DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Incl to Ltr. Gifu Military Government Team, Subj: "On Limits" Hotels, dated 31 December 1946.

a. Name of Hotel - Yunashimakan.

b. Location - Yunashima, Gero-cho, Kasuda-gun.

c. Number of rooms - 40

d. Guest capacity - 150

e. Water supply - Private wells, piped, untreated.

f. Type of latrine - Japanese style, flushing.

g. Bathing facilities - Japanese style baths.

h. Food preparation - Japanese style stores and hibachi, Japanese equipment

i. Insect control - Mosquito nets.

j. Rates - ¥ 36.00

k. Class - First.

l. Other information - Latrines and baths are tiled. No central heat.

Incl. #11

FILE COPY

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Incl to Ltr. Gifu Military Government Team, Subj:
"On Limits" Hotels, dated 31 December 1946.

a. Name of Hotel - Suimeikan

b. Location - Yunashima, Gero-cho, Masuda-gun.

c. No. of Rooms - 80

d. Guest capacity - 250

e.. Water supply - private supply from wells, piped - untreated.

f. Type of latrine - Japanese style (both flushing & non-flushing types)

g. Bathing facilities - Japanese style baths.

h. Food preparation - Regular Japanese equipment such as hibachi, small amount of utensils, and Japanese dishes.

i. Insect control - Mosquito netting only.

j. Rates - ¥ 36.00

k. Class - First.

l. Other information - Tile in latrines & baths. No central heat.

Incl. #12

FILE COPY

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Inclosure to Ltr, Gifu Mil Govt, Subj: "On Limits" Hotel, dated 3 Dec. 46.

a. Name of Hotel - Hokufuso.

b. Location - Mino machi, Nugi gun.

c. Number of rooms - 12.

d. Guest capacity - 28.

e. Water supply - Private well, untreated.

f. Type of latrine - Japanese style, non-flushing.

g. Bathing facilities - Japanese tub.

h. Food Preparation - Japanese equipment - Japanese stove, hibachi, Japanese utensils and dishes.

i. Insect Control - Mosquito nets only.

j. Class - First.

k. Rate ¥36.00.

l. Other information - Latrines are of wood. Bath tile floor and tile tub. No central heating.

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

8

HEADQUARTERS EIGHTH ARMY
Military Government Section
Procurement Division
APO 343

004

Subject: Relative Value of Transient Hotel Services

To: Procurement Officer
Gifu Military Government Team
APO 25

1. In regard to procurement receipts against all transient hotel service procurement demands, the following table of relative values has been established at this headquarters, using "bed" as the unit:

First Class Hotel	
1st class accommodations	1.50
2nd class accommodations	1.00
3rd class accommodations	0.75
Second Class Hotel	
1st class accommodations	1.00
2nd class accommodations	0.75

2. It is requested that these values be used in evaluating all future receipts for transient hotel service.

ALBERT HRDOSI
Lt. Col., C.E.
Procurement Officer

RECEIVED: CMGT
0830 Hours-Time
12 may 41 Date

SMaO	
Ex. O	
Adj.	
Proc&Labor	✓ 1510 cpm.
C I& E	
Legal& Gov't	
P H & W	
Targets	
Reports	
Sgt Major	

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Procured Property

House, Western Style, yard and outbuildings at 11 chome, Wakamiya-cho Gifu City

10 rooms (approx) 2358 sq ft.

Employees Quarters

Hotel, B.O.Q. Shoshukan

18 bedrooms 6700 sq ft

FILE

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RECEIVED: GMT
0800 hrs-time
7 July date

C O.	✓	
EX.O&ADT.	✓	✓
G-1/AG		
P. W		
C.E.		
Legal&Govt		
P. H		
ECON	✓	Lee
DEP COMDR		
CHIEF OF [illegible]		

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

3 July 1948

SUBJECT: Summary of Strike Report on Reparation Facilities

TO: Commanding Officer, Aichi Military Government Team, APO 710
Commanding Officer, Gifu Military Government Team, APO 25
Commanding Officer, Ishikawa Military Government Team, APO 713
Commanding Officer, Mie Military Government Team, APO 710
Commanding Officer, Toyama Military Government Team, APO 713

1. Reference: Strike Report on Industrial Reparations Survey of Japan to the United States of America, prepared by Overseas Consultant Inc. New York, dated February 1948.

