

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN and KOREA

Number 2.

November 1945

PART I
GENERAL

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SECTION 1

ORGANIZATION UNDER SCAP

1. There were no changes during the month in the basic organization of the General Headquarters of the Supreme Commander for the Allied Powers.

2. A SCAP directive dated 10 November 1945 instructed the Japanese Government to make available to authorized representatives of SCAP, upon request, all records and files of government agencies, business enterprises and organizations of any type.

ADMINISTRATION OF CIVIL AFFAIRS IN KOREA

3. There were no changes in the basic organization of the Government General but three new establishments were created.

Ordinance No. 25 dated 7 November 1945 established a Department of Public Health and Welfare in each Provincial Government.

Ordinance No. 28 dated 13 November 1945 created the Office of Director of National Defense who would also supervise and direct the Bureau of Police.

Ordinance No. 29 dated 16 November 1945 created a Personnel Review Board to inquire into pro-Japanese or pro-enemy activity of Koreans applying for employment under the government.

SECTION 2

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1. The Office of the Lord Keeper of the Privy Seal was abolished on 24 November. Responsibility for political affairs and court functions was transferred to the Office of the Grand Chamberlain.

GOVERNMENTAL CHANGES

2. On 5 November the War Calamity Rehabilitation Board was provided for in a Cabinet regulation. Its duties and functions are reconstruction, rental of residential buildings, disposal of real properties and relief of war sufferers.

3. On the same day the Ministry of Welfare ordered each prefectural governor to organize a Labor Arbitration Committee for the settlement of labor disputes. The operation of these committees will be independent of the prefectural administration until legislative action is taken by the Diet.

4. A Civic Education Section was established within the Social Education Bureau of the Ministry of Education for the purpose of disseminating democratic ideas throughout Japan. The All-Japan Education Society and other organizations affiliated with the Ministry of Education will participate in its program.

5. On 14 November the Ministries of War and Navy were superseded respectively by the First and Second Demobilization Ministries. Premier Shidehara was concurrently appointed head of both Ministries. Their principal functions are to carry out the demobilization of Japanese forces overseas and distribute military supplies for relief purposes.

6. A directive of 18 November provided for discontinuance of the Japanese aviation industry and aeronautical training and research. The Civil Aeronautics Bureau of the Ministry of Transportation will be abolished on 31 December. It was formerly responsible for nearly all of Japan's aviation industry.

7. On 24 November the Japanese Government formally announced that a Bureau of Trade would be established in the Ministry of Commerce and Industry. It will exercise authority over Japanese imports and exports.

Japanese Diplomatic Relations

8. Directives of 25 October and 4 November ordered the Japanese Government to discontinue foreign relations both in Japan and abroad since such relations were inconsistent with the military occupation and the supreme authority of SCAP.

9. A directive of 18 November disapproved a written request of the Japanese Government to authorize Japanese liaison officers for supervising these functions. The neutral governments concerned are being informed that they may appoint liaison officers to maintain contacts with SCAP.

Switzerland and Sweden were permitted to continue routine functions in the protection of Japanese nationals in neutral countries.

LEGISLATIVE AFFAIRS

Japanese Diet

10. On 26 November the 89th Extraordinary Session of the Diet was convened for 18 days. The principal business was the passage of the bill revising the law for the election of members to the House of Representatives. Other bills are intended to amend wartime financial, judicial, agricultural, forestry and transportation control; to abolish wartime civil defense regulations; and to permit organization of labor unions.

11. Principal features of the Election Bill are the granting of suffrage to women and lowering of voting age from 25 to 20 and of candidacy age from 30 to 25. According to Home Minister Horikiri legal formalities for instituting popular elections of prefectural governors will be introduced at an early Diet session so that gubernatorial elections may be held in the Spring 1946.

12. Reorganization of prefectural assemblies and changes in election procedure for mayors of certain large cities are under consideration.

13. The first week of the session was spent largely in political recriminations by the various factions as to the war guilt.

14. On 26 November the Imperial Household Affairs Council decided that in special cases peers could petition for surrender of their ranks and titles. Such petitions would be examined by the Council which might recommend Imperial sanction. The Imperial Household Ministry is now considering the introduction in the House of Peers of a bill for the abolition of the hereditary rights of peers.

15. On 15 November the Cabinet proposed the submission to the Diet of a civil service reorganization bill for remedying such defects as the excessive number of existing civil service ranks, the inability to obtain salary increases while remaining in the same position, the complicated salary scales, the examinations and the qualifications of examiners.

POLITICAL PARTIES

16. Thirty-seven political parties had been organized by 20 November but the majority of them represented small factions fostering the personal ambition of individuals or members of cliques. Some of the smaller parties with little or no representation in the Diet have had their platform policies with modifications incorporated into pending legislation. The independent members of the Diet have increased from 60 to 92 largely at the expense of the Progressive Party.

Progressive Party (Shinpo)

17. This party is a coalition of old line politicians having 277 seats in the present Diet. It has not taken a leading part in sponsoring democratic legislation.

Japan Liberal Party (Nippon Jiyuto)

18. During November the Diet representation of the Japan Liberal Party dropped from 50 to 44. The Minister of Welfare and the Minister of Foreign Affairs are members of this party. Its current actions reflect extreme conservatism.

Socialist Democratic Party (Nippon Shakaito)

19. This party has 15 members in the present Diet. With slight modification its platform on the Election and Labor Union Laws was included in pending legislation. It has offered detailed plans for the solution of such urgent problems as inflation, unemployment and emergency housing.

Communist Party

20. The Communists have been suppressed for a long time and as a party they are free from war guilt. They will announce their platform in December but meanwhile are demanding that all idle land be expropriated and given to the farmers. Though the Communists have no representation in the Diet, they have been able to force discussion on matters normally undebatable. The Communist Party is the only major group consistently to attack the Imperial institution.

REPATRIATION

21. During the four-week period beginning 28 October the number of Koreans repatriated from Japan had increased from 183,000 to 405,602 and Chinese from 3,100 to 11,399. Arrangements for repatriation of Formosans have not yet been completed. The number of Japanese returned from all overseas areas during the same period increased from 207,062 to 601,396.

22. The 11 ports designated as reception centers for the processing of returning Japanese have been organized to care for a total of 45,500 returnees daily. Ten of these centers have in addition an estimated daily capacity of 30,500 for processing and loading of Koreans and Chinese for repatriation from Japan.

23. The Ministry of Welfare has been designated as the agency responsible for coordinating activities necessary to receive, process and evacuate returnees under terms of the directive of 15 October as revised and amended on 17 November.

24. Directives specify the responsibility of the Japanese Government for transportation to the centers, providing food, medical and other supplies required during the entire movement and for currency limitations. Health and quarantine measures necessary for the adequate control of communicable diseases have been stressed both in regard to Japanese returnees and to Koreans and Chinese processed for repatriation.

25. The process of repatriation of Japanese has almost been balanced by the repatriation of Koreans and Chinese. As a result the problem of repatriation has had a minimum effect upon the domestic economy and welfare problems of Japan.

26. On the basis of the planned rate of repatriation the great increase in food and housing load will begin in January 1946. By November 1945 it had become necessary to direct the Japanese Government to furnish returnees from the Philippines with additional clothing.

LEGAL AND INTELLIGENCE

War Crimes

26. As of 30 November some 600 suspects had been taken in custody in the Pacific area including militarists, politicians and industrialists.

27. On 6 November orders were issued for the arrest of 300 persons alleged to have committed atrocities and offenses against nationals of the United Nations who had been confined in POW camps, internment camps and hospitals in Japan. Those listed ranged from colonel to private, from superintendent to policeman and included prison guards, wardens and minor officials.

28. On 17 November the Japanese Government was ordered to apprehend and deliver six generals, three top ranking officials and two ultra-nationalists affiliated with the Black Dragon Society.

29. A directive of 22 November referred to the destruction of certain POW records and documents by the Japanese Army and Navy Departments. It ordered the Japanese Government to file by 15 December a complete list of all documents and records destroyed together with the names and positions of individuals directing such destruction.

Foreign Nationals

30. Data in the form of records seized from German industrial firms in Japan have been processed.

A procedure has been established for the employment of foreign nationals, all of whom must be screened and passed by proper authority before being employed by Army units.

Censorship

31. The policy of press censorship is liberal and the only restrictions imposed are those required to prevent the publication of untrue statements and matters liable to disturb public security. The volume of pre-censorship of domestic news and Japanese translation of foreign news has increased during November. The censorship of Japanese broadcasts and films was continued.

32. The Japanese Government was granted permission to establish limited mail service between Japanese awaiting repatriation in former Japanese occupied territories and those in Japan.

33. A directive of 21 November detailed the use and censorship of Japanese external telephone, telegraph and wireless facilities.

PUBLIC SAFETY

Law and Order

34. Contacts between Allied troops and Japanese civilians continued to be satisfactory. There have been six cases of rape involving Allied personnel.

35. The Japanese police were able to control the civilian population although there was an increase in juvenile and other crimes.

36. The Japanese police are taking appropriate steps against civilian black markets.

37. On receipt of the information that a large hotel in Tokyo was the center of Allied black market activities the Military Police raided the place and arrested a small number of American soldiers, Japanese and Italians including the ring leader.

Secret Societies

38. There is some indication that a few of the old secret organizations are appearing under different names with promotion of democracy as their purported objective.

Police Reorganization

39. On 7 November the Home Minister addressing the chiefs of the prefectural police stressed the need of establishing a modern police force scientifically trained to cope with crime and indoctrinated with respect for the rights of individuals. A plan for the reorganization of the Japanese police system based on this idea was submitted to SCAP. Departmental reorganization in the Metropolitan Police Board awaits Imperial sanction. Appointment of civilian advisers to assist the police in their dealings with the people is being undertaken. Appointments have already been made in Tokyo City and Kanagawa Prefecture.

40. By a directive of 6 November the Japanese Government was ordered to submit a detailed report on the personnel and organization of the dissolved Kempei-tai. The failure of the Japanese Government to furnish the required information on time resulted in the issuance of an order for the arrest of the officer concerned.

Prisons

41. On 7 October the prison population in 45 prisons and 8 juvenile institutions was 43,562.

The Japanese generally fail to apply modern methods to the operation of their prison systems.

42. The Emperor by a general amnesty of 18 November freed some prisoners and reduced the sentences of many others.

SECTION 3
ECONOMIC ACTIVITIES

C O N T E N T S

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INDUSTRIAL CONTROL

1. The control of Japan's war-making power is adequately assured by the measures which have been imposed since the beginning of the occupation to prohibit the production of war materials. A survey covering 23 key industries was completed. The war potential industries such as iron, steel, chemicals, light metals and heavy machinery are presently operating on a limited scale. The disorganization of the Japanese economy, the acute shortage of coal and the lack of essential raw materials retard the production of these industries.

2. The conversion of war industries to the production of civilian goods was accelerated by the clarification of the meaning of "conversion" as used in Directive No. 3. When the conversion of machinery is necessary, applications are submitted to the SIXTH and EIGHTH Armies and a thorough investigation is made before such permits are granted.

Plants capable of producing civilian goods without the conversion of machinery are no longer required to obtain permits.

DEMOCRATIZATION OF ECONOMIC LIFE

3. A broad program for the development of a sounder and more democratic economic life for Japan was announced in a SCAP directive of 6 November. Under the provisions of this directive all private trusts and combines are to be dissolved and undesirable interlocking directorates and inter-company security holdings eliminated. This will encourage a wider distribution of income and a more democratic ownership of the means of production and trade.

Zaibatsu

4. The concentration of economic power formerly in the hands of the Zaibatsu is to be broken down by this directive which approved the proposed plan for the dissolution of the four big family combines of Mitsui, Mitsubishi, Sumitomo and Yasuda. The Japanese Government was directed to carry out the plan of dissolution as rapidly as possible.

The plan provides for the establishment of a Holding Company Liquidation Commission to which the big four holding companies will transfer their assets and then dissolve. The Commission will liquidate these holdings by sale to the employees of these companies and to the general public. The former owners will be compensated by the issue of bonds which will remain frozen for at

least 10 years. Members of the four families will resign all posts held by them in the companies and are forbidden to reacquire their former interests. The personnel and operations of the Liquidation Commission will be completely under SCAP control.

5. In addition to the four big holding companies, the lesser combines are to be dissolved. All legislative and administrative measures which foster the development of private monopoly are to be abrogated and suitable legislation is to be enacted which will provide all persons with an equal opportunity to compete in industry, trade, finance and agriculture. Participation in cartels and other restrictive trade agreements is prohibited.

Control Associations

6. Plans have been submitted by the Japanese Government for the dissolution of the control associations for a number of important industries including electrical machinery, automobiles, textiles and iron and steel. The raw silk control association has already been dissolved.

Labor

7. SCAP's announced policy of encouraging freedom of labor as a step toward the development of democratic forces has stimulated labor movements throughout Japan. Unions have been, or are in the process of being organized among important labor groups such as teachers, fishermen, newspaper employees and railway workers.

Despite activity on the union level, no progress has been made toward the revival of a national federation of trade unions as announced early in October. The formation of a united labor organization on a national level has bogged down temporarily because of internal differences within labor groups and the concentration on political activities in connection with the special session of the Diet and the coming election. Actual labor disputes have been few.

8. A significant improvement in the legal status of labor is represented by the new trade union bill which is being submitted to the special session of the Diet in December. This bill is regarded as being progressive by all types of labor leaders since it legalizes labor unions, guarantees the right to organize and encourages collective bargaining. Until the necessary legislation is passed, the prefectural governors have been ordered to establish non-partisan mediation committees to be responsible for the settlement of labor disputes.

