25. A major fire occurred 26 February at the Statistical Bureau of the Japanese Cabinet in Tokyo. Two wooden buildings housing the records section were completely destroyed. Damage was estimated at several million yen but the greatest loss was the files containing Japanese vital statistics for the year 1944. The origin was attributed to overheating of stoves.

PRISONS

26. A unique Japanese tradition was broken when the Ministry of Justice requested Christian churches in Japan to provide ministers to act as prison chaplains. Previously functions of chaplains were performed only by Buddhist priests of the Higashi-Honganji sect which for centuries was closely connected with the Imperial family.

The Federation of Christian Churches of Japan agreed to the request and will provide chaplains to serve in 22 prisons throughout Japan.

27. There are 13 prisons for adults housing some 1,000 persons each. The accompanying Chart 3 indicates the administrative organization of a large Japanese prison.

GENERAL CIVIL INTELLIGENCE

28. There were few reports of friction between personnel of the Occupation Forces and Japanese civilians. Press comments on such incidents attracted attention principally because of the rarity of their occurrence.

29. The occupation appears to have reached the stage where mistrust has for the most part given way to cooperation directed towards the solution of Japan's present day problems.

30. Japanese respect for sincerity of intention on the part of the Occupation Forces was materially strengthened by SCAP action in according accused war criminals scrupulously just and fair trials, in releasing some 2,000,000 pounds of wheat flour to Japan and in giving the Japanese Government assistance in the stabilization of its economy.

Compliance with Directives

31. Intelligence agencies are continuing their investigation of reported violations of SCAP directives and are taking appropriate action to assure obedience to the terms of all directives. The gradual improvement of liaison is resulting in more prompt and complete compliance.

32. Two instances of non-compliance with the "public office" directive of 4 January were acted upon. This directive forbade public employment of persons classified as undesirable in accordance with stipulated categories.

33. Intelligence personnel located a 1,500-ton store of metals in Sendai. Among the stocks of metals uncovered in a railway warehouse was 55 tons of silver. The Japanese Government were ordered to explain in detail why it had failed to comply in this instance with a directive of October 1945 requiring reports on all metal holdings.

Kaigun Tokumu Bu

34. The Japanese Government was directed to submit a comprehensive report on the functions, jurisdiction, policies and personnel

of the Kaigun Tokumu Bu (Japanese Navy Special Affairs Department). This organization was the Navy's counterpart to the Rikugun Tokumu Kikan (Army Special Affairs Organization). It was responsible for the collection of high level intelligence data for the Navy and often engaged in espionage.

Lists were also required of Japanese and foreign corporations, societies, groups or individuals, within and without Japan, which assisted this Naval intelligence department.

Investigation of "Incidents"

35. A directive of 19 February ordered the Japanese Government to submit immediately official documents and other information relative to three "Incidents" - The March Incident of 1931, The October Incident of 1931 and The November Incident of 1934.

The first two were intra-Army disputes which involved violence. The third was a large-scale but unsuccessful plot to murder Prime Minister Keisuke Okada, other members of the government and several wealthy industrialists. Subsequent trials of the instigators were secret.

FOREIGN NATIONALS

36. Further steps were taken toward the repatriation of Allied and neutral diplomatic staff members and other foreign nationals.

Repatriation of Diplomatic Staffs

37. Approximately 130 members of United Nations and neutral diplomatic staffs in Japan sailed with their families aboard the SS Uruguay for South America and Europe.

Among the prominent returnees were Mario Indelli, Italian Ambassador who refused allegiance to Mussolini in 1943 and was promptly interned; Muzaffer Goker, Turkish Ambassador; Henry Cosme, former French Ambassador; L. Esteves Fernandes, Portugese Minister; and Erick von Sydow and Erasto M. Villa, Charges d'Affaires respectively of the Swedish Legation and the Argentine Embassy.

Repatriation of European Nationals

38. Action was begun to repatriate German and Austrian nationals because of the shortage of food and housing. The Japanese Government was directed to prepare lists of military and civilian personnel of these categories.

Only those civilians who maintained domiciles in Japan prior to 1 January 1939 and are capable of adding to the economic and social welfare of the Japanese people will be permitted to remain. Government officials estimate such nationals to number 2,600, most of whom are Germans.

Repatriation of Orientals

39. Registration of Koreans, Chinese, Ryukyuans and Formosans was begun in order to determine the number of those desiring to remain in Japan.

CENSORSHIP

40. There was improvement in adherence to codes regulating press, radio, plays and motion pictures. Censorship disapprovals in all fields decreased.

Press

41. Violations of the press code were few and no newspapers have been suspended since December. Of 499 book manuscripts examined, 490 were passed. Pre-censorship of 314 magazines resulted in the disapproval of four articles. Twenty-eight articles were found objectionable in post-censorship of 387 magazines and publishers were notified.

42. A small censorship unit was established to check all book shops, printing establishments, warehouses and other depositories of publications for the purpose of examining pre-war issues. The Japanese Government will be given lists of publications containing nationalistic themes or other undesirable matter and instructed to remove them from the market.

Motion Picture and Theater

43. Motion picture films not previously delivered were submitted for examination and three of 33 pre-occupation films censored were not approved.

44. Only 20 of the 265 play scripts submitted were found entirely unsuitable for presentation. Twenty plays post-checked at performance were approved. Some 54 theaters are now presenting legitimate drama and variety entertainment in the Tokyo area.

Radio

45. The Japanese Government was granted permission to expand its broadcasting facilities. The broadcasting of local programs in Osaka, Fukuoka and Nagoya was approved on the condition that scripts be submitted for advance examination. Previously, programs could be originated only in Tokyo. Extensive use of radio facilities is expected in connection with campaigns for the national elections scheduled for April.

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SECTION 3

LEGAL AND WAR CRIMES

C O N T E N T S

LEGAL AND JUDICIAL AFFAIRS

1. Opinions were given on numerous questions but the majority was concerned with the jurisdiction of new occupation courts and the conduct of proceedings in Japanese courts involving foreign nationals.

2. An opinion was rendered stating that the Supreme Commander might appoint members of the Allied Forces to military commissions trying war criminals and determine their qualifications and authority.

3. Claims in Japan and Korea which are outside the jurisdiction of statutory claims commissions are under examination by SCAP.

Exercise of Criminal Jurisdiction

4. A directive of 19 February deprived the Japanese courts of criminal jurisdiction over nationals of the United Nations or their organizations including corporations. Proceedings now pending were ordered stayed, subject to further directions of SCAP after a full report of such proceedings had been made by the Japanese Government.

5. The Japanese Government was informed that acts and offenses which in the future would be tried only by military occupation courts included:

(1) Acts prejudicial to the security of the Occupation Forces.

(2) Killing or assaulting any member of the Occupation Forces.

(3) Unauthorized possession of property of the Occupation Forces or its members.

(4) Interfering with the arrest of any person sought, or assisting in the escape of any person detained by the Occupation Forces or by others acting under the direction of the Supreme Commander.

(5) Interfering with, refusing information required by, making any false or misleading statement orally or in writing to, or defrauding any member of the Occupation Forces in a matter of official concern.

(6) Acts on behalf or in support of any organization dissolved or declared illegal by the Supreme Commander.

(7) Conspiracies to commit, or acts which aid or abet the commission of any of the foregoing offenses.

In addition to members of the Occupation Forces all persons attached to or accompanying the Occupation Forces are entitled to the protection of the foregoing provisions.

The Japanese criminal courts were permitted to continue the exercise of jurisdiction over "acts prejudicial to the objectives of the occupation insofar as such acts constitute violations of Japanese law". The right was reserved to transfer jurisdiction over such matters to the military occupation courts at any time. This reservation assured the Occupation Forces the right of ultimate decision as to jurisdiction over acts involving both violations of SCAP directives and Japanese ordinances or laws.

6. The Commanding General of the EIGHTH Army and the Commander of the FIFTH Fleet were directed by a Letter Order of 19 February to appoint military occupation courts including military commissions and provost courts, to execute the provisions of the directive of 19 February. Commissions were authorized to impose imprisonment at hard labor not to exceed five years or a fine not to exceed ¥ 75,000, or both.

Other penalties which may be imposed include imprisonment in lieu of payment of fines; expulsion; and confiscation, padlocking and forfeiture of estates.

7. The Japanese Government was deprived of authority to arrest nationals of the United Nations except in areas where Allied troops are not actually present on duty or when directed to do so by the Supreme Commander or his authorized subordinates. Such incidents will be immediately reported to the nearest Allied military authority.

8. Another directive of 19 February informed the Japanese Government that sentences imposed by Japanese criminal courts on Koreans and other nationals of countries formerly under the domination of Japan would be subject to review by SCAP.

Review will be made only when the defendant has exhausted remedies reasonably available to him in the Japanese courts and when he furnishes adequate proof of intention to return to his homeland.

Exercise of Civil Jurisdiction

9. A directive of 26 February deprived Japanese courts of civil jurisdiction over nationals of the United Nations or organizations (including corporations) attached to or accompanying the Occupation Forces.

10. The trial of civil cases affecting nationals of the United Nations other than those accompanying or attached to the Occupation Forces will be subject to supervision and review by SCAP.

The Japanese Government was required to report to the Supreme Commander all civil cases hereafter instituted or now pending affecting nationals of the United Nations and their organizations or corporations. The reports will include nationalities of the parties, nature of the case, relief sought and the status of the proceedings.

11. Civil claims against nationals of the United Nations will

be presented to the Japanese Government which in turn will forward them to SCAP Headquarters for decision if they appear to be meritorious and are supported by proper evidence.

APPREHENSION OF WAR CRIMINALS

12. During February seven directives were issued ordering the Japanese Government to apprehend 51 persons suspected of war crimes and to deliver them to Sugamo Prison. Forty-six of those listed were accused of atrocities and offenses against nationals of the United Nations who had been confined in Japanese POW camps.

ORDERS FOR APPREHENSION
February 1946

Date and File Number of Directive	SCAPIN	Persons Ordered Apprehended
AG 383.7 (3 Feb 46) CIS	695	2 Burmese Embassy officials
AG 000.5 (3 Feb 46) LS	696	6 Army officers 11 Soldiers 1 Civilian
AG 312.4 (6 Feb 46) CIS	715	1 Lieutenant General
AG 000.5 (18 Feb 46) CIS	749	1 Burmese Ambassador Designate 1 Manchurian Ambassador Designate
AG 000.5 (22 Feb 46) LS	762	7 Army officers 8 Navy officers 9 Soldiers 3 Civilians
AG 000.5 (22 Feb 46) LS	763	1 Army officer
Total		51

Persons Apprehended

13. Suspected war criminals of all categories arrested during February numbered 118, bringing the total number of persons interned in Sugamo Prison to 623. Twelve of those interned during the month are being held for charges other than war crimes.

14. The names and identifications of important persons interned during the month are:

Masayuki Tani: Ambassador, Councillor at the Embassy at Manchukuo, Minister to Austria and Hungary, Minister-at-Large in China, Vice Minister of Foreign Affairs, President of the Board of Information, Foreign Minister in the Tojo Cabinet, and Ambassador to Nanking.

Shioshichi Kamisago: Major General, Commanding General of the Military Police in Formosa in January 1945.

Ichiro Morimoto: Major General, suspected of committing atrocities in the Philippine Islands.

Sadamu Shimomura: General, War Minister August 23, 1945, Commander of North China Area Army November 1944 to August 1945.

Takaji Wachi: Lieutenant General, succeeded Maeda as

Chief of Staff on General Homma's Staff, Chief of Staff for Tanaka and Kuseda, General Headquarters, Philippines.

Kiyotake Kawaguchi: Major General, Chief Justice of the Philippine Supreme Court.

Rensuke Isogai: Lieutenant General, Commander of the 10th Division, Viceroy of Hongkong January 1938.

15. A former second lieutenant in the Japanese Army voluntarily came to SCAP Headquarters and confessed to certain atrocity acts he had committed against members of the Allied Armed Forces. After his confession had been reduced to writing he was arrested and delivered to Sugamo Prison to await formal charges.

INVESTIGATION OF WAR CRIMINALS

16. Special teams are continuing investigations of atrocities committed against B-29 fliers shot down during combat missions and against prisoners of war aboard Japanese ships and in POW camps. Cases in investigation files are classified as follows:

Type	Number of Cases
POW camps	81
B-29 fliers	52
Kempei-tai (Military Police)	21
Miscellaneous	75
Total	229

17. Investigation of 81 cases was finished during the month bringing the total of completed cases to 147. A record containing the confessions of a Lieutenant General and his entire staff relating to atrocities which they had either ordered or condoned was completed.

PROSECUTION OF MILITARY WAR CRIMINALS

18. Seven additional war atrocity cases were referred to the EIGHTH Army for trial and 18 cases which were prepared for trial now await assignment. A total of 223 cases are in the process of preparation for trial.

19. Ten persons were tried for war atrocity crimes by military commissions at Yokohama during February. Six were individual trials and one was a common trial with four defendants. One of the 10 defendants was found not guilty. Three entered pleas of guilty. The results of the trials are given in the table below:

TRIALS OF WAR ATROCITY CASES
February 1946

Name of Accused	Official Capacity	Rank	Period of Trial	Results of Trial
HONDA, Hiroji	POW Camp Commandant	Capt	19 Jan - 2 Feb	Sentenced to 30 years at hard labor
FUKUHARA, Isao	POW Camp Commandant	Capt	29 Jan - 14 Feb	Sentenced to death by hanging

Name of Accused	Official Capacity	Rank	Period of Trial	Results of Trial
ISHIDA, Kitaro	POW Camp Quartermaster	Cpl	31 Jan - 5 Feb	Sentenced to 30 years at hard labor
AONA, Shigeru	POW Camp Medical Off	Capt	6 Feb - 22 Feb	Sentenced to 10 years at hard labor
ODEISHI, Shigamaru	Medical Corps	Pvt	9 Feb - 9 Feb	Plea: Guilty. Sentenced to 10 years at hard labo·
SAKAMOTO, Yukichi	POW Camp Commandant	Capt	13 Feb - 25 Feb	Sentenced to life imprisonment
SAKAGAMI, a/ Motoichi	Medical Corps	Cpl	23 Feb - 26 Feb	Sentenced to 2 years at hard labor
CHIHARA, a/ Naraichi	POW Camp Guard	Cpl	23 Feb - 26 Feb	Plea: Guilty. Sentenced to 6 years at hard labor
ONO, a/ Teruo	POW Camp Interpreter	Pvt	23 Feb - 26 Feb	Plea: Guilty. Sentenced to 2 years at hard labor
KATO, a/ Shunsuke	Medical Corps	Pvt	23 Feb - 26 Feb	Plea: Not Guilty Verdict: Not guilty

a/ The first common trial of war criminals in Japan.

First Plea of Guilty

20. For the first time a plea of guilty was received in the trial of a war crimes case on 9 February. A Private in the Medical Corps of the Japanese Army admitted the charge and 10 of its 12 specifications, two specifications having been withdrawn previously for lack of evidence. Under existing rules the prosecution is required to make out a prima facie case as to each specification despite an unqualified plea of guilty.

The prosecution complied with this rule by introducing affidavits in support of each of the specifications. The defense consisted of a plea for mercy based upon the youth of the defendant and his frankness in confessing his guilt. The accused was found guilty by the Commission and sentenced to 10 years imprisonment at hard labor.

First Common Trial

21. The first common trial of war criminals in Japan commenced on 23 February and was completed on 26 February. The defense offered no objection to the joint trial of four defendants who were charged with the commission of separate but similar offenses. Each accused was arraigned separately. Two entered pleas of guilty and two pleaded not guilty.

The prosecution rested after introducing evidence against all four defendants. Motions for acquittal made in the case of two who had pleaded not guilty were denied after oral argument. The defense opened by placing on the witness stand the two defendants who had pleaded guilty. Both endeavored to minimize the effects of their conduct. At the conclusion of this evidence the Commission stated that it would consider the cases of these two defendants separately.

The prosecution and defense made arguments on the length of sentence to be imposed. After deliberation the Commission announced a verdict of guilty and imposed sentence. The two defendants who had admitted their guilt were ordered removed from the courtroom.

The trial then proceeded with the testimony of the third defendant and a character witness who testified in his behalf. The Commission sustained a motion of the defense for a separate argument and judgment on this defendant before proceeding with the trial of the fourth. The third defendant was acquitted and ordered removed from the courtroom.

The fourth defendant took the stand as the sole witness in his behalf. After hearing arguments on both sides the Commission deliberated and returned a verdict of guilty.

Review of Convictions

22. Preparations were made for the review of war crimes trials and for the handling of other supplemental procedings. Letters and petitions were received requesting clemency for war criminals convicted in the Philippine Islands and in Japan. These requests will be held for consideration with review of the official trial records and for submission to the confirming authority.

23. An informal review written in the case of the United States vs. Tsuchiya, the first case tried in Japan, upheld the legality of the conviction and sentence.

INTERNATIONAL PROSECUTION OF WAR CRIMINALS

24. By General Orders No. 7 of 15 February the Supreme Commander appointed nine members of the International Military Tribunal for the Far East, implementing paragraph 10 of the Potsdam Declaration of 26 July 1945, the Instrument of Surrender of 2 September 1945 and Article 2 of the Charter of the Tribunal 19 January 1946. This action confirmed the nominations previously made by participating countries. The names of those appointed and the countries they represent are:

Commonwealth of Australia	Sir William Flood Webb
Dominion of Canada	Mr. Justice F. Stuart McDougall
Republic of China	Mr. Ju-Ao Mei
Republic of France	Mr. Henri Reimburger
United Kingdom of Great Britain and Northern Ireland	Lord Patrick
Kingdom of the Netherlands	Prof. Bernard Victor A. Roling
Dominion of New Zealand	Mr. Justice Erima Harvey Northcroft
Union of Soviet Socialist Republics	Mr. Justice I. M. Zaryanov
United States of America	Mr. Justice John P. Higgins

25. Sir William Flood Webb, Chief Justice of the Supreme Court of Queensland, Commonwealth of Australia, was designated as President of the Tribunal and Colonel Vern Walbridge was appointed General Secretary. The Marshal and Adjutant were also named.

26. Members from Australia, Canada, the Netherlands, New Zealand and the United States arrived in Tokyo.

27. Trials will be held in the War Ministry Building at Tokyo. The main hall is being rearranged so that the accused will face the Tribunal as in the Nuremberg trials. The defendants will be brought to trial each day from Sugamo Prison where they are detained. Barracks are being remodelled for temporary housing of witnesses.

Prosecution Staff

28. The International Prosecution Staff has nearly completed its organization with the arrival of a majority of the associate counsel. The part which each will take in the trials has been decided. An executive committee is studying completed investigations to determine the individuals who will be charged with crimes and the form of indictment to be used. The War Ministry Building will be headquarters for the prosecution.

29. The following associate counsel have arrived:

Commonwealth of Australia	Mr. Justice Alan James Mansfield
Dominion of Canada	Brigadier Henry Gratton Nolan
Republic of China	Judge Che-Chun Hsiang
United Kingdom of Great Britain and Northern Ireland	Mr. Arthur Comyns Carr
Dominion of New Zealand	Brigadier Roland Henry Quilliam

The following associate counsel are expected in the early part of March:

Republic of France	M. Jean Lambert
Kingdom of the Netherlands	Dr. W. G. F. Borgerhoff Mulder
Commonwealth of the Philippines	Mr. Pedro Lopez
Union of Soviet Socialist Republics	Minister S. A. Golunsky

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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN AND KOREA

Number 5

February 1946

PART III

ECONOMIC - JAPAN

TABLE OF CONTENTS

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SECTION 1

AGRICULTURE AND FISHERIES

C O N T E N T S

GENERAL

1. The acute food shortage makes it important that all elements in the agricultural economy of the nation be brought to bear on the problem of increased production. A census of agriculture is under way, the collection of rice is being pushed and livestock slaughter is expected to increase.

2. Fish landings continue at a satisfactory level although poor weather and shortages of nets and hooks hamper fishing operations. More fuel oil is being distributed to the fisheries than at any time since the surrender. The seed oyster industry is being reactivated so that shipments of oyster spat to North America may be resumed in the fall of 1946. In some areas the fishermen are striving to reorganize their cooperatives and associations along democratic lines.

AGRICULTURE

HYDROPONICS

3. Hydroponics is the production of plants in nutrient solutions without the use of soil. Under ordinary circumstances it is not an economical method of production.

4. The shortage of food and the contamination of vegetables from local sources by the use of night soil have made fresh vegetables from local sources not acceptable for consumption by the Occupation Troops. The installation of 40 acres of hydroponic beds near Yokohama to furnish fresh vegetables for the Occupation Troops was therefore approved by SCAP. The project is expected to make fresh vegetables available for several servings per week for six months of the year.

RICE COLLECTION

5. Rice collections by the Japanese Government remained below schedule up to 20 February. By that date the government had purchased less than 50 percent of its total goal of rice to be collected from the 1945-46 crop. By the same date in 1945 rice purchases were almost 80 percent of the goal.

The total amount of rice and rice equivalents of other staple foodstuffs which may be substituted for rice purchased by the Government up to 20 February was approximately 1,960,000 metric tons according to the Ministry of Agriculture and Forestry. By the same date in 1945 the government had purchased approximately 4,500,000 metric tons.

6. Despite the unsatisfactory state of total rice collections considerable improvement is shown in the amount of rice purchased since 1 January 1946. Almost 920,000 metric tons were collected during January which was approximately 80 percent of the goal set for that month. Of the total rice purchased by the government since the beginning of the harvest in November more than 60 percent was collected between 1 January and 20 February.

SERICULTURE

7. Estimates of the Ministry of Agriculture and Forestry revised 7 February are that 29,500,000 grams of silkworm eggs from the 1945 production were successfully stored for cocoon production in the spring of 1946.

Distribution was planned as follows: exports to Korea in December, 1,500,000 grams; shipments to China for rehabilitating its silk industry, 3,000,000 grams; amount remaining for Japanese needs, 25,000,000 grams.

8. The 82,600,000 mulberry seedlings produced in Japan for the 1945-46 planting season are of the following varieties: Ichinose, 28,221,000; Kairyo-Naezumigaeshi, 21,720,000; Roso, 5,578,000; and 13 other miscellaneous varieties, 27,091,000. From the total nursery stocks 2,910,000 seedlings will be exported by 15 March; 910,000 to Korea and 2,000,000 to China.

The Ministry estimates that 178,500 hectares will be in mulberries in 1946. The total area for 1945 was estimated at 211,744 hectares as compared with 528,181 hectares in 1940 and 707,575 hectares at the peak of mulberry cultivation in 1930.

9. According to the February report on raw silk 40,925 metric tons of cocoons are still on hand awaiting reeling and processing into raw silk.

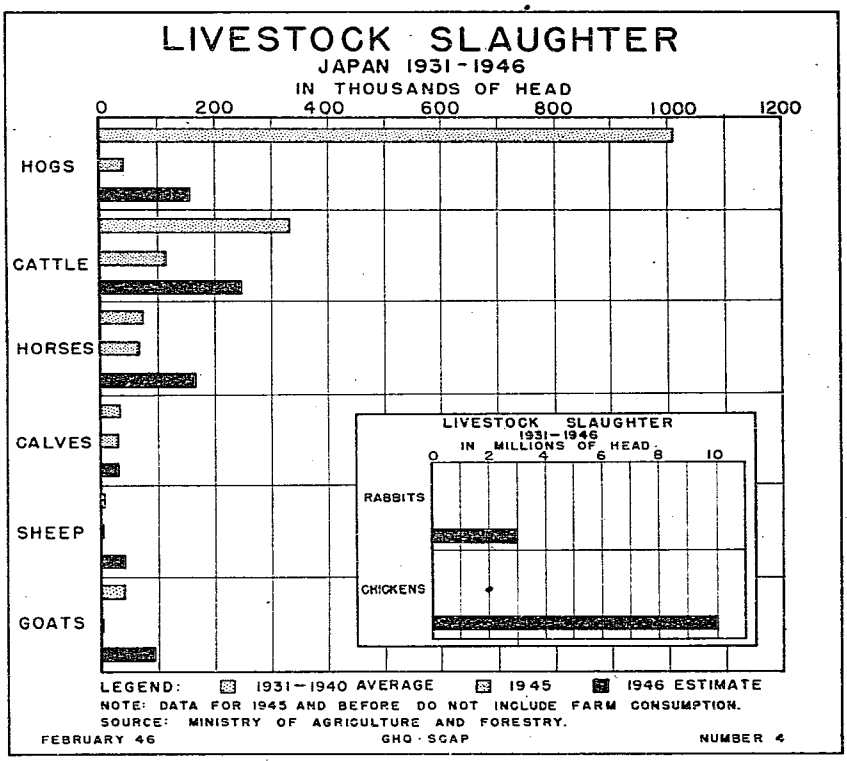
CENSUS OF AGRICULTURE

10. A census of agriculture by the Ministry of Agriculture and Forestry will be started on 16 April 1946. The schedules for the census were completed and arrangements made with prefectural authorities for collecting the information from farmers and for tabulating the results.