2. Extracts taken from above reference are forwarded herewith for your information.

3. The extracts includes all reparational facilities in the Tokai-Hokuriku Region. Some facilities are listed on the inclosure which have not been placed under custody and control to date.

4. The inclosure on reparations plants, is not to be construed to be official, and is to be used for your information and guidance only.

BY ORDER OF COLONEL DUMONT:

Walter O. Wade

WALTER O. WADE
Capt, Inf
Adjutant

1 Incl:
As indicated

TO: GIFU MIL GOVT TEAM
APO 25

308 5 JUL 1948

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SUMMARY OF STRIKE REPORT
Tokai-Hokuriku Region

NITRIC ACID INDUSTRY

Company	Factory	Capacity of Plant Designated for Reparations	Capacity of Plants Designated for Retension	Reparations Yen Value
Nissan Kagaku	Toyama	33 (1)	17	(3) 1,351,000
Toa Gosei	Nagoya	- (2)	-	

(Metric Tons Per day of 100% acid)

(1) Two out three sets

(2) Destroyed by bombing

(3) 1939 Yen Value

ELECTROLYTIC CAUSTIC SODA PLANTS

Designated for Retention

Plant	Location
Toa Gosei	Fushiki
Toa Gosei	Nagoya

Designated for Reparations

Plant	Location	Yen Value
Nippon Soda	Takaoka	667,000
Nissan Kagaku	Toyama	95,000

Chlorine Plants Designated for Retention

Plant	Location
Toa Gosei	Fushiki

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SULFURIC ACID INDUSTRY

Designated for Retention in Japan

Company	Plant	Est Annual Capacity	Process	Reparations Yen Value
16 Nissan Kagaku	Fushiki		Chamber	
16 Nissan Kagaku	Toyama		"	
25 Ishikawa Sangyo	Yokkaichi		"	
26 Nissan Kagaku	Nagoya		"	
27 Toa Gosei	"		"	

Designated for Reparations

62 Nihon Soda	Takaoka		Contact	157,000
70 Ishiwara Sangyo	Yokkaichi		"	1,840,000
71 Nissan Kagaku	Nagoya		"	284,000
72 Toa Gosei	"		"	598,000

Iron & Steel Industry

Plants or Part of Plants Designated for Reparations

Company	Location	Classification	General Condition	Realities Available for Reparations	Elect Furnace	Rolling Mill	Open-Hearth Furnace	Reparations Value Yen
Nippon Soda	Toyama	C	Fair	All	5			659,000
Fujikoshi Kozai	"	B	"	All	11	2		3,094,000
Nippon Kokan	"	B	Good Fair	All	3	1		5,305,000
Aichi Seiko	Nagoya	B	Good	All	5	2		5,004,000
"	"	B	Good	All	2	2	2	8,250,000
Daido Seiko	"	B	Good	All	5	4		18,595,000
" "	"	C	Fair	All	3			246,000
" "	"	C		All	5			399,000
Nomatsu Seisakusho	Ishikawa	C		All	6			470,000
Nippon Sharyo Seizo	Nagoya	C		All	4			391,000
Kawasaki Jukogyo	Nagoya	C	Good	All	2			467,000

Note: Classification A An Integrated Steel Plant
B A Primary " "
C A Secondary

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BALL & ROLLER BEARING INDUSTRY

Nakanishi Jikuuke, Mie is primarily stamping plant and as such produced large quantities of stamped bearing retainer during the war but did not manufacture bearing. The plant is now producing peacetime commodities. We believe the plant should be exempted from reparations.