9. During the war Japanese labor was organized into two government controlled agencies, Sangyo Hokoku-kai and Romu Hokoku-kai. The dissolution of the former as an operating organization has been accomplished. The Romu Hokoku-kai was permitted to reorganize as a semi-official agency for the procurement of labor for the Occupation Forces. It has operated effectively in that field and the desired requirements for labor have been met.

ECONOMIC CONDITIONS

General

10. During the month of November many factories reopened, the conversion of war industries to peacetime production made headway, the railway system was largely restored and supplies of consumers goods began to appear on the market in greater quantities.

Other conditions exist which are definitely unfavorable. Stocks of raw materials are being rapidly exhausted in many in-

dustries. The critical decline in coal production, if not corrected in the near future, threatens to have a far reaching effect on both industry and transportation.

Food Situation

11. The Japanese Government is being encouraged to improve the system of food collection and distribution, to bring as much new land as possible under cultivation and to produce food substitutes to a maximum extent.

12. As the result of typhoon damage, flood losses and adverse weather conditions, further reduction has been made by the Japanese Government in its estimates of the food supply availability for 1946.

13. The inadequate supply of commercial fertilizers that was available during the war has resulted in soil depletion and deficiencies of certain elements. The increased use of fertilizers is necessary if crop production is to be maintained or increased. Existing stocks of commercial fertilizers are extremely low and even if coal and raw materials can be supplied manufacturing capacity will continue to be below requirements.

14. An encouraging feature in the food situation is the improvement in fishing operations. Increasing quantities of fish are being caught and delivered to market through normal channels. The number of usable fishing craft has increased and steps are being taken to assure an adequate supply of fuel, nets, tackle and rope.

Coal

15. October output of 445,00 metric tons was 16 percent of the coal mined in June 1945. A further slight decrease occurred in November. Production is now running well below the level of minimum requirements and stockpiles are being rapidly depleted. Unless the steep downward trend in coal production is abruptly reversed, industry and transportation will be seriously affected. Many industries are suffering from the shortage of fuel. Gas for household use is supplied only a few hours a day. The government railways have announced a drastic curtailment of passenger service.

16. The lack of an adequate labor supply is the most pressing aspect of the problem. To replace the 130,000 Korean and Chinese laborers who were formerly employed in the mines, a recruiting campaign has been undertaken by the Japanese Government with the assistance of this Headquarters. This campaign is receiving wide publicity. The Japanese Government has granted increased food allowances for miners and their families, has raised wages and is improving working conditions and living quarters at the mines. This Headquarters has directed American commanders in overseas areas to grant priority in repatriation to former coal miners.

17. Shortages of explosives, wire rope, lubricants and truck transportation are additional factors in the decline in coal production. Measures are being taken to obtain these mining supplies.

Rationing and Price Controls

18. Despite considerable public pressure to remove all restrictions, controls over basic commodities cannot be relaxed at the present time. Because of the adverse food situation and the continuing shortage of consumer goods, it has been necessary to continue existing price controls and rationing methods. The

Japanese Government is being encouraged to restrain an inflationary rise in prices and to promote the equitable distribution of goods through normal trade channels. All important changes in price and rationing controls are submitted for approval to this Headquarters.

19. To overcome the farmers' reluctance to sell their produce at official prices, the government price of rice was raised from ¥ 92.50 to ¥ 150 per koku and price ceilings were removed from perishable foods and a modified plan of distribution introduced. As a result of these measures the collection of foodstuffs is showing much improvement. Fish, vegetables and fruit are now appearing in normal marketing channels in greatly increased quantities and at prices somewhat below former black-market levels. While the situation is better with regard to perishable foods the national daily ration of staple foods remains unchanged at the low level of 2.1 go (294 grams) per person.

Foreign Trade

20. Continued attention is being given to the availability of export goods which are required to pay for needed imports. Raw silk and silk fabrics are the most promising products for export. The testing of approximately 46,000 bales of raw silk is expected to be completed before February 1946. The finishing of silk cloth now in process has been authorized.

21. All foreign trade is under SCAP control and the Japanese are not permitted direct contact with other agencies.

Transportation and Communications

22. On account of the shortage of truck transportation and the inadequacy of coastwise shipping the railways have become the most important means of transportation. In addition to moderate damage from air raids, the railways during the war suffered from lack of maintenance and the diversion of personnel and materials to military purposes. A considerable part of the bomb damage has been repaired and the situation is improving in the supply of skilled labor, repair parts and materials. The shortage of coal is now the principal problem confronting all steam railroads.

23. The communications system is continuing to show improvement by utilizing existing stockpiles of equipment, supplemented by Japanese army and navy materials for the repair and maintenance of necessary wire and radio facilities. The manufacture of communications equipment is being resumed on a limited scale. Facilities for domestic broadcasting are now adequate, more radio receivers are available and overseas radio service has been improved.

FINANCIAL

Inflationary Trend

24. Important steps were taken to deal with the inflationary trend and to bring government financial activities more closely under the control of SCAP. The directive of 24 November blocks the huge total of government guarantees of war-risk insurance, indemnities to munitions companies and claims from war contracts. They are estimated to exceed ¥ 50 billion. Any payments made in excess of ¥ 5000 since 15 August will be paid back within the next 30 days. The recovery of the substantial bank advances and payments made on such claims and indemnities during the latter part of August will contribute to the control of inflation.

25. The directive of 24 November prevents the Japanese Government from making other financial commitments without SCAP approval. Except as authorized by this Headquarters, the Japanese Government cannot issue bonds, obtain or extend credit in any form, assume any guarantees for banks, insurance companies or industrial concerns or grant subsidies to dispose of government properties.

New Currency

26. The directive of 28 November stipulates that the approval of this Headquarters must be obtained for the issuance of any new currency and that monthly reports be submitted on the note issue.

Subsidies and Pensions

27. The control of subsidies imposed by the 24 November directive will eliminate all support to unessential industries. The amount of such subsidies exceeded ¥ 7 billion annually.

28. Another step with significant social as well as financial implications is contained in the SCAP directive which ordered the termination of pensions and dismissal allowances to military personnel except as compensation for actual physical disability. This eliminates certain financial privileges previously enjoyed by the military, which were a heavy charge on the national budget.

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SOCIAL ACTIVITIES IN JAPAN

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PUBLIC HEALTH AND WELFARE

1. There has been a noticeable increase in the shift of population from rural to urban areas. There was no evidence to confirm rumors of widespread starvation or of mass undernutrition.

2. There was no indication of any significant increase in the incidence of disease. A small but definite outbreak of louse-borne typhus occurred in the coal mining regions of Hokkaido. The rate of diphtheria is excessive but does not exceed that for 1944. Continuous pressure and supervision have resulted in a steady improvement in reporting of disease.

3. The general administration of hospitals showed improvement. Hospitals reported 62 percent of the available beds occupied and a medical staff ratio of one doctor to two hospital patients.

Supply

4. Production of medical equipment and supplies was practically at a standstill and drugs were manufactured at less than 50 percent of production capacity. The supply of biologicals particularly diphtheria antitoxin was deficient.

Collection of stocks of narcotics by the Occupation Forces was progressing satisfactorily.

Medical Personnel

5. Adequate medical, dental, veterinary and nursing personnel are available. Most of them are employed at less than their capacity because of improper distribution. Institutions for training all categories of medical personnel are inadequate.

Relief of Foreign Nationals

6. Representative foreign nationals in Japan state that their groups have received adequate food and clothing. Supplemental rations were issued by the Japanese Government and POW supplies were distributed by the International Red Cross. Distribution of supplies by the IRC was discontinued on 15 November.

Serious deficiencies were found at some reception centers in the feeding, housing, medical care and supply quarantine, sanitation and general control of repatriates. Corrective measures were initiated immediately. Uncontrolled movements of repatriates to embarkation ports were stopped. DDT powder has been received and made available for delousing. Guards of Occupation Forces

accompany repatriation trains bound for embarkation centers.

EDUCATION

7. This Headquarters has initiated a direct study of various levels and types of schools to obtain complete statistical data on all phases of the educational system.

On 30 October the Japanese Government was directed to eliminate militaristic and ultra-nationalistic teaching personnel. More than 50 college and university officials and higher school teachers resigned as a result of the directive.

Examination of textbooks revealed excessive jingoistic material in texts for courses in morals, geography and history. Further printing of textbooks was ordered discontinued until content had been examined and approved. School physical education programs have been purged of militaristic activities.

Under guidance of this Headquarters the Ministry of Education has removed discrimination between civilians and former military and naval school students applying for admission to schools or universities.

MEDIA OF EXPRESSION

Information Programs

8. An intensive program of information was developed to present the problems of Japan to the people through press, radio, theater and motion pictures. Problems emphasized were the coming general election, agrarian and economic reforms, recruiting of coal miners and understanding of the full meaning of war guilt and actions of Japanese leaders.

A library of information about America, international affairs and World War II has been established in Tokyo for the use of the Japanese.

Radio

9. The Japanese radio programs were reorganized and revised under the supervision of this Headquarters to provide for improved program content, structure and presentation. New programs include a "Round Table of the Air", reviews of editorials from leading newspapers, a presentation of views of labor groups and a political hour. New musical programs feature international and American composers and the latest dance music.

Press and Publications

10. Press analysis reveals considerable improvement in the selection and reporting of both domestic and foreign news in Japanese language newspapers. Approximately 900 magazines are now being published with a total circulation exceeding 9,000,000. A study of magazine publishing in Japan has been prepared.

Motion Pictures

11. Two hundred thirty-six militaristic and ultra-nationalistic films have been banned. Shortage of films has been alleviated by approving the re-issues of prewar Japanese feature films. Arrangements have been completed by this Headquarters to reintroduce current American films.

A Japanese Motion Picture Producers Association was formed. It recognizes the right of employees to bargain and has adopted a code of fair competition. The quality of educational, documentary and newsreel films continued to improve.

Stage and Theater

12. Government control of the Japanese stage has been further reduced by voluntary dissolution of control associations. One extremely militaristic play was withdrawn by direction of SCAP. The quality and content of plays have steadily improved under guidance of this Headquarters.

Political Trends

13. Thirty-seven parties have announced candidates for the Diet election. The formation of "united fronts" on both right and left has resulted in the emergence of four major political groups. All information media are being used by SCAP to educate the Japanese people on the importance of the election.

SECTION 5

CIVIL ADMINISTRATION IN KOREA

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1. The artificial division of Korea at 38° North Latitude into American and Soviet zones continues as a barrier against the free exchange of goods, persons and information.

ADMINISTRATION

2. In November several changes were made in the administrative structure of the Military Government. An ordinance of 13 November created the Office of Director of National Defense and a Bureau of Armed Forces. The existing Police and Armed Forces Bureaus were placed under the supervision of the Director.

3. The Advisory Council system was enlarged to permit the establishment of provincial and district advisory councils which will be replaced eventually by elected bodies.

4. On 25 November Japanese remaining in government bureaus other than the Bureau of Communications constituted less than one percent of the total personnel.

Korean Personnel Review Board

5. An ordinance of 16 November established a Korean Personnel Review Board of seven members to be appointed by the Civil Administrator. It is empowered to probe into pro-Japanese or pro-enemy activity of Koreans holding or applying for office under the Military Governor. The Board is authorized to hold closed hearings and subpoena witnesses; it will submit its findings, recommendations and reports to the Military Governor.

Repatriation

6. During the four-week period beginning 28 October 221,802 Koreans were repatriated from Japan, making a total of 405,602 repatriated by the end of this period. During the same period 239,611 Japanese were returned from Korea

Legal

7. All authority of the former Governor General of Korea was assumed by the Military Governor. Laws and order including those

regarding the organization of the Government General effective as of 9 August 1945 were continued in force unless specifically repealed or modified. All Korean courts were constituted into military occupation courts. Korean justices have replaced Japanese officials.

POLITICAL ACTIVITIES

8. At present Korean politics is chiefly dominated by the Democratic Nationalist, the People's Republic and the Communist factions. On 23 November Kim Koo, head of a "Provisional Government" arrived from Chungking. All parties seem to be united in opposing both the trusteeship policy and the division of the country into two occupation zones. The Democratic Nationalist group is opposing the policy announced by the Military Governor.

A People's Party has been newly organized by Dr. Lyuh Woon Hyang which appears to have formed close connections with the People's Republic.

Coalition Attempts

9. Efforts of Dr. Syngman Rhee, President of the Committee for the Rapid Realization of Independence, to find a basis for a working coalition of the various parties have met with only partial success. The major obstacle appears to be differences between the Democratic Nationalist Party and the People's Republic and groups associated with it.

10. The People's Party is expected to provide strong political opposition to any Koo-Rhee coalition. It seems likely that Koo will lend his support to Dr. Rhee and the comparatively conservative groups supporting him.

11. The Communists are pursuing an independent line because they are dissatisfied with both the wording and the intent of a resolution passed at a meeting sponsored by Dr. Rhee's Committee opposing the trusteeship. They made pointed reference to the possible danger of offending the United States and other Allied nations.

Council of Trade Unions

12. The meeting of the Council of Trade Unions held in Seoul on 5 and 6 November was of considerable political significance. It was participated in by representatives of 1,194 unions in 15 different trades who demanded shorter hours and acclaimed Pak Eung Yung, a prominent Communist, as the only Korean labor leader. On 20 November the Standing Committee of the Council voted its support of the People's Republic.

PUBLIC SAFETY

13. The Ordinance of 13 November placed the bureau of Police under the control of the Office of Director of National Defense. By the middle of the month the police force consisted of 15,000. An academy has been established to train recruits. The Japanese style uniform is being altered.

Banning of Armed Groups

14. The organization of any private police force or armed group was banned subject to approval of the Director of National Defense. This measure was taken to pave the way for the creation of armed forces necessary for the protection of an independent Korea and to prevent the formation of private armed groups.