The proposed census will provide data on the following: number of farm households; the size of the farm population; the increase in number of farms during the past year; the number of farm owners and tenants classified according to the size of farms and the amount of land owned and rented; the acreage devoted to rice and other crops; and the farm family membership classified according to age, sex and occupation.

11. The numbers of most classes of livestock in Japan are expected to decrease further in 1946 according to Ministry of Agriculture and Forestry. The anticipated decrease is attributed principally to the shortage of concentrated feeds and the demand for meat arising from the current food shortage.

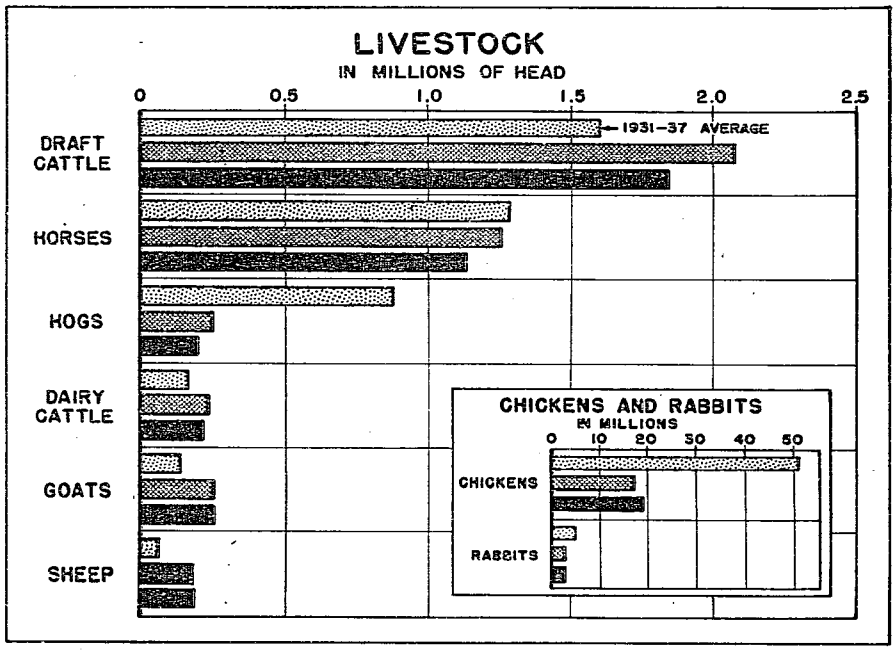
12. Livestock slaughter is expected to be greater in 1946 than in 1945. Estimated slaughter for 1945 and 1946 and average annual slaughter for the period 1931-1940 are shown in the following Chart.

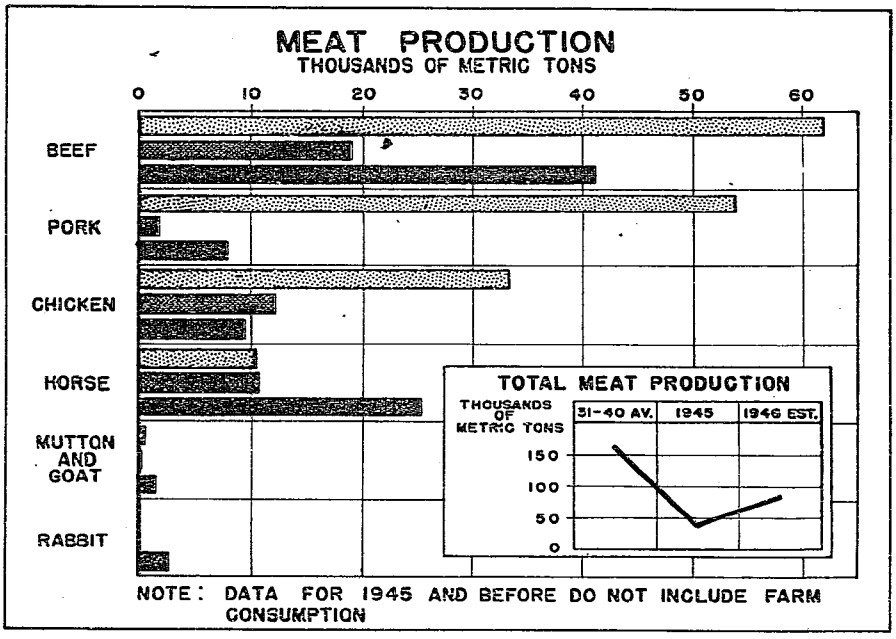


The total production of meat in 1946 is expected to be greater than in 1945. Estimated production for 1945 and 1946 and the annual average production for the period 1931-1940 are shown in Chart 5.

13. Black-market slaughterings are not included in meat production data for 1945 and 1946. Ministry officials estimate that about 20 percent of the total slaughterings of cattle and 12 percent of horse butcherings will occur on the black market in 1946.

Horse killings are expected to be considerably larger than normal because of the increased demand for meat and because many horses formerly belonging to the Japanese Army, now owned by farmers, will be slaughtered. Farmers do not like to use former army horses since they are either of the riding type or larger than the normal farm horse and are not suitable for the average Japanese farm.





NOTE: DATA FOR 1945 AND BEFORE DO NOT INCLUDE FARM CONSUMPTION

LEGEND: 1931-1940 AVERAGE 1945 1946 ESTIMATE

SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY

LIVESTOCK AND MEAT PRODUCTION

JAPAN 1931-1946

FEBRUARY 46 GHQ·SCAP NUMBER 5

14. The estimated numbers of livestock expected at the end of 1946 together with the estimated 1945 livestock population and the average annual livestock population from 1931 through 1940 are shown in Chart 5.

15. Hogs in Japan normally produce only one litter per year, usually in the spring. Since pigs are frequently slaughtered before the end of the year the year-end population figures consist principally of breeding stock.

The sheep and goat population is expected to remain stationary in 1946.

Since a large proportion of hens and pullets will be retained for egg production in 1946 production of chicken meat will be lower than it was in 1945.

16. Production of milk and milk products for various years are shown below:

PRODUCTION AND UTILIZATION OF MILK AND MILK PRODUCTS

Commodity	Unit	1931-40 (Annual Average)	1945	1946 (Estimated)
Butter	Metric ton	2,478	2,268	1,600
Casein	Metric ton	196	1,000	400
Cheese	Metric ton	147	22	60
Condensed Milk	Metric ton	17,181	3,811	6,300
Powdered Milk	Metric ton	1,357	3,539	5,300
Total Fluid Milk	Liter	272,855,000	163,636,000	234,500,000
Fluid Milk Consumed	Liter	138,561,000	81,848,000	117,400,000 a/

a/ Approximately 23,460,000 liters to be consumed on the farm.

SOURCE: Ministry of Agriculture and Forestry.

Approximately 16,800,000 liters of goat milk are expected to be produced in 1946. The major portion will be consumed on the farm.

17. The production of eggs for 1946 is expected to be approximately 52,300 metric tons. Approximately 44,450 tons will be consumed on the farm and 7,850 tons will be marketed. Estimated production of eggs in 1945 was 48,585 tons and average annual production for the period 1931-1940 was 193,124 tons. The anticipated increase in production of eggs in 1946 over 1945 will be possible only if the concentrated feed supply improves.

18. Hide production in 1946 is expected by the Ministry officials to be approximately 6,200 metric tons. A breakdown shows the estimated sources to be 1,450 metric tons of horsehide, 3,640 tons of cowhide, 235 tons of pigskin, 135 tons of sheepskin, 290 tons of goatskin and 450 tons of rabbitskin.

Hide production in 1945 was estimated to be 3,151 tons, and the average annual production of hides for the period 1931-1940 was 10,163 tons. Hides sold on the black market are not included in 1945 and 1946 estimates.

SWEET POTATOES

19. For the past 20 years, with few exceptions, sweet potatoes stood second to rice in terms of rice equivalents and of total amounts of food grown. For the years 1941-45 it averaged 50 percent more rice equivalents per acre than did rice, three times as much as wheat and two and one-half times as much as barley.

In 1945 when nearly 200,000,000 bushels were grown the production of rice equivalents was slightly greater than that of wheat and barley combined. It cannot replace these crops because the seasons of growth and soil requirements are different.

20. Sweet potatoes are grown in all except the three northernmost prefectures of Honshu and in Hokkaido. The greatest concentrations are in the Kanto Plain and in western and southern Kyushu.

Substantial production also occurs all through the arable part of the southern two-thirds of Honshu, particularly along the Inland Sea, and in the coastal areas of Shikoku and Kyushu. They are grown on nearly all kinds of soil except rice paddies, and even on terraced mountain sides up to elevations of 1,200 feet.

21. The Japanese agriculturists have developed several varieties that are highly productive under prevailing difficult conditions of soil and climate. The current average yield is about 206 bushels per acre, more than twice that in the United States.

The farmers have maintained high yields throughout the war in spite of decreased fertilizer and increased competition by other crops for the available labor and materials. Part of the credit for the high yields should go to plant breeders.

22. In the greater part of Japan fresh sweet potatoes are unobtainable after December because of black rot and inadequate methods of handling.

Japan can control this disease by treating seed stock with a small part of her normal production of mercury compounds.

23. Another serious need is for the development of adequate methods and means of storage to reduce the costs and losses in carrying seed stock. Vigorous research and education in the principles of sweet potato storage should yield results of major importance.

24. A third opportunity to increase the sweet potato supply is by increasing the application of the proper fertilizer which will require additional coordinated research.

25. The pressure for gross quantity of food has overshadowed interest in quality. Many of the new varieties that are highly productive on the fresh weight basis are deficient in starch and carotene content. American research has shown that considerable progress can be made to improve these characteristics.

FISHERIES

REACTIVATION OF THE FISHERY INDUSTRY

Fishing Craft

26. Fishing vessels damaged during the war or allowed to deteriorate from neglect are being repaired. Construction of some new boats, commenced before the termination of hostilities, continued although hampered by difficulties in obtaining materials.

27. Fishery operators in Miyagi Prefecture state that conditions are improving. With more oil and equipment becoming available the number of boats in operation in this prefecture should soon equal the 1941 figure of approximately 9,000.

28. According to Japanese law no trawlers of more than 50 gross tons may operate in waters east of 130° East Longitude. This restricted area includes Japan Proper east of Nagasaki. Within these waters numbers of trawlers of less than 50 tons literally sweep the ocean floor clean. For example 1,697 such vessels operate within Tokyo Bay according to the Bureau of Fisheries. These craft trawl for bottom fish and dredge for shellfish.

29. The larger otter trawlers operate west of 130° East Longitude. The law limits the number of trawling permits to 70 vessels of over 50 gross tons. These ships formerly operated in the Yellow and East China Seas but are now restricted to waters closer to Japan.

Of the 70 permits 63 have been granted to four large fishing companies. One of the larger shipbuilding concerns has been granted the remaining seven permits by the Bureau of Fisheries. This company intends to build the trawlers in its own yards and when completed expects to operate them with the same labor used in building ships.

Petroleum Products

30. Better distribution of fuel oil allotments is now being made. Some prefectures report instances of inequitable distribution; in a few areas the fishermen are still without fuel. The increase in fuel is reflected in larger catches in many of the heavier fish producing areas.

Although the Japanese took possession of part of the December oil allotment little actually reached the fishermen before the end of that month. Part of the undelivered carryover was distributed in February. It is planned to distribute each month a portion of this carryover in addition to the regular monthly allowance.

31. The Bureau of Fisheries has arranged for the use of additional ships, tank cars and drums for the transportation of oil to

various fishermen's associations. Previously lack of transportation facilities handicapped the delivery of oil from storage points to the fishing ports. The bureau reports that it has procured seven tankers of 1,200 kiloliters capacity each, 300 tankers of 70 to 80 kiloliters each, 300 tank cars and 40,000 drums of 8,000 kiloliters total capacity for the movement of fuel oil to the fishing ports.

32. Additional allotments of oil to permit the successful operation of the Hokkaido herring fishery and the pelagic fishery in April and May were granted on 13 February. An allotment of approximately 3,500 kiloliters of heavy and light oil has been agreed upon by the Ministry of Commerce and Industry, the Petroleum Distributing Company and SCAP.

The brief herring season in Hokkaido normally accounts for about one-tenth or 300,000 metric tons of the entire annual fish catch in Japan.

33. During the war the Japanese Army and Navy had stocks of fuel oil at their disposal in many of the prefectures. This oil was frozen by the Allied Powers at the cessation of hostilities. It was recently released to the Home Ministry for distribution. Some of these stocks are located in mountainous country and are not accessible for quick distribution to coastal fishing areas.

Some prefectures report having other reserve stocks of fuel oil that have been released for fishing purposes. Iwate Prefecture reported a reserve stock of 164 kiloliters which was subsequently released by the Petroleum Distributing Company.

34. The refining of crude pine oil has been an important factor in the operation of the fishing fleet since petroleum products became scarce in Japan. At the end of the war 5,338 kiloliters of refined pine oil were on hand. Most of this has since been used in the fishing industry. The Central Fisheries Federation reported that an additional 7, 000 kiloliters will be refined for the fishing industry by the end of March.

Pine oil is not a desirable fuel for marine engines because its use results in damage requiring excessive repairs. It is not so powerful as diesel oil and is more expensive. It was originally used for the manufacture of paraffin oil and will be used for that purpose again as soon as enough diesel oil can be produced to supply the needs of the fishing fleet.

Nets

35. The goal set for the 1946 production of the fishing industry is 3,000,000 metric tons of marine products. To accomplish this objective 25,700 metric tons of nets and twine are needed. Approximately 10,800 tons of netting are now in use by the fishermen.

In order to manufacture the 14,900 ton deficit, 18,139 tons of raw cotton are required. Since only 3,015 tons are on hand the balance must be obtained from other sources.

Fish Hooks

36. A considerable proportion of the total fish catch is made by hook and line. Bonito, tuna, squid, mackerel, horse mackerel, tai, sharks and many other varieties are taken in great numbers by the use of baited hooks or artificial lures. Not only commercial fishermen but also subsistence fishermen and sportsmen use great quantities of hooks.

37. According to the Fish Hook Control Association approximately

1,200 metric tons of iron wire and 300 tons of hard steel wire were used annually in the manufacture of fish hooks in normal times. Of this amount about 1,000 tons were for domestic use and 500 tons for export to Formosa, Korea, Sakhalin and the South Sea Islands either as finished hooks or as raw material. Nonferrous metals such as tin, lead, German silver and nickel were used for manufacturing artificial lure hooks.

38. Although the various raw materials consumed by the fish hook manufacturing industry were chiefly imported they were not imported directly for hook manufacture. Factories bought and used necessary amounts of raw materials from stock imported to satisfy over-all demands of the steel industry. Because hook manufacturers are all small companies and are so numerous, they cannot conduct an organized import operation and must be dependent on imports made for other industries.

39. The current shortage of hooks results from curtailment of manufacturing during the latter part of the war. In 1944, the government allotted 163 metric tons of iron wire to hook manufacturers. Actually only 63 tons of iron wire and 31 tons of brass wire were used. In 1945 the government approved the use of only six metric tons of iron wire.

40. Over 30 percent of the hook manufacturing facilities were destroyed during the war. Damage was particularly heavy to the largest plants located in Hiroshima, Aichi and Shizuoka Prefectures. Existing plants can handle the following amounts of raw material annually for manufacturing hooks and lures:

CAPACITY TO HANDLE
RAW MATERIALS FOR HOOK MANUFACTURING
(metric tons)

Iron wire	780
Hard steel wire	200
Lead	48
German silver	30
Tin	22
Nickel	5
Total	1085

SOURCE: Fish Hook Control Association.

AQUICULTURE

41. In a thickly populated country like Japan the fullest possible use must be made of all land and water areas for the cultivation of foodstuffs. It is a well known fact that Japanese farmers carefully till practically all the land that can support any crop. Less known is the culture of seafood in water-covered areas.

Many square miles of the sheltered bays along the coasts of the Home Islands are cultivated as assiduously as are rice paddies. Hundreds of tons of edible seaweed are grown and harvested in shallow water bays. Shellfish of all kinds constitute one of the most important crops produced in many prefectures. Carp and eels are raised in fresh-water reservoirs and ditches and progressive farmers secure a double food crop by raising carp in their flooded rice paddies.

42. The oyster industry is one of the more important branches of Japanese aquiculture. This industry is composed of three divisions: edible oysters, seed oysters and pearl oysters.

43. The last named although unrelated to the others and having no connection with foodstuffs is of great importance. The culture pearl reaches its greatest development in Japan and was once an export item of considerable value. During the war the pearl industry was neglected in favor of food crops but is now being revived. The center of the pearl industry is in Mie Prefecture.

44. In the production of food for domestic consumption the cultivation of edible oysters is of real importance. Although oysters are too expensive to be of any great benefit as a source of bulk food for most people, they are high in nutrients and small amounts added to the diet are of great value.

Edible oysters are cultivated in all parts of Japan and each area claims to raise the best quality. Two of the more important prefectures are Hiroshima and Miyagi. The production of shucked oysters for the Ishinomaki Bay region of Miyagi Prefecture for the years 1939 to 1944 inclusive is shown in Chart 6.

45. The seed oyster industry is of international importance. In most parts of Japan as elsewhere oysters reproduce successfully only at long irregular intervals. Consequently production is uncertain. The growers never know how many young oysters can be produced in any given year and unsuccessful sets can mean financial loss.

In one limited area of Japan, Ishinomaki Bay region of Miyagi Prefecture, the set of young oysters can be relied upon every year. From this area seed oysters are shipped to growers all over Japan to assure them of relatively uniform yields from year to year (see Chart 6).

46. Oyster larvae or spat normally attach themselves to hard objects. To collect the spat the growers suspend old oyster or scallop shells on wires from floating rafts. A string of 50 to 75 shells is called a "ren". When the young oysters are large enough to ship the ren are packed in wooden cases, 16 ren to a case. Each case contains 12,000 or more spat. The production from 1939 to 1945 is illustrated in Chart 6.

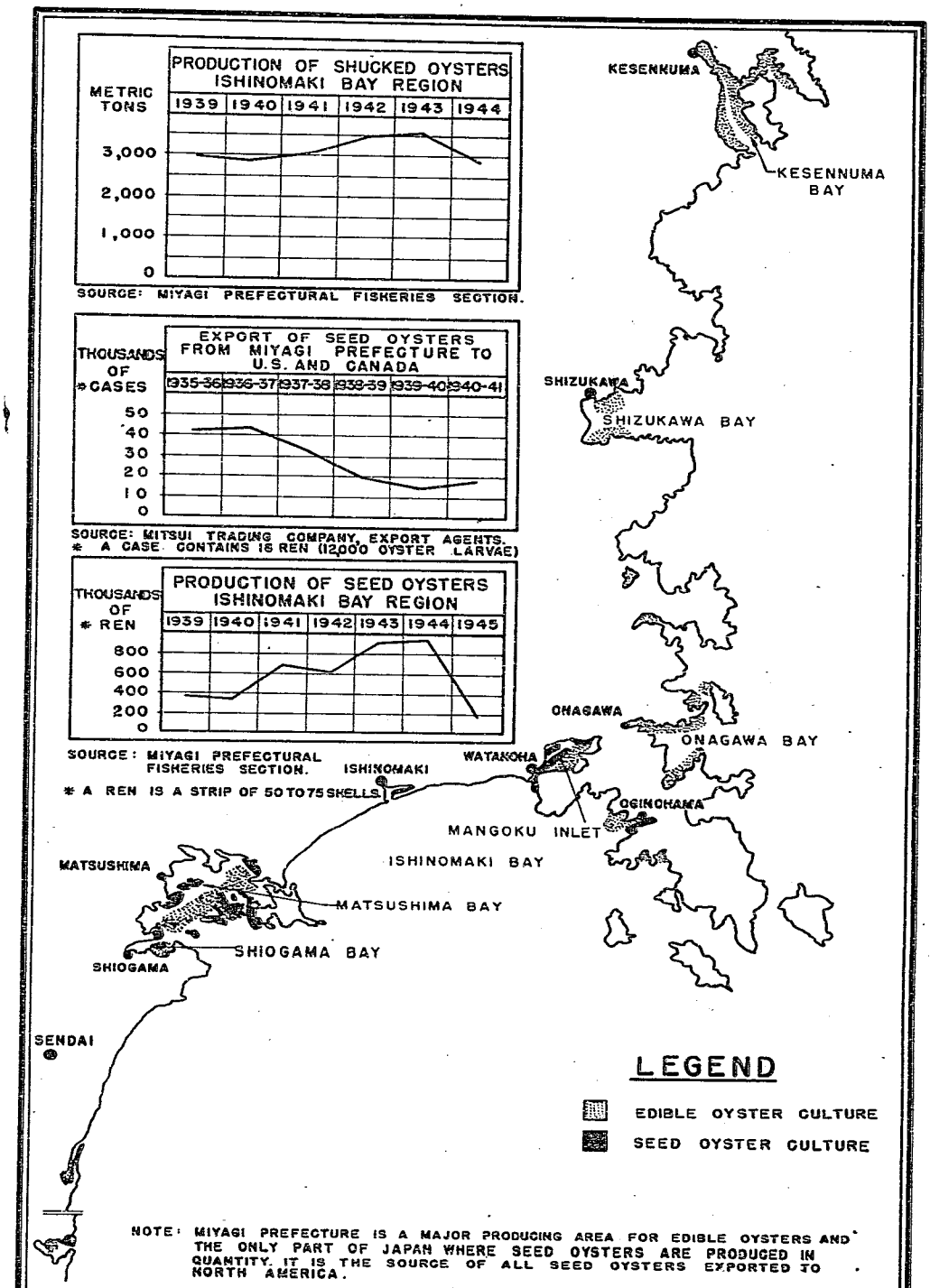
47. Not only are Japanese oyster growers dependent upon seed oysters from Ishinomaki but so is the oyster industry of the western United States and Canada. Annual shipments of seed oysters to the American west coast made possible the development of a large industry. The Japanese oyster thrives in American waters but fails to reproduce satisfactorily. As a consequence the industry suffered from the cessation of shipments following the 1940-41 season.

48. The growers of Miyagi Prefecture are now making plans for the culture of sufficient quantities of seed oysters in 1946 to care for domestic needs and permit the export of enough to fill foreign demands. In order to minimize the possibility of accidental shipment of oyster drills with the spat, shells for export are specially treated before shipment. They are subject to inspection upon receipt at the port of landing. The quantities exported from 1935-36 to 1940-41 are illustrated in Chart 6.

FISHERIES PRODUCTION

Current Fishing Conditions

49. Normally January and February are the poorest months for



OYSTER CULTURE

MIYAGI PREFECTURE

JAPAN

FEBRUARY 46 GHQ·SCAP NUMBER 6

0326

fishing throughout Japan. Adverse weather frequently hampers fishing at this time. However fishermen continued to make reasonably good landings. Catches in the various prefectures fluctuate violently from week to week with the changing abundance of certain species, but aggregate landings remain relatively stable as indicated in Chart 7.

