

Def. Doc. #1841

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The session opened at 10.24 a.m. March 15, (Friday), 1940.

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The Bill relating to Synthetic Chemical Industries.  
(Introduced by the Government, Forwarded by the House of  
Representatives)

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(Mr. KATŌ, Ryōgorō, the Government Delegate took the  
platform)

The Government Delegate (Mr. KATŌ Ryōgorō.)

Among the remarkable developments of our chemical in-  
dustries in recent years, the technical progress in the  
synthetic chemical industry using acetylene gas and liquid  
gas as raw materials is especially conspicuous. Although  
these synthetic chemical enterprises have developed in com-  
paratively recent years, they are very comprehensive in ex-  
tent and rich in variety. A remarkable development is ex-  
pected in this field as an important branch of our chemical  
industry. A country like ours which is lacking in natural  
resources depends a great deal on these synthetic chemical  
enterprise.

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Among these industries the manufacture of acetic acid, acetone, butanol and methanol has already been industrialized, but due to the marked increase in the demand after the outbreak of the present Incident, they have become confronted with the need of prompt increase of production, but it cannot be said as yet that the basis thereof has been fully established. The fundamental studies have become practically completed in regard to the manufacture of synthetic rubber, which is being discussed about recently; as well as regarding various kinds of high-grade alcohol which can become converted into high performance airplane fuel; also regarding benzol and triol (PHONETIC), which are the essential constituents of explosive compounds, dyestuff and drugs; and on various synthetic resins which have special utility as substitutes for metals, glass and natural resins, and these items are on the verge of becoming industrialized shortly. Further, great hopes are entertained for the appearance hereafter of synthetic fibers like nylon and other new organic compounds. As I have mentioned above, there are many materials among the organic compounds which are indispensable to national defense and industrial requirements. Therefore the promotion of these industries is deemed as a truly urgent necessity of the moment. Moreover, as these organic compounds are closely connected with each other in the process of production it is considered extremely important and urgent to hit upon an over-all plan to promote the production of synthetic rubber, synthetic triol and synthetic Fibere -- which we are

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intending to industrialize -- together with acetic acid, acetone, butanol and methanol. But these organic compound industries need extremely complicated and high technique and laborious study concerning the method of synthesis and manufacturing equipment. Moreover they need large sums of capital for their industrialization so that they cannot be considered as profitable investments at least in the beginning. On account of that, it is deemed that these industries cannot be developed to the expected degree without adequate protection and necessary guidance and control by the Government. This Bill relating to the Synthetic Chemical Industry was drafted in accordance with the above object. The out-line of this Bill is as follows:

- 1) The more important enterprises in this field will be carried out only by those who are licensed by the government, in order to prevent the wanton establishment of such enterprises, to make only those who are really able to conduct these enterprises from both technical and industrial viewpoints, and to make them attain the expected level of production.
- 2) As regards the manufacturing of organic compounds of special national importance, those which are not yet industrialized will be subsidized for their expenditure for that manufacturing, be granted manufacturing bounties, and be exempted from taxes.
- 3) The Government will restrict the import of materials likely to obstruct the consolidation of this industry, and will levy additional duty on them. It is hoped that this Bill will meet with your approval after thorough deliberation.