Riots and Disturbances

15. Riots and disturbances on a minor scale during November required the calling out of American troops; approximately 200 persons were arrested. The centers of disturbances were mostly at Seoul, Yungun, Tanyang, Chouju, Kempo Ri, I-Ri, Hyopchou and Cheju Island. In one instance it was necessary to impose a curfew.

ECONOMIC ACTIVITIES

Mining and Industry

16. On 9 November the Bureau of Mining and Industry was organized. Its approval is required for the reopening of factories formerly under Japanese control. The Bureau is engaged in operating the former Mitsubishi Company which had interests in mining, electrical supplies manufacture, steel, insurance and agriculture.

17. The Materials Control Corporation was organized to liquidate the Korean Important Materials Control Corporation whose assets consist of various Japanese war materials including lead, silver, copper, brass, raw rubber, oils, greases, army clothing and cloth.

Fuel

18. The shortage of fuel, particularly bituminous coal, remains critical. Efforts to obtain coal from North Korea and Manchuria have been unsuccessful. Importation of 70,000 tons per month from Japan provides for the minimum requirements of railways and local power plants. The production of briquettes is hampered by the shortage of pitch.

19. The oil refining properties of the Chosen Petroleum Company at Ulsan are about 65 percent complete and under favorable conditions could be made ready for operation in about ten months. Its capacity would then be between one-half and two-thirds of civilian gasoline requirements for the American zone.

Labor

20. Prices are rising and labor is demanding more money. Steady workers have become scarce since they earn less money than casual employees. Plans have been approved for the establishment of labor mediation boards in all provinces and for the registration of unions.

Commerce

21. A significant development in the field of domestic commerce was the reopening of the New Korea Corporation. This firm was formerly called the Oriental Development Company and was controlled and organized by the Japanese to exploit the resources of the Empire.

AGRICULTURE AND FISHERIES

22. There were no outstanding developments in the agriculture control program in November. The free market in rice continued to operate but the asking price per bag was as high as three times the authorized price depending upon local conditions.

Sericulture

23. The fuel shortage resulted in the cutting of some mulberry trees. This action has been halted and plans have been made

for air movement from Japan by 15 December of 150,000 sheets of silkworm eggs. By the end of November a majority of silk factories were in operation and an experiment station had been opened.

Fishing

24. All Japanese fishing rights in Korean waters were withdrawn by an ordinance of 9 November and a conservation program was inaugurated to overcome the effects of Japanese exploitation. An investigation of fishery associations disclosed that funds have been illegally disbursed. Several million yen were recovered from some 500 persons connected with four associations. The market at Seoul is well supplied with fresh fish. Prices fluctuate according to supply which depends upon the availability of transportation.

TRANSPORTATION AND COMMUNICATIONS

25. By 15 November 7,000 Japanese employees of the Korean transportation system had been discharged. In the same period the amount of available rolling stock had increased 50 percent over that of the previous month and the mileage traversed had doubled. Shortage of fuel prevented maximum use of the existing rail facilities.

Shipping

26. The Bureau of Transportation is now operating a number of small ships aggregating 6,000 tons primarily to transport fuel and food. It is estimated that when all ships of 100 tons or more become operative in the American zone Korean coastal shipping can move 30,000 tons of coal per month. This peak probably will not be reached for at least two months.

27. The Shipping Control Association, formerly Japanese owned, has been taken over and a new organization under Korean management is being formed. Companies staffed with Koreans have been organized to handle shipping.

Communications

28. By the end of November only 300 Japanese or 1.8 percent of 16,720 employees remained in the Bureau of Communications. Those retained are technicians who have advisory status only. Complete release of all Japanese is expected by 1 January. An increased efficiency has been obtained through elimination of duplication and release of unnecessary or unqualified personnel.

29. Civil communication facilities are adequate to meet the present needs of the American zone provided there is sufficient maintenance material on hand to repair breakdowns. Requisitions have been made for needed spare parts. Ten of the eleven radio stations in the American zone are active.

SOCIAL AND WELFARE ACTIVITIES

Education

30. Korean schools are being opened rapidly despite a serious shortage of teachers and textbooks. By 15 November two-thirds of the textbooks had been rewritten in Korean and on 20 November the first copies of two textbooks were delivered to the Military Governor.

31. Preparations have been made to open Seoul (formerly Keijo) University with a Korean staff under an American officer as acting president.

32. The Veterinary College at Souwon is not functioning at normal capacity due to lack of replacements for the removed Japanese teaching staff. Only two instructors remain of the former staff of seven.

33. The enrollment in the Communications School sponsored by the Bureau of Communications has now increased to approximately 1,000 students who are given six months courses in electricity and radio. At present the textbooks consist exclusively of translation of foreign material.

Press and Radio

34. Arrangements have been completed to increase the circulation of the Chukan Digest, a weekly paper, from 400,000 to 800,000 copies per week. Publicity on important matters is given through Military Government posters. The first Korean overseas edition of the New York Times was published.

35. A standing operating procedure has been prepared to handle the broadcasting of speeches by all political parties. Beginning 30 November on each Friday parties will have opportunities to go on the air from Radio Station JODK. A mobile address unit operating in Seoul reached some 17,000 people during the last week of November.

Welfare

36. The Welfare Branch of the Bureau of Public Health and Welfare was established by an ordinance of 27 October. Its officers and civilian heads are working out a series of measures for emergency relief, unemployment relief, institutional care and licensing of private agencies. Relief problems have been complicated by the infiltration of Koreans from the Russian zone and the return from Japan of other Koreans who previously had no residence in the country.

Hospitals

37. Thirty-two of the larger provincial and municipal hospitals and the private and special hospitals in and near Seoul have adequate bed space and medical supplies according to Korean standards.

Veterinary

38. The veterinary service, formerly under the Department of Agriculture, was transferred to the Bureau of Public Health and Welfare by Ordinance No. 25 of 7 November. Korean veterinarians, in addition to animal disease control, are responsible for sanitation of slaughter houses.

Nursing Affairs

39. Surveys of hospitals and nursing schools in Seoul, Incheon and Kaesong show that nursing standards are very low. Several directors of Seoul hospitals have indicated their desire to reform the methods of nursing and have asked for guidance and assistance from the Nursing Affairs Section.

Medical Supply

40. There were 72 major drug manufacturing plants under Japanese control. Most of them were located in the vicinity of Seoul. At present 21 of them are operating under close supervision of the Military Government. The lack of qualified personnel and the shortage of fuel have prevented the opening of other plants. The present supply of fuel is sufficient for only 30 days' operation.

It was estimated that all available medical supplies including the output of operating Korean plants could provide for only two-thirds of the population during the next six months. Import of additional supplies will be needed. Required supplies for the control of malaria have been requisitioned.

Narcotics

41. Approximately 90 percent of the total opium produced in Korea under government monopoly was grown north of the 38th parallel. The cultivation and growth of opium in the American zone has been prohibited and stocks of narcotics have been confiscated.

Preventive Medicine

42. The Preventive Medicine Section has been reconstituted into the following four major divisions: Epidemiology, Nutrition, Maternal, Infant and Child Health and Public Health Education. A civilian staff has been organized along similar lines.

Communicable Diseases

43. An increase of smallpox is indicated from incomplete epidemic reports. The United States Typhus Commission representatives have completed surveys. Control measures have been worked out between the XXIV Corps and the Bureau of Public Health and Welfare of the Military Government for the allocation and use of vaccine, DDT powder and dusting equipment.

44. Venereal disease incidence based on surveys previously conducted by Korean doctors indicates an increase of syphilis from 10 to 40 percent. An association has been formed for the suppression of VD in Korea but adequate supplies are not available.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN and KOREA

Number 2.

November 1945

PART II
POLITICAL - JAPAN

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SECTION 1

GOVERNMENT AND CIVIL ADMINISTRATION

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GENERAL

1. Changes in the Japanese governmental structure are the result primarily of SCAP directives but in some cases of Japanese initiative.

2. Japanese officials charged with heading investigations on constitutional reforms have publicly favored the retention of the Imperial institution. The Communist Party is the only major group consistently to attack the Tenno system.

3. In the period of three months it is difficult to draw comprehensive conclusions concerning the amount of change in the thinking habits of the Japanese people or the extent to which their culture and political philosophy have been modified. The manner of compliance with SCAP directives and suggestions, the trend of newspaper editorials and the statements by Japanese of national importance indicate that our encouragement of democratic tendencies is meeting with some success.

JAPANESE DIET

89th Extraordinary Session

4. By an Imperial rescript of 17 November the Diet opened on 26 November and the political divisions of the House of Representatives: 466 seats were recorded as follows:

Japan Progressive Party	277
Japan Liberal Party	44
Japan Social-Democratic Party	15
Independents	90
Vacant	40

The Emperor opened the session of 27 November by reading a rescript which emphasized the importance of passing the Election Reform Law.

At the plenary session of 28 November Premier Shidehara delivered to the House of Peers and House of Representatives respectively a 4,000 word outline of the government's program. The address to the Lower Chamber was broadcast for the first time in the Diet's history. The calendar for the 18-day session is crowded and it is improbable that all scheduled business will be completed in that period.

5. The Election Bill provides for women suffrage, lowering of voting age from 25 to 20 and of candidacy age from 30 to 25. Other items on the agenda were repeal and amendment of wartime control measures, readjustment of farmland distribution and pro-labor union legislation.

Bills for Enactment

6. The following bills have been prepared for enactment by the Diet:

Ministry of Home Affairs:

Bill for Revision of Law for the Election of the Members of the House of Representatives.

Bill Relating to Abolition of Air Defense Law.

Ministry of Finance:

Bill for Revision of Law for People's Savings Association.

Bill for Revision of Provisional Currency Law.

Bill for Abolition of the War Deaths and Injuries Insurance Law.

Bill for Abolition of Wartime Special Insurance Law.

Bill for Revision of Salt Monopoly Law.

Bill for Abolition of Enemy Property Custody Law.

Bill for Preservation of Allied Property.

Ministry of Justice:

Bill Relating to Abolition of Wartime Special Criminal Law.

Bill for Abolition of Law Relating to Wartime Special Exceptions under the Law for the Organization of Courts of Justice.

Bill Relating to the Retirement of Judges and Procurators and Transfer of Judges.

Bill for Abolition of the Ordinance Relating to the Property in War-Affected Localities.

Ministry of Agriculture and Forestry:

Bill for Revision of Agriculture Association Law.

Bill for Revision of Law for Wartime Growth of Forestry Resources.

Bill for Revision of Law for the Adjustment of Arable Land.

Bill for Revision of Marine Industry Association Laws.

Bill for Revision of Sericultural Association Laws.

Bill for Revision of Sericulture Law.

Ministry of Commerce and Industry:

Bill Relating to the Abolition of the Petroleum Industry Law.

Ministry of Welfare:

Bill for Labor Unions.

Ministry of Transportation:

Bill for Abolition of Wartime Special Exceptions
under the Railroad Construction Law.

CONSTITUTIONAL REFORMS

7. The general attitude toward constitutional reforms remains conservative despite contrary statements of the drafting committees and of spokesmen for the newly organized political parties.

At the plenary session on 29 November Premier Shidehara declared as a matter of principle that the Constitution required no amendment; that it was not inconsistent with Japan's democracy but that such points as might give rise to distorted interpretation in the future should be revised; and that there was little question that articles and sections of the Constitution would need to be redrafted to meet "the present emergency."

JAPANESE GOVERNMENT ADMINISTRATION

8. Channels of administrative control and supervision in the Japanese Government are depicted in Chart No. 1 following this page.

Policy in Japan is determined at top level by those immediately surrounding and having access to the Emperor. Once determined it is transmitted through the Premier to the Cabinet. Each Ministry then assumes responsibility for carrying out the policy in its particular field. In some cases operating agencies exist directly under the ministries and are entirely independent of prefectural or lesser local agencies of the government. In other cases operations are carried out through the agencies of the prefecture, city, town and village. Frequently boards and commissions are set up directly under the Cabinet but they are independent of the ministries.

9. The regional bureaus are designed to provide general coordination and supervision.

10. The responsibilities and functions of the prefectures including Hokkaido, the three metropolitan districts of Tokyo, Osaka and Kyoto and all the lesser units are considerably limited, being concerned directly with only local matters within the bounds of national policy.

11. Administrators at all levels are permitted considerable freedom of action. There are few if any specifications concerning legislative or executive jurisdiction or powers. Custom and tradition play an important part in determination of responsibility. Often an administrator controls through his discretionary power to promote, reward or remove subordinates rather than by any expressed authority.

GOVERNMENTAL CHANGES

Peers' Law

12. The Imperial Household Ministry in response to requests of certain peers gave notice on 12 November that a Deliberative Council of the Board of Peerage and Heraldry had been appointed to revise the Peers' Law. Some peers with political aspirations feel

that as such they have less chance for election. Others anticipate being named as war criminal suspects and consider it necessary to return their title of peerage.

13. On 26 November the Imperial Household Affairs Council decided that in special cases peers could petition for surrender of their ranks and titles. Such petitions would be examined by the Peerage Bureau Council which at its discretion could recommend Imperial sanction. The Imperial Household Ministry is now considering the introduction in the House of Peers of a bill for the abolition of the hereditary rights of Peers.

Abolition of Privy Seal Office

14. The Office of the Lord Keeper of the Privy Seal was abolished on 24 November. Duties included advising the Throne on State affairs and conducting certain court business affairs. Only through his office could representatives of the people and most officials obtain Imperial audience.

The foregoing wiped out his tremendous influence since he could no longer control audiences with or exercise his personal influence upon the Emperor. The responsibility for conducting court business affairs was transferred to the Office of the Grand Chamberlain.