Stockpiles of Processed Marine Products

50. Revised figures recently received from the Bureau of Fisheries show that somewhat larger quantities of processed fish were held in storage as of 30 December 1945 than had been reported previously. Stocks of salted fish amounted to 10,050 metric tons. Cold storage holdings included 12,924 metric tons of frozen fish and 1,180 metric tons of iced fish.

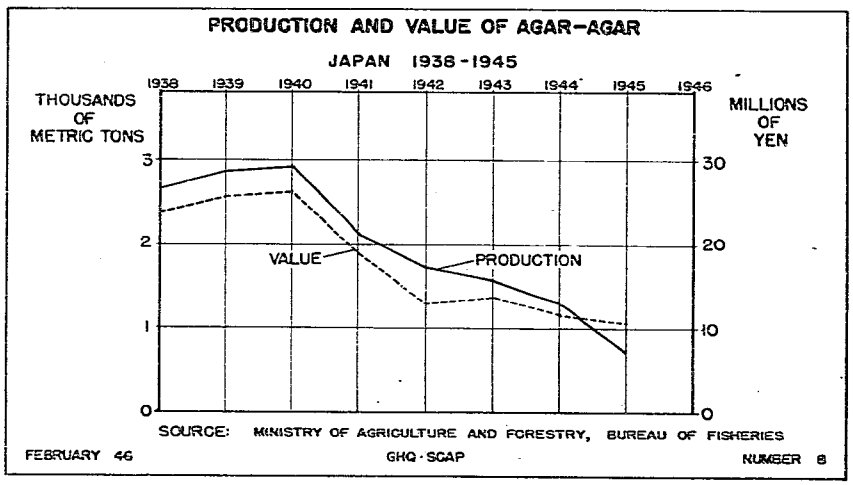
51. By 20 January holdings of processed fish had increased. On that date 12,070 metric tons of salted fish were in storage. Frozen fish holdings totalled 14,289 metric tons and holdings of iced fresh fish were 1,454 metric tons.

Production of Agar-Agar

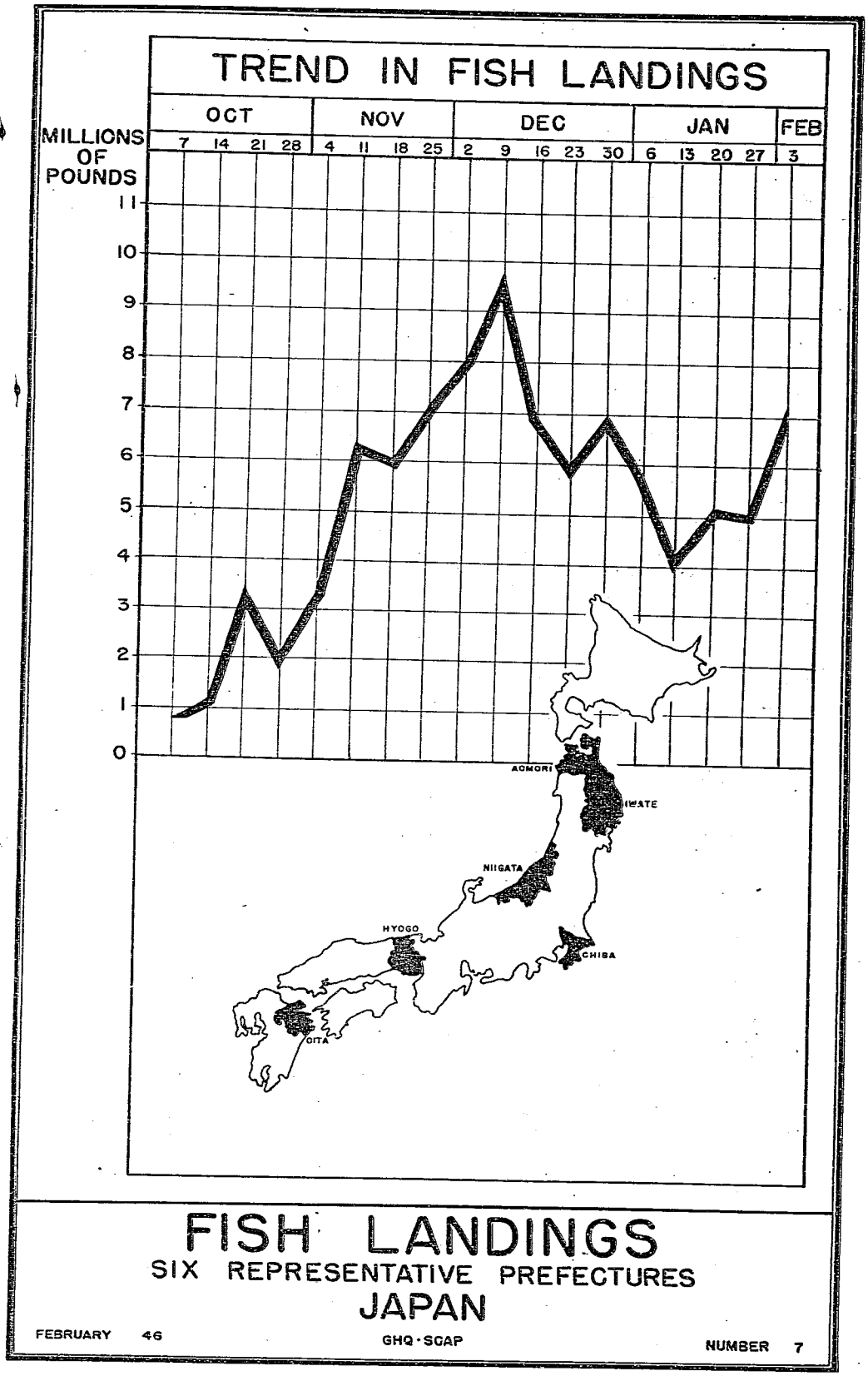
52. Agar-agar is produced from gelidium jelly derived from certain varieties of seaweed. In the process of preparation the jelly is subjected to a refrigeratory-drying process to remove moisture and impurities leaving an almost pure dry substance. The finished product, agar-agar, is one of the more important marine items manufactured in Japan.

53. The average annual production from 1930 to 1940 was 2,476 metric tons. Exports during the same period averaged 1,525 metric tons per year. Exports went to all parts of the world, with the United States, Great Britain, France, Germany and the Netherlands East Indies receiving the largest shipments.

Production of recent years is shown in the following graph. Inflationary prices account for the relatively high value of the 1945 production.



54. The estimated production for 1946 is 375 tons. The indiscriminate selling of the seaweed directly to the consumer by the fishermen who gather it and the scarcity of labor have combined to


TREND IN FISH LANDINGS
OCT
NOV
DEC
JAN
FEB
7 14 21 28 4 11 18 25 2 9 16 23 30 6 13 20 27 3
MILLIONS OF POUNDS
11
10
9
8
7
6
5
4
3
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1
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AOMORI
IWATE
NIIGATA
HYOGO
CHIBA
OITA
FISH LANDINGS
SIX REPRESENTATIVE PREFECTURES
JAPAN
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create a real shortage of raw material. Only 170 of the 520 processing plants are operating.

55. Before the war when sugar was available the principal use of agar-agar was in the manufacture of candies and gelatin. The gelatin was eaten either plain or mixed with black beans. Other important uses are the manufacture of gelatin for laboratory culture work and the making of capsules for drugs.

During the present food shortage a powder made from agar-agar is used as a filler and as a rice substitute. The powder is mixed with boiled sweet potatoes, dried fish and other foods, and water is added. This powder not only increases the amount of bulk but also has some food value.

FISHERIES SCIENTIFIC ACTIVITIES

56. Government-sponsored research in fisheries has received more support in Japan than in any other country in the world. Besides the one large central government station in Tokyo and its five branches 112 prefectural research stations and branches are established in Japan Proper.

57. Countries formerly controlled by Japan also have fisheries research stations. In Korea the central government institution at Fusan has two branch stations plus 11 provincial branches. Formosa has a central government station with one branch and four provincial stations. Karafuto and Palau each have a station. Three stations are located in Manchuria and one is at Dairen in Kwantung.

A total of 144 government-supported research stations were established in Japan and its former dependencies to work on the technology and biology of fish and other marine products. Their locations are shown on Chart 9.

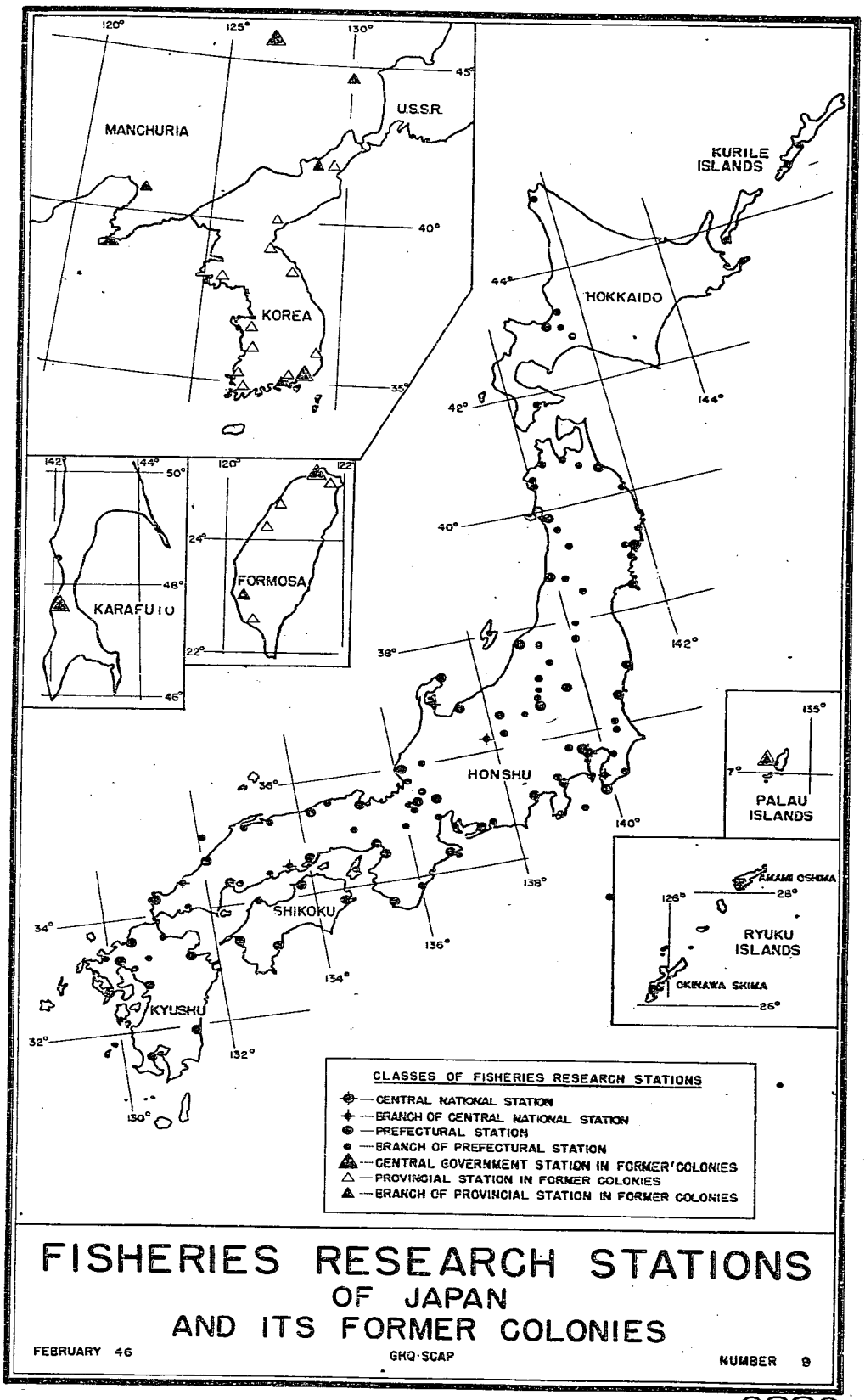
58. The extreme importance placed on research in marine products and marine biology is further emphasized by the fact that in spite of the imposing array of research organizations already functioning in Japan, the Japanese wish to establish more. They wish to use some of the abandoned army and navy establishments that lie near the ocean to carry on additional research in fishery technology and biology.

COOPERATIVE ASSOCIATIONS OF FISHERMEN

59. For many years the coastal fishermen of Japan have been highly organized into cooperative associations as provided for in fishery laws. These groups were members of a prefectural federation and these federations were members of a central federation. Membership in the cooperative association was not compulsory. Although groups at the various levels operated under a form of self-government and elected their own leaders they were more or less under government control.

60. Originally many of the cooperative associations were formed to provide a legal body for receiving, holding and operating certain fishing rights conferred upon them by law. Gradually with the growth of capitalistic enterprise these groups emerged into cooperative associations to bargain collectively for the sale of their catch and for purchasing supplies.

61. From time to time the Japanese Government revised its fishery laws to take cognizance of changing conditions and to meet trends of the cooperative movement. During the war it was necessary to make a far-reaching revision in laws relating to cooperatives.



FISHERIES RESEARCH STATIONS OF JAPAN AND ITS FORMER COLONIES

FEBRUARY 46 GHQ·SCAP NUMBER 9

In 1943 a new law made it compulsory for every coastal fisherman to belong to a local cooperative association. This action affected about 900,000 fishermen. Theoretically the leaders of each individual association were to be appointed by the government, prefectural or national, on recommendation of the members of the association. In practice the leaders were selected by the government and the various associations usually accepted the selections.

62. By various other wartime laws the cooperative association was made the channel for distribution of fresh fish. Fishermen were required to market their catches through their local cooperative or other shipping body by the government.

Distribution of the catch was then determined by the National Bureau of Fisheries in Tokyo and was made effective through the prefectural governor and prefectural federation. Supplies and materials needed by the fishermen were distributed to them through the central and prefectural federations and the local cooperative association.

63. In this manner the government intended to control the production, shipping and equitable distribution of fresh fish throughout the entire chain from producer to consuming market centers. Distribution through wholesale, retail and neighborhood associations or control companies was governed by other wartime measures.

64. Cooperative associations had little to say about their operations and because the government was unable to supply the associations with needed critical materials, abuses crept into the scheme. At the time of surrender the operation of the cooperative associations was in chaotic condition.

65. Groups of fishermen have begun a movement for the revision along democratic lines of laws and ordinances relating to fishery cooperative associations.

66. The government took cognizance of these demands and amended the basic Aquatic Products Association Law. The principal feature of the amended law authorizes the various cooperative organizations to elect their own leaders free from government interference.

67. The effect of this authorization has been lost on many fishermen because they are not familiar with procedures for the democratic nomination and election of their own leaders. In order to cope with this situation fundamental educational work is necessary among groups of fishermen.

A step in this direction was made in Miyagi Prefecture where Occupation Force officers have worked closely with prefectural fishery administrators, fishery educators and members of fishery associations in the preparation of guides for the nomination and election of leaders and in the conduct of practical demonstrations along these lines. This program is proving most effective and is serving as a guide for similar work in other prefectures.

SECTION 2

FORESTRY AND MINING

C O N T E N T S

GENERAL

1. In order to meet the threefold requirements of housing for the Occupation Forces and their dependents, of reconstruction of war-damaged homes and of normal Japanese industrial needs, special efforts will be needed to obtain certain critical materials for the lumber industry. Such materials include rubber for truck tires, gasoline and lubricating oil for logging trucks, cotton for work clothing, rope, leather and several metals.

2. The outlook for the metal mining industries is somewhat brightened since the daily average coal production continues to rise. With additional workers steadily being recruited, production difficulties in coal mining are expected to shift from lack of workers to lack of materials and equipment.

FORESTRY

SAWMILL SURVEY

3. The number of sawmills operating in 1944 and 1945, their estimated productive capacity and approximate horsepower are summarized below by Bureau of Forestry districts. In 1945 the number of mills was 1,500 less than in 1944. This may be attributed in part to the difference in the sources of information, but more to the effect of fire-bombing.

Rated productive capacity is considerably higher than actual production, even in peacetime. The present outlook for lumber production is only about 60 percent of the rated capacity for the fiscal year 1946-47.

SAWMILL SURVEY
1944-1945

Districts	Number of Mills 1944 a/	Number of Mills 1945 b/	Rated Capacity c/ 1000 Board Ft.	Rated Capacity c/ Horsepower
Aomori	325	272	230,280	14,240
Akita	213	296	271,080	14,680
Tokyo	1,959	1,540	1,011,000	63,820
Osaka	3,526	2,766	1,722,600	121,510
Kochi	809	833	566,160	36,930
Kumamoto	1,516	1,412	840,960	58,670
Hokkaido	455	372	611,160	30,320
Total	8,803	7,491	5,253,240	340,170

a/ Japan Lumber Company estimate.

b/ Ministry of Agriculture and Forestry, Bureau of Forestry estimate.

c/ Ministry of Agriculture and Forestry, Bureau of Forestry.

LUMBER PRODUCTION OUTLOOK

4. Three major demands face the lumber industry of Japan: (1) the needs of the Occupation Forces for troop and dependency housing; (2) reconstruction of war damaged homes; and (3) normal peacetime demands.

Approximately 500,000,000 board feet of lumber will be required by the Occupation Forces.

In order to reconstruct 4,000,000 homes damaged during the war 5,000,000,000 board feet will be required annually for a period of five years.

Normal peacetime demands are estimated at a minimum of 2,000,000,000 board feet annually.

5. Stockpiles of lumber have declined from 200,000,000 board feet in November 1945 to 138,000,000 board feet in January 1946. The monthly production of lumber is estimated to have dropped from 167,000,000 board feet in December 1945 to 132,000,000 board feet in January 1946.

Planned production for the fiscal year 1946 (1 April 1946-31 March 1947) according to the Bureau of Forestry is 3,200,000,000 board feet or about 60 percent of rated sawmill capacity, provided critical materials are obtained and other factors ameliorated. This is twice as high as the January rate of production would indicate.

6. Lack of transportation and insufficient food rations for lumbermen are two factors retarding production. The lack of coal, cars and other critical materials has reduced railroad lumber loadings to one-third of the 1940-1942 level.

Water shipments have been heavily curtailed by lack of ships and lack of oil to operate the ships that are available. Shipments from Hokkaido which averaged 100,000 tons per month in 1941

now average 20,000 tons monthly.

The shortage of trucks and carts to move products from the log landings to the railroad and to the consumer is also critical.

PULPWOOD

7. In the past, wood pulp mills in Japan have consumed less than 15 percent of the total amount of wood used by all forest products industries. Spruce, fir, red pine, black pine and other species, including beech and hemlock commonly used for pulping, make up almost 28,000,000,000 of an estimated total of 67,000,000,000 cubic feet of standing timber in the Home Islands.

8. Annual consumption of wood for pulp manufacture averaged 120,000,000 cubic feet from 1937 to 1944. Over 90 percent of the domestic pulp production went into paper manufacture. The remainder was used to make rayon and staple fiber. In addition to the domestically produced rayon pulp an equal amount was imported in the peak year of 1937 for the rayon industry.

Consumption of paper in Japan since 1930 was approximately 30 pounds per capita annually but in 1944 this dropped to about 15 pounds per capita. For purposes of comparison, in the United States over 250 pounds per capita is consumed annually.

9. Production of 600,000 metric tons of pulp by the plants in Japan Proper can be reasonably expected, after bomb damage is repaired, provided an adequate supply of coal, wood and chemicals exists.

Whether the 72,000,000 cubic feet of wood, 10 percent of the total cut, allocated by the Bureau of Forestry for pulp production will yield the 600,000 tons of pulp depends to a great extent on the percentages of wood to be allotted to sulfite, groundwood, soda, kraft and rayon pulps. The approximate volume of wood required per ton of pulp is:

PULP REQUIREMENTS

Type	Cu. Ft. of Wood per Ton of Pulp
Sulfite	164
Groundwood	86
Soda	152
Kraft	147
Rayon	175

10. Stockpiles of pulpwood as of 20 January 1946 were 20,000,000 cubic feet. In addition pulp-mill yards indicate a total of 9,000,000 cubic feet on hand.

11. Before the war the Oji Paper Company owned 85 to 90 percent of the pulp productive capacity of Japan and of the countries it occupied, including Karafuto, Korea and Formosa. The loss of Karafuto has reduced Oji and its subsidiaries to about 60 percent of the remaining productive capacity.

Over 50 percent of the total production of pulpwood used in pre-war Japan was centered in Karafuto. The loss of this area, coupled with the loss of imports of both pulpwood and wood pulp, considerably reduces the raw material available to the paper and rayon industries.

Requirements of the remaining pulp mills, contingent upon repair of bomb damage and adequate supplies of other materials, are estimated to be 70,000,000 to 100,000,000 cubic feet of pulpwood annually. This is approximately double the average annual volume cut in Japan Proper during the years 1935 to 1945.

12. Production of the needed amount of pulpwood is faced with many of the same problems as lumber, veneer log and round timber production: shortages of labor, food, work clothes, machinery replacements, trucks, truck parts, truck fuel and tires. Another important factor is the apparent lack of technical advances in increasing the yield of pulp per unit of wood. In addition, pulp mill operators have shown reluctance to use some of the less desirable species of hardwoods.

The short fibered species, if properly handled, can be mixed with the long fibered conifers to produce a suitable pulp. In the case of rayon pulp, a certain proportion of beech is considered advantageous.

PLYWOOD AND VENEER

13. Of the 261 veneer and plywood mills in Japan, some 20 percent damaged by bombs, are in the process of rebuilding. The present and future demand exceeds the present annual production capacity of 240,000,000 square feet. Even to reach this capacity during the next few months, considerable amounts of raw materials will be required, particularly casein, soybeans, soda ash, calcium hydroxide and sodium fluoride which are used in glue manufacture.

Industrial officials predict the termination of operations by 1 April unless more glue can be obtained. Their estimated needs are 1,448 metric tons of casein and 5,785 metric tons of soybeans for glue manufacture during the 1946-47 fiscal year.

14. A recent wage increase has helped considerably in easing the labor situation in Honshu, but Hokkaido, which accounts for about 50 percent of plywood production, is still faced with the need for wage adjustment. Machine parts are difficult to obtain, particularly since many of the machine manufacturing plants have been destroyed.

As a result of retarded production and transportation plywood stockpiles dropped from 4,210,000 square feet in December to 3,022,000 in January, with most of the stocks in Hokkaido far from consumer centers.

15. Before the war 80 percent of Japan's plywood was made from cheap, high quality lauan timber imported from the Philippine Islands and British and Dutch Borneo. According to Japanese officials future export of plywood from Japan depends on resumption of importation of lauan timber.

CRITICAL MATERIALS IN THE WOOD-USING INDUSTRIES

16. In order to meet the production of lumber and plywood for the Occupation Forces and for mine props, railroad ties and telephone poles for possible export to China during the 1946-47 fiscal year, the Bureau of Forestry states a need for the following materials which are not presently available to the logging industries: (1) 820 metric tons of crude rubber for truck tires, rubber shoes, rubber-soled socks and belting; (2) 6,500 metric tons of cotton thread for clothing, tires, gloves and towels; (3) 17,449 kiloliters of gasoline; (4) 50,355 kiloliters of heavy oil; (5) 2,056 kiloliters of mobile oil; (6) 9,459 kiloliters of lubricating oil; (7) 6,308 kiloliters of kerosene; (8) 3,520 kiloliters of light oil; (9) 362

tons Manila rope; (10) 149 tons leather; (11) one metric ton antimony; and (12) one metric ton aluminum.

17. Sawmills of Japan need 1,330 metric tons of saw steel and 560 tons of bearings. Bureau of Forestry officials feel that these two items can be met for the most part from Japanese Government sources.

MINING AND GEOLOGY

COAL

Production

18. Statistics on coal mine operations for February indicate that the industry is gradually approaching a more healthy condition in its production efficiency. The total February production of 1,346,000 metric tons is an increase of 22 percent in the output which the industry had forecast in January. Although it failed in attaining the potential estimated by SCAP by 154,000 tons during February, production for the month increased 159,000 tons over the January figure. This was done in spite of one less working day.