(Page 39 Par 3, Strike Report)

PLANT DESIGNATED FOR RETENTION

Company	Plant	Remarks
Toyo Bearing	Kuwana	Retain 981 Mach. out of 1518
Fujikoshi Kozai	Toyama	" 527 " " " 1164

PLANT DESIGNATED AS AVAILABLE FOR REPARATIONS

Name of Co.	Plant	Remarks	Yen Value
Toyo Seiko	Komano	Entire Plant	3,327,000
Nihon Seiko	Aichi	" "	1,481,000
Toyo Bearing Mfg Co.	Kuwana	Partial Plant	2,566,000
Fujikoshi Kozai Kogyo	Toyama	" "	3,972,000

MACHINE TOOL PLANTS

Designated for Retention

Company	Location
Fuso Kogyo	Takayama
Hayami Tekko	Toyama
Ito Kiko	Nagoya
Kariya Koki	Kariya
Shimagawa Seiki	Kamyama

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MACHINE TOOL PLANTS (continued)

Available for Advance Reparations

Company	Location
Fujikoshi Kogyo	Toyama
Gifu Kosakuki Seizojo	Gifu
Okuma Tekko	Kamiida
" "	Nunoike
Emura Tekko	Nagoya
Fujita Seisaku	"
Hirono Seisaku	"
Hokoku Kikai	"
Kato Kogyo	"
Kato Tekko	Aichi
Kikukawa Tekko	Uchiyamada
Nagoya Kashi	Nagoya
Ogaki Tekko	Ogaki
Okamoto Kogyo	Nagoya
Okamura Kikai	Aichi
Showa Kikai	Nagoya
Taketoyo Tekko	Taketoyo
Ebara Seisakusho	Toyama
Okuma Tekko	Chita
" "	Ozone
Aichi Keki	Nagoya
Tateyama Jukogyo	Toyama
Toyokogyo	Mie
Washino Seiki	Imamura

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SHIPBUILDING & SHIP-REPAIRING PLANTS

Designated for Reparations

Company	Location	Capacity New Work	Capacity Repair	Yen Value
45 Nagoya Ship-building Co.	Nagoya	15,000	107,250	4,064,000

Note: Uraga Dockyard Co, Yokkaichi.
Never completed and now closed have neither dockyard or capacity to produce over 100 Ton steel ship.

ALUMINUM & MAGNESIUM INDUSTRIES

Alumina Plants Designated for Reparations

Name	Location	Capacity in M.Tons	Yen Value
Nippon Soda	Takaoka	20,000	6,904,000

Aluminum Plants Designated for Reparations

Name	Location	Capacity in M.Tons	Yen Value
Nippon Soda	Takaoka	12,200	6,904,000
Showa Denko	Toyama	6,000	6,156,000
Kokusan Keigokin	Toyama	12,000	2,121,000

Magnesium Plant Designated for Reparations

Name	Location	Capacity	M. Tons/year	Yen Value
Nihon Magnesium	Toyama	80		3,045,000

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Fabricating Facilities Available for Reparations

Name	Location	Yen Value
Fuso Kinzoku Kogyo	Aichi	1,429,000
Kobe Seikosho	Nagoya	1,861,000
Fuso Kinzoku Kogyo	Nagoya	15,917,000
Kubota Denki Seisakusho	Nagoya	7,000
Mitsubishi Jukogyo	Nagoya	7,042,000
Miyoshi Seisakusho	Nagoya	26,000
Nagoya Tankajo	Aichi	455,000
Tokushu Keigokin	Imasawa	2,561,000
Tokushu Keigokin	Ogaki	847,000

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PRIMARY WAR FACILITIES

Army & Navy Arsenals Designated as Available for Reparations

Army Arsenals	Location
Nagoya Mil Ars	
Atsuta	Nagoya Aichi
Honsha Koho	Chigusa "
Takakura	Atsuta "
Takagi	Kasugai "
Toriimatsu	Kasugai "
Yamaizu	Yamaizu Gifu
Kanazawa Engine Works of Army Air Ars	Kanazawa Ishikawa
Kusu Kojo	Kusu Mie
1st Toky Mil Ars	
Kosugi	Kosugi Toyama