War Calamity Rehabilitation Board

15. A Cabinet resolution of 5 November created the War Calamity Rehabilitation Board consisting of a president, vice president, special advisers and technical staff members. Its duties and functions concern plans for city construction, rental of residential buildings, disposition of lands and buildings and other measures for stabilizing the livelihood of war sufferers.

Dissolution of War and Navy Ministries

16. In accordance with the announcement of 14 November the First and Second Demobilization Ministries replacing the Ministries of War and Navy were formally established on 1 December. Premier Shidehara became head of both new Ministries. His functions are: to demobilize the armed forces overseas, to distribute military supplies for relief purposes and to plan further postwar measures. The personnel of these ministries will have civilian rather than military status.

Ministry of Education

17. A Civic Education Section was established within the Social Education Bureau of the Ministry. The section is provisional and its function is to enlighten the people on the significance of the forthcoming election by disseminating democratic political concepts. The All-Japan Education Society and other organizations affiliated with the Ministry of Education will collaborate.

Ministry of Welfare

18. On 5 November the Ministry of Welfare ordered each prefectural governor to organize a labor arbitration committee. In most prefectures such committees will be composed of nine members, three each from labor, management and local leaders. In certain prefectures the committee membership may be augmented but always in equal proportion. These bodies will operate apart from prefectural bureau administration.

The labor arbitration committees will have jurisdiction over disputes which cannot be settled by mutual agreement between labor and management. Decisions in ordinary cases will be by majority votes; exceptional cases by unanimous votes.

This new prefectural agency will operate until such time as revised legislation is passed. The Labor Dispute Arbitration Law of 1926 is still in force. Only six labor committees have been formed under the provisions of this law.

Ministry of Transportation

19. A directive of 18 November titled Commercial and Civil Aviation provides for the elimination of the Japanese aviation industry and aeronautical training and research. The Civil Aeronautics Bureau of the Ministry of Transportation has been the governmental agency charged with responsibility for practically all of the aviation industry in Japan. Abolishment of the Bureau with its four regional offices, research institutes, schools and supply depots will be effective 31 December.

Ministry of Commerce and Industry

20. Announcement was made on 24 November that a Bureau of Trade would be established in the Ministry of Commerce and Industry to exercise authority for collecting and exporting Japanese goods and importing and distributing world products. Policy and details of organization for the Bureau are being formulated by the Ministries of Foreign Affairs, Finance, Agriculture and Forestry, and Commerce and Industry.

Civil Service

21. On 15 November the Cabinet announced that it proposed to submit to the Diet a bill for the internal reorganization of the Civil Service system. The changes intend to remedy existing defects in the complicated salary system, the examinations and the quality of the examiners. The system of Civil Service ranks is to be simplified and the practice of transferring officials merely for the sake of promotion in ranks and salary increase is to be eliminated.

Prefectural and Municipal Changes

22. Changes of prefectural governors have been extensive but there has been criticism by the Japanese that the same type of professional bureaucrat continues to occupy the posts. The Home Minister asserted that persons in private life declined appointments for fear of stigma attached to service under the present Japanese governmental system, impossibility of obtaining loyal support from professional bureaucrats and fear of being removed from office when the present Cabinet falls.

According to Home Minister Horikiri legal formalities for instituting popular elections of prefectural governors will be introduced at an early Diet session so that gubernatorial elections may be held in spring 1946.

Reorganization of prefectural assemblies and changes in election procedure for mayors of certain large cities are also under consideration.

POLITICAL PARTIES

23. Of the approximately 35 political parties, over 30 including the four major parties -- Social-Democratic, Communist, Liberal and Progressive -- are metropolitan groups.

24. During November party organizers exhibited intense activity in meetings, speeches and demonstrations. Marked interest was displayed by office holders, prospective office holders and those having strong financial interests in the government and press. The platforms of most of the parties are vague and incomplete on fundamental issues while some have not yet framed their platforms.

Social-Democratic Party of Japan (Nippon Shakai-to)

25. This party with only 15 Diet members has exercised strong influence on the government as shown by its ability to incorporate many of its policies into pending legislation.

A part of the Party's platform was incorporated into the Election Reform Bill. This included extension of the franchise to women; lowering of the age requirements for voters from 25 to 20 and for candidates from 30 to 25; enlargement of the election districts; restriction on plural voting; impartial governmental aid in the election publicity and abolition of interference in election campaigns. The Social-Democrats failed to have the age limit for both voters and candidates reduced to 18 years. Their demand for outright proportional representation was also unsuccessful.

The Social-Democrats from the beginning of their activity demanded official recognition of labor unions and collective bargaining. These were incorporated in the new Labor Union Bill.

This Party demanded a fundamental reform of the agricultural land system to which the government responded with a draft bill that is meeting with strong opposition from conservative elements in the Diet and divided the Cabinet.

The Social-Democratic Party has gone much farther than any other in presenting detailed plans on such problems of immediate urgency as inflation, housing for war ravaged areas and unemployment.

Communist Party

26. This party holds the most extreme view on the Land Reform Bill and attendant issues by advocating outright expropriation of all idle land and its free distribution to farmers. The Communists had been suppressed since the late '20's and hence as a party are free from war guilt. They were able to maintain some organization throughout. They have announced their intention of holding a "fourth nation-wide meeting" in December at which they will present their platform in detail.

The Liberals and Progressives both support the Imperial institution, the Social-Democrats are divided and publicly silent on this point and the Communists attack it.

The Communists, without a single member in the present Diet, have forced discussion on matters which were generally considered undebatable. Efforts to form a popular front continue by organizing many local branches of the People's Emancipation League. The League unites various local groups to promote certain specific objectives but avoids discussion on the Emperor.

Japan Liberal Party (Nippon Jiyuto)

27. During November the Diet representation of this party dropped from 50 to 44. Takao Saito is publicly affiliated with the Progressive Party and not to this party as previously reported. Two Cabinet members Hitashi Ashida, Minister of Welfare, and Shigeru Yashida, Minister of Foreign Affairs are in this party.

The Liberal Party is conservative and its main distinguishing characteristic is its demand for a free economy. It favors functional rather than structural changes in the government and seems patterned after a Victorian British model. Its criticism of the government's Land Reform Bill was that it was "too radical".

Progressive Party (Shimpoto)

28. This party was inaugurated on 16 November and held a popular rally on 22 November. The party chose the name Minpoto (People's or Central Political Party) but soon changed it to Shimpoto (Progressive Party).

Yosuke Tsurumi, an able parliamentarian and writer, is giving unifying guidance pending the selection of the party head. He has together a heterogeneous group of old line politicians. Political observers expect the party to break up into its constituent parts before the coming election.

In contrast to the Liberals the Progressive Party advocates retention of governmental economic controls which is similar to the position of the Social-Democrats. While the Social-Democrats objected to governmental compensation to landlords as presented in the Land Reform Bill the Progressives held that the compensation was inadequate.

Smaller Parties

29. The many smaller parties have made no significant political contributions nor attracted Independent Diet members to their ranks. During the last week of November the Independents increased in numbers from 60 to 92 mostly at the expense of the Progressive Party. An Independent Club has been formed with Tazaki and Masaki as its spokesmen.

Political activity in rural areas, apart from popular front efforts sponsored by the Communists, resulted in an increase of cooperatives and initiation of cooperative buying, and in the distribution of foodstuffs and fertilizer and provision of medical aid.

Some of the minor parties at the right have organized a Council to Combat Starvation as an offset to the efforts of the Communist Party to form a popular front. The main effort of these parties is devoted to salvaging as much of the Imperial system as possible and crushing communism.

FOREIGN AFFAIRS

30. The Foreign Ministry reported that in accordance with a directive of 4 November neutral diplomatic and consular representatives in Japan had been notified that the Japanese Government would discontinue its diplomatic relations with them.

Permission was given for Switzerland and Sweden to continue routine functions concerning the protection of Japanese nationals in neutral countries. A directive of 18 November disapproved a written request of the Japanese Government asking permission to supervise these functions by using Japanese liaison officers.

On 24 November the Japanese Government was ordered to transmit supplementary radio instructions to its former Consul General in Dublin to comply with the Supreme Commander's directive of 25 October and to turn over diplomatic property and archives to the Allied representative there.

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SECTION 2

LEGAL, PUBLIC SAFETY AND INTELLIGENCE

C O N T E N T S

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LEGAL

1. Requested legal advice was furnished the Justice Department concerning cases being prepared in the United States involving questions of Japanese law and records.

2. Opinions were rendered on various legal problems arising from the trial of General Yamashita in Manila and from the impending trials of other war criminals. Legal assistance was given pertaining to settlement of claims of Allied nationals against the Japanese Government, elimination of unfair practices in Japanese courts and interpretation of Japanese patent law and criminal law.

WAR CRIMES

Apprehension of War Criminals

3. The names of 2,500 suspected war crimes perpetrators were added to the central files bringing the total to 6,500. As of 30 November 600 suspected war criminals were detained in the Pacific area. The number of persons confined in the Tokyo area totals 262 of which 216 are in the XI Corps Stockade No. 1 known as Sugamo Prison and 46 in the XI Corps Stockade No. 2 at Omori.

4. A directive of 6 November required the Japanese Government to arrest 300 persons alleged to have committed atrocities against nationals of the United Nations who had been confined in POW camps, internment camps and hospitals in Japan. Those listed ranged from colonel to private and from superintendent to policeman and included prison guards, wardens and minor officials.

5. On 17 November the Japanese Government was ordered to apprehend and deliver six generals, three top ranking officials and two ultra-nationalists affiliated with the Black Dragon Society.

The generals are Sadao Araki, Minister of Education in 1938 and 1939; Shigeru Honjo, Commanding Officer of the Kwantung Army 1931-35 and Privy Councillor; Kuniaki Koiso, Chief of Staff of the Kwantung Army 1932-35, Governor-General of Korea 1942 and Premier of Japan 1944; Iwane Matsui, Commanding Officer of the Japanese Expeditionary Forces at Nanking, Director General of the Greater East Asia Headquarters of the Imperial Rule Assistance Association 1944 and President of the Great Japan New Asia Society 1945; Jinzaburo Mazaki, Inspector General of Military Education 1934-38 and Member of the Supreme War Council 1936; and Jiro Minami, Minister of War 1931, Governor-General of Korea 1936-42 and President of the Great Japan Political Party March 1945.

The officials are Fusanosuke Kuhara, Communications Minister 1928-29, Cabinet Advisory Councillor 1939-40 and prominent industrialist; Yosuke Matsuoka, Foreign Minister 1940-41 who was responsible for the conclusion of the Tripartite Axis Pact; and Toshio Shiratori, Ambassador to Italy 1939-40 and Advisor to the Foreign Ministry 1940, 1941 and 1944.

The ultra-nationalists are Kazunobu Kanogoki, Councillor of the Imperial Rule Assistance Association and Chairman of the Board of Directors of the Press Patriotic Association; and Yoshihisa Kuzuu, Director of the Imperial Rule Assistance Association 1944.

General Honjo committed suicide on 21 November at the headquarters of the defunct Association for Relief of Demobilized Servicemen. General Koiso was delivered to Sagamo Prison on 23 November. Kuzuu and General Araki were handed over to Allied authorities on 22 November and Kanogoki on 24 November for internment at the same prison. Shiratori gave himself up to prison authorities on 27 November.

6. In addition to the two directives requiring the Japanese Government to make arrests, military authorities were ordered to apprehend 72 persons.

7. Others arrested during November included Home Minister Genki Abe interned 4 November; Colonel Tadashi Kawashima, POW camp commandant Takeo Katsura and Shuichi Takata interned 28 November; and Major General Kaburagi Haatak interned 30 November.

8. Lieutenant General Shigeru Sawada, former Deputy Chief of Staff of the Japanese Army and Commanding General of the Japanese 13th Army in China 1942, Major Hata and Lieutenant Yusei Wamitsu are under arrest for questioning in connection with the reported execution of at least three of Lieutenant General Doolittle's airmen on 15 October 1942 near Shanghai. According to Japanese Army reports, General Sawada's 13th Army was in command of the Shanghai area when the alleged atrocity was committed.

Destruction of POW Records

9. The Japanese Government admitted to this Headquarters that after surrender it had ordered the burning of confidential documents which resulted in the destruction of many POW records. A directive of 22 November ordered the Japanese Government to file by 15 December a complete list of all documents and records destroyed together with the names and positions of individuals directing such destruction.

Investigation of War Criminals

10. Approximately 325 persons have been interrogated and some 75 statements reduced to writing and signed. Virtually every interrogation must be conducted through an interpreter.

During the month two separate groups of bodies of American Air Force personnel were located and in each case an atrocity was indicated.

Prosecution of War Criminals

11. Data are being assembled for the prosecution of suspected war criminals and trails are expected to open in December.

PUBLIC SAFETY

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Law and Order.	12
Police	17
Fire	25
Prisons.	26

LAW AND ORDER

12. From 4 October to 11 November there was no case of death or injury to military policemen while on duty. There were three armed killings of United States servicemen but Japanese were not involved.

13. The Japanese civil police have maintained satisfactory law and order though some increase in juvenile delinquency and minor offenses has been noted. A few disturbances have been occasioned by food shortage. Over 7,000 Formosan workers of the Koza Naval Arsenal at Yamato-cho in Kanagawa Prefecture were responsible for a series of riots. Groups entered warehouses and carried away supplies in trucks, or carts and other vehicles and seized orchard crops and chickens from farmers in the vicinity. Military authorities summoned their leaders to the Yamato Police Station and placed them on probation with the warning that if the looting continued offenders would be shot.