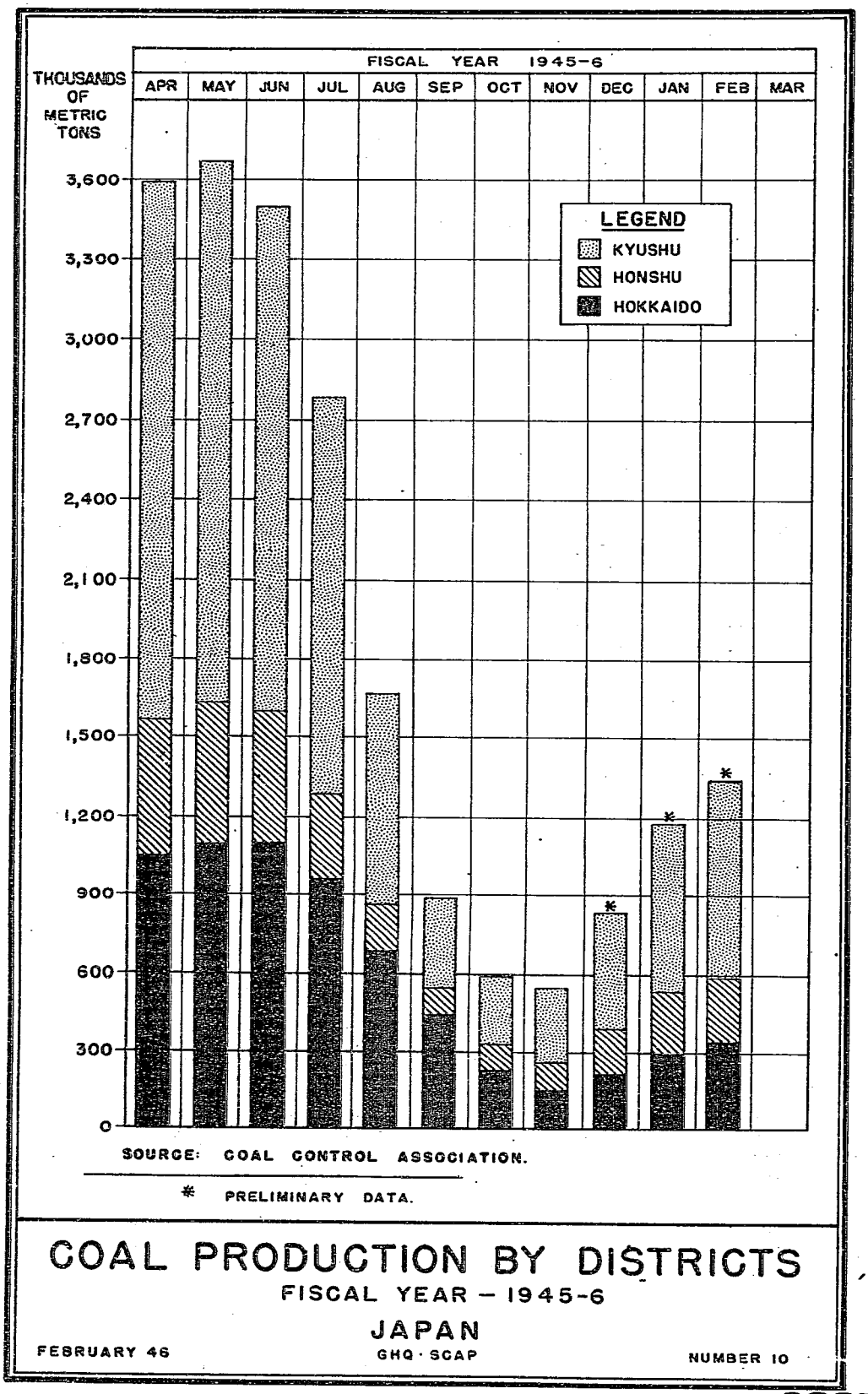
Absenteeism decreased three percent while average daily production went up 18 percent indicating more efficient operating practices. The percentage of underground workers remained the same, 57 percent of total employees.

Recent coal production trends are shown in Chart 10.

19. Apparently the present rate of production increase cannot be maintained beyond February because of the following limiting factors: (1) the proportion of skilled miners in the ranks of new employees is rapidly decreasing; (2) increased production places extra demands on materials, stocks and equipment which have already deteriorated to the point where the production bottleneck is shifting from labor to supplies and equipment; and (3) Hokkaido, with great potential productive capacity, cannot contribute its proper share to the national production because of inadequate rice rations for the miner and of the inability of operators to supply incentives in the way of food bonuses due to lack of transportation from Honshu.

20. The number of workers employed during February was 277,222 compared with 261,684 for the previous month, a six percent increase. Even with the 18 percent increase in daily production, the productive capacity of each worker remains low, with only 0.202 metric tons per employee, or 0.354 metric tons per miner per day.

21. In order to increase the incentive to employment in the coal mines, the Coal Control Association is proposing to increase the daily wage for underground workers to ¥ 23. This will be ¥ 3 higher than the minimum wage which the Ministry of Finance is attempting to establish for general industrial workers.



SOURCE: COAL CONTROL ASSOCIATION.

* PRELIMINARY DATA.

COAL PRODUCTION BY DISTRICTS

FISCAL YEAR – 1945-6

JAPAN

FEBRUARY 46 GHQ · SCAP NUMBER 10

Concern was expressed by the secretary of the Coal Control Association for the uncertainty of continued extra rice rations for miners at the end of the present allotment period on 1 April. The demoralizing effect of reduction in rations is expected to result in a sharp rise in absenteeism and consequent marked decline in production.

22. A revision of the present scale of subsidy payments being made to coal operators is being presented to the cabinet by the Ministry of Finance. The new plan fixes the subsidy at ¥ 100 per metric ton of coal produced, on the basis of an overall cost of ¥ 250. This includes freight and other charges by the Nippon Coal Company, the semi-official distribution monopoly.

The price to the consumer is to be set at ¥ 150. However, the Coal Control Association and the Japanese Coal Board computs the overall cost at ¥ 300 and propose a subsidy of ¥ 150 with a price to consumer of ¥ 150.

The discrepancy in estimates of overall costs appears to result from a lack of adequate checking of cost records in the field by trained personnel and from the fact that the latter set of figures are based on mining material costs that are above ceiling prices. This cost situation was brought about by the practice of making black-market purchases and accepting short weights in deliveries of materials.

Another large contributing factor in the discrepancy in cost estimates is the high cost of labor in the cost breakdown used by the Coal Control Association. This item includes about two-thirds pay for idle man-hours in 1945 because of rioting and shut-downs caused by floods and lack of materials and equipment, conditions which are now largely eliminated.

The Coal Control Association claims that the subsidy is inadequate and that about 25 percent of the operators will be forced out of production. The Ministry of Finance proposes to prevent these shut-downs by making up any deficiencies from a Reserve Fund. In view of the many and varying factors involved in determining the cost of production and the uncertain purchasing power of the yen in the months to come no exact prediction can be made of the effect on production by this change.

The proposed low subsidy may have the effect of compelling the operator to lower his production costs and increase production to the point where costs will begin to diminish.

Stockpiles

23. The rate of decreases in stockpiles held by producers and the Nippon Coal Company which jumped to seven percent in the last 10 day period of January returned to four percent in early February. Preliminary figures show that the depletion for February was 247,000 metric tons, a reduction from 1,816,000 on hand on 31 January to 1,569,000 on 28 February.

A safe operating minimum stockpile figure for January is considered to be a 10 day supply which at the current rate of consumption amounts to 500,000 tons. Fluctuations and steady depletion in stockpiles for the last fiscal year are shown in detail in the following table:

STOCKPILES OF COAL IN JAPAN PROPER 1945
(in 1000 metric tons)

Date	Hokkaido	Honshu	Kyushu	Total	Percentage of Change
Mar 31	2,090	307	1,634	4,031	
Apr 30	1,870	296	1,646	3,812	- 5
May 31	1,750	298	1,762	3,810	- 0
Jun 30	1,747	326	1,963	4,036	+ 6
Jul 31	1,738	314	2,061	4,113	+ 2
Aug 31	1,517	344	2,234	4,095	- 0
Sep 30	1,270	318	2,143	3,731	- 9
Oct 31	1,046	294	1,847	3,187	- 15
Nov 30	921	263	1,554	2,738	- 14
Dec 31 a/	761	292 b/	1,158	2,211	- 19
Jan 31 a/	662	263	889	1,814	- 18
Feb 28 a/	601	249	719	1,569	- 14
Jan 10	735	265	1,049	2,049	- 7
20	714	280	971	1,965	- 4
31	662	263	889	1,814	- 7
Feb 10	658	257	837	1,752	- 4
20	660	259	787	1,706	- 3
28	601	249	719	1,569	- 8

a/ Reports for the last three months are incomplete.

b/ Prior to December, figures for Honshu referred only to the Joban and Ube fields. Since December, figures are for the entire area.

SOURCE: Coal Control Asscciation.

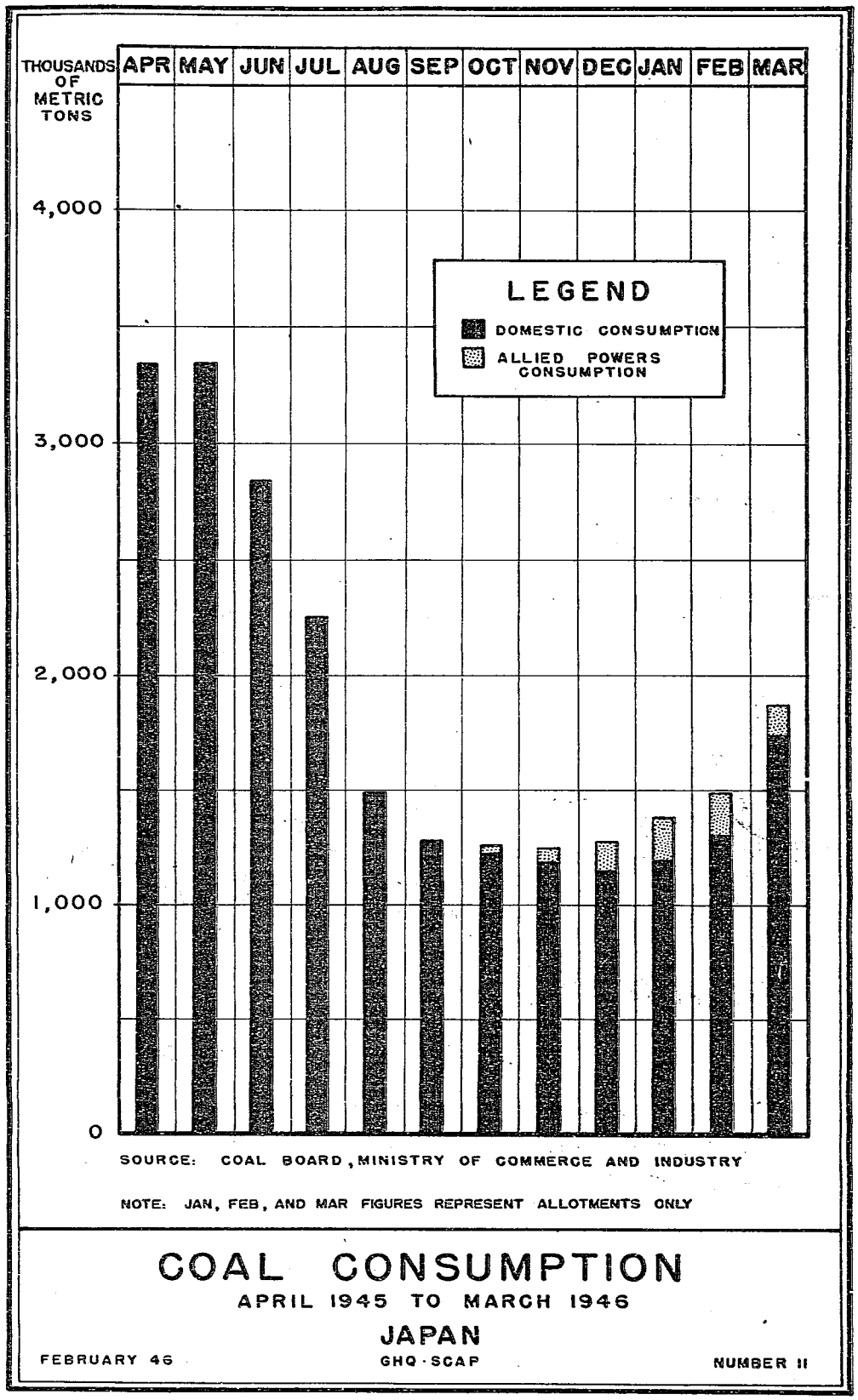
Consumption

24. Monthly consumption figures by industries are shown in table on following page. Total monthly coal consumption is shown in Chart 11. Preliminary estimates allot 1,491,000 metric tons for February distributed as shown in Chart 12.

PETROLEUM EXPLORATION

25. General plans for petroleum exploration for this year have been submitted by the Ministry of Commerce and Industry, Bureau of Mines, Petroleum Division and by the Imperial Oil Company. The latter plans to conduct detailed seismic exploratory work in four areas, two in Niigata Prefecture and one each in Yamagata and Akita Prefectures.

This work is being undertaken in an attempt to locate favorable subsurface structural conditions to be followed up by exploratory drilling in areas where surface geological mapping is not possible. Plans were also made for core-drill exploration in Akita Prefecture. Exploratory "wildcat" drilling plans include 80 tests to be conducted by the Imperial Oil Company and 20 wells to be drilled by all other oil companies.



SOURCE: COAL BOARD, MINISTRY OF COMMERCE AND INDUSTRY

NOTE: JAN, FEB, AND MAR FIGURES REPRESENT ALLOTMENTS ONLY

COAL CONSUMPTION

APRIL 1945 TO MARCH 1946

JAPAN

FEBRUARY 46 GHQ·SCAP NUMBER II

0340

CONSUMPTION OF COAL BY INDUSTRIES, 1945-46
(1000 Metric Tons)

Industry	April	May	June	July	Aug
Iron & Steel	704	694	587	435	222
Coal Mining a/	45	41	35	36	27
Gas & Coke	185	183	141	97	72
Salt	18	20	22	23	42
Railways	767	760	618	571	398
Domestic Uses	77	125	182	180	218
Japanese Army	114	136	88	92	36
Japanese Navy	107	90	100	63	24
Ship Bunkering	84	65	50	42	23
Shipbuilding	51	42	33	22	11
Metals b/	136	131	114	91	50
Metal Mining	-	-	-	-	-
Electric Power & Light	180	196	141	71	36
Chemicals	329	306	247	175	89
Ceramics	142	148	125	92	53
Fibers & Textiles	76	70	63	51	43
Food	49	52	50	36	35
Liquid Fuel	149	153	143	98	41
Briquette	27	25	21	15	9
Machinery	-	-	-	-	-
Stockpiles	0	0	0	0	0
Government (Civil)	36	40	34	29	26
Ammonium Sulphate	-	-	-	-	-
Others c/	55	69	65	49	31
Total Japanese	3331	3346	2859	2268	1486
Occupation Forces	-	-	-	-	-
Hong Kong	-	-	-	-	-
Korea	-	-	-	-	-
Total Allied	-	-	-	-	-
Grand Total	3331	3346	2859	2268	1486

a/ April to September figures do not include coal consumed at mines.

b/ April to February figures include mining.

c/ April to October figures include Ammonium Sulphate.

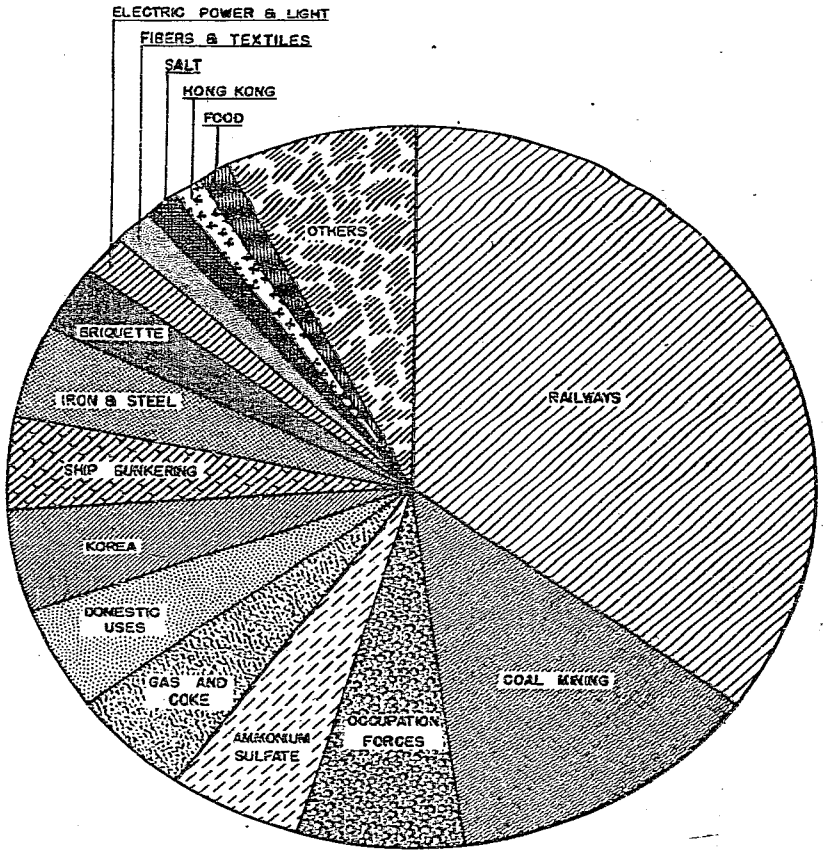
CONSUMPTION OF COAL BY INDUSTRIES, 1945-46
(1000 Metric Tons)

Sept	Oct	Nov d/	Dec d/	Jan e/	Feb e/	Mar e/
123	103	74	80	49	59	91
17	199	214	213	225	231	225
69	66	68	44	76	71	131
44	20	36	23	25	20	33
316	450	309	437	465	525	626
348	135	149	52	84	71	71
1	0	0	0	0	0	0
1	0	0	0	0	0	0
17	19	26	36	57	59	71
7	5	20	4	3	5	8
20	8	4	9	1	0	8
-	-	-	-	-	-	5
9	3	3	7	16	27	52
68	59	49	47	11	13	38
38	28	33	33	12	10	36
52	32	33	34	11	22	44
46	26	44	34	17	19	25
22	6	14	9	1	2	7
9	7	15	13	35	43	34
-	-	-	-	1	14	9
0	0	0	0	0	0	0
37	15	20	16	0	0	0
-	-	35	41	65	81	101
52	46	27	25	42	34	115
1296	1227	1173	1157	1196	1306	1730
-	40	40	59	102	97	57
-	0	9	16	18	18	18
-	0	26	49	70	70	70
-	40	75	124	190	185	145
1296	1267	1248	1281	1386	1491	1875

d/ Revision of preliminary figures submitted last month.

e/ Figures indicate allotment only.

SOURCE: Ministry of Commerce and Industry, Coal Board.



TOTAL ALLOCATION FOR FEBRUARY — 1,491,000 METRIC TONS
DISTRIBUTED AS FOLLOWS:

RAILWAYS 35.2 %	IRON & STEEL 4.0 %
COAL MINING 15.5 %	BRIQUETTE 2.9 %
OCCUPATION FORCES 6.6 %	ELECTRIC POWER & LIGHT 1.8 %
AMMONIUM SULFATE 5.4 %	FIBERS & TEXTILES 1.5 %
GAS & COKE 4.8 %	SALT 1.3 %
DOMESTIC USES 4.7 %	HONG KONG 1.2 %
KOREA 4.7 %	FOOD 1.2 %
SHIP BUNKERING 4.0 %	OTHERS 5.2 %

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

FEBRUARY COAL ALLOCATION

JAPAN

FEBRUARY 46 GHQ·SCAP NUMBER 12

0343

Aluminum and Alumina

26. The production of aluminum in Japan dates from February 1934 with the establishment of the Showa Denko Company's plant at Omachi, Nagano Prefecture. The aluminum was produced from alumina made at the company's Yokohama plant. Showa Denko, like all early alumina producers, used alunite as a raw material because it was readily available to the Japanese.

Bauxite, the only known ore of aluminum in the strict sense of the word, appeared to be non-existent in Japan and had to be imported. The Japanese were also striving to make their nation independent of the rest of the world in the production of aluminum ores.

It was soon recognized that aluminum produced from alunite could not compete in the industrial field with that produced from bauxite, and ultimately all important producers turned to bauxite as a raw material. One company, the Asada Kagaku, with an alumina plant in Shikama in Hyogo Prefecture did use alunite throughout its entire history. Apparently the caustic soda process was the most practicable in the production of alumina from alunite.

27. Aluminous shale accounted for the largest part of alumina and aluminum produced in Japan from raw materials other than bauxite. Sources of the shale were largely Manchuria and North China and to a lesser extent, Korea.

In Korea two companies used aluminous shale entirely during their period of operations. They were the Nippon Chisso Company and the Chosen Riken Company (later Chosen Keikinzoku Company). The most successful method of extracting alumina from this shale was the soda-lime process.

28. Japan Proper is well supplied with reserves of high-alumina clay and sizeable deposits of this material were investigated during the war years as possible sources of alumina. Extraction of alumina from these clays was a complete failure both from a technologic and economic viewpoint.

Perhaps the most outstanding example was the Kokusan Keigin Company which, after 10 months of spotty production of alumina, closed down because of technical difficulties in the extraction process but later reopened in August 1944 and continued operations until the end of the war. During the entire period, only 496 metric tons of alumina were produced. The Dai Nippon Kagaku Company produced only 66 tons of alumina using high alumina clay as a raw material from November 1944 to June 1945.

29. Aluminum phosphate was used by the Nitto Kagaku Company to produce alumina. The material was mined on the island of Kita-daito-shima in Okinawa Prefecture. Only 1085 metric tons of alumina were produced by this company from December 1940 to June 1945.

30. Aluminum produced from raw materials other than bauxite contains a relatively high percentage of impurity in the form of iron and silica which is passed on to the finished metal. If these objectionable elements are to be eliminated the alumina must be re-processed in a Bayer plant, thus adding greatly to production costs.

Considerably greater quantities of raw material must be handled if alumina is being produced from ores other than bauxite and cost of production must necessarily rise.

31. The aluminum industry in Japan grew slowly during its first three years and then underwent a period of moderate expansion to about 1940. Production increased sharply reaching a peak in 1943 in Japan Proper when approximately 114,000 metric tons of the metal were produced. During that year 281,000 metric tons of alumina were produced by companies on the Home Islands.

32. Alumina and aluminum plants are well distributed throughout Japan. Sixteen are located in Honshu, two in Kyushu and two in Shikoku. In addition, Japan controlled two plants in Formosa, three in Korea plus two more under construction at the close of the war, one in Manchuria and one in North China.

33. All production of alumina and aluminum ceased with the termination of hostilities and no plant has been in operation since that time. The industry sustained some damage during the war but not enough to hamper production seriously if the industry were again set in motion. Only one plant, that of the Nippon Aluminum Company in Takao, Formosa, has been damaged beyond repair.

34. A year by year summary of the production of alumina and aluminum in the Home Islands is shown in Charts 13 and 14.

Iron

35. Additional information on Japan's ability to produce iron has been secured. Statistical data have been expanded to include annual totals from 1925 to 1944 inclusive. On the basis of more exact data, corrections have been made, particularly concerning ore imports from the Philippines, and Home Island production of pig iron.

