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Excerpts from the Official Gazette of April 28, 1930 (Showa 5)

Extra

Pages 43&54

Shorthand record No. 4 of the proceedings of the House of Representatives of the 58th Imperial Diet Session.

April 27, 1930 (Showa 5) (Sunday)

Convened at 1. 12 p.m.

... (Minister of State, TAWARA, Magoichi, takes the rostrum.)

Minister of State TAWARA, Magoichi;

Mr. HORIKIRI, interpellated concerning the industrial policies.

Various remedies are conceivable against the present depression and unemployment. However, industrial development is the only basic policy to cope with the difficulties. For the development of our industries a great deal of effort has been exerted since the organization of the present Cabinet. Briefly the basic policy for developing industries amounts to restricting imports and promoting exports. Little attention has been paid in the past to the question of how to prevent imports. We can prevent imports by producing their substitutes in Japan. According to statistical tables, the present stage of our industrial development permits imports to the value of 500 to 600 million yen to be replaced by home manufactured substitutes. To prevent the importation of 500-600 million yen worth of

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goods by manufacturing their substitutes constitutes an important matter. With this object in view we are encouraging the domestic production of these goods. In the first place, governmental offices have made special efforts in substituting domestic articles for foreign goods which they were using in connection with their operation. To cite the instance of the Railway Ministry, the Ministry after investigation adopted the policy of consuming home-made articles instead of foreign and saved 10 million yen. Other governmental offices are making similar efforts in replacing as much as possible foreign goods which they have been consuming with domestic goods. It is our desire not only to have use domestic substitutes for imported goods, but also governmental offices propagate the thought and encourage the practice of patronizing home industries among the general public. Thus the additional appropriations introduced now to the Diet include expenditures for such items. If we should fortunately be able to produce additional articles as substitutes to one-half the value of such imports, if not the entire 600 million yen, the increase of 300 million yen worth of additional production would have a great effect upon our industrial development. I believe that, should the articles worth 300 million yen be additionally produced in this country, and one-half of their value or 150 million yen should be converted into wages, it would strike at the root of the unemployment problem of today. Apart from the prevention of the imports, as I

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have just mentioned ..."

Minister of State TAWARA, Magoichi, (continuing)

"With regard to encouraging exports, the Government have included in the additional appropriations expenditures for the execution of such policy. The measure proposed is the so-called export compensation system. We are contemplating an early introduction to the Diet of a bill covering this export compensation system. Explanations as to its contents shall be made then. Next..."

Minister of State TAWARA, Magoichi; (continuing)

"With respect to the exportation of these goods, the Government propose to despatch manufacturers concerned, to all promising parts of the world for having them conduct investigations, with a view toward developing new markets and encouraging exportation of various commodities. For this purpose we are requesting the Diet's approval of expenditures covering subsidies to be given. We intend ^{to} strive hard for checking import on the one hand, and for encouraging export on the other hand. For attaining these objectives, we can find no alternative than the rationalization of industries, that is, to sell articles of high-quality at low prices. Needless to say, the rationalization of industries means control over the enterprises of one and the same kind, improvement of technique and management, and simplification of production. The weakest point of our manufacturing industries of today may be that wasteful competition is conducted among different enterprises thereby forcing down the market

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price of their respective products. Thus our exportation of such goods have resulted in a meaningless competition of price in foreign markets, degradation of their qualities and loss of credit and markets abroad. This is the evil common to our productive industries at present. It is urgent for the industrial development to effect control over these enterprises and to establish coordination among them. The fundamental policy for the development of our industries lies in the expansion of domestic production and consumption and the increase of volume of export of high-quality articles abroad, outwards. Mr. HORIKIRI expressed his opinion that there is a contradiction between the industrial rationalization policy and the Cabinet's retrenchment policy. We believe the policy of rationalizing industries is by no means contradictory to that of retrenchment. The policy for reducing consumption should of course ^{be pursued by} ~~be pursued by~~ ^{what I mean} saying that we should increase consumption is that the people are devoted to imported goods and are apt to use them even for daily needs; that we should from now on encourage them to patronize home industries and to consume home-made substitutes for them. We believe that the industrial rationalization policy is by no mean contradictory to the retrenchment policy which an important policy of Government."