Black Market

14. Japanese police are taking steps against large scale black market activities. The public procurator's office is investigating a transaction by Japanese Army and Navy personnel involving the disposal of goods valued at more than ¥2,000,000.

15. On 30 October military police raided the Marunouchi Hotel in Tokyo which was reported to be a center for black market activities of certain Allied personnel. Four American soldiers, two Italians and two Japanese were arrested. It was alleged that one of the arrested Italians was the ring leader. Approximately \$5,000 in cash and several money orders were found in possession of the Americans. Two additional Japanese implicated in the case were arrested on 2 November.

Contraband Arms

16. Forty-six unreported caches of arms were discovered in Honshu and two in Kyushu.

Approximately 30 sword manufacturing plants were found near Seki. Swords at these plants were seized and steps were taken to convert the plants to the production of non-military items.

At Nago two swordmakers were found to be making short swords 14 to 16 inches in length. Production was halted and the prefectural police were directed to seize all swords of this type.

POLICE

National Police System

17. A widespread revamping of the Japanese police system began with the issuance of the SCAP directive of 4 October. As a first step a considerable number of undesirable personnel was dismissed and harmful police activities were discontinued. Subsequently the Japanese press demanded a thorough renovation of the entire civil police structure to liquidate once and for all the long standing public fear of the police.

Official notice of the press demand was taken at a conference of police chiefs held on 7 November when the Home Minister in a formal address declared that Japan must have a police system based upon service to the public and respect for individual rights. He dwelt upon the elimination of activities connected with political and thought offenses and pointed out that from now on police should concentrate upon prevention and control of crime and intensive utilization of scientific crime detection methods. He also stated that personal rights and freedom must be fully respected and that the coming general election should be conducted in an atmosphere of complete freedom from police interference.

18. The Japanese Government has formulated a plan for the reorganization of the police system. Its salient features are: improvement in the quality of police personnel (candidates to be graduates of secondary schools or above); redesigning of the police uniform on less militaristic lines; improvement in the treatment of police officers; reeducation of the police for modern police administration; discontinuance of excesses committed by the police in the past; maintenance of closer friendly relations with the people; and curtailing of the scope of economic police functions.

19. The Japanese Government was informed by this Headquarters that the police must become the servant rather than the master of the people and must be trained "to keep order by wisdom and example rather than by force, intimidation and inhuman prison conditions." The salaries of the police personnel must be commensurate with their dignity and position of service in the community. It was made clear that the Supreme Commander expected prompt and efficient action in law enforcement and that he would measure the good intentions of the Home Minister and other officials by the manner in which those intentions were translated into action.

20. A noteworthy addition to the police structure is the introduction of a system of civilian advisers of wide experience and capability to assist the police in dealing with the public. The appointment of such advisers for Tokyo was announced on 15 November and on 24 November similar appointments were made for Kanagawa Prefecture. In the latter case 10 civilians representing the "voice of the people" were assigned to each police station in the prefecture.

Tokyo Metropolitan Police Board

21. The organization of the Tokyo Metropolitan Police Board as furnished by the Japanese Government is shown in Chart No. 2 (at the end of Summation). It deals with the operation of the Police Department and the administrative setup of the Fire Prevention Department.

22. The Tokyo Metropolitan Police Board on 15 November announced the establishment of a patrol system to counter any increase in crime due to a decrease in police stations and a lack of co-ordinated

action. Under it groups of two policemen were assigned to maintain a constant patrol of crowded districts and amusement places. In case of emergency contacts will be made with the nearest police station. At night these police patrols are easily identified by lanterns with three red lines which they carry.

23. The Imperial Guards' normal complement of 4,000 has been reduced to about 3,000 as a result of retirements and other vacancies which have not been filled. A further reduction of 300 was expected by the end of the month. Their principal duties consist of guarding the Imperial Palace, detached palaces and villas.

Kempeitai

24. A directive of 4 November ordered the Japanese Government to furnish within ten days: the name, rank, title and present location of the Chief of the Kempeitai (military Police) and his principal assistants; all headquarters officers at the time of dissolution of the Kempeitai; and a detailed report of its organizational structure, functions and methods of operation. The government failed to have the information furnished as required and an order was issued for the arrest of Lieutenant Colonel Takashi Kawamoto who was responsible for this neglect. The required information has since been produced and appropriate action is being taken.

FIRE

25. Summarized below is a Japanese Government plan received by this Headquarters on the improvement of its fire fighting facilities and personnel. It is followed by a table indicating the existing personnel of government fire stations exclusive of volunteer firemen.

PLAN FOR IMPROVEMENT OF FIRE FIGHTING FACILITIES AND PERSONNEL

<u>Equipment and personnel</u>	<u>Present set-up</u>	<u>Proposed future set-up</u>
Heavy automatic pumps	4 major urban districts: (Tokyo-Yokohama; Central Honshu; Osaka-Kobe; Northern Kyushu) 1.6 pumps per 10,000 inhabitants. Rural districts: no standard pumps - equipment very poor.	All urban districts: 5 pumps per 10,000 inhabitants. All rural districts: 2 pumps per 10,000 inhabitants.
Small gasoline	4 major urban districts: 4 pumps per 10,000 inhabitants. Other urban districts: poor equipment.	All urban districts: 5 pumps per 10,000 inhabitants. Rural districts: 10 pumps per 10,000 inhabitants.
Chemical trucks	Very few.	Essential for all manufacturing districts.
Ladder trucks	Tokyo-to: 3 trucks Nagoya: 1 truck.	Urban districts: 1 per each district of 10,000 inhabitants.

<u>Equipment and personnel</u>	<u>Present set-up</u>	<u>Proposed future set-up</u>
Wrecking trucks Hauling trucks Repair trucks Hose trucks Searchlight trucks Ambulances Trucks with extending turrets	Very few. Tanks are now being converted into wrecking and searchlight trucks for all large cities.	Some additional equipment of this type should be provided all cities according to size.
Fuel	Because of very low fuel supply all inspections and training programs are extremely limited. (The fuel supply for the entire nation is 50,000 liters per month).	Supply should be ample enough to permit necessary inspections and training programs. (A minimum of at least 300,000 liters per month).
Motor Oil	Supply extremely low.	Supply should be sufficient to meet operating needs.
Water and water installations	Though the supply is low drinking water must be used for fire fighting. The diameter of present pipes is only 3.5 inches.	Separate pipes should be provided for fire fighting. Pipes for drinking water should have a minimum diameter of 6 inches.
Water storing facilities	In large cities there are two types: large scale; 100 cubic meter base; small scale; 40 cubic meter base. These are located within each 120 meter radius area.	Storage of 300 cubic meters is required.
Personnel	Per large automatic pump: fire sergeant, squad leader and 12 firemen who work on alternate days (this figure does not include volunteer firemen).	Personnel should be increased in like proportion for all additional pumps added to equipment.

PERSONNEL AT GOVERNMENT FIRE STATIONS

<u>Prefecture</u>	<u>Marshals</u>	<u>Chiefs</u>	<u>Mechanics</u>	<u>Sergeants</u>	<u>Firemen</u>	<u>Total</u>
Hokkaido	3	36	15	131	776	961
Tokyo	27	637	241	1,658	9,914	12,477
Kyoto	2	40	19	142	671	874
Osaka	13	330	117	812	4,508	5,780
Kanagawa	7	129	46	314	2,040	2,536
Hyogo	6	122	41	354	1,510	2,033
Nagasaki	2	15	10	88	460	575
Niigata	-	6	3	18	102	129
Saitama	-	8	2	32	165	207
Aichi	4	118	43	274	1,644	2,083
Hiroshima	1	34	12	122	705	874
Yamaguchi	1	12	7	20	148	188
<u>Fukuoka</u>	<u>4</u>	<u>71</u>	<u>28</u>	<u>320</u>	<u>1,038</u>	<u>1,461</u>
	70	1,558	584	4,285	23,661	30,178

PRISONS

26. Modern regulations govern the Japanese prison system but negligence in the application of these regulations has been detected. There are 45 prisons and 8 juvenile institutions in Japan. Under a general amnesty proclaimed by the Emperor on 18 November many prisoners were either granted freedom or reduction of sentences.

27. Statistics from the Ministry of Justice indicate three main classes of prisoners: those who have been sentenced to penal servitude or who are sentenced to imprisonment and detention (chojeki, kinko and koryu); prisoners who are awaiting trial and those who are sentenced to death (keijih, kokumin and shikei); and prisoners in workhouses. In the second classification no separate breakdown is shown for the number awaiting trial and the number sentenced to death. Distribution and classification of the prison population are shown in Chart No. 3 (at the end of Summation).

INTELLIGENCE

Foreign Nationals

28. Data in the form of records seized from German industrial firms in Japan have been processed.

29. A procedure has been established for the employment of foreign nationals, all of whom must be screened and passed by proper authority before being employed by Army units.

Secret Societies

30. Some old secret organizations are appearing under different names with promotion of democracy as the purported objective.

CENSORSHIP

Press and Broadcast

31. The policy of press censorship is liberal and the only restrictions imposed relate to the publication of untruthful statements or material likely to disturb public tranquillity. Press data received from Allied news services are not censored in the form received but translations in Japanese are censored before publication in Japanese newspapers. This precaution is exercised to prevent erroneous impressions which might result from incorrect translations.

The volume of pre-censorship has increased since the establishment of the Jiji and Kyodo News Agencies.

32. A total of 2,445 broadcasts were pre-censored.

Postal

33. On 2 November the Japanese Government was granted permission to establish limited mail service between Japanese awaiting repatriation in former Japanese occupied territories and those in Japan. Use of this service was restricted to repatriation matters and to personal post cards. A request to permit correspondence between Japan and her nationals throughout the world was denied.

Telecommunications

34. A directive of 21 November prescribed the regulations which will govern the use of international, foreign and external telephone, telegraph and wireless facilities of Japan. The use of codes was prohibited. Provisions were made for censorship and for proper identification of the sender and addressee.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN and KOREA

Number 2.

November 1945

PART III
ECONOMIC - JAPAN

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SECTION 1

AGRICULTURE AND FISHERIES

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GENERAL

1. Japan's food producing resources were strained to the utmost during the war and particularly during the last two years. Fertility of the soil was drained and fishery resources were exploited. The pressure to increase production of foodstuffs may further deplete soil fertility with disastrous long term results.

2. The figures in the Japanese Government food estimate as of 9 November 1945 are questionable. These figures represent a third downward revision of the food estimate since the submission of the original 31 August figures by the Japanese Government.

Approximately 33,000 acres of land, according to Japanese Government figures, have been reclaimed for crop production purposes this year to augment the short food supply. Additional reclamation is planned. Increased supplies of fertilizer must be provided to attain crop levels in 1946.

3. Fishing activities continued to expand. Most of the smaller hand and sail propelled boats and about two-thirds of the existing larger vessels are in operable condition. Arrangements have been made to obtain enough petroleum products and other critical items such as salt, hemp and cotton to meet present needs. The removal of price ceilings has increased the amount of fish delivered to market but prices have approached black market levels.

AGRICULTURE

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FOOD POSITION

4. The Japanese Ministry of Agriculture and Forestry in the crop forecast of 9 November 1945 further reduced its estimates of domestic production of foodstuffs available for consumption in Japan proper during 1946.

5. The Ministry of Agriculture and Forestry attributes the reduction in their current estimates over those previously submitted to the following factors:

- (1) Typhoon damage on 17 and 18 September which recent prefectural data show to be higher than originally estimated.
- (2) Crop losses from the floods of 7 and 8 October.
- (3) Wet weather and a prolonged period of cold during the latter part of the growing season.

Officials of the Ministry of Agriculture and Forestry stated that decreases in the rice and sweet potato crops account for the entire reduction in the 9 November 1945 production estimates over the 20 September 1945 estimates. These estimates place the outlook for the 1946 rice and sweet potato crops below production of recent years.

Increases in Irish potato production and in the fish catch in 1946 are anticipated by Japanese officials to partially offset the reduction in rice and sweet potatoes.

The 1946 food supply will be augmented by 150,000 metric tons (110,800 metric tons in rice equivalents) of "food substitutes", according to Japanese officials. "Food substitutes" will include sweet potato vines, mulberry leaves, fruit and potato waste, acorns, weeds and insects. These will be ground into flour and mixed with wheat flour.

6. There have been no physical harvests of the crops available for consumption in Japan proper in 1946. Consequently there are no actual production figures with which to compare the estimates of the Japanese Government. The current harvest of the rice crop will continue until February.

Production figures on the domestic rice crop in Japan during the past 10 years are as follows:

<u>Year</u>	<u>Koku</u>	<u>Metric Tons</u>
1935	57,456,876	8,618,546
1936	67,339,699	10,100,954
1937	66,319,764	9,947,964
1938	65,669,092	9,880,363
1939	68,964,468	10,344,670
1940	60,874,252	9,142,237
1941	55,088,171	8,274,325
1942	66,775,832	10,027,474
1943	62,887,045	9,444,156
1944	58,558,843	8,785,827

7. The Japanese Government recognizes factors affecting the distribution of foodstuffs between rural and urban sections of the population. The greater average daily per capita diet of the agrarian population is mainly due to the accessibility of indige-

nous foodstuffs. The food program for the year takes into consideration the greater average daily per capita diet for the agrarian population. The hoarding of foodstuffs, black market operations, and speculation in foods are also pertinent factors.

The ability of the Japanese Government to make an equitable distribution during 1946 of food produced within Japan will determine the extent to which all sections of the population receive their fair shares of the limited food supplies which will be available.

FERTILIZER

8. Indigenous commercial fertilizer production in Japan proper for 1946 depends on the speed with which the domestic fertilizer factories are rehabilitated, and the adequacy of the supply of raw fertilizer materials, particularly anthracite coal and phosphate rock.

