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August 3rd, 1937 (Showa 12th)

PP. 119, 132, 133 in No. 8, Shorthand Records of the Proceedings of the House of Representatives in the 71st Session of the Imperial Diet.

The House Convened. On August 2nd (Monday), the 12th year of Showa (1937), at 1:14 p.m.

omission

Bill Concerning Adjustment of Foreign Trade and its relative Industries;
Bill Concerning Trade Guilds; Bill For the Amendment of the Industrial Guilds Law.

(Mr. KOGURE, Budayu, the Government Delegate, took the floor.)

The Government Delegate (Mr. KOGURE, Budayu)

"I shall explain the reason for the Bill Concerning Adjustment of Foreign Trade and its related Industries which comes foremost of the four bills now placed on the agenda. It goes without saying that to expect our national economic development, it is necessary to plan for the expansion of foreign trade. As you all know, fortunately our trade in these past years has



continued comparatively favourably. However, measures taken lately by foreign countries for preventing our goods from being imported is a situation not easily pacified. Under these circumstances in order to plan for the maintenance and development of our foreign trade, it is necessary to have preparations made so as to quickly establish effective and appropriate measures in preventing or pacifying these preventative measures as much as possible by considering the various conditions of the country concerned. Moreover in viewing the present foreign and domestic situations our situation necessitates amplification of productive power, and for this purpose, we must bring about an increase in importing a great deal of necessary raw materials, etc. and international transactions do not by any means permit a situation of optimism. Moreover, the necessity for planning in conformity with international transactions, is originally to necessitate the supply of important commodities properly. In achieving these purposes, the application of control to both the importing and exporting becomes necessary and as a result the adjustment of interests of industries concerned is also necessary. The government however, in bringing this about, would like to enforce it as much as possible as the autonomous control of the firms concerned. In the event, the control of foreign trade becomes necessary, or in regards to the control already enforced, if there arises a clash in interests between foreign trade groups and that of the domestic industries trade, we would like to enforce it so that it would open a way towards a policy of adjusting interests, or autonomous control by the firms concerned in an appropriate way. In the event the firms

concerned are not able to autonomously enforce these policies, and the government particularly recognizes its necessity, then we would like to open a way so that the government can order its enforcement for the entire firms concerned with the approval of the authoritative investigation organ. Moreover recently, since the foreign and domestic economic situation is unstable, there may arise a case where it is unable to wait for the enforcement of the autonomous control of the firms concerned as in the above, and we can also expect a case of insufficiency in their control. In these circumstances, the government still would like to open a way so that it can limit or prohibit the import and export with the approval of the authoritative investigation organ. As this is a bill relating to the adjustment of industries concerned and the foreign trade, it is originally a temporary measure to cope with the pending international situation, therefore its effective period has been limited to 5 years.

Secondly, I shall explain the reason for the trade guilds and its proposals. The Government has heretofore, along with adequate measures, and the Employment of Export Association System, has enforced for instance, the joint-enterprises in investigation, development, etc. of foreign markets, and the control of export in compliance with the foreign situations, and in this manner has continued to this day by planning for the expansion of export trade. However, summoning the actual results of the employment of the Export-Guilds, it is recognized, at this instance, the necessity for continued adjustment of export control mechanism. For example in order to enforce export control without delay by coping with the impending overseas conditions there are

circumstances where the voluntary establishment of the guild cannot be awaited. In these circumstances it is necessary for the government to be able to order coercive establishment, and actually it is also necessary that there will be no gap in the control upon the extension of the sphere to which the control of the guild is to be exercised. And on the other hand, in the case of import trade, we have come to systematize the import trade by newly establishing an import guild system as it was necessary to enforce control on import in order to restrict import from some countries, and also to have import goods markets dispersed from the standpoint of trade adjustments, national policy for raw materials, and others. And towards those countries reciprocating trade by requesting the buying of goods of their country, through the mutual cooperation of the import and the export guilds, it is necessary to also enforce joint undertakings of opening the market, etc. together with planning for the purchase of goods of that country. Furthermore, in order to plan for the liaison, development, and propagation of the federation of the import and export guilds, it is necessary to establish a central society of the trade guilds. This bill was legislated for these purposes and the present export guild law is intended to be abolished.

Next I shall explain the reason for the proposal of a bill for the amendment of the Industrial Guilds Law. Upon observing the conditions of the medium and smaller scale industries of our country, the greatest defect lies in the manufacture and sale of salt where the non-control and disorder of industrial circle originates. This is a matter of great import where it

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eventually impedes the development of trade. These evils are gradually being reformed through the development of the industrial guild system, but as there is a regrettable point in connection with the method of securing control, we recognized the need for planning this arrangement. Particularly since, in the recent situation of international trade, as I have already mentioned there is an urgent nature of securing the import and export control. Therefore in order to plan for the smooth enforcement, an appropriate system is necessary for control on the part of the industrialists concerned in coping with the trade control. Hence, at this juncture, by realizing afresh the industrial guild system which makes control its principal, together with expanding the applicable sphere of the industrial guild law, we shall devise a method of securing control and the amplification of the industrial guild control system. At the same time, together with this, we here are planning an appropriate control to cope with the present actual situation of industrial economy by arranging the industrial guild system such as supplementing the superintendence regulations towards the industrial guilds.