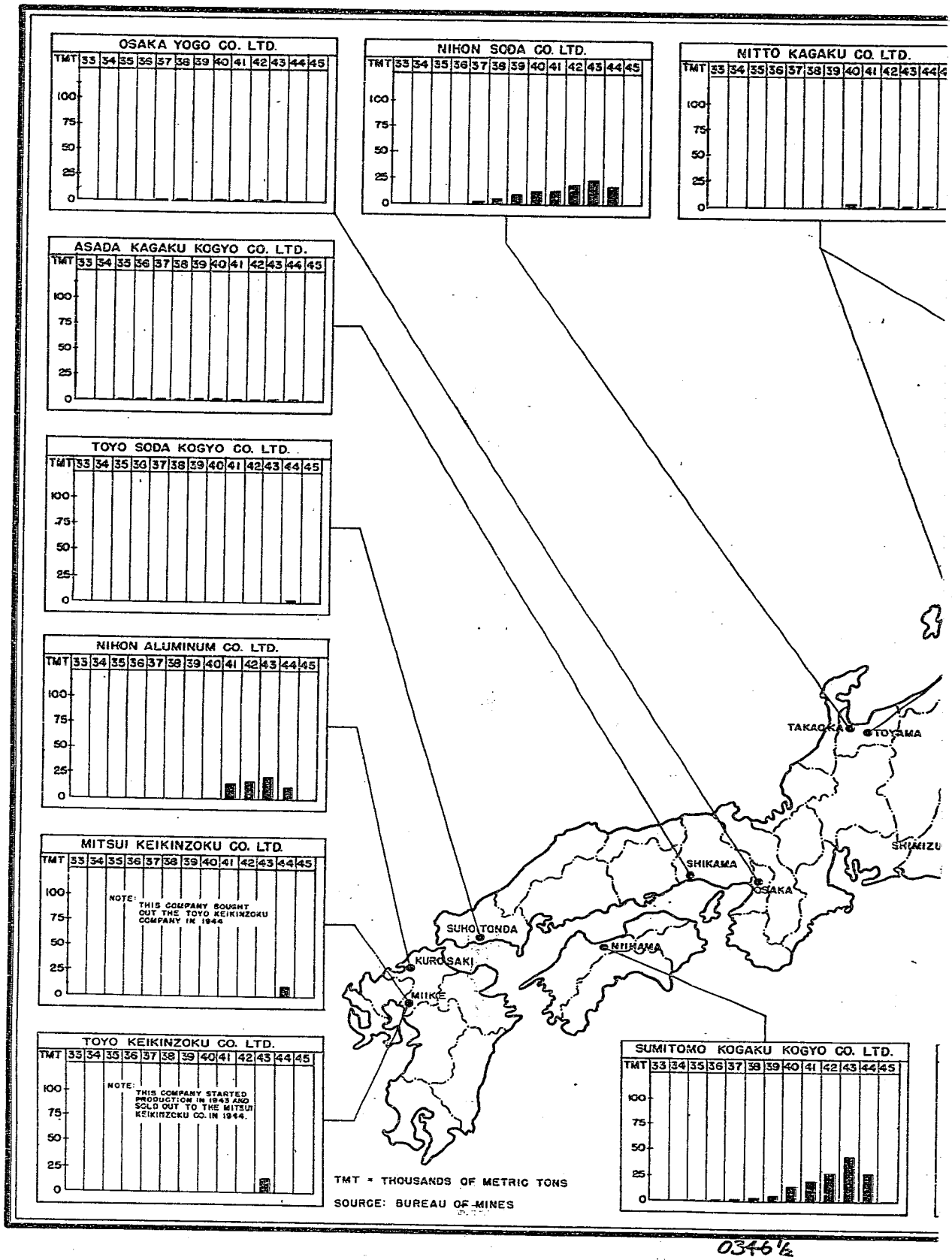
Iron ore imports and Home Island production are shown in Charts 15a, b and c. Home Production and imports of pig iron are given in Chart 16. Domestic and imported scrap iron are shown in Chart 17. Iron content of iron ores are probably too high. The Japanese bureaus supplying the data gave the percentage of iron in the ores from analyses made on a dry weight basis, which gives a disproportionate value as compared to analyses made on the ore as it comes from the mine. Corrections will be made later when data are obtained from individual mines.

36. Essential data now available on steel ingot production, steel imports, iron and steel exports and apparent consumption of steel products are given in Charts 18, 19, 20 and 21.

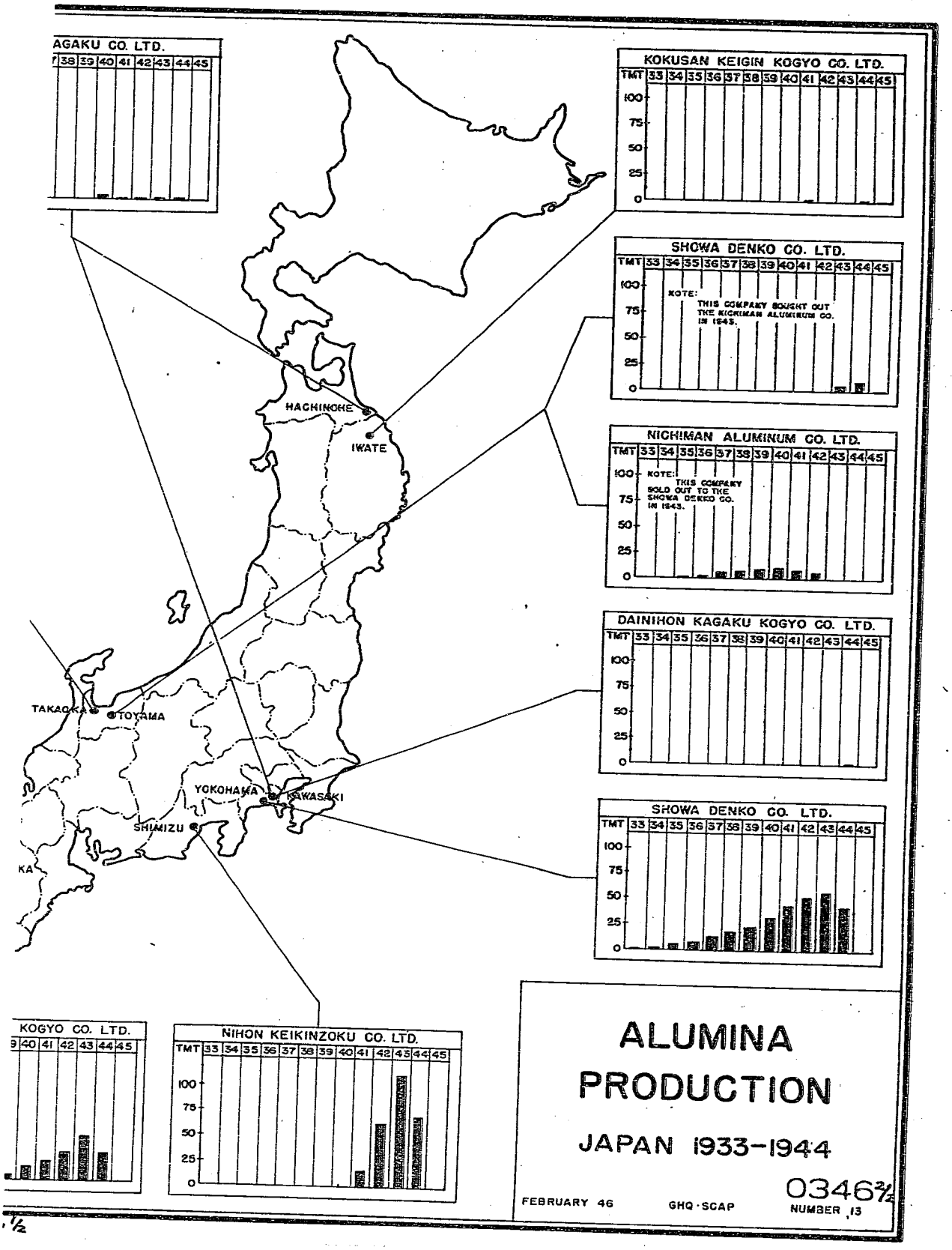
37. Most of the iron ore produced between 1925 and 1945 in the Home Islands was obtained from the Kamaishi Mine in Iwate Prefecture and the Kuchan Mine near Sapporo on Hokkaido. Except in 1944 the combined annual output of these two mines exceeded the annual total produced by all other mines; from 1925 to 1938 their average annual production was about 10 times that of other mines.

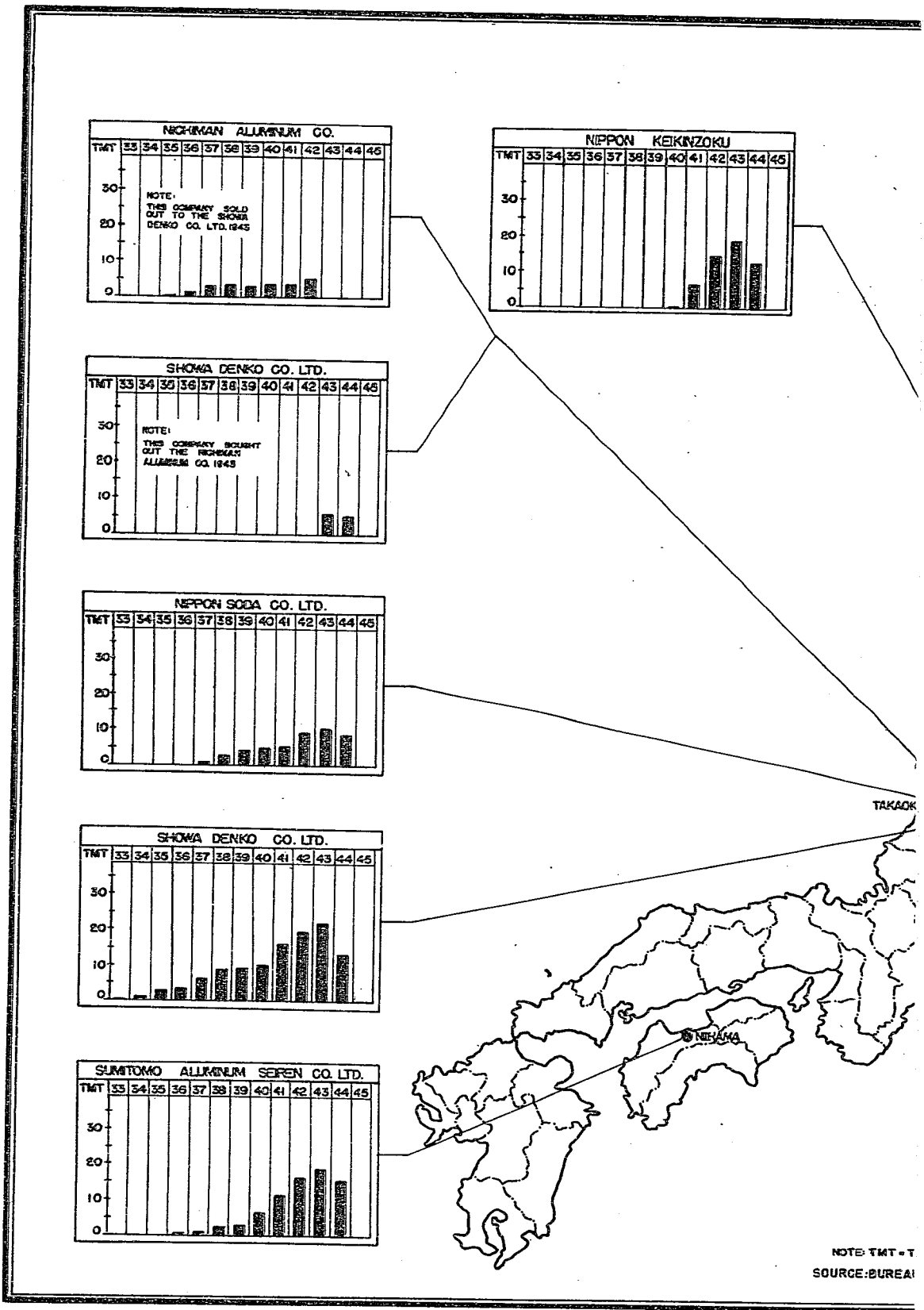
The Kamaishi and Kuchan mines have produced more than 500,000 metric tons of iron ore per year since 1935 and have a continuous record of production since 1925. Most of the other mines are marginal ones brought into production during the last five years by subsidy payments.

The true reserves of the Kamaishi and Kuchan mines are not known but these two mines probably hold the main reserve of ore that can be beneficiated to a satisfactory grade. If they prove to be inadequate, Japan will be largely dependent on imported ore.

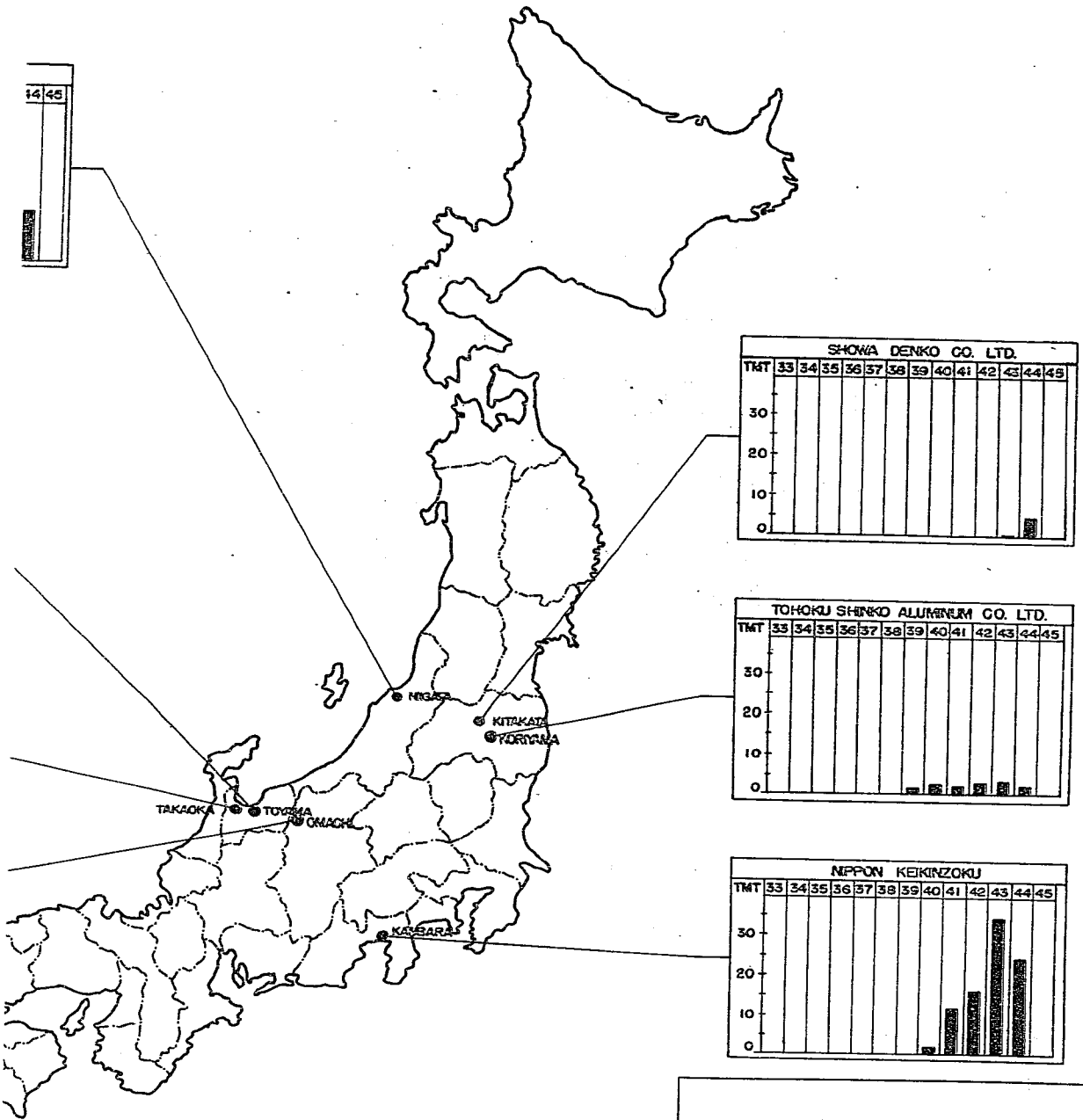

OSAKA YOGO CO. LTD.
NIHON SODA CO. LTD.
NITTO KAGAKU CO. LTD.
ASADA KAGAKU KOGYO CO. LTD.
TOYO SODA KOGYO CO. LTD.
NIHON ALUMINUM CO. LTD.
MITSUI KEIKINZOKU CO. LTD.
NOTE: THIS COMPANY BOUGHT OUT THE TOYO KEIKINZOKU COMPANY IN 1944
TOYO KEIKINZOKU CO. LTD.
NOTE: THIS COMPANY STARTED PRODUCTION IN 1943 AND SOLD OUT TO THE MITSUI KEIKINZOKU CO. IN 1944.
SUMITOMO KOGAKU KOGYO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
100
75
50
25
0
TAKAOKA
TOYAMA
SHIMIZU
SHIKAMA
OSAKA
SUHO TONDA
NIIHAMA
KUROSAKI
MIIKE
TMT = THOUSANDS OF METRIC TONS
SOURCE: BUREAU OF MINES

0346½


AGAKU CO. LTD.
TMT 38 39 40 41 42 43 44 45
KOKUSAN KEIGIN KOGYO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
100
75
50
25
0
SHOWA DENKO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
NOTE:
THIS COMPANY BOUGHT OUT THE NICHIMAN ALUMINUM CO. IN 1943.
HACHINOHE
IWATE
NICHIMAN ALUMINUM CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
NOTE:
THIS COMPANY SOLD OUT TO THE SHOWA DENKO CO. IN 1943.
DAINIHON KAGAKU KOGYO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
TAKAOKA
TOYAMA
YOKOHAMA
KAWASAKI
SHIMIZU
KA
SHOWA DENKO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
KOGYO CO. LTD.
40 41 42 43 44 45
NIHON KEIKINZOKU CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
ALUMINA
PRODUCTION
JAPAN 1933-1944
FEBRUARY 46
GHQ·SCAP
0346½
NUMBER 13


NICHIMAN ALUMINUM CO.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
NOTE:
THIS COMPANY SOLD OUT TO THE SHOWA DENKO CO. LTD. 1945
NIPPON KEIKINZOKU
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
SHOWA DENKO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
NOTE:
THIS COMPANY BOUGHT OUT THE NICHIMAN ALUMINUM CO. 1945
NIPPON SODA CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
SHOWA DENKO CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
SUMITOMO ALUMINUM SEIREN CO. LTD.
TMT 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
TAKAOK
NIIHAMA
NOTE: TMT = T
SOURCE: BUREAU

0347 ½



ALUMINUM PRODUCTION

JAPAN 1933-1944

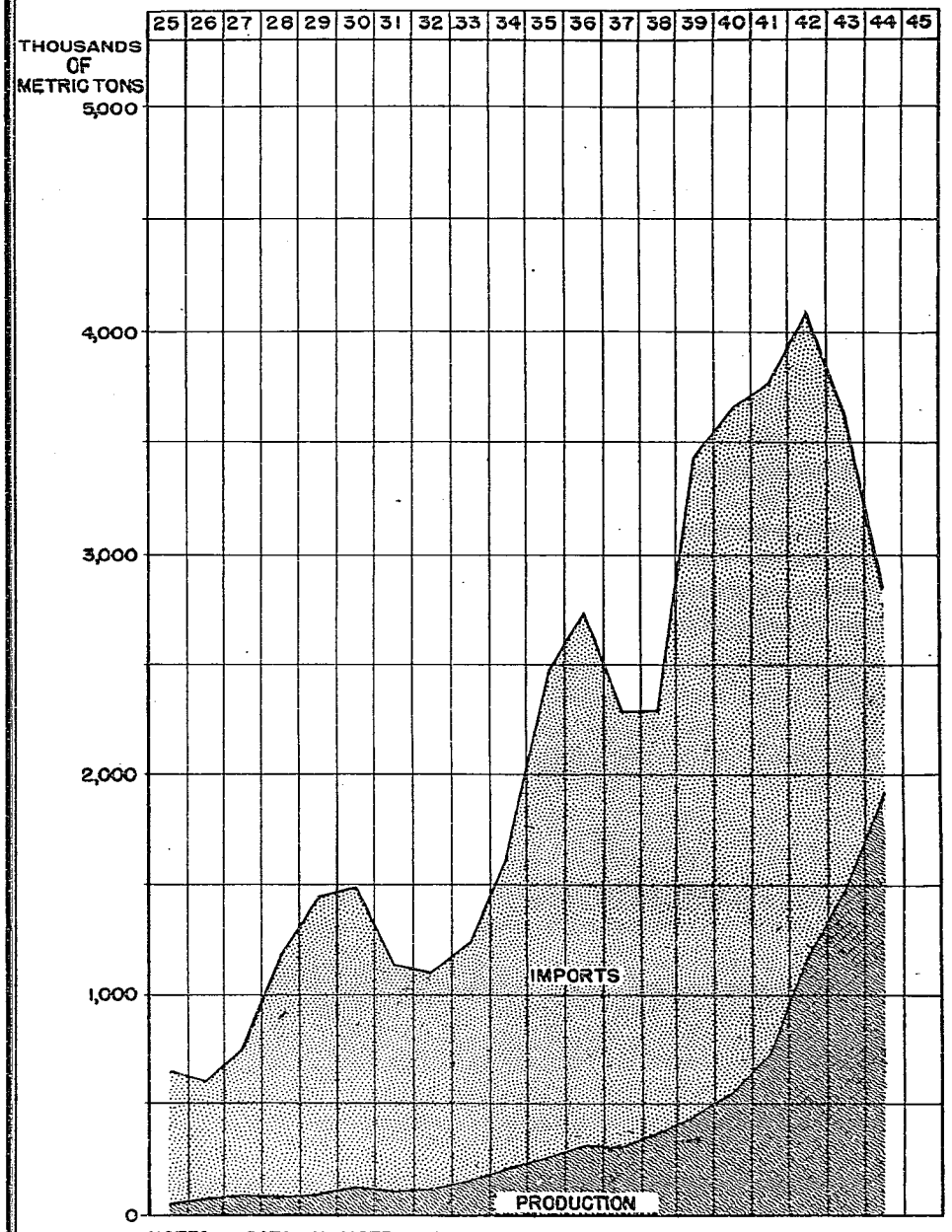
NOTE: TMT = THOUSANDS OF METRIC TONS
SOURCE: BUREAU OF MINES

FEBRUARY 46 GHQ-SCAP NUMBER 14

1/2

0347 2/2

SHEET 1 OF 3 SHEETS



NOTES: DATA IN METRIC TONS GIVES NET IRON CONTENT OF ORE.
BREAKDOWN OF IMPORTS BY COUNTRIES FOLLOWS IN SHEETS 2 OF 3 AND 3 OF 3.

SOURCE: 1925–1930, JAPANESE IRON AND STEEL ASSOCIATION; 1931–1945, MINISTRY OF COMMERCE AND INDUSTRY, BUREAU OF MINES.