The production of indigenous fertilizers for the remaining part of the fertilizer year (1 November 1945 to 31 July 1946), considering the present rate of factory rehabilitation, will probably not be large. War damage to plants and shortage of coal and raw materials will be the principal reasons.

Home Manures

9. With the reduction in the supply of commercial fertilizers home manures including barnyard manure, composts, night soil and green manure, have become of increasing importance. Without these home manures soil fertility would have deteriorated far more during the war years. In 1938, when commercial fertilizers were still available, night soil alone contributed 11 percent of all nitrogen, 13 percent of all phosphoric acid and 11 percent of all potassium oxide applied to cropland in that year.

The following table shows the increasing importance of home manures in the Japanese fertilizer program:

CONSUMPTION OF FERTILIZER ELEMENTS

Element	Amount Consumed (1,000 Metric Tons)			Percent of Home Manures to Total
	Commercial	Home Manures	Total	
1938				
Nitrogen	402	116	518	22%
Phosphoric Acid	241	82	323	25%
Potassium Oxide	85	158	243	65%
1946				
Nitrogen	157	160	317	51%
Phosphoric Acid	96	135	231	58%
Potassium Oxide	1	254	255	99%

INDUSTRIAL CROPS

10. Except for silk and tea, no significant changes occurred in the position of industrial crops.

Silk

11. Raw silk production in October amounted to 7,600 bales (one bale equals 132 pounds) of which 3000 bales were first quality silk. This quantity was declared surplus. The remaining bales of second grade silk are being used in the manufacture of utility garments for destitute civilians.

Production for the month of November is estimated by the Ministry of Agriculture and Forestry at slightly higher than October. Production will continue to increase, but the amount of first quality silk produced will exceed slightly the October figure of 3,000 bales.

The total raw silk surplus as of 1 December is estimated at 51,000 bales. This includes the 45,000 bale surplus existing on 1 October plus the October surplus and the expected November surplus.

Tea

12. The Ministry of Agriculture and Forestry reports 1,100,000 pounds of brick tea on hand in Miyazaki Prefecture. Brick tea is a very poor quality tea which in the past was exported principally to Mongolia.

The amount of surplus green tea on hand, including the newly reported tea, is 1,884,000 pounds. The surplus of black tea is 1,326,000 pounds, making a total surplus of 3,210,000 pounds on 30 November.

LAND DEVELOPMENT PROGRAM

13. Preliminary information supplied by the Land Development Bureau of the Ministry of Agriculture and Forestry discloses that from June 1945 through May 1950, the Japanese Government plans to reclaim 1,550,000 hectares (3,823,500 acres) of land for crop production, approximately 10 percent of which will be irrigated. Of the total area proposed for reclamation, 700,000 hectares (1,723,000 acres) are located in Hokkaido. The remaining area is situated in the other three main islands of Japan.

The Ministry estimates that about 170,000 hectares (420,000 acres) of land that have been reclaimed since last May will be planted in 1945 to fall crops, principally wheat and barley. Approximately 1000 hectares (2,470 acres) of this reclaimed acreage represents land that was formerly utilized by the Japanese Army and Navy.

Soil Survey of Kanto Plain

14. A soil survey of the Kanto plain which is the first of its kind to be made in Japan with American procedures and techniques, has been initiated. Since some of the most productive farm land in Japan lies within this area, the survey will have significant value. It will also provide a means of interpreting Japanese soils maps. The completed survey will be a start toward assembling a soils map of Japan on a comparable basis with other countries.

The area to be covered by the survey embraces approximately 7,600 square miles. Soils information is being obtained both by actual field survey and from Japanese soil and geological maps.

15. A field examination of soils in the vicinity of Nikko, Mahara, Choshi and Narita was completed during the month of November. Soil samples were collected for transmittal to the laboratory of the Division of Soils, Bureau of Plant Industry in Washington, D. C., for analysis.

LIVESTOCK

16. In pre-war years animal foods (other than fish) were slightly more than one percent of the total consumption of food-stuffs. In 1945 production of meat, eggs, milk and milk products is estimated at 0.7 percent of the total food production of Japan.

17. A comparison of livestock in 1945 with the average of 1930 to 1935 is shown in the following summary:

LIVESTOCK POPULATION		
	1930 to 1935 (Average)	1945 (Estimate)
Dairy Cattle	155,016	246,000
"Other" Cattle	1,356,000	2,072,000
Horses	1,398,561	1,254,044
Hogs	777,560	250,000
Sheep	24,632	181,769
Goats	89,824	252,700
Chickens	51,152,559	17,204,000
Rabbits	---	3,000,000

Cattle, sheep and goats increased during the war years as the result of government policy to compensate for the shortage of farm labor and to increase wool production. Numbers of hogs and chickens decreased sharply and horses declined slightly due to army demands.

18. The diet of most Japanese has always been deficient in proteins. During and since the war this condition has been aggravated by the lower production of fish, a decrease in imports of soybean products and to a slight extent by a decrease in the production of livestock products.

19. Livestock products production in Japan for 1945 compared with the average for 1930 to 1935 is as follows:

PRODUCTION OF LIVESTOCK PRODUCTS (Metric Tons)		
	1930 to 1935 (Yearly Average)	1945 (Estimate)
Beef	52,801	19,050
Pork	42,801	1,950
Horse Meat	10,723	10,500
Mutton & Goat	275	13
Chicken	37,850	12,158
Total	144,455	43,671

Production of livestock products was generally much lower in 1945 than during the 1930's. Decreases in most instances can be attributed to shortages of livestock feed and labor.

FISHERIES

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20. Fishing conditions in Japan continue to improve. Most of the smaller hand and sail propelled boats are actively engaged in fishing, while two thirds of the existing larger vessels are in condition to operate.

REACTIVATION OF THE FISHERY INDUSTRY

Fishing Craft

21. Five of the 13 large trawlers and 76 of the 177 small trawlers based at Fobata, Shimonoseki and nearby ports are damaged and are undergoing repairs. A much larger proportion of both categories require repairs. Of the damaged vessels none will be ready to operate for the winter fishing season.

22. An aerial survey of the fishing ports between Shimizu and Choshi revealed that most of the smaller fishing ports have received little damage from bombing. Large numbers of small hand and sail propelled fishing craft are operating in inshore areas.

23. One hundred and one small fishing and fish-carrying vessels of various sizes and types belonging to Japanese fishing

companies are now in Korea. These vessels were moored there at the time of Japan's surrender, which was the off season for fishing. They normally engage in purse-seine, otter-trawl and drift-net fishing in the waters between Japan and Korea during the autumn and winter. Catches of mackerel, sardines, tuna and other species were landed mainly at Japanese ports for consumption in Japan. Some of the catches landed in Korea were transported to Japan by carrier vessels.

Twenty eight damaged fishing vessels of around 75 to 100 gross tons are in Japanese ports. They were chartered by Japanese fishing companies from affiliated or subsidiary companies in Formosa and China, two are from China and 26 from Formosa. Repairs are practicable on these vessels.

Petroleum Products

24. The major obstacle to the previous large scale resumption of fishing has been the lack of sufficient fuel oil and kerosene to operate the powered fishing and fish-transporting vessels. The supply of petroleum was sufficient for only a small fraction of the powered fleet.

25. A substantial amount of the 20,000 barrels of kerosene and 70,000 barrels of lubricating oil made available to the Japanese Government will go to fisheries.

Its release and distribution to the fishing fleet through local cooperative fishing associations should result in a significant increase in fish landings in the next three months.

Salt

26. Requirements for salt for preserving and curing fish have been revised to 6,000 metric tons per month by the Japanese Bureau of Fisheries. It is estimated that 1,250 tons can be allotted from existing sources of supply; the Japanese Government has requested permission to import the deficit of 4,750 tons per month.

Textile Fishing Equipment

27. The Japanese Government estimates that the 6,200 metric tons of cotton thread on hand for the manufacture of fishing gear will last until 1 August 1946. Most of the Japanese net-making factories are intact and are either operating or ready to commence operations.

Stockpiles of manila rope on hand will meet fishing requirements through February 1946. The Bureau of Fisheries has requested the importation of 16,250 metric tons of manila hamp for rope and nets for the period 1 March 1946 to 31 March 1947.

Black Market

28. Because of the difficulty of obtaining fuel oil or transportation through legal channels, appreciable quantities of sea food still pass through black market channels. When oil becomes available to the fishermen through legal distribution, an incentive for selling fish on the black market will be removed.

AQUICULTURE

29. Various kinds of governmental and private fresh-water fish hatcheries and rearing ponds have long been of tremendous importance to Japan's food economy. Production of inland hatch-

eries was curtailed during the war as the result of labor shortages and scarcity of fish-food, but this branch of the fishing industry suffered less than any other.

Hatcheries

30. Rainbow and brook trout have been imported from America and distributed throughout Japan for many years. From 1926 until the beginning of the war annual purchases of trout eggs were made in the United States. Most of the 217 trout hatcheries operating in 1936 are still functioning.

The hatcheries are operated by prefectural authorities, aided by subsidies and gifts of eggs from the Fisheries Bureau. They are scattered throughout the mountainous parts of Japan, particularly east and north of Kyoto, but some are located as far south as Kyushu. They distribute the fry and fingerlings in streams and lakes. In addition to the prefectural hatcheries, numerous commercial hatcheries raise both fingerlings and adult trout.

Japanese hatchery equipment is modern and comparable to that used in America. Since the beginning of the war food for the brood fish and fry has been difficult to obtain. The scarcity of liver has been a critical factor in hampering operations. Increased use has been made of a food consisting of ground silkworm chrysalis, isopods and mulberry leaves. Another serious situation has resulted from the deterioration of brood stocks. Hatchery operators claim that the renewed importation of eggs from the United States would revitalize their strain.

31. In an effort to increase food production the Ministry of Education has recommended that students spend less time in school and more time in agricultural pursuits. It has been suggested that students raise fish in swimming pools.

FISH LANDING STATISTICS

32. The Bureau of Fisheries has been submitting incomplete weekly statistics on landings of fish at the major fishing ports. Statistics from six comparatively important prefectures representing a geographical cross-section of the main islands have been obtained.

Landings from these six prefectures for recent weeks are as follows:

FISH LANDINGS IN POUNDS, 24 SEPT-28 OCT 1945

Prefectures	Sept 24-30	Oct 1-7	Oct 8-14	Oct 15-21	Oct 22-28
Aomori	a/	207,427	567,703	1,275,631	1,187,092
Iwate	43,757	337,963	499,897	1,352,163	359,526
Chiba	2,315	70,650	110,257	128,039	62,300
Niigata	84,464	118,549	54,620	217,455	196,184
Hyogo	928,301	48,775	36,978	73,452	84,770
Oita	340,138	6,332	11,384	430,281	169,150

a/ No report.

FISHING AREAS

33. The resumption of whaling in the vicinity of the Bonin and Kusan Islands has been authorized. The area of operation is as follows: between 24° and 27° 30' North Latitude and between 140° 50' and 143° 50' East Longitude. The season of operation is limited to 1 December 1945 to 31 March 1946 inclusive. A narrow sea corridor has been provided to allow vessels to go and come from this area.

It is further provided that Japanese whaling vessels shall neither anchor nor use any harbor on any of the Bonin (Ogasawara) or Kusan Islands; nor shall personnel from such vessels land or have any contact with these islands.

Under optimum conditions a catch of 6000 tons of whale meat and by-products may be expected this season.

The new authorization does not establish any precedent for extension of whaling or fishing privileges in any other areas outside of those presently authorized or for any subsequent period of time.

34. The fishing areas currently authorized are shown on the accompanying map.

FORMER JAPANESE FISHERY ACTIVITIES

35. Former Japanese fishery activities in various parts of the world are being investigated; reports have been received on the Philippines and Korea areas.

Airplane Fish Spotting

36. Before the war airplanes were used to a limited extent for locating schools of fish. Aircraft scouting was carried on over waters off Yamaguchi, Shizuoka and Chiba prefectures for locating surface fish such as sardines, mackerel and bonito. Because of prohibition of the use of radios and the shortage of fuel these operations had only partial suc-

cess, although the experienced fishermen who rode in the planes were able to locate fish readily. As all Japanese aircraft are grounded there can be no resumption of this activity on a commercial scale.

UNION ORGANIZATION

37. A union embracing fishermen and persons associated with the fishing industry is being organized to improve their economic and social position.

38. Democratization of the fishery associations and societies is being considered by the union. Particular attention is being given to the assurance of a living wage for fishermen and workers in the marine products industry. Other questions are: organization of a separate Ministry of Fisheries entirely divorced from the Ministry of Agriculture and Forestry under which the Bureau of Fisheries presently operates; establishment of a central bank for the fishery industry; better sanitation and medical care; and improvement of educational facilities in fishing communities.

SCIENTIFIC AND EDUCATIONAL ACTIVITIES

39. Japanese institutions of higher learning are continuing to conduct courses in fishery education. Forty-two students are enrolled in the Fisheries Department of the Imperial University in Tokyo. The Imperial Fisheries Institute and the Imperial Fisheries Experimental Station are conducting research and giving courses in fisheries biology, hydrology, technology and related subjects. The Institute has 801 students. Graduates have become executives of fishing companies or have gone into national or prefectural fishery agencies or institutions.

SECTION 2
FORESTRY AND MINING

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GENERAL

1. Japan, with the loss of her overseas possessions, has become dependent upon the forestry and mineral resources of the home islands. During the war the most readily available sources have been expended and careful management and close supervision are required to restore an efficient utilization of these natural resources.

2. The production of charcoal, lumber, veneer and plywood is being encouraged. Inventories are being made of stockpiles and facilities for production. Estimates of the timber situation are being prepared for Hokkaido and South Korea. The former is the richest timber area of Japan while the latter is almost devoid of merchantable forests.