Navy Arsenals	Location
Toyokawa Naval Ars	Toyokawa Aichi
Suzuka Naval Ars	Suzuka Mie
" Branch of 2nd Air Depot	" "
Tsu Naval Ars.	Tsu "

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PRIVATELY OWNED MUNITIONS AND AIRCRAFT PLANTS DESIGNATED AS AVAILABLE FOR REPARATIONS

Aircraft Plants	Location	Prefecture
Aisan Kogyo		
Nagoya Kojo	Nagoya	Aichi
Aichi Kokuki (Aichi Kokuki Kogyo)		
Atsuta Hatsudenki Seisakusho	Nagoya	Aichi
Eitoku Kojo	Nagoya	Aichi
Enokido Kojo	Chita	Aichi
Horita Kojo	Nagoya	Aichi
Imamura Kojo	Hekikai-gun	Aichi
Asahina Tekkojo		
Okoshi Seisakusho	Nakajima	Aichi
Chukyo Hikoki Kogyo		
Komaki Kojo	Komaki-machi	Aichi
Hashimoto Kogyo	Iwakura-cho	Aichi
Fukuwa Kokuki Kogyo		
Okoshi Kojo	Okoshi-machi	Aichi
Kawanishi Kikai Seisakusho		
Yatomi Kojo	Yatomi-cho	Aichi
Kawasaki Kokuki Kogyo		
Ichinomiya Kojo	Ichinomiya	Aichi
Mitsubishi Jukogyo		
Daiyon (#4) Kojo	Daiko-cho	Aichi
Dai-go (#5) Kojo	Obu-machi	Aichi
Dai-ju (#10) Kojo	Iwatsuka	Aichi
Dai-Juni (#12) Kojo	Nishibiwajima-cho	Aichi
Dai Niju-ni (#22) Kojo	Koromo-cho	Aichi
Komi Kojo	Yamato-cho	Aichi
Mizuho Sangyo		
Chiryu Kojo	Chiryu-cho	Aichi
Okamoto Kogyo		
Onishi Kojo	Ichinomiya	Aichi
Ichinomiya Kojo	Oku-cho	Aichi
Kagamihara Seiki Seisakujo		
Terajima Kojo	Sobara-machi	Gifu
Kawasaki Kokuki		
Gifu Kojo	Nikakino, Sohara	Gifu

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Aircraft Plants	Location	Prefecture
Kayaba Sangyo Gifu Kojo	Dota-mura	Gifu
Okamoto Kogyo Ogaki Kojo	Gode-cho	Gifu
Kanazawa Koku Kogyo Honsha Kojo	Kanazawa	Ishikawa
Aichi Kokuki Tsu (Concealed) Kojo	Tsu	Mie
Mitsubishi Jukogyo Dai San (#3) Kojo	Suzuka	Mie
Nakajima Hikoki (Fuji Ind. Co.) Yokkaichi Dai Ichi (#1) Kojo Yokkaichi (#2) Kojo	Yokkaichi Yokkaichi	Mie Mie
Sumitomo Kinzoku (Fuso Light Metals Inc. Ltd) Tsu Kojo	Tsu	Mie
Ishikawa Jima Koku Kogyo Chuetsu Kojo	Tomami-gun	Toyama
Fuso Kinzoku Kogyo (Sumitomo Metal Ind. Co. Ltd) Toyama Kojo	Toyama	Toyama
Takada Aluminum Seisakusho Toyama Kojo	Hosoiri-mura	Toyama
Kureha Kokuki Fukumo Kojo Kureha Kojo	Fukumo Kureha-mura	Toyama

