sudan	2,058	1,815
Total (including others)	337,043	309,928

Exports of Staple Fiber The 1939 exports of staple fiber totalled 32,840,000 pounds, divided into 24,420,000 pounds shipped to Manchoukuo, Kwantung L.T. and China and 8,410,000 pounds exported to third countries. Exports to the yen bloc last year increased by 92 times over the preceding year, while the exports to third countries were 350 times larger. Total exports advanced by 136 times, being more than double those of 1937. Exports to third countries, however, failed to reach the 1937 level. To the United States, staple

fiber exports were extremely active in the first half of 1937; they became depressed in the second half of that year because of the outbreak of the China Affair, the depression continuing in 1938 and until the end of the third quarter of 1939. In and after October of that year, however, demand in the United States sharply increased and, with an increase in export prices, total exports showed a remarkable gain. The principal destinations for export staple fiber are Kwantung L.T., the United States, Manchoukuo and British India. Exports of staple fiber yarns last year totalled 12,530,000 pounds, inclusive of 11,940,000 pounds exported to third countries and 590,000 pounds shipped to the yen bloc. The sharp drop of the exports to Manchoukuo, Kwantung L.T. and China last year was more than counter-balanced by a noteworthy gain in exports to third countries, and total exports rose by about 1,000,000 pounds. British India led as buyers of staple fiber yarns, taking 5,080,000 pounds last year; the Dutch Indies came second with 4,630,000 pounds.

Japan exported 48,280,000 square yards of staple fiber tissues last year, divided into 7,730,000 square yards exported to third countries and 48,280,000 square yards exported to Manchoukuo, Kwantung L.T. and China. Exports to third countries gained slightly over the preceding year, but the recession of shipments to the yen bloc served to reduce the total exports. Leading importers were Manchoukuo, taking 22,670,000 square yards, Kwantung L.T. buying 16,430,000 square yards and Iraq accounting for 2,440,000 square yards. Detailed export figures of staple fiber items follow:

EXPORTS OF STAPLE FIBER ITEMS BY DESTINATIONS

Destinations	1938	1939
Staple fiber (1,000 lbs.)		
Kwantung L.T.	2	17,276
U. S. A.	5	7,743
Manchoukuo	123	7,152
British India	—	480
Total (including others)	289	32,843
Staple fiber yarns (1,000 lbs.)		
British India	2,010	5,983
Dutch Indies	1,430	4,634
U. S. A.	—	728
Kwantung L.T.	289	385

Destinations	1938	1939
Manchoukuo	405	194
Syria	20	191
Sweden	31	104
China	253	23
Total (including others)	3,609	11,948
Staple fiber tissues (1,000 sq. yds.)		
Manchoukuo	25,336	22,673
Kwantung L.T.	19,406	430
Iraq	251	16,430
China	8,473	1,446
Sweden	859	1,192
Australia	396	1,013
Thailand	457	814
Hong Kong	1,192	792
St. Settlements	291	228
Kenya, etc.	145	172
British India	212	172
Total (including others)	60,357	48,286

Artificial Silk Demand The demand for artificial silk, both for domestic consumption and for export, totalled 248,810,000 pounds last year, dwindling by 20 per cent from 1938. In 1938, the demand was divided into 40 per cent for export and 60 per cent for home use. Last year, however, the demand was almost equally divided, exports being slightly the heavier. Details follow:

DOMESTIC DEMAND FOR ARTIFICIAL SILK

	1938	1939
Production of yarns	209,676	238,340
Imports of yarns	10	—
Released from joint-stocks	11,094	—
Exports of yarns	21,985	36,742
Exports of tissues	60,663	56,269
Exports of yarns and tissues from Chosen	4,185	4,443
Exports of miscellaneous items	16,900	23,971
Export total	103,828	121,425
Stocks of yarns	*24,310	*1,296
Stocks of tissues	*3,720	*3,596
Domestic demand	144,982	118,558
Total demand	248,810	239,983

(*) down

(Note: tissues converted into yarns at rate of 0.18 pound per 1 sq. yd.)