3. The mineral industry is in a state of almost complete collapse. Virtually all mining activities are operating at about one-fifth of their capacity. Unless the declining trend in coal production can be reversed, present stocks will soon be exhausted with far reaching effects. Although petroleum production is continuing at a near capacity level, it supplies only 10 percent of Japan's normal requirements.

FORESTRY

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GENERAL

4. There are 1,220,953,000 board feet of logs and 203,552,000 board feet of lumber stockpiled in Japan with distribution by prefecture as shown in Chart No. 5. at the back of this Summation. The heaviest concentrations are in the following prefectures:

Hokkaido, Akita, Kochi, Hyazaki and Nagano.

5. A large amount of logs stockpiled for war purposes is available for lumber. Approximately 40,000,000 board feet of logs have been lying in dead storage in the Tokyo-Yokohama area for nearly six months while logs were being brought in from other prefectures to supply the local sawmills. The reason given was that as the result of the confusion which followed the heavy bombings of May 1945 ownership of the logs could not be determined.

A SCAP directive ordered the Bureau of Forestry to assume control of all stored logs regardless of ownership, to sell them to sawmill operators and to reimburse the rightful owners on the basis of brand tally. Implementing orders have been issued by the Ministry to its branches in other cities where similar conditions exist.

SAWMILL SURVEY

6. Of the 7,500 operating sawmills in Japan, seventy-four percent are small mills rated at less than 30 horse power, 20 percent are between 30 and 50 HP and only six percent are of 50 HP and above. Bandsaws represent 34 percent of the total head-saw and resaw equipment. Most of the mills are single, hand fed circular sawmills taking small diameter short length logs and poles. Emphasis in production is on quality rather than quantity and all waste such as slabs and sawdust is sold for fuel. Labor saving machinery is limited, consisting entirely of essential operating components and safety devices are few.

Approximately 80 percent of Japanese sawmills are electrified, the remainder being operated by steam, diesel and producer gas. The total sawing capacity is approximately 3,250,000,000 board feet per year. War damage destroyed eight percent of operating sawmills and 25 percent of the nations cutting capacity. This seriously hampers attempts to produce lumber from log stockpiles.

CHARCOAL

7. The charcoal and firewood industry is an important though widely scattered industry. Production is principally in the hands of small operators supplying the market through regularly organized government channels. Under present Government regulations all charcoal and firewood is purchased, transported and sold by agents acting for the Special Account—Firewood and Charcoal Distribution Section of the Ministry of Agriculture and Forestry. The Ministry is therefore the sole owner of these materials from the time of delivery by the producer to the time of distribution to the consumer. The Nippon Transportation Company (Nippon Tsunin KK), a semi-official company, has a monopoly of transportation from the railroad to the Fuel Distribution Association. These products are handled as shown in diagram on the following page.

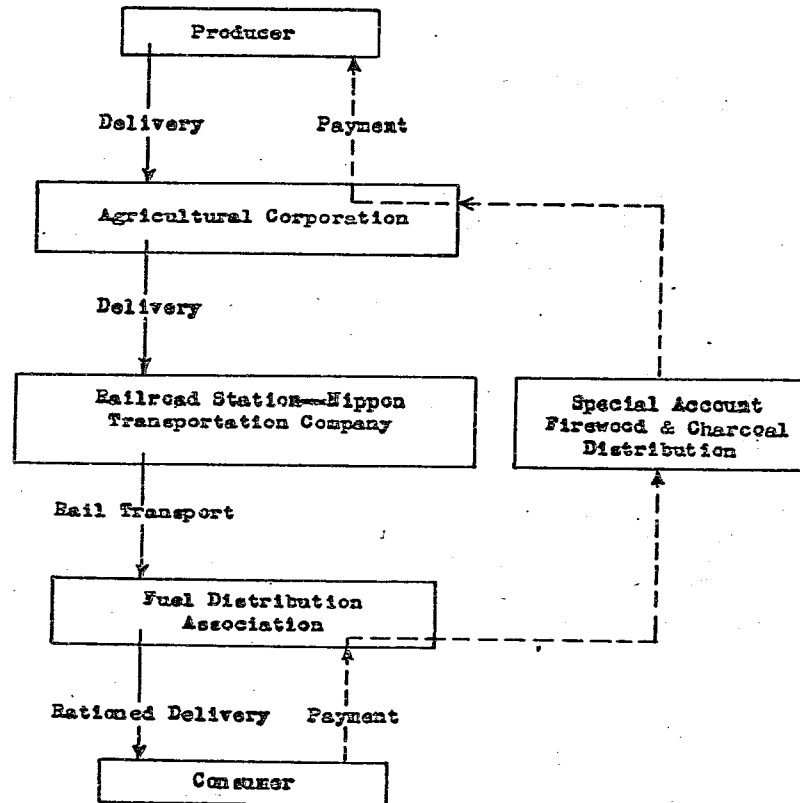
Tokyo Area

8. The daily requirements of the Tokyo Area are approximately 65 carloads of charcoal and 26 carloads of firewood. Deliveries have been averaging about one-third of requirements. Restricted production, lack of transportation and low ceiling prices are the principal reasons for the inadequate supply.

9. Production is handicapped by lack of labor, food, clothing and such tools as saws, hammers, axes, abrasives and rope. Lack of

carts, horses and trucks to haul the product to the railroads is an important limiting factor; rail transportation to Tokyo is less critical. A large percentage of the product goes into the black market or is bartered for otherwise unobtainable materials.

CHARCOAL DELIVERY AND PAYMENT



10. Production of charcoal and firewood is being increased. The return of demobilized Japanese soldiers is increasing the supply of labor. With the end of the harvest season farmers have turned their attention to charcoal production. The release of large quantities of military tools to civilian uses through the Home Ministry and the prefectural governments is supplying some of the material requirements of the industry.

The Japanese Government has moved to increase the production of charcoal by lifting restriction on location and quantity of trees that may be cut, by raising the official wholesale price 86 percent, by giving a bonus of rice and sake for quantity production, by increasing food and clothing rations for workers and by permitting open purchase of required tools and raw materials. The above measures, which were made public on 27 November, are expected to increase both the production and the availability of charcoal and firewood in the Tokyo market. Full production and supply cannot be effected without increasing the transportation facilities from the point of production to the railroad and there is great need for additional carts, draft

animals, trucks and fuel for this purpose.

ADMINISTRATION OF JAPANESE FORESTS

11. The governmental procedure for administering Japan's forests as shown in Chart No. 7 (at the end of this Summation) is a contributing factor to high expense, duplication of work and delay in the rehousing of Japan's homeless.

TIMBER RESERVES IN IMPERIAL FORESTS

12. Areas, volume of standing timber, management and cut of forest lands owned by the Emperor or the Imperial Household are:

Area

Hereditary forest estates; personal property of Emperor	509,000 acres
Regular Imperial Forest estates	<u>2,865,000</u> acres
Total Imperial Forests	3,374,000 acres

Volume of Standing Timber

Hokkaido	111,134,000 cubic meters
Honshu	<u>58,792,000</u> " "
Total	169,926,000 " "

Management

Wild lands (including protection forests)	494,000 acres
Planted area	419,000 acres
Old growth forests	<u>2,297,000</u> acres
	3,210,000 acres

Annual Cut (Cubic Meters)

	<u>Planned</u>	<u>Actual</u>
1944	-	2,750,000
1945	3,000,000	1,793,000
1946	2,306,000	-

13. The cut in 1945 is smaller than planned on account of labor and transportation shortage. About 70 percent of the timber cut is logged by the Imperial Forest Estates Bureau and the other 30 percent is sold as stumpage.

14. Net growth for the total forest area is low due to the large percentage of old-growth stands ranging from 150 to 250 years in age.

It is planned to put all stands on a 100 year rotation by selective cuttings in old growth stands. Natural reproduction takes place in some areas; in others planting is required.

HOKKAIDO FORESTS

Forest Resources

15. Two-thirds of Hokkaido is in forests. More than one half of both the area and the volume are in national and state forests. Although some stands have been logged two or three times former cuttings have been so light that many of these forests can be cut again. Virgin old growth stands are now being utilized. Forest protection and management practices are generally good.

Lumber Industry

16. The greater number of the 438 sawmills in Hokkaido are mostly small with an aggregate capacity of about 428,000,000 board feet. About one half of the mills have small electric motors. Thin-blade slow-moving bandsaws are used in the larger mills. Horses are used for skidding the logs which are then hauled to the mills by narrow gauge railroads. Production is retarded by shortages of food, saws, belts and motors.

Veneer and Plywood Industry

17. Fifty-four mills with an annual capacity of 750,000,000 square feet make veneer or plywood. The following stocks were reported:

Veneer	57,590,000 sq. ft.
Plywood	4,129,000 sq. ft.
Logs for veneer use	129,000 cu. m.

18. Future conversion of veneer into plywood will be limited largely by the supply of glue available because soybeans formerly used for glue are now being diverted to food use.

Factors Retarding Production

19. Production is retarded because labor has returned to farms and schools, machinery needs replacement, transportation is inadequate and there are critical shortages in lubricants, chemicals and glue.

Plans for Cutting

20. Approximately 3,285,500 cu. meters of logs will be used for forest products in 1945. Plans for 1946 call for great increases in lumber for house construction. The total expected cut for all forest products is 5,367,000 cu. meters.

MINE TIMBERS

21. There is an urgent need for mine timbers in the coal mines of North China. Sufficient timbers are stockpiled at ports in Kyushu and Shikoku to permit shipment toward meeting this requirement without interfering with Japanese needs.

INVENTORY

22. Peak production of lumber and allied products was reached in 1944 when eight billion board feet were produced. The peak in pulpwood production was reached in an output of 825,000 metric tons.

The present forest acreage for the four main islands is

approximately 59 million acres; total standing timber is 67 billion cubic feet; and the annual timber growth is two percent.

23. The total valuation of the forest industries including basic forest resources and the basic products of lumber, piling, poles, railroad ties, charcoal and firewood is estimated at approximately ¥ 10,000,000,000. The value of the annual product is approximately ¥ 1,800,000,000.

The Bureau of Forestry reports forest stands and growth as follows:

TIMBER AND PULPWOOD STAND STATISTICS

	Total Area (Acres)	Total Av Volume --1000 cu. ft.--	Annual Growth
<u>Forest Timber Stands</u>			
<u>Hokkaido:</u>			
1926-30	7,088,585	12,937,410	192,600
Present	6,833,395	9,846,640	147,700
<u>Honshu, Kyushu & Shikoku:</u>			
1926-30	19,761,700	27,151,980	544,750
Present	20,427,365	25,604,770	512,612
<u>Forest Pulpwood Stands</u>			
<u>Hokkaido:</u>			
1926-30	337,365	892,290	14,850
Present	283,955	750,680	11,260
<u>Honshu, Kyushu & Shikoku:</u>			
1926-30	450,800	773,020	13,750
Present	465,835	666,830	13,210

CONSUMPTION OF LUMBER AND PULPWOOD

Year	Lumber and Allied Products (1000 bd. ft.)	Pulpwood (Metric tons)			
		<u>Mechanical</u>	Paper	<u>Chemical</u> Rayon	Others
1925	5,148,546	235,000	324,811	3,641	
1926	5,270,460				
1927	5,964,426				
1928	5,499,546				
1929	4,961,814				
1930	4,655,196	246,489	390,452	28,668	112
1943	7,250,412	315,390	404,052	92,782	12,500
1944	8,098,272	184,005	282,865	42,446	8,746
Apr-Jun 1945	4,697,004	33,087	32,344	7,258	1,000

VALUE OF FORESTS, FOREST PRODUCTS AND PROCESSING EQUIPMENT

<u>Land, Plant and Equipment</u>	<u>Assets</u>	<u>War Damage</u>
Total estimated present value of forest land and standing timber:	¥5,255,477,000	¥ 118,125
Present value of lumber and allied industries:		
Buildings, other than mills:	¥1,379,844,000	¥ 900,000
Mills and equipment:	<u>¥3,099,550,000</u>	<u>¥323,800,000</u>
Total	¥9,734,871,000	¥324,818,125

Value of annual product, at capacity:
(1941 prices)

Lumber	¥1,116,611,000
Charcoal	315,863,000
Firwood	236,000,000
Poles and Piling	20,160,000
Mine timbers	<u>115,584,000</u>
Total	¥1,804,218,000

Value added by manufacture:
(1941)

Lumber (incl. poles, piling, and timbers):	¥ 697,243,000
Charcoal	243,160,000
Fuel wood	<u>177,000,000</u>
Total	¥1,117,403,000

MINING AND GEOLOGY

	Paragraph
Coal	26
Minerals and Metals.	29
Petroleum.	36

24. Virtually all mining activities, except petroleum, are continuing at a fraction of the prewar years. The overall production of mineral products in Japan does not exceed 20 percent of prewar capacity.

25. Petroleum production is continuing at a near capacity level, but domestic output normally supplies only 10 percent of requirements.

COAL

Condition of the Coal Industry

26. The coal situation has deteriorated. If the steep downward trend of production is not abruptly reversed, industry and transportation will be seriously affected by February.

The anticipated increase in labor, explosives, wire rope and nails did not materialize.