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Munitions Plants	Location	Prefecture
Asahi Arms Mfg. Co.	Asahi-machi	Aichi
Taisei Co., Ltd.	Gamagori-machi	Aichi
Nippei Sangyo Dai San-ban	Koda-mura	Aichi
Okamoto Kogyo Nagiwara Kojo	Nagiwara	Aichi
Fujita Seisakujo	Tajimi	Gifu
Kinjo Factory	Yoro-machi	Gifu
Fujikoshi Kosai Kogyo	Nakui-machi	Ishikawa
Hokuriku Heiki	Notobe-machi	Ishikawa
Hokuriku Kikai Kogyo Iburihashi Plant	Iburihashimura	Ishikawa
Kokoku Kogyo Kanazawa Plant	Kanazawa	Ishikawa
Nippon Denki Metallurgy	Tomioku-machi	Ishikawa
Amano Seisakusho Mie	Nabari-machi	Mie
Fujikoshi Kosai Kogyo Yamamura Plant	Toyama-shi	Toyama

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PRIVATELY OWNED MUNITIONS AND AIRCRAFT PLANTS TO BE RETAINED

Munitions Plants	Location	Prefecture
Miteka Koku Kogyo K.K.	Nakajima	Aichi
Daido Kogyo K.K. (Main Plant)	Enuma	Ishikawa
Ishikawa Seisakusho	Kahoku	Ishikawa
Asada Seiko	Tomida	Mie
Kondo Heiki	Tado-mura	Mie
Nippon Tokushu Seiko	Toyama Takaoka	Toyama

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Aircraft Plants	Location	Prefecture
Hokoku Hikai Dai Ichi (#1) Kojo	Nagoya	Aichi
Kobeyoshi Seisakujo Morita Kojo	Mizuhoku	Aichi
Nisshin Boseki Mizi Kojo	Okazaki	Aichi
Okamoto Kogyo Kasadera Kojo	Nagoya	Aichi
Owari Dokei Kokuki Kogyo Seto Seisakusho	Seto	Aichi
Showa Seitan	Ama	Aichi
Sumitomo Kinzoku (Fuse Light Metal Ind. Co. Ltd.) Marumi Kojo	Marumi	Aichi
Sumitomo Kinzoku Nagoya Seizosho	Chitose	Aichi
Tokai Hikoki Kariya Kojo	Kariya	Aichi
Toyota Jidosha Kogyo (Toyota Motor Co. Ltd.) Kariya Kita Kojo	Nagoya	Aichi
Toyoda Jidoshoki Seisakusho (Toyoda Automatic Loom Works Ltd.) Sako Kojo.	Nagoya	Aichi
Yajima Kogyo Moriyama Kojo	Kasugai	Aichi
Nagoya Kojo	Nagoya	Aichi
Sakurada Kojo	Nagoya	Aichi

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Aircraft Plants	Location	Prefecture
Ogaki Tekkosho Ogaki Kojo	Ampachi	Gifu
Hokuriku Koku Kogyo Hokuriku Kojo	Kanazawa	Ishikawa
Nihon Denki Yakin Norce Kojo	Kanazawa	Ishikawa

Chemical Plant

Company	Pref.	Facilities Designated for Retention
Nihon Gosei	Gifu	Pentaerythritol

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LABORATORIES

Designated for Retention

Name	Location	Remarks
Nagoya Imperial University	Nagoya Aichi	Apparatus on Aeronautic Research should be removed

Synthetic Rubber Plants

Company	Location	Yen Value	Process
Nippon Carbide	Uozu	1,600,000	Mono-Vinyl-Acetylene

Synthetic Oil Plants

(Should be exempted from claims of Reparation)

Company	Location	Capacity	Remarks
Toho Kagaku Kogyo	Nagoya	4000 K.L.	Low Temp. Carbonization
" " "	"	26000	Hydro Cracking

Thermal Electric Generating Facilities

Internal Combustion Generating Equipment in Arsenals

Code Number	Name	Unit	Capacity	K.W.
01-55	Nagoya(Atsuta)	1	475	
01-56	" "	1	475	

Designations Under SWNCC 236/43

Turbogenerator Equipment available for Reparations in Electric Utility Plants where Present Boiler Capacity is Insufficient.