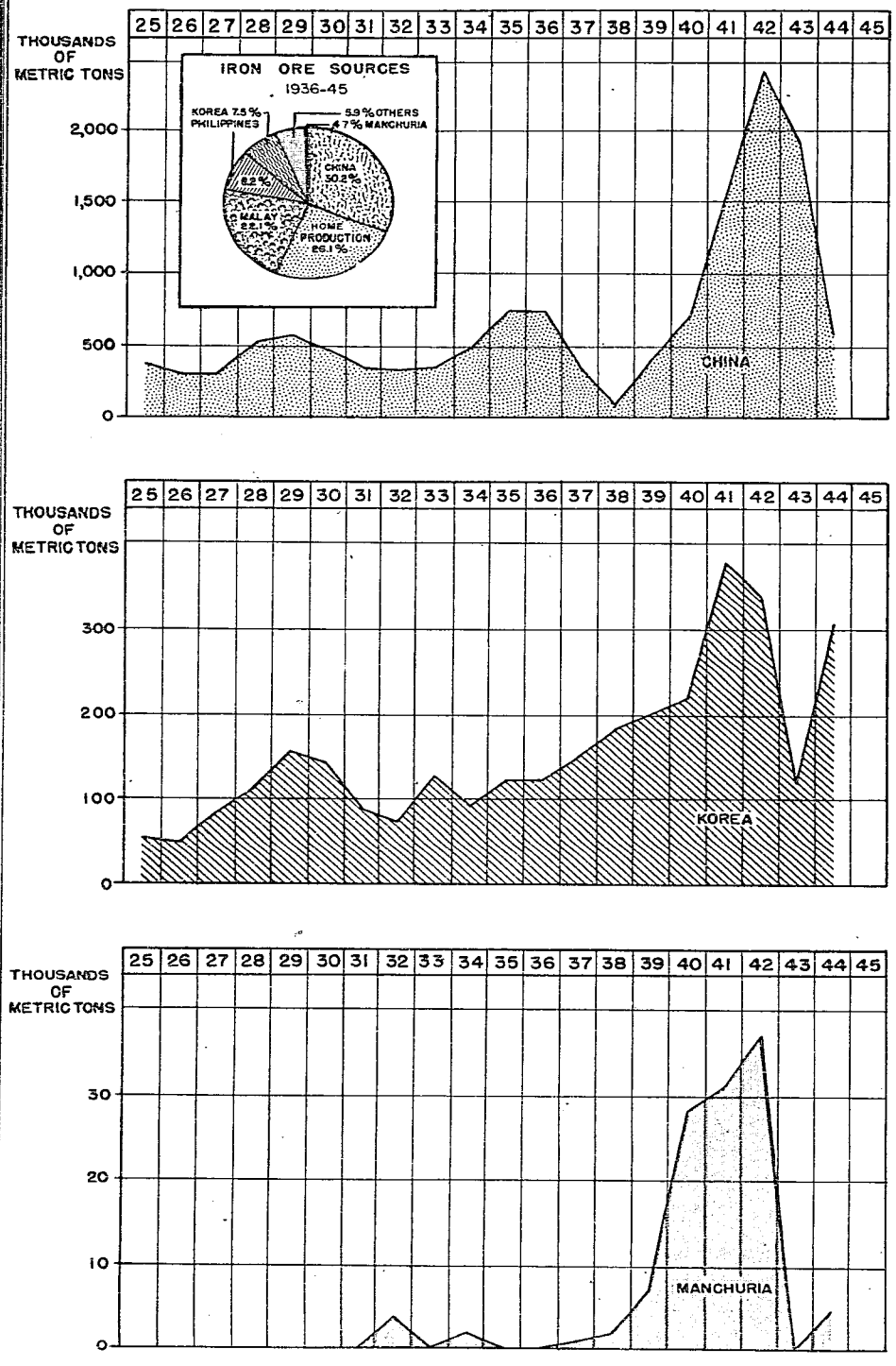
IRON ORE

PRODUCTION AND IMPORTS 1925-44

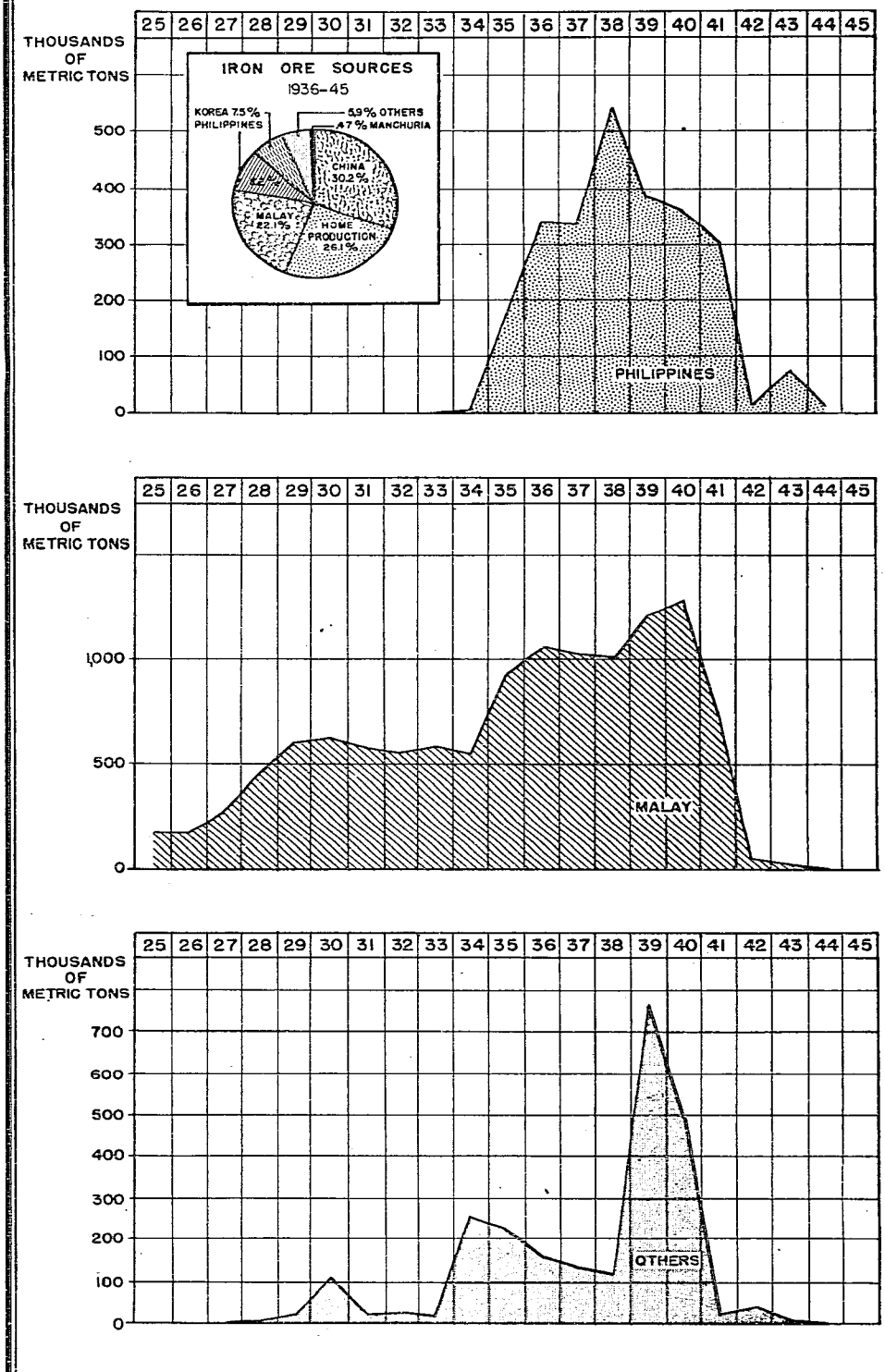
JAPAN

FEBRUARY 46 GHQ·SCAP NUMBER 15 a

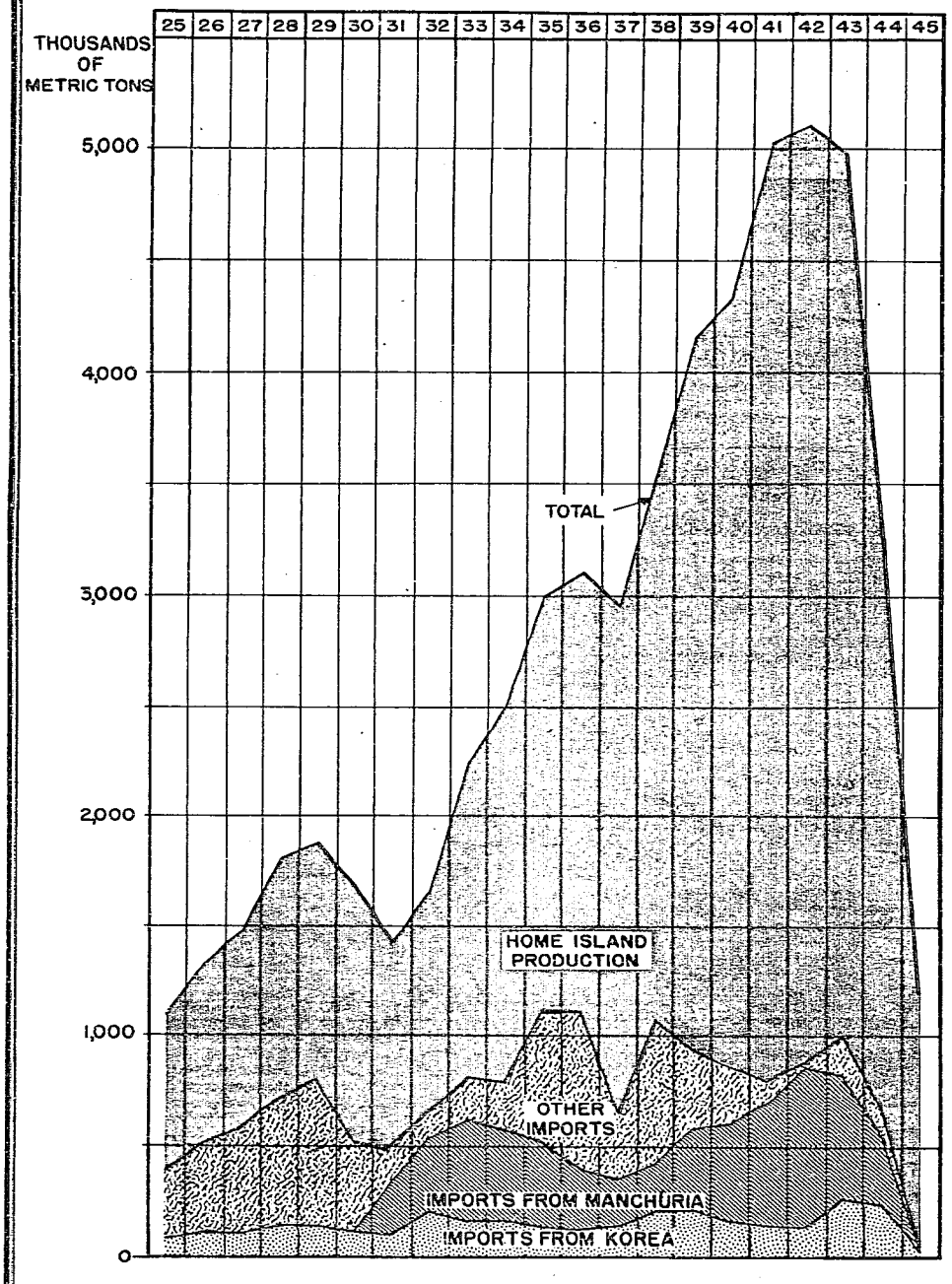
0348


THOUSANDS OF METRIC TONS
25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45
2,000
1,500
1,000
500
0
IRON ORE SOURCES
1936-45
KOREA 7.5% PHILIPPINES
5.9% OTHERS
4.7% MANCHURIA
CHINA 30.2%
8.2%
MALAY 22.1%
HOME PRODUCTION 25.1%
CHINA
THOUSANDS OF METRIC TONS
25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45
300
200
100
0
KOREA
THOUSANDS OF METRIC TONS
25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45
30
20
10
0
MANCHURIA

SHEET 3 OF 3 SHEETS



FEBRUARY 46 GHQ · SCAP NUMBER 15 c



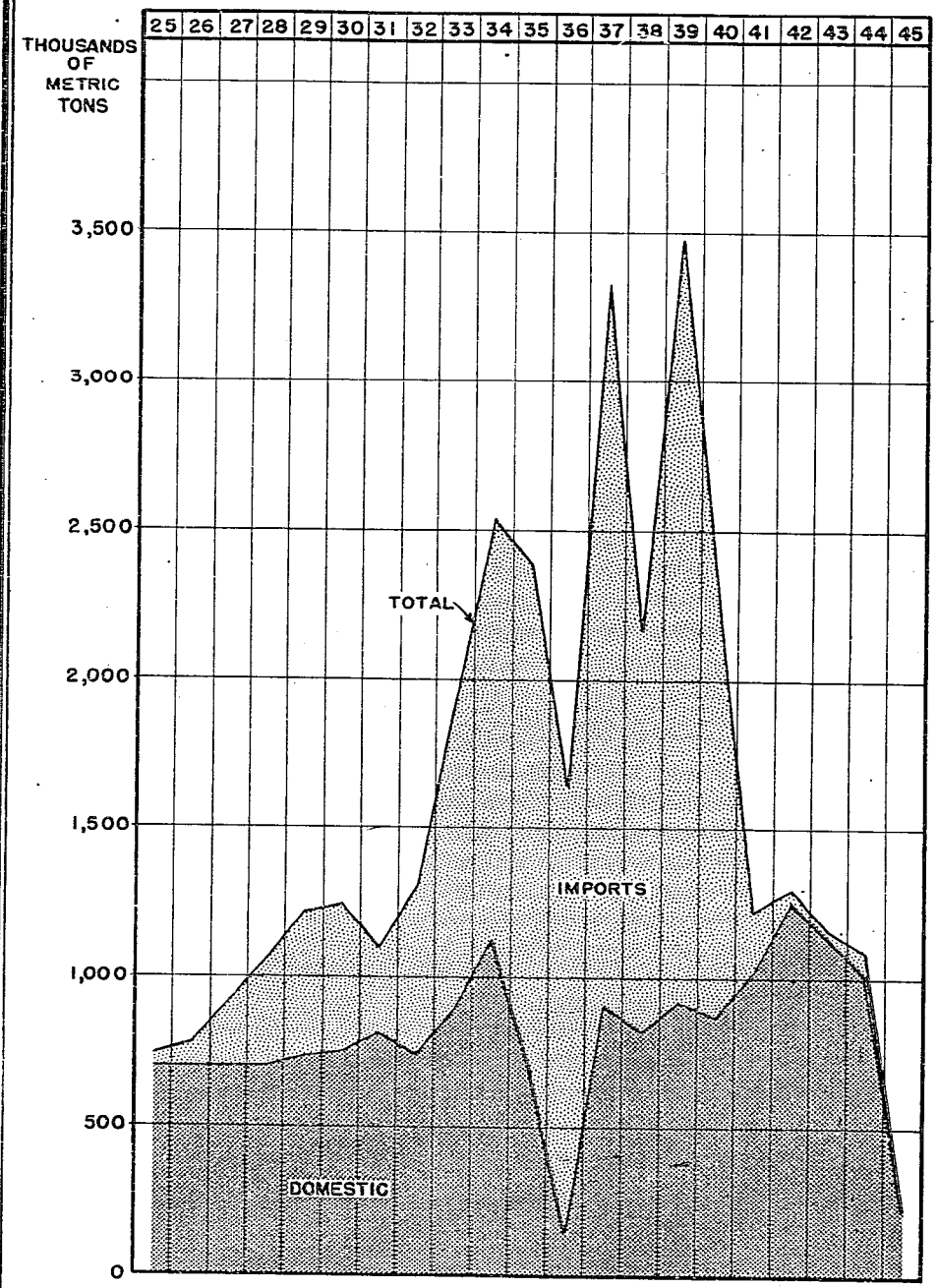
SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

PIG IRON

PRODUCTION AND IMPORTS

JAPAN

FEBRUARY 46 GHQ · SCAP NUMBER 16



SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

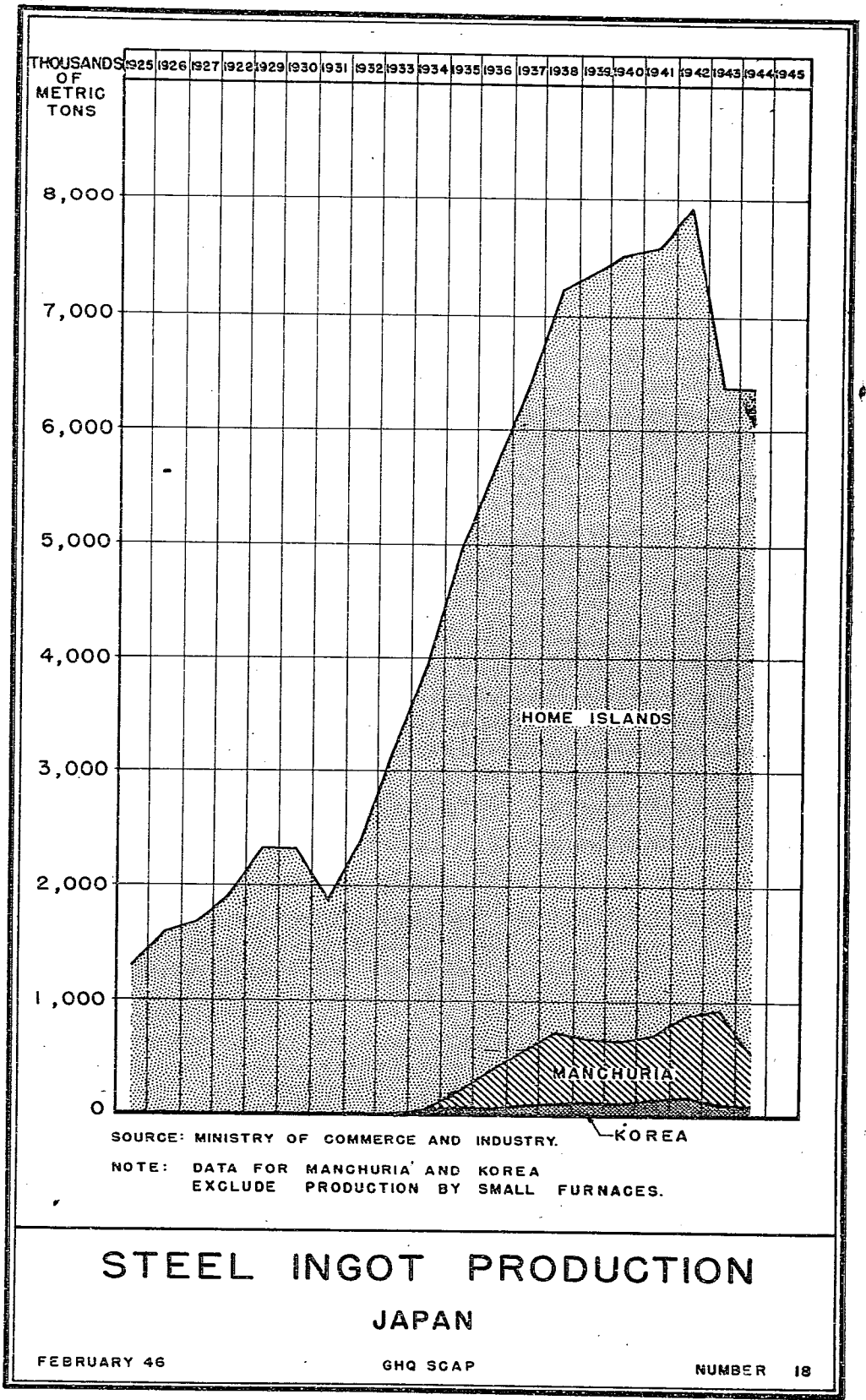
SCRAP IRON

DOMESTIC AND IMPORTED

JAPAN

FEBRUARY 1946 GHQ-SCAP NUMBER 17

0352



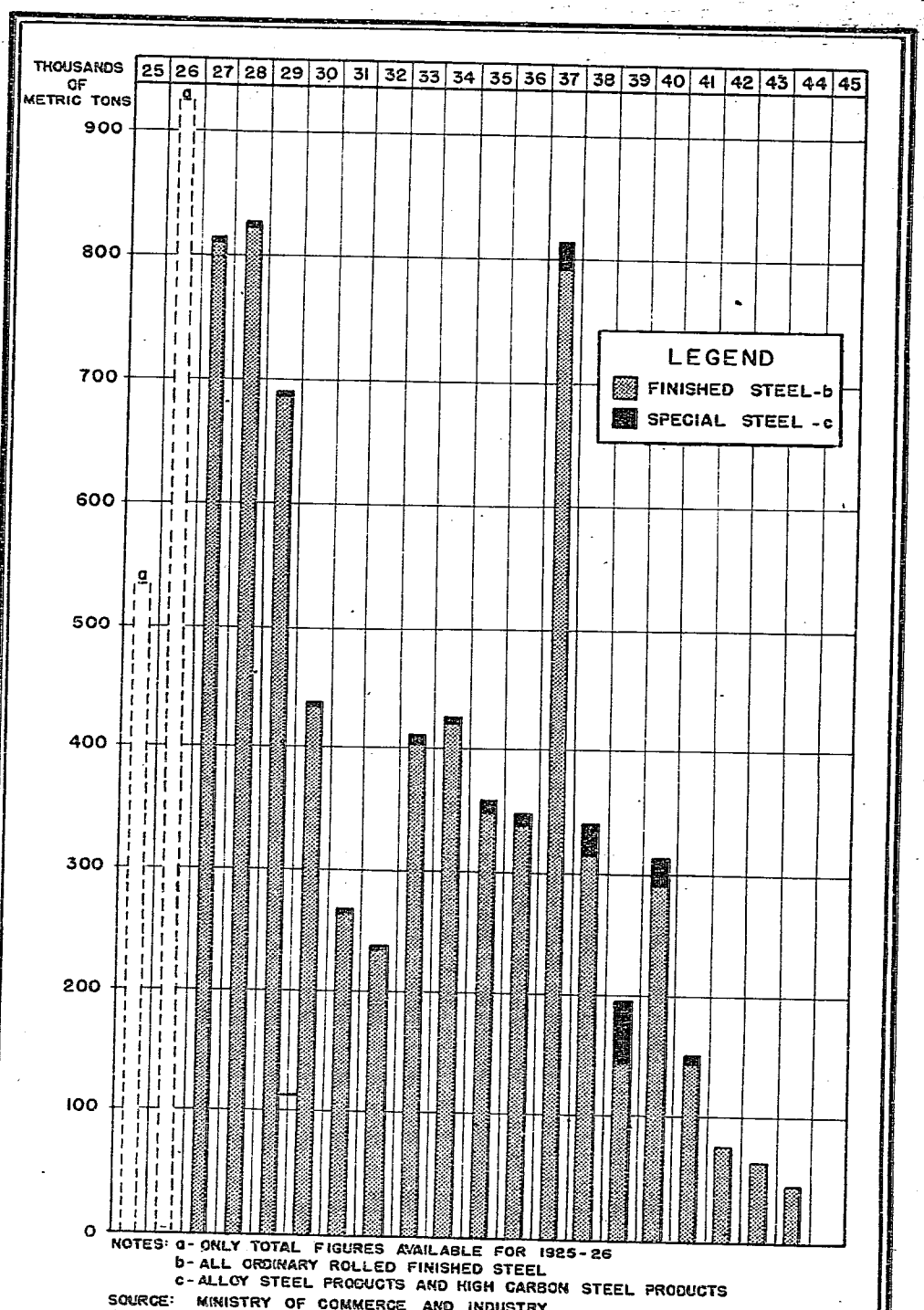
SOURCE: MINISTRY OF COMMERCE AND INDUSTRY.

NOTE: DATA FOR MANCHURIA AND KOREA EXCLUDE PRODUCTION BY SMALL FURNACES.