Staple Fiber Demand The domestic supply of staple fiber last year totalled

259,640,000 pounds, down by about 30 per cent from the preceding year. Production for domestic consumption fell by about 20 per cent, while the output for export was more than twice as large as in 1938. The ratio of export items to total production in the staple fiber industry last year was far smaller than in the artificial silk industry. In the total production, export staple fiber accounted for only 10 per cent, tissues for 4 per cent and yarns for 4 per cent, making a total of only 18 per cent of the total domestic production, a situation far different from that in the artificial silk industry where more than one-half was exported. Relative figures follow:

SUPPLY-DEMAND OF STAPLE FIBER

	1938	1939
Staple fiber production	387,928	317,097
Exports	25,934	57,454
Staple fiber exports	289	32,843
Yarn exports	10,556	12,539
Tissue exports	15,089	12,072
Balance (For domestic use)	361,994	259,643

(Note: tissues converted into yarn at rate of 0.25 pound per 1 sq. yd.)

Estimating that staple fiber accounted for 50 per cent of the yarns mixed with other fibers and that 95 per cent of the resultant products were actually consumed at home, the following figures may be obtained:

ESTIMATED CONSUMPTION OF STAPLE FIBER

	1938	1939
Pure staple fiber yarns	367,778	191,067
Staple fiber yarns mixed with other fibers	124,549	58,422
Total	492,327	249,489

Thus, it is seen that the domestic consumption of staple fiber last year totalled 249,000,000 pounds, including 191,000,000 pounds used for manufacturing pure staple fiber yarns and 58,000,000 pounds used for mixing with other fibers, declining by about 50 per cent from the 1938 consumption of 492,000,000 pounds.

In a word, the rayon industry last year continued comparatively prosperous, while the staple fiber industry, though belonging to the same artificial fibers family, suffered greatly.

SUPPLY AND DEMAND OF WOOD PULP FOR RAYON

(Compiled by the Ministry of Agriculture and Forestry)

	Supply			Demand			
	Production	Imports	Total	Rayon	Staple Fiber	Cellophane	Total
1935	33,435	126,351	159,786	112,227	5,576	3,011	120,814
1936	55,209	169,368	224,577	152,263	29,410	4,299	185,972
1937	57,294	290,509	347,892	181,222	97,933	7,970	287,125
1938	103,353	114,112	217,465	—	—	—	321,852
1939 (Estimated)	160,000	141,799	301,799	—	—	—	—

IMPORTS OF PULP FOR FIBER BY ORIGIN

(Compiled by the Ministry of Commerce and Industry)

From	Quantity		Value			
	1936	1937	1938	1936	1937	1938
U.S.A.	2,603,407	3,185,610	872,310	31,758	49,181	15,111
Sweden	952,184	2,060,596	420,803	9,735	26,993	6,276
Norway	944,566	1,025,406	307,269	14,621	17,071	5,400
Canada	469,888	879,390	284,278	4,150	12,619	5,046
Finland	524,417	639,770	211,921	6,401	9,497	3,339
Czechoslovakia	29,328	71,816	8,538	391	1,157	132
Total including others	5,528,532	7,901,727	2,386,181	67,107	116,720	41,059

Woollen Industry

Since 1937 the woollen industry in Japan has been placed under strict State control. On the one hand the imports of wool is restricted under the Foreign Exchange Control Law and on the other hand the manufacture of woollen goods for general domestic use is sacrificed in favor of those for military use and for exports.

Formerly serges and woollen cloth made in Japan were used mostly in this country in place of the imported ones, but now the manufacturers are producing them for export purposes.

At the end of 1938 compulsory curtailment was necessitated by virtue of an order for restricting the manufacture of woollen goods. According to orders issued in April and May 1939 the card system was introduced to regulate the supply of woollen yarns; now it is functioning properly. The outbreak of the second European war shed a hopeful light on the woollen industry in Japan, but the consumption in foreign countries has not yet shown the expected increase. On the other hand, unfavorable conditions appeared in this country because of the State restrictions and the shortage in the supply of labor and fuel to the factories.

The production of wool in Japan is insignificant and more than 90 per cent of the wool consumed in Japan was imported. However, in 1936 commercial friction between Japan and Australia slashed the volume of imports from that country at one-third, and imports from South Africa, South America and China have increased accordingly as shown in the following tables.

SUPPLY AND DEMAND OF WOOLLEN YARN

(In 1,000 pounds)

	Production by Associated Co's.	Imports	Total	Exports	Balance
1931	77,586	9,550	87,136	698	86,438
1932	89,660	3,219	92,879	1,249	91,630
1933	101,361	1,638	102,999	3,168	99,831
1934	103,145	919	104,064	5,919	98,145
1935	112,775	1,088	113,863	5,319	108,544
1936	123,263	934	124,197	7,141	117,056
1937	125,072	576	125,648	7,402	118,246
1938	88,784	84	88,868	7,847	81,021
1939	147,181	0	147,181	8,417	138,765

Note: The balance represents domestic consumption.