Name	Date Installed	Name Plate	Power Factor	Frequency	Voltage	Speed	Mfr.
Nagoya	1935	35,000	80%	60	11,000	1,800	Allgemeine Elekt Ges

(Subsequent 70%) (Yen Value 1,260,000)

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Designated Under Tentative Interim Level

Electric Utility Thermal Generating Capacity Available for Reparations.

Name	Rating	Date Installed	Frequency	Size & Number	Mfr.	Boiler Number	Total Capacity
Nagoya	144,000	1925	60	35000-1	G.E.	8	568mt/hr
		1926	"	35000-1	G.E.		
		1935	"	35000-1	A.E.G.		
		1937	"	35000-1	Mitsubishi		
		1925	"	1000-1	G.E.		
		1936	"	3000-1	A.E.G.		

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RECOMMENDATION

Iron & Steel Industry

"We recommend that no steel rolling facilities be made available for reparations."

Nitric Acid

"We believe that the SWNCC 236/43 level of 30,000 metric tons capacity should not be increased and agree with the designations as submitted in Section A of this report."

Sulphuric Acid

"We believe that the full capacity of sulphuric acid plants in Japan can be usefully employed and that none should be made available for reparations."

Soda Ash, Caustic Soda & Chlorine Industries

"We are, therefore, of the opinion that no soda ash or caustic soda plant should be made available for reparations."

Machine Tool Manufacturing Industry

"We have recommended the retention of all present capacity in the iron and steel industry to accomodate domestic requirements and to provide for exports of machinery and other products using finished steel. The convertibility of the machine tool industry to general manufacture makes it a part of the means of providing exports contributed by the iron and steel industry. We recommend the retention of all machine tools either in their present location or elsewhere.

Ball & Roller Bearing Industry

"The manufacture of bearing requires little material, a large proportion of their value lies in the labor and machine hours needed to produce them. They would make a desirable items for export either as bearings or as parts of machines. Because of Japan's need for export of this type. We believe that all bearing plants should be retained.

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Merchant Shipping and Shipbuilding Industry

"We recommend, therefore, that:

(a) The shipyards numbered from 1 to 27, inclusive, on Exhibit 6.1, Shipbuilding Chapter, Section A of this report, be retained in Japan.

(b) Due to lack of facilities on the Japan Sea coast, drydocks Nos. 1 and 2 at the Naval Dockyard, Maizuru, be retained with minimum equipment for repair work only.

(c) All naval dockyard buildings and repair facilities, except as noted in (b) be made available for reparations.

(d) Shipyards listed in Exhibit 6.1 numbered from 28 to 80, inclusive, be made available for reparations in the reverse order of their listing.

The above recommendations are subject to the qualification that the shipyards and naval dockyards now performing work deemed essential to the Occupation should be retained until such work is completed or transferred to yards not designated for reparations.

(e) No existing merchant ships be made available for claim. The present fleet already is far short of immediate requirements. Where necessary, speed of ships over 6,000 gross tons can be limited to less than 18 knots in turbine-propelled ships by removing boiler units, and in diesel-propelled vessels by removing cylinder units.

(f) Japan be permitted to make up as far as possible the present deficiency of her merchant fleet by charter or purchase of ships; the only ships available for this purpose would seem to be war-built vessels now laid up in the United States."

Note: No ship-yard in Tokai-Hokuriku Region included in the shipyards number from 1-27 inclusive on Exhibit 6.1 Shipbuilding Chapter, Section A.

Note: Shipyards Number for Nagoya Shipbuilding Co, Nagoya is 46.