STEEL INGOT PRODUCTION

JAPAN

FEBRUARY 46 GHQ SCAP NUMBER 18



NOTES: a- ONLY TOTAL FIGURES AVAILABLE FOR 1925-26
b- ALL ORDINARY ROLLED FINISHED STEEL
c- ALLOY STEEL PRODUCTS AND HIGH CARBON STEEL PRODUCTS

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

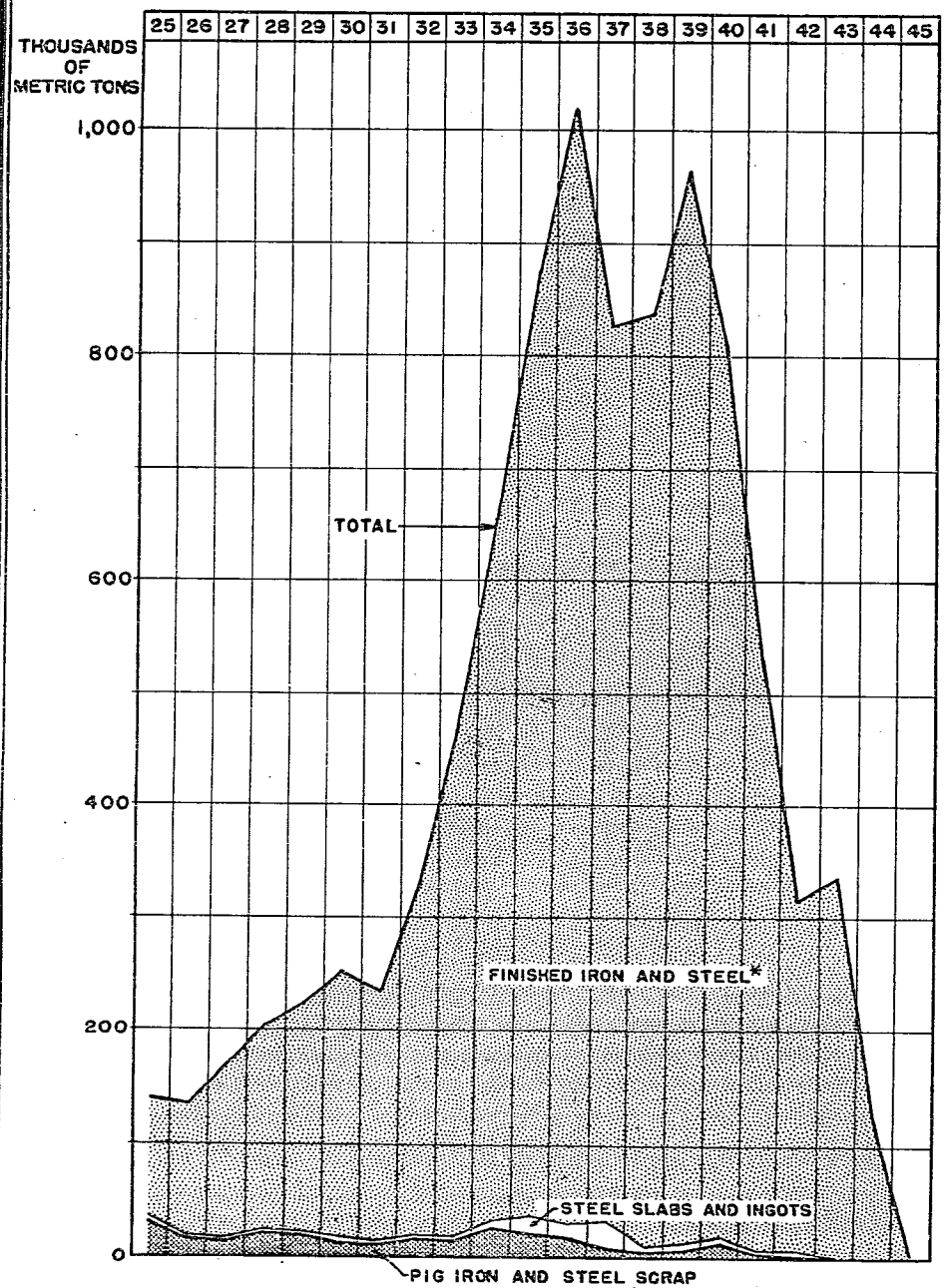
STEEL IMPORTS

JAPAN

FEBRUARY 46

-GHQ · SCAP

NUMBER 19



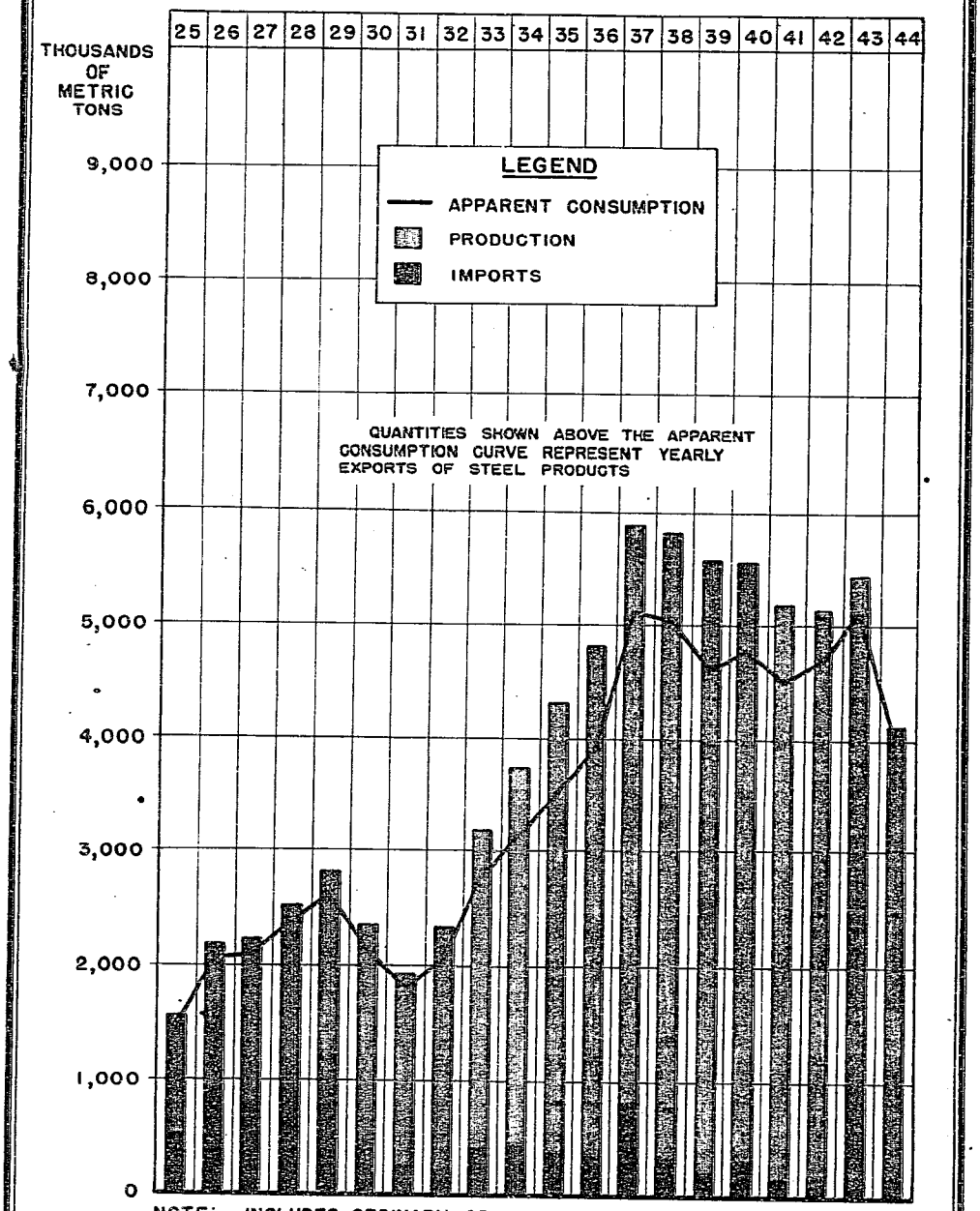
*INCLUDES BARS AND RODS, RAILS AND FISH PLATES, GALVANIZED OR BARE SHEET AND PLATES, WIRE, PIPE AND FITTINGS

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

IRON AND STEEL EXPORTS

JAPAN

FEBRUARY 1946 GHQ•SCAP NUMBER 20



NOTE: INCLUDES ORDINARY, SPECIAL, FORGED AND CAST STEEL. 1943-1944 FIGURES ARE ESTIMATES. APPARENT CONSUMPTION IS CALCULATED BY ADDING IMPORTS TO PRODUCTION AND SUBTRACTING EXPORTS.

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY

STEEL PRODUCTS

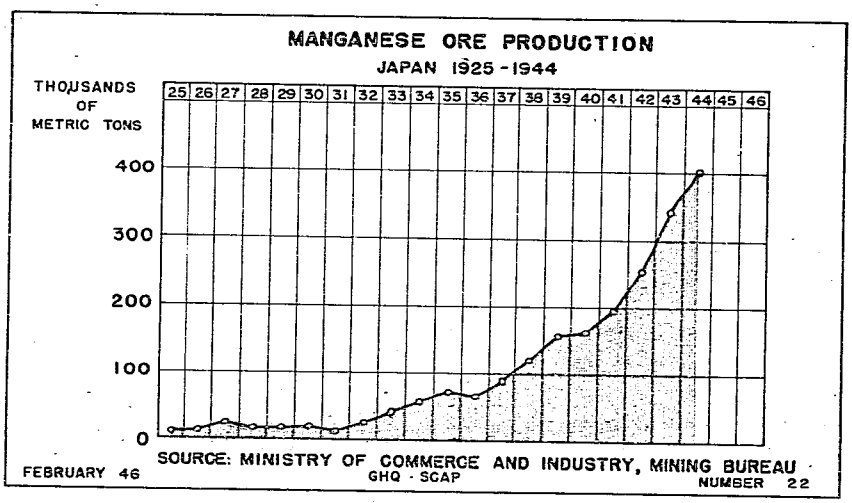
PRODUCTION, IMPORTS AND CONSUMPTION

JAPAN

FEBRUARY 46 GHQ·SCAP NUMBER 21

Manganese and Mangano-Alloys

38. Production of manganese ore in Japan since 1932 has risen steadily to meet the needs of the iron and steel industries. From 27,359 metric tons in 1932 production was increased to 67,753 in 1936, 162,947 in 1340 and 400,679 in 1944.



The quality of the ore is not known but some indication of the low grade of the material mined may be derived from the following table which is a summarization of the shipments of approximately 1300 mines.

MANGANESE ORE SHIPMENTS
(metric tons)

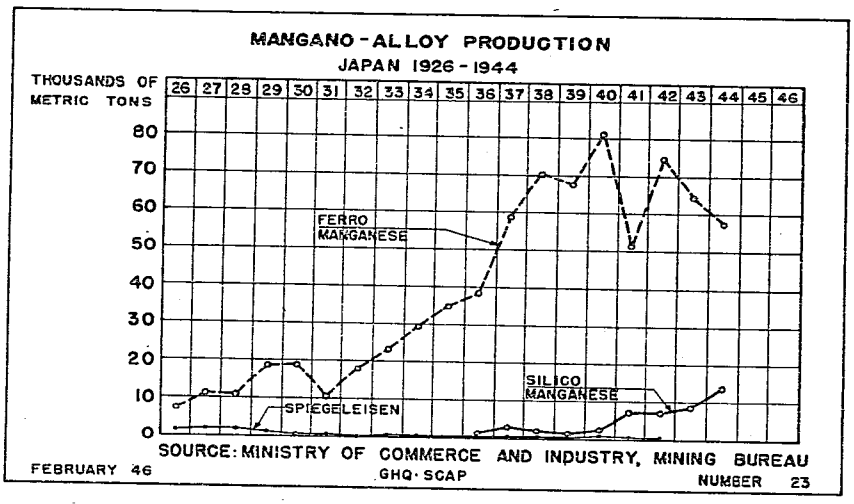
	1942	1943	1944
Ore	251,391	298,948	281,979
Manganese content	88,226	97,324	92,456
Percent manganese content	35.1	32.6	32.8

SOURCE: Nippon Iron and Steel Association.

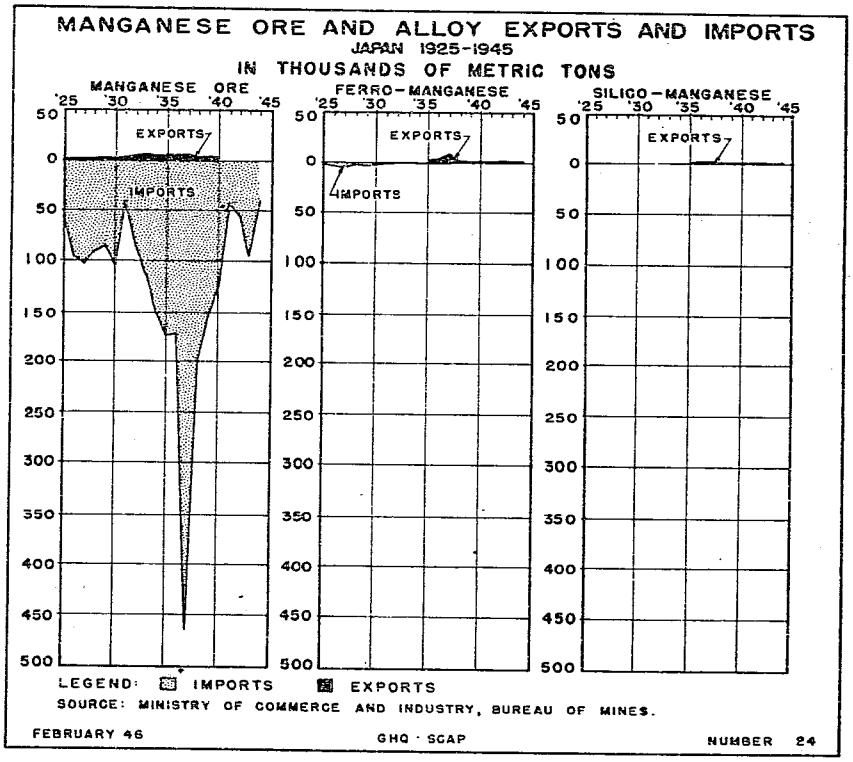
About one-fourth of this ore comes from Hokkaido. The sources of the remainder are widely scattered throughout Honshu and Kyushu.

39. Most of the manganese ore is utilized along the coast of Central Northwestern Honshu. Because of transportation difficulties and the severe winters in 1943 and 1944 large stockpiles of manganese ore have probably accumulated in Hokkaido which produces about 25 percent of the manganese ore. The approximate size of such stockpiles is indicated by the difference between ore production and ore shipments as shown in the above table and chart.

40. Data on the production of mangano-alloys are not complete but it is evident that Japan met with considerable success in stepping up the domestic production of ferro and silico-manganese. From 1940 to 1944 Japan produced 9,144 metric tons of metallic manganese.



41. Data on the exports and imports of mangano-alloys are not completed, but the imports of manganese ore and mangano-alloys were large. Most of the ore imported was from Russia, British Malaya and India. Exports of manganese ore and mangano-alloys did not reach a sizeable figure at any time.



Nickeliferous Iron Ore

42. From 1937 to 1945, because of the extreme shortage of nickel in the Home Islands, the Japanese mined sub-marginal nickeliferous iron ore from which nickel-bearing pig iron was produced. This in turn was fabricated into nickel alloy steel. The ores used were nickel-bearing serpentine and residual clays derived from serpentine.

The ore contained from 0.3 to 0.6 percent nickel and from 20 to 35 percent iron; the highest grade ore was the clay. About 95 percent of the ore came from five mines, two working clay deposits and three serpentine deposits; the remainder came from several smaller operations.

TOTAL NICKELIFEROUS IRON ORE MINED
(metric tons)

Year	Tonnage Mined	Nickel Metal Content
1937	33,984	102
1938	45,440	136
1939	139,026	657
1940	150,056	750
1941	378,924	1,664
1942	265,151	1,435
1943	390,869	2,247
1944	428,284	2,527
1945	158,282	886

SOURCE: Ministry of Commerce and Industry, Bureau of Mines.

43. Electric furnaces and rotary kilns were used in making nickel-bearing pig which on the average contained about two percent nickel; the ration of nickel and iron in the ore and in the pig iron was about the same.

44. Recovery of nickel from these ores was expensive and would not be economic in normal times. At present none of this ore is being mined and no production is contemplated. Other sources of nickel in Japan are extremely limited.

Economic Controls in the Mineral Industry

45. Control Associations, which rose to prominence in the wartime economy of Japan and were a vital part of the effort to increase production of strategic metals, are still functioning in post-war Japan. The Coal Control Association, Mining Control Association and Nonferrous or Light Metals Rolling Industry Control Association are the principal active agencies in the mining industry today.

With the imminent repeal of the Major Industries Organization Ordinance of 1941 these agencies are in the process of reorganization and several plans are being submitted to the Japanese Government. These plans amount to a substitution of new names for old and independence from bureaucratic supervision which is of major importance to the associations.

46. Among smaller mine owners sentiment for freedom from control by the larger associations and their subsidiaries is mounting. Through their distributing agencies the control associations have had almost complete control over the large subsidies which are still being paid to the producers.

Discrimination has been claimed by many small operators, particularly among the Atan (lignite) producers of Japan who until just recently were in the Control Association. They claim that the policy of such associations has favored large producers and has prevented development by small mine owners. Atan producers are now free from the price ceiling fixed by the Japanese Government and have increased production on a free market.

47. Subsidies of over ¥ 3,000,000,000 to the coal producers are now under consideration by the Japanese Government in order to take care of the differential between cost of production and the price fixed by the government. This is one of the items in the extraordinary budget for 1946-1947.

The Japanese Coal Board has taken the position that subsidies are necessary at this time in order to increase production but that within three years the increase of production will bring the cost of production down to price level and subsidies can be substantially reduced or eliminated entirely.

Research in Mineral Field

48. With the termination of hostilities scientific activity as related to the mining industry took an abrupt slump since many laboratories were burned out, personnel scattered and finances withdrawn.

Gradually as industry makes its return research in the field of mineralogy and geology is reviving although handicapped by inadequate equipment and lack of heat in laboratories. More important items of equipment removed from the laboratories to avoid damage by bombing are slowly being returned and reassembled.

GRAVEL

49. Although only four percent of the gravel operations in Japan is carried out by dredges, dredging companies probably handle the bulk of production. Eighty-one companies are equipped for gravel dredging in Japan with a total of 137 dredges: 119 located in Honshu, nine in Kyushu and nine in Shikoku.

One company uses 10 dredges, two use six, one has five dredges, four have four dredges, four use three dredges, 12 use two dredges each and 58 companies use only one dredge each. Three of the dredges used have a horsepower below 20, 65 dredges have a 20-50 horsepower, 66 dredges have a 50-100 horsepower and three dredges have 100-110 horsepower.

The production for July-December 1943 showed that six companies produced under 10,000 cubic yards, 13 companies from 10,000 to 15,000 cubic yards and one company over 50,000 cubic yards.

Additional hand operations are carried out in Hokkaido and in Mie, Aichi, Shizuoka, Niigata, Ishikawa and Yamagata Prefectures in Honshu.

WATER RESOURCES

50. Water supplies remain low throughout Japan, especially in Kyushu where little rain has fallen during the current dry season. Water available on Honshu has been sufficient to meet the reduced demands for electric power. Since the irrigation season has not begun the shortage of water for this purpose was of no consequence.

51. Japanese electrical officials in Miyazaki Prefecture explained plans for the proposed Kamishiiba development on the upper reaches of the Mimi-gawa. This development is promising and in many respects will be similar to multiple purpose developments in the United States. Construction will take about six years and will be difficult because of the inaccessibility of the site.

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SECTION 3

INDUSTRY AND INDUSTRIAL REPARATIONS

C O N T E N T S

GENERAL

1. Production showed a moderately favorable trend during January but remains at a low level. Unsettled labor conditions and the shortage of coal were among the chief factors tending to limit production.

While the labor problem was general throughout industry, it formed a particular obstacle to the government's plans to reconstruct 540,000 buildings and to undertake numerous erosion and flood control projects.

Some absenteeism among laborers was reported, largely resulting from the food shortage which compels workers to travel great distances to obtain food supplies.

Effects of the shortage of coal, which still must be rigidly rationed, were marked in the iron and steel industry where increased supplies late in January brought a moderate but prompt gain in production.

Shortages of vital raw materials continued to hamper many industries, notably chemicals.

Plant owners displayed reluctance to invest their capital in reconstruction or new buildings and machinery. A part of this tendency was a natural outgrowth of unstable financial and economic conditions, but an additional factor was uncertainty as to which factories or other facilities might be taken for reparations.

2. An upswing in the iron and steel industry began late in January when additional coal supplies were released. This rise in the production level is expected to continue through February.

Increased production was also registered in the aluminum, copper, zinc and lead industries. Of these, aluminum production was double the December level, copper smelting was up to 50 percent of capacity, and zinc production was up 20 percent. Lead output continued low but was expected to increase materially in February. Other non-ferrous metals were inactive.

Refined petroleum production still lagged behind production of crude despite a 100 percent increase in output over the preceding four weeks.

The raw-material shortage kept production of basic heavy chemicals at a low level, with the month's output totalling 18 percent of calculated minimum requirements.

Rubber production was down 17 percent chiefly as a result of the long New Year holiday. The industry is now operating at 30 percent of capacity.

3. Construction programs announced by several Japanese ministries included broad reconstruction works embracing residences, apartments, shop houses, farm houses and governmental, public and industrial buildings; construction of dams and levees, flood and erosion control, and road improvements.

Construction of dams and levees will continue at three locations, and two new projects are to be started. Power house repairs are also to be made. Flood and erosion control work costing over ¥ 800,000,000 is being planned. Road and highway projects will amount to about ¥ 350,000,000.

4. The Japanese railways announced plans for new construction totalling ¥ 50,000,000 and improvements totalling ¥ 770,000,000. Efforts are being made to speed repair of rolling stock.

5. Progress on all construction is slow due to the unavailability of labor and shortages of such critical materials as portland cement, nails and lumber.

6. Important developments took place in the textile field. The expected arrival in Japan of raw cotton to be processed and exported in part to the United States gave industrialists encouragement to rehabilitate factories and to repair and maintain textile machinery which had deteriorated.

Reconversion was particularly difficult in the wool industry, where raw wool was frozen until December 1945. By the end of February less than three percent of the wool on hand 30 September 1945 had been released to make into cloth for civilian goods.

7. Manufacturing was restricted during January by transportation difficulties and shortages of coal and raw materials.

Output of transportation equipment was low; only a small part was distributed. New vehicles were held off the market pending a review of proposed price increases.

Output of refractory materials was only 11 percent of capacity although nearly half the country's manufacturing plants are operating. Ceramic ware production continued at a low level.

The production of pulp and paper was down sharply with rayon pulp production suspended due to shortages.

Production of glassware in 1945 reached the lowest level in 20 years. Present monthly production is 1,500 metric tons. Sheet glass was produced on a limited scale, totalling 20,000 cases, while 1,000 cases of polished plate glass were produced.

8. In the food processing industry only 37 canneries of 310 were operating. January production was 675 metric tons as compared with capacity of 25,395 tons.

Although butter output stayed level in January a steady decline continued in processed milk. Condensed milk production was off 172 metric tons and powdered milk output down 137 metric tons from December.

Flour milling operated at less than half of capacity and production of sugar by Hokkaido mills sagged.

Production of shoyu was down 4,716 metric tons from the December level due to shortages of salt and soy beans, but the output of miso (bean paste) increased substantially.

Liquor and wine production showed general increases.

REPARATIONS

9. On 1 February a Reparations Branch was organized in SCAP to handle problems dealing with reparations in the form of industrial equipment.

The Japanese Government responded promptly to instructions issued in a directive of 20 January 1946 concerning custody and control of aircraft factories, arsenals and laboratories. It sent representatives to EIGHTH Army Headquarters and to Commander FIFTH Fleet for instructions.

The Japanese Government prepared orders which were issued to prefectural governments to carry out these instructions. These orders provided that the Ministries of Commerce and Industry, Finance, and Education would have direct responsibility at national level over certain of the factories and installations covered in the directive.

The Ministry of Commerce and Industry was charged with responsibility for the great majority; the Ministry of Finance for a few, principally those formerly belonging to the Japanese Army and Navy; and the Ministry of Education for those facilities, principally laboratories, which are part of national universities.

The prefectural governors are designated as responsible agents for the Japanese Government and are empowered to obtain local labor and personnel to comply with instructions for guarding and maintaining the designated properties. The necessary monies were provided by the National Government as an expenditure from the National Treasury.

Reports from some units of the Occupation Forces indicate that compliance by the Japanese in maintaining guards and in doing maintenance work has been excellent and that the directive has been effective in accomplishing its purpose to preserve and protect facilities likely to be available for reparations.