27. Coal production declined from 3,400,000 metric tons in June 1945 to 545,000 tons in October. November output showed a further drop as follows:

Hokkaido	149,700	metric tons	
Honshu	104,600	"	"
Kyushu	<u>265,500</u>	"	"
Total	519,800	"	"

This rate of production is about one-half of the minimum requirements set in the allocation plan for the month of November, as follows:

ALLOCATION OF COAL FOR NOVEMBER 1945
(metric tons)

	<u>Hokkaido</u>	<u>Honshu</u> (incl. Shikoku)	<u>Kyushu</u>	<u>Total</u>
Coal Mines	90,000	10,000	60,000	160,000
Ships	7,000	13,000	40,000	60,000
Occupation Forces	10,000	45,000	3,000	58,000
Railways	70,000	324,000	70,000	464,000
Domestic Heating	90,000	-----	-----	90,000
Gas and Coke	-----	21,500	12,000	33,500
Iron and Steel	-----	12,500	69,000	81,500
Salt	-----	21,000	-----	21,000
Ammonium Sulphate	-----	12,000	-----	12,000
Miscellaneous	-----	25,000	-----	25,000
Total	<u>267,000</u>	<u>484,000</u>	<u>254,000</u>	<u>1,005,000</u>

This allocation does not include any allowance for 70,000 metric tons for Korea and 18,000 tons for Hong Kong being shipped each month by SCAP order.

28. Stockpiles are being used up at the rate of 600,000 metric tons a month. The stockpile situation on November was as follows:

STOCKPILES ON 10 NOVEMBER
(Metric tons)

	<u>At Mines</u>	<u>At Ports</u>	<u>Railroad</u>	<u>Total</u>
Hokkaido	713,387	138,100	152,200	1,003,687
Honshu	263,023	13,016	-----	276,039
Kyushu	945,570	790,057	-----	1,735,627
Total	<u>1,921,980</u>	<u>941,183</u>	<u>152,200</u>	<u>3,015,363</u>

Nearly half of this amount is inaccessible at the mines because of trucking and loading shortages or is of such poor quality that removal is impracticable. Part of the stockpiles at ports is relatively inaccessible on account of mined harbors. For these reasons usable coal at 10 November is estimated at only 1,476,000 metric tons divided as follows: Hokkaido 352,000, Kyushu 1,017,000 and Honshu (Yamaguchi) 107,000. It is estimated that normal marketing delays require 900,000 metric tons in circulation to prevent local dislocations. Actual amounts on hand on 10 November at principal consumers were as follows:

**CONSUMERS OPERATING SUPPLIES OF COAL
AS OF 10 NOVEMBER
(metric tons)**

	<u>On Hand</u>	<u>Minimum Estimated Requirement for Safe Operation 10 November</u>
Markets	18,300	100,000
Factories & Power Plants	502,000	70,000
Ports	35,300	105,000
In Transit	31,800	22,800
Railroads	140,000	200,000
Total	<u>728,400</u>	<u>907,800</u>

The requirements for operating supplies would be higher if operations were on a more satisfactory level. The principal plants supplying city dwellers with heating and cooking gas have been curtailed from a wartime average of 5,200 metric tons of coal daily to 1,500 metric tons daily in November. In December it is being further reduced to 850 metric tons.

The average monthly coal production in Japan for a ten year period, and the relation of the 1945 monthly production to the ten year average is shown in Chart No. 8.

Investigation of facilities for the manufacture of mining explosives indicates that this activity can be started at an early date. The critical shortage of machine oil for coal mines was alleviated by the release of surplus Navy stocks of fog oil to the Japanese Government. The Japanese wire rope manufacturers were directed to give more favorable consideration to the needs of the coal miners. A special supply of rice, other foodstuffs and clothing was decreed for coal miners.

MINERALS AND METALS

Cement

29. Cement production in October was 39,065 metric tons, which was about one percent of the average monthly production of the early thirties.

Gold

30. Gold production reached a peak of 25,926 kg in 1939 as compared with 9,606 kg in 1927. These figures correspond approximately to \$29,000,000 and \$11,000,000 if \$35 a Troy ounce is used as a gold value. As the result of the curtailment of gold mining

during the war gold output in 1944 was only 5,553 kg (about \$6,000,000).

31. Gold is also derived as a by-product of copper smelting and from siliceous ore mined primarily for use as flux in copper smelters. There are 13 major smelters which produce refined gold as one of their products. Most of them are primarily copper smelters.

32. On 13 November 155 gold mines were in operation. Six mines were inactive but presumably able to resume operation; 333 mines were abandoned. The latter had been stripped of their equipment during the war in order to increase copper production by the use of goldmining equipment. As part of this program the following gold-mine assets were transferred to the Imperial Mining Industry Development Company:

	<u>Millions of Yen</u>
Mine lots (275 lots)	75
Equipment (smelting works, etc)	112
Real estate	22
Floating capital	20
Total	<u>229</u>

33. The Japanese Government estimates 1945 gold production at a little more than 5,000 kg. The Mining Bureau estimates that even when all mines are restored to operation, Japanese gold production cannot exceed 15,000 kg per year and will probably be closer to 10,000 kg.

Silver

34. Three quarters of Japan's silver in the past has been produced as a by-product of the smelting of copper, lead and zinc. Restoration to their full efficiency of four large mines will assure a production of better than 50 percent of Japan's potential silver output. These mines are Hitachi, Ikuno and Besshi (copper mines) and Kononai (gold-silver).

Phosphate

35. Phosphate rock must be imported for the manufacture of fertilizers. The Japanese Government has requested permission for such imports in order to meet urgent needs for fertilizers. Stocks of phosphate rock estimated at 150,000 metric tons exist at a number of localities in the Pacific, scattered from the Daito Islands off Okinawa to Christmas Island southwest of Java.

Limited production can also be started at once on some of the phosphate islands in the Pacific, the nearest to Japan being Kita-daito-jima which is owned by the Hitto Kogyo Kabushiki Kaisha. The latter reports that 1,300 workers who remain on the island could begin to turn out phosphate rock at the rate of 3,000 metric tons a month provided shipping is available to keep the men supplied with food and to bring out the phosphate rock.

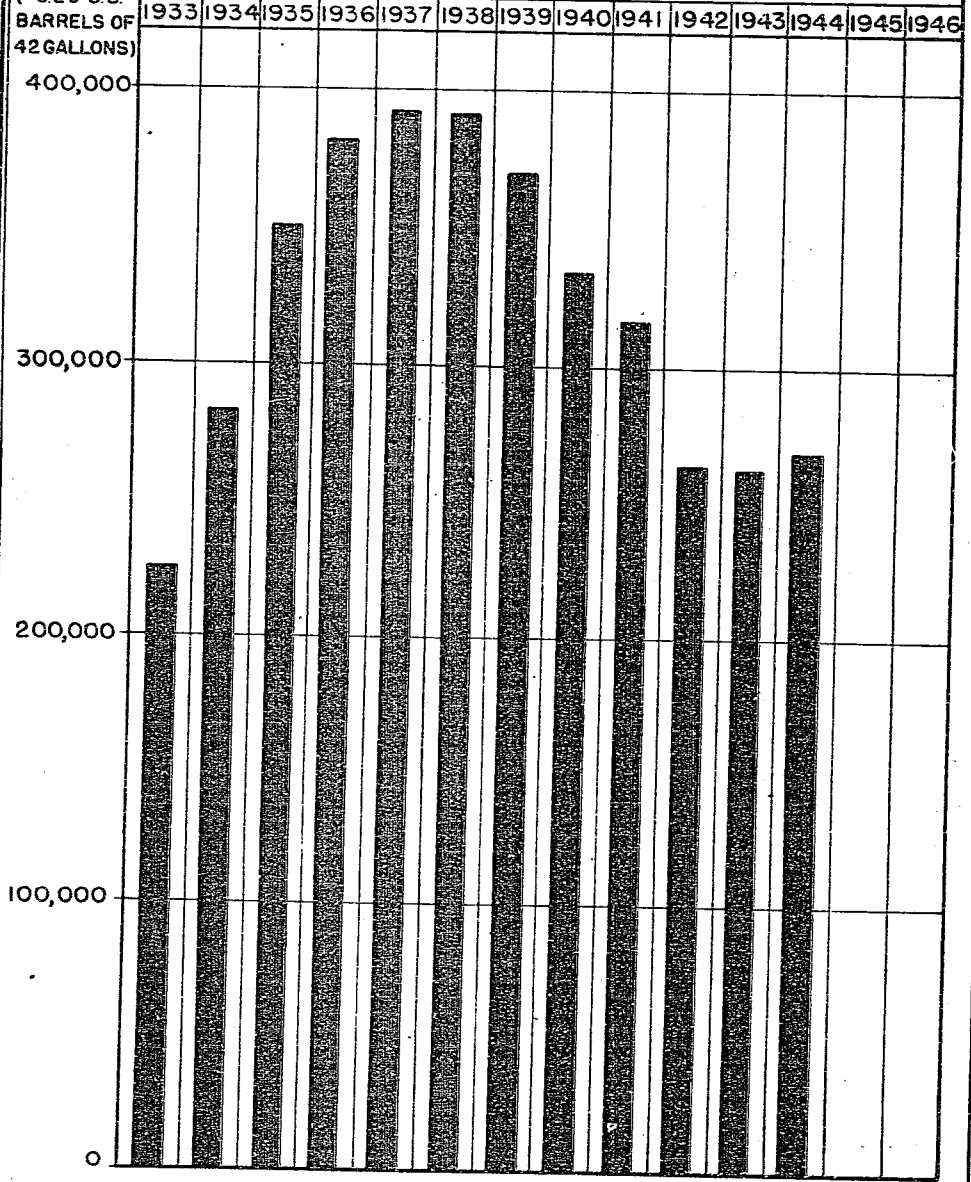
PETROLEUM

War-time Production

36. The annual production of crude petroleum in Japan for the years 1933 through 1944 is given in Chart No. 9.

CRUDE PETROLEUM PRODUCTION IN JAPAN PROPER

KILO LITERS
(=6.29 U.S.
BARRELS OF
42 GALLONS)



CRUDE PETROLEUM (JAPAN PROPER) PRODUCTION (CALENDAR YEARS)

DATE NOV. 45

GHQ SCAP

NUMBER 9

The marked rise in production during the years 1935 through 1938 was the result of an extensive drilling campaign subsidized by the Japanese Government. The downward trend from 1939 through 1941 may have been due to over-drilling. The sharp drop in 1942 reflects the shipment of drilling equipment and drilling teams to rehabilitate the captured oil fields of the Netherlands East Indies.

The principal petroleum producing areas in Japan proper are shown on Map No. 10, and production of these areas is shown in the following chart:

CRUDE PRODUCTION IN JAPAN PROPER
In kiloliters, by calendar year
(1 kiloliter equals 6.29 barrels or 264 U.S. gallons)

<u>Oil Field</u>	<u>NIIGATA DISTRICT</u>			
	<u>1942</u>	<u>1943</u>	<u>1945</u>	<u>1945</u> <u>Jan thru Aug</u>
Niitsu	26,415	26,192	24,653	15,577
Nishiyama	19,858	19,456	17,746	10,357
Higashiyama	12,644	12,745	14,040	7,460
Kurokawa	2,908	4,608	3,205	1,753
Ono	3,093	2,987	2,794	1,682
Nakajo			1,633	3,684
Maki	1,044	922	939	
Others	<u>1,572</u>	<u>1,590</u>	<u>1,557</u>	<u>1,063</u>
Total	67,534	68,500	66,547	41,576
<u>AKITA DISTRICT</u>				
Omonegawa	43,776	54,537	67,332	40,185
Yabase	53,916	42,360	36,339	21,353
Innai	35,464	31,957	27,282	12,173
Yoyokawa	12,964	12,290	11,629	6,323
Hachimori	1,599	2,962	9,757	6,640
Asahigawa	7,829	7,768	7,335	4,968
Katsurazaka	4,403	5,159	5,118	3,534
Nigorikawa	4,065	3,659	3,575	2,038
Yuri	4,234	3,750	3,543	1,242
Kodaki	3,791	2,936	2,279	2,117
Hiida	2,729	1,991	1,208	665
Others	<u>7,050</u>	<u>1,032</u>	<u>1,737</u>	<u>293</u>
Total	181,820	170,401	177,134	103,531

0253

YAMAGATA DISTRICT

Chokaisan	6,324	16,823	17,285	3,180
Shonai	—	—	59	4,942
Total	6,324	16,823	17,344	8,122

HOKKAIDO DISTRICT

Ishikari	3,208	2,751	3,793	2,580
Azuma	3,884	3,342	3,496	2,001
Others	<u>1,046</u>	<u>914</u>	<u>845</u>	<u>374</u>
Total	8,138	7,007	8,134	4,955
GRAND TOTAL	263,816	262,731	269,159	158,186

The comparative production for each of these areas during the years 1942 through 1944 is shown below:

SUMMARY OF PETROLEUM PRODUCTION

Kiloliters

District	1942	1943	1944	Total	Annual Average	Percent of Total
Niigata	67,534	68,500	66,547	202,581	67,527	25.4%
Akita	181,821	170,401	177,134	529,356	176,452	66.5%
Yamagata	6,324	16,823	17,344	40,491	13,497	5.1%
Hokkaido	<u>8,138</u>	<u>7,007</u>	<u>8,134</u>	<u>23,279</u>	<u>7,760</u>	<u>3.0%</u>
Total	263,817	262,731	269,159	795,707	265,236	100.0%

Present Production

37. Present production of crude oil is 675 kiloliters per day or 246,400 kiloliters per year from 4,841 wells of which 4,805 are pumping and 36 flowing. Ninety-five percent is produced by the Teikoku Sekiyu (Imperial Oil Company) which was established in 1941. During the war period it absorbed most of the independent producers and took over the interests of other large operators.

Extensive efforts were made during the war, particularly in 1944, to increase home production of crude oil. The Japanese Government provided monetary assistance for this purpose. A new company, Hokuriku Sekiyu, was recently formed to include all the small producers in the Niigata District with the exception of the Daido Oil Company.