Petroleum Refining

"That none of these facilities should be made available for reparations"

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Aluminum & Magnesium

"We recommend that no aluminum reduction plants be made available for reparations"

"As 2.2 tons of alumina are required to produce one ton of aluminum, it is evident that all operable alumina plants should be retained"

"We therefore, recommend that the four aluminum fabricating plants listed below, those expressly erected for war purposes, be made available for reparations:

Plant	Location
Furukawa Denka Kogyo	Tochigi
Fuso Kinzoku Kogyo	Aichi
Kobe Seisakusho	Oita
Kobe "	Yamaguchi

Synthetic Rubber

"Recommend that all synthetic rubber plants be made available for reparations"

Synthetic Oil

"We believe that all synthetic oil plants should be retained."

Electric Generating Capacity

"In our opinion, no electric generating equipment, other than from arsenals and Navy bases, should be made available for reparations"

We estimate that the buildings and non-removable equipment which would remain in Japan and might be difficult to adapt to other purposes had a 1939 value over and above the removable items of more than 1,500,000,000 yen. It is not possibly accurately to estimate what proportion of this value could be salvaged and utilized by Japan for other purposes, but it would not be great. The above estimates indicate that the removal cost, at 1939 levels, would be about 1,400,000,000 yen and that Japan might permanently lose the use of facilities having a value approximating 1,500,000,000 yen, or a total cost of 2,900,000,000 1939 yen, not including loss of production during removal and reinstallation and with no increase in productive capacity. If allowance is made for increased labor and other costs,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

the loss, expressed in present day U. S. dollars, might approximate $1,350,000,000. Actually, the cost of removal and reinstallation would be substantially greater as the claimant nations in most cases would have to pay higher costs for labor and provide buildings, utilities, and material and accessory equipment. The questions naturally arise: How are these costs to be paid, and who is going to pay them?

By removal of these facilities, the long term capacity to produce goods for world markets would not be increased, and for the next few years, these facilities would not be able to produce goods vitally needed to reduce world shortages. To the extent that these facilities can be utilized by Japan for the production of peacetime goods, they should be put to work promptly to relieve world shortages, particularly the shortages existing in the claimant nations. Concurrently, this would help to put Japan on a self-supporting basis.

The economic and social wellbeing of a large part of East Asia, in which Japan is so large a factor, far outweighs all other immediate considerations. Japan's great mass market for her industrial output through the years of her rapid and intensive development as a world power has been built up mainly in East Asia, the area from which her supplies of raw materials have in large part been drawn.

We realize that other Far Eastern countries are in desperate need of industrial equipment, and the ultimate decision in respect to reparations should be based on a balancing of needs to obtain optimum benefits for the region as a whole. It is our opinion that this can be most surely achieved by leaving Japan free to reconstruct and use as quickly as possible the bulk of her industrial capacity.

By retaining these plants, Japan should be able to turn out industrial products, including new capital equipment, and exchange them for the food and raw materials she requires as fast as the other countries in the Far East will be able to make effective use of new equipment and produce the food and raw materials to exchange for it.

Conclusions

The problem of restoring the economy of Japan to a self-supporting basis, even at the relatively low standards of 1930-1934, is one of enormous difficulty. Under the most favorable circumstances it will call for intelligent direction and hard work and, above all, for opportunity to produce a sufficient quantity of civilian goods for domestic consumption and for export in order to provide food and clothing for the rapidly increasing population. The Japanese people have proved themselves to be industrious, but to be productive they need tools with which to work.

If uncertainties as to the ultimate disposition of their industrial plants were removed and incentive to capital to invest and to labor to produce were present, much might be accomplished. The settlement of the reparations question is urgent.

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Removal of productive facilities (except primary war facilities) which can be effectively used in Japan would hurt world production; would reduce the likelihood of Japan's becoming self-supporting and, in any case, increase the time required to accomplish this objective; would be expensive to the American taxpayer; and, in our opinion, would not be to the best interest of the claimant nations.

Recommendation

In view of the foregoing, we recommend against the removal of productive facilities (except primary war facilities) which can be effectively used in Japan.