A campaign has been started by labor unions, political organizations, community groups and municipal authorities in an attempt to influence SCAP in the selection of reparations.

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SECTION 4

HEAVY INDUSTRIES

C O N T E N T S

METAL INDUSTRIES

Iron and Steel

1. Iron and steel production registered a slight increase during January despite the shutdown of two producers with a combined monthly capacity in metric tons of 30,000 of pig iron, 44,500 of steel ingots and 38,500 of rolled steel. February production is expected to increase as a result of additional coal supplies which began to arrive at some plants in late January.

IRON AND STEEL PRODUCTION
November 1945 - February 1946
(metric tons)

	November	December	January	February a/
Pig iron	7,688	9,036	9,562	16,000
Steel ingots	9,603	8,770	14,535	19,000
Rolled steel	6,894	9,495	13,388	17,000

a/ Estimate

SOURCE: Japanese Iron and Steel Council.

The production of wire rope, a critical item restricting coal output, has been reported by the Ministry of Commerce and Industry as follows:

WIRE ROD AND ROPE
(January 1946)
(metric tons)

Wire rod produced	502
Wire rod shipped	145
Wire rope produced	417

Light Metals

2. January production of aluminum was about 125 metric tons or approximately twice the December output.

ALUMINUM AND MAGNESIUM STOCKS a/
15 August 1945
(metric tons)

	Form	Army-Navy	Civilian	Total
Aluminum & aluminum alloys	Ingot & semi-finished materials	92,274	17,400	109,674
	Finished products	2,484	-	2,484
	Scrap	48,012	-	48,012
Total		142,770	17,400	160,170
Magnesium	Ingot & semi-finished materials	4,316	171	4,487
	Finished products	-	-	-
	Scrap	86	-	86
Total		4,402	171	4,573

a/ In Japan Proper.

SOURCE: Ministry of Commerce and Industry.

3. January rolling production of 931 metric tons represented a 50 percent increase over the previous month. Thirty-eight of the 83 plants in Japan were in operation.

ROLLING MILL PRODUCTION
January 1946
(metric tons)

Item	Aluminum	Aluminum Alloy	Magnesium	Tin	Total
Sheet	551	317	0	0	868
Pipe	13	4	0	0	17
Rod, bar, profile	0	15	0	0	15
Wire	4	2	0	0	6
Foil	0	0	0	25	25
Total	568	338	0	25	931 a/

a/ Monthly capacity is 6,180 metric tons.

SOURCE: Ministry of Commerce and Industry.

4. Of 178 casting plants in Japan, 168 were in operation during January producing 803 metric tons of castings. Monthly capacity is estimated at 1,560 metric tons.

Copper

5. Eight of Japan's 14 copper smelters were in operation during January producing 620 metric tons of crude copper, or approximately 50 percent of Japan's copper smelting capacity.

Three of Japan's 12 copper refineries produced 775 metric tons of electrolytic copper, approximately eight percent of total capacity in Japan.

STOCKS OF COPPER, BRASS AND BRONZE
15 August 1945
(metric tons)

Metal	Form	Army-Navy	Civilian	Total
Copper	Ingot & semi-finished materials	47,588	20,683	68,271
	Finished products	3,513	-	3,513
	Wire a/	1,937	3,225	5,162
	Scrap	5,081	-	5,081
Total Copper		58,119	23,908	82,027
Brass	Ingot & semi-finished materials	24,172	919	25,091
	Finished products	18,255	-	18,255
	Scrap	10,485	-	10,485
Total brass		52,912	919	53,831
Bronze	Ingot & semi-finished materials	1,721	132	1,853
	Finished products	-	-	-
	Scrap	594	-	594
Total bronze		2,315	132	2,447
GRAND TOTAL		113,346	24,959	138,305

a/ Does not include 4,413,600 meters of Army-Navy and 22,899 meters of civilian wire, whose total weight is unknown.

SOURCE: Ministry of Commerce and Industry; Japanese Army and Navy; Civilian Control Organs.

6. The copper and copper alloy rolling industry operated at about 20 percent of capacity during January, 1,407 metric tons of semi-finished goods being rolled.

COPPER AND COPPER ALLOY ROLLING
December 1945 - January 1946
(metric tons)

Classification	December Production	January Production	Monthly Capacity
Copper			
Sheet	42	435	610
Pipe	60	52	310
Rod	21	22	560
Strip	0	7	225
Wire	50	28	215
Total	173	544	1,920
Brass			
Sheet	103	204	1,665
Pipe	22	59	65
Rod	196	400	2,950
Strip	20	30	340
Wire	90	147	540
Total	431	840	5,560
Bronze			
Sheet	8	13	105
Pipe	0	0	0
Rod	0	2	145
Strip	0	0	0
Wire	3	8	45
Total	11	23	295
GRAND TOTAL	615	1,407	7,775

SOURCE: Copper and Its Alloys Rolling Industry Association.

Wire and Cable Industry

7. Production during January remained at the previous month's level, 1,645 metric tons of products being produced by 75 of the 150 plants in the industry.

WIRE AND CABLE PRODUCTION
December 1945 - January 1946
(metric tons)

	December Production	January Production	Monthly Capacity	Stocks Products
Bare wire	513	1,155	2,869	830
Weather proof wire	635	324	2,529	744
Magnet wire	301	124	1,036	390
Communication cable	37	30	490	29
Power cable	135	12	435	217
Total	1,621	1,645	7,359	2,210

SOURCE: Electric Wire and Cablemaker's Association.

Zinc

8. Four of Japan's eight refineries were in operation during January and produced 775 metric tons of zinc, approximately 11 percent of capacity.

ZINC STOCKS
15 August 1945
(metric tons)

	Form	Army-Navy	Civilian	Total
Zinc	Ingot & semi-finished forms	22,287	34,898	57,185
	Finished products	-	450	450
	Scrap	19	733	752
Total		22,306	36,081	58,387

SOURCE: Ministry of Commerce and Industry; Japanese Army and Navy; Civilian Control Organs.

January production of zinc plate totalled 160 metric tons, an increase of approximately 20 percent over December's output.

Lead

9. The production of lead during January approximated five percent of capacity with 164 metric tons of refined lead being produced. February production is expected to reach 300 tons.

LEAD STOCKS
15 August 1945
(metric tons)

	Form	Army-Navy	Civilian	Total
Lead	Ingot & semi-finished forms	30,030	21,771	51,801
	Scrap	1,018	3,267	4,285
Total		31,048	25,038	56,086

SOURCE: Ministry of Commerce and Industry; Japanese Army and Navy; Civilian Control Organs.

January production of lead pipe totalled 187 metric tons, a decrease of 13 percent from December's activity, while plate production of 143 tons represented an increase of about 30 percent.

Other Non-ferrous Metals

10. Japan's tin, nickel and antimony refineries were still inactive during January. Refinery capacities of these metals are estimated at 600, 3,850 and 840 metric tons respectively.

OTHER NON-FERROUS METAL STOCKS
15 August 1945
(metric tons)

	Form	Army-Navy	Civilian	Total
Tin	Ingot & semi-finished forms	8,363	5,467	13,830
	Finished products	-	-	-
	Scrap	-	-	-
Total		8,363	5,467	13,830
Nickel	Ingot & semi-finished forms	279	291	570
	Finished products	-	-	-
	Scrap	-	-	-
Total		279	291	570
Antimony	Ingot & semi-finished forms	834	1,101	1,935
	Finished products	-	-	-
	Scrap	-	-	-
Total		834	1,101	1,935
Cobalt		48	6	54
Mercury		418	233	651
Cadmium		19	13	32

SOURCE: Ministry of Commerce and Industry; Japanese Army and Navy; Civilian Control Organs.

Ferro Alloys

11. Eighteen of Japan's 99 plants turned out ferro alloys during January. The main reasons for the slight activity were the poor grade of ore available and the absence of demand for the products.

FERRO ALLOY PRODUCTION
(metric tons)

	January Production	Monthly Capacity	Operating Plants	Total Plants
Metallic manganese	0.3	270	1	4
Metallic silicon	11	200	1	3
Ferro manganese (H.C.)	140	4,580	4	22
Ferro manganese (L.C.)	42	890	2	7
Ferro silicon manganese	293	2,120	4	13
Ferro silicon	617	3,900	11	24
Ferro chrome (H.C.)	46	1,400	1	9
Ferro chrome (L.C.)	0	1,210	0	5
Ferro phosphorous	0	24	0	1
Ferro titanium	0	48	0	1
Ferro tungsten	10	430	2	6
Ferro molybdenum	0	46	0	3
Ferro vanadium	0	55	0	1

SOURCE: Ministry of Commerce and Industry.

COKE

12. The production of coke during January was 84,000 metric tons, a decrease of about 21 percent from December's activity. Main reason for this slack in production was the corresponding slump in the gas industry due to the shortage of coal.

Coke on hand at the end of January totalled 142,000 metric tons, a decrease of 41,000 tons from December's stocks.

RUBBER

13. Production of rubber goods during January decreased 17 percent from December's activity, due in part to the holiday shutdowns during the first week of the month. The number of factories representing the industry was reported as 409, while 244 were active.

RUBBER GOODS PRODUCTION
(kilograms of crude rubber consumed)

	January Production	Third Fiscal Quarter a/ Production	Third Fiscal Quarter a/ Percent of Allocation b/
Auto tires and tubes	126,303	462,501	32.8
Bicycle tires and tubes	126,628	411,174	59.5
Rubber soled socks	136,202	401,804	38.7
Rubber soled canvas shoes	89,952	399,802	55.7
Rubber shoes and boots	21,965	86,376	14.3
Rubber soles and heels	65,690	236,499	86.9
Beltings	57,476	169,467	40.7
Hose	37,557	123,057	31.9
Rubber cloth	92,244	259,151	53.1
Repair sheet	19,564	86,755	86.7
Medical goods	32,992	77,197	50.1
Latex goods	4,062	12,090	36.6
Rice thrasher rolls	51,424	181,690	84.5
Mechanical goods and others	171,198	490,262	76.4
Total	1,033,257	3,397,825	47.4
Reclaimed rubber	30,850	158,250	44.7

a/ 21 October 1945 - 20 January 1946
b/ Total amount allocated was 7,159,369 kilograms of crude rubber.

SOURCE: Rubber Control Union.

Shortages of fuel and labor are the two main reasons for factories not operating at full capacity. Production during January was at 30 percent of capacity. Total monthly capacity of the rubber industry was estimated by Rubber Control Union at 3,472 metric tons as of 20 January 1946. Factories operating at full capacity numbered 123, half capacity 121, no production 153. Twelve plants resumed operations during January.

PETROLEUM

14. Production of crude petroleum for period 13 January to 9 February 1946 averaged over 4,000 kiloliters per week, slightly above the average for the previous four weeks.

PRODUCTION OF CRUDE OIL
(kiloliters)

Oil Field	Jan 13-19	Jan 20-26	Jan 27-Feb 2	Feb 3-9
Akita (Teiko-ku Co.)	2,039.78	1,989.89	2,082.26	2,032.71
Kashiwasaki	936.35	959.33	962.63	939.71
Yamagata	924.00	883.80	878.40	918.90
Hokkaido	96.95	82.60	77.70	77.41
Niitsu	65.70	64.00	50.03	49.90
Niigata	25.68	22.69	22.23	19.60
Akita (Daido Co.)	22.78	22.12	27.80	19.78
Hachimore	15.40	15.60	29.80	24.00
Total	4,126.64	4,040.03	4,130.85	4,082.01

SOURCE: Ministry of Commerce and Industry.

15. Six refineries are in operation in the indigenous crude area, one in Yokohama and one at Imafuku, the latter having recently started processing limited stock of heavy oil in storage.

Refinery production showed an increase of over 100 percent above production figures for the previous four weeks, but the total of 13,675 kiloliters still lags behind crude production of 16,380 kiloliters for the same period. Improvements being made in transporting crude oil from the Akita to the Niigata region will raise refinery production to a sufficiently high level to handle the maximum crude production in the near future.

REFINED OIL PRODUCTION
(kiloliters)
13 Jan 46 to 9 Feb 46

Name of Co.	Gasoline	Kerosene	Gas Oil	Diesel Oil	Fuel Oil	Lubricating Oil
Nippon Oil Co.						
Kashiwasaki	846	276	406	122	441	388
Niigata	-	-	101	389	712	1,283
Akita	202	67	-	905	-	-
Yokohama	18	-	28	-	-	500
Showa Oil Co.						
Niigata	479	213	-	996	221	534
Hirasawa	-	284	-	71	-	355
Nippon Kogyo Funakawa	984	783	-	2,024	-	-
Maruzen Oil Co.						
Imafuku	1	10	-	-	15	21
Total	2,530	1,633	535	4,507	1,389	3,081
16 Dec-12 Jan	1,517	730	356	1,656	770	1,582

SOURCE: Ministry of Commerce and Industry.

CONSTRUCTION

General

16. The following program is said to be based on plans made by the Japanese Government.

ARCHITECTURAL RECONSTRUCTION WORKS
April 1946 - March 1947

Type of Building	No. of Buildings	Area (1000 tsubo) a/
Residences	220,000	2,650
Apartments	50,000	500 b/
Shop homes	30,000	450
Farm houses	200,000	3,000
Total	500,000	6,600
Governmental, public & industrial buildings	40,000	1,851 c/
GRAND TOTAL	540,000	8,451

a/ One tsubo = 36 square feet.
b/ Requires 3,000 tsubo of reinforced concrete.
c/ Requires 20,000 tsubo of reinforced concrete.

SOURCE: General Contractors Association of Japan.

Construction of Dams and Levees

17. Construction of dams and levees is to be continued in three locations and two new projects are to be started. No new power house construction is contemplated in this program, although repairs to damaged structures will be made.

Railroad Construction

18. New construction of railroads amounting to ¥ 50,000,000 and improvements to existing railroads amounting to ¥ 770,000,000 are planned.

Emergency Agricultural Works

19. Land reclamation works on 416,622 acres, drainage on 24,507 acres and soil improvement on 1,715,504 acres are planned.

PRINCIPAL MATERIALS REQUIRED FOR
1946 CONSTRUCTION PROGRAM

Type of Construction	Lumber 1000 B/M a/	Cement (metric tons)	Steel (metric tons)
Architectural reconstruction	4,550,000	549,500 b/	103,500
Dams	- c/	53,500	1,900
Construction works	70,800	110,000	10,000
Railroads	9,800	8,820	77,019
Emergency agricultural works	1,715,000	61,100	44,680
Total	6,345,600	782,920	237,099

a/ B/M = board meters.
b/ Cement products not included.
c/ Cotained at site.

SOURCE: eneral Contractors Association of Japan.

20. Progress on all construction work is slow due to shortages of labor and materials, critical items being portland cement, nails and lumber. Some return of labor from rural districts will take place with the advent of warmer weather and with improvement in food supply and distribution.

SHIPBUILDING

21. From 20 January to 20 February the civilian shipyards completed repairs on 261 merchant vessels totaling 545,077 gross tons and the three navy yards completed 16 repair jobs on navy veasels.

From 15 January to 15 February one steel ship of 7,800 gross tons was launched and one steel ship of 5,000 gross tons was completed.

There are 17 major ship. ards operating on a 24-hour per day basis, five are operating on a 16-hour per day basis and the others are operating on from nine to 12 hours per day basis. The shipyards are still handicapped by shortage of labor, damaged equipment and mines in both harbors and approaches to docks.

22. On 20 February there were 63 demilitarized Japanese Navy ships under repair. Sixty were being used in repatriation and three were mine sweepers.

23. Work is continuing on the 10 escorts and one mine sweeper that were authorized to be completed in a demilitarized condition for use in repatriation.

WOODEN VESSELS UNDER CONSTRUCTION
15 January 1946

Type	Under Construction Not Launched		Launched, but Not Complete	
	No.	Gross Tons	No.	Gross Tons
Freighters	223	47,000	230	48,200
Tankers	69	12,650	116	25,000

NOTE: From 15 January 1946 to 15 February 1946 five wooden vessels of 950 gross tons were completed.

SOURCE: Ministry of Transportation, General Maritime Bureau.

CHEMICAL INDUSTRIES

General

24. Production of chemicals remains at a low level and is not expected to rise for at least another month. The rate of production of some important materials, especially fertilizers, increased appreciably during the month. Basic heavy chemical manufactures were at the rate of about 23 percent of present capacities and 18 percent of calculated minimum requirements, compared with corresponding percentages of about 19 and 14 respectively for the previous month.

Fertilizers

25. Present production is below capacity and is only a fraction of minimum requirements. A thorough and continuous effort is being made to intensify Japanese attempts to increase production. Some gains were made during the month and increases in coal allocations and sulfuric acid production indicate a gradual future rise. Of the several difficulties hampering production reported by individual companies the most important are shortages of transportation, unfavorable prices and lack of funds. The latter difficulty is expected to be reduced considerably as a result of thorough discussions with Japanese officials of the intent and effect on finances of certain SCAP directives.

Salt

26. The critical shortage of salt continued. Production is about 12 percent of the 108,000 metric tons considered to be minimum monthly requirements for food and industry.

According to the Salt Monopoly Bureau of the Finance Ministry minimum food requirements are not being met.

The first allocation and delivery of 500 tons of salt for industrial use since June 1945 was made as a result of depletion of stocks in the hands of consumers. The Japanese Government plans to allow consumption of remaining stocks of industrial salt (27,800 metric tons) by the end of March, the increasing demand for soda products necessitating this action. The government is relying for future supplies on expected production increases plus an estimated 86,000 metric tons total salt reserve in transit and storage.

Soda Industry

27. Limited production was resumed by three of the four Japanese Solvay Process plants. Output was small but is expected to increase.

Eighteen of Japan's 35 operable electrolytic plants reported limited operations. Principal gains in production were in chlorine by-products, hydrochloric acid, bleaching powder and liquid chlorine.

Ethyl Alcohol

28. Production decreased by nearly 50 percent from the previous month as a result of depletion of stocks of raw material which can be replenished only with difficulty because they are also required as food.

Explosives

29. Production of small amounts of commercial explosives and accessories continued under authority of a previous SCAP directive and will increase in accordance with a new directive dated 10 February which schedules manufactures through 30 June 1946.

PRODUCTION RATES OF IMPORTANT CHEMICALS

Product	Present Rate (metric tons/ year)	Percent of Present Capacity	Percent of Minimum Requirements
Soda ash (commercial)	18,600	6	21
Caustic soda	15,400	4	9
Total chlorine	10,100	4	11
Salt	158,000	22	12
Benzene	1,910	3	15
Toluene	24	0.3	0.8
Dyestuffs	198	0.5	5
Ammonium sulfate	253,000	49	18
Calcium cyanamide	112,200	59	29.5
Sulfuric acid (100%-contact)	86,000	11	14
Sulfuric acid (62%-chamber)	245,000	31	31
Hydrochloric acid	7,800	4	10
Bleaching powder	4,900	3	22
Liquid chlorine	2,200	5	25
Ethanol	13,200 (kiloliters)	7	32

SOURCE: Ministry of Commerce and Industry.

MACHINERY INDUSTRY

General

30. The principal concern of SCAP in this field has been the neglect of industrial equipment permitting its rapid deterioration and reducing its value to the Japanese civilian economy.

Japanese Government and industrial officials have been aware of this situation but have had difficulty in devising remedial measures. Obstacles which have hindered any effectual maintenance and repair program included:

(1) Fear of future heavy capital taxes.

(2) Failure of the government to arrive at or announce a plan for payment of war damages.

(3) Widespread dispersal program carried out during the war.

(4) Shortages of oils, greases and fuels, and labor.

(5) The post-war apathy.

Conferences were held in January and February between officials of the Japanese Government and representatives of SCAP to discuss the intensification of the maintenance and repair program. The Ministry of Commerce and Industry then issued a series of ordinances on 18 February to all prefectural offices, local branches of the Ministry of Commerce and Industry and trade associations, and principal private concerns. These ordinances launched a nationwide maintenance program under supervision of the prefectural governments, with scarce materials being made available through official sources and technicians from the prefectural office supervising the program.

Aircraft and Munitions

31. Principal plants in this industry taken into custody on 20 January were being physically occupied by guards during February. The EIGHTH Army has created reviewing boards to pass upon all reconversion permits previously granted these plants.

Machine Tools and Bearings

32. Manufacturers' efforts during the month consisted of repair work and completion of semi-finished units.

A survey by the Japanese Machine Tool Control Association reported the following amounts of finished and semi-finished machine tools of all types and sizes:

Finished	2,100
Over 50 percent complete	4,100

33. Stocks of bearings are being found in army and navy arsenals. During the month 67,000 units of 120 types were released from the Sagami Arsenal, Tokyo, as an emergency measure to supply the coal mines and permit critically needed repairs.

Industrial Machinery

34. A study of textile machinery industry is now in progress. Preliminary information reveals most plants expect to be ready for limited operation in April and have stocks of material sufficient for three to six months production.

Railway Rolling Stock

35. Stepping up the repair of locomotives and passenger cars is the primary concern in this field. The Railway Bureau of the

Ministry of Transportation sent teams of technical experts to the Osaka, Hiroshima and Kobe areas to determine repair difficulties and to make on-the-spot corrections when possible.

STATUS OF GOVERNMENT ROLLING STOCK

Type	Built in January	Awaiting Repair	In Operation 31 Jan	In Operation 31 Dec
Steam locomotives	10	1,332	4,429	4,503
Electric locomotives	2	59	233	242
Electric cars	0	387	1,405	1,486
Pass. cars	3	657	10,111	10,039
Freight cars	22	3,733	114,570	114,546

SOURCE: Ministry of Transportation, Railway Bureau.

STATUS OF PRIVATE ROLLING STOCK

Type	Built in January	Awaiting Repair	In Operation 31 Jan	In Operation 31 Dec
Steam locomotives	0	106	384	317
Electric locomotives	0	63	130	146
Electric cars	0	3,940	5,378	5,396
Pass. cars	0	199	787	657
Freight cars	0	1,103	7,817	6,825

SOURCE: Ministry of Transportation, Railway Bureau.

SECTION 5

MANUFACTURING

C O N T E N T S

FOOD PROCESSING

1. This industry is marked by sharp seasonal trends. Sugar refining is virtually discontinued but the production of sake is expected to reach its peak in February and March. Milling of wheat is usually at its peak in the late fall and is dependent upon imports from the United States.. The general trend during January was slightly downward as a result of off seasons, and shortages of fuel, labor and transportation.

INDUSTRIAL CANNING
November 1945 - February 1946

	November	December	January	February a/
Production (metric tons)				
Actual	197	376	675	467
Capacity	-	-	25,395	-
Canneries				
Operating	8	32	37	-
Idle	302	278	273	-
Employees	4,109	7,412	10,861	-

a/ Estimate

SOURCE: Ministry of Agriculture and Forestry.
Japan Canned Goods Control Co., Ltd.

FLOUR MILLING
November 1945 - January 1946

	November	December	January
Production (metric tons)			
Actual	32,000	30,343	27,783
Capacity	-	-	58,374
Wheat stocks (metric tons) (end of month)	36,276	34,940	42,479
Mills			
Operating	2,500	1,012	1,016
Idle	-	-	833
Employees	7,000	7,046	6,664

SOURCE: Ministry of Agriculture and Forestry.

SUGAR REFINING
November 1945 - February 1946

	November	December	January	February a/
Production (metric tons)				
Actual	2,213	3,812	766	1,926
Capacity	-	-	5,940	-
Refineries				
Operating	3	3	2	-
Idle	0	0	1	-
Employees	1,219	1,235	1,159	-

a/ Estimate

SOURCE: Ministry of Agriculture and Forestry.

SOY SAUCE INDUSTRY
November 1945 - February 1946

	November	December	January	February a/
Production (metric tons)				
Actual	38,947	34,345	29,630	37,957
Capacity	-	-	92,417	-
Factories				
Operating	5,874	5,874	5,865	-
Employees	16,300	16,900	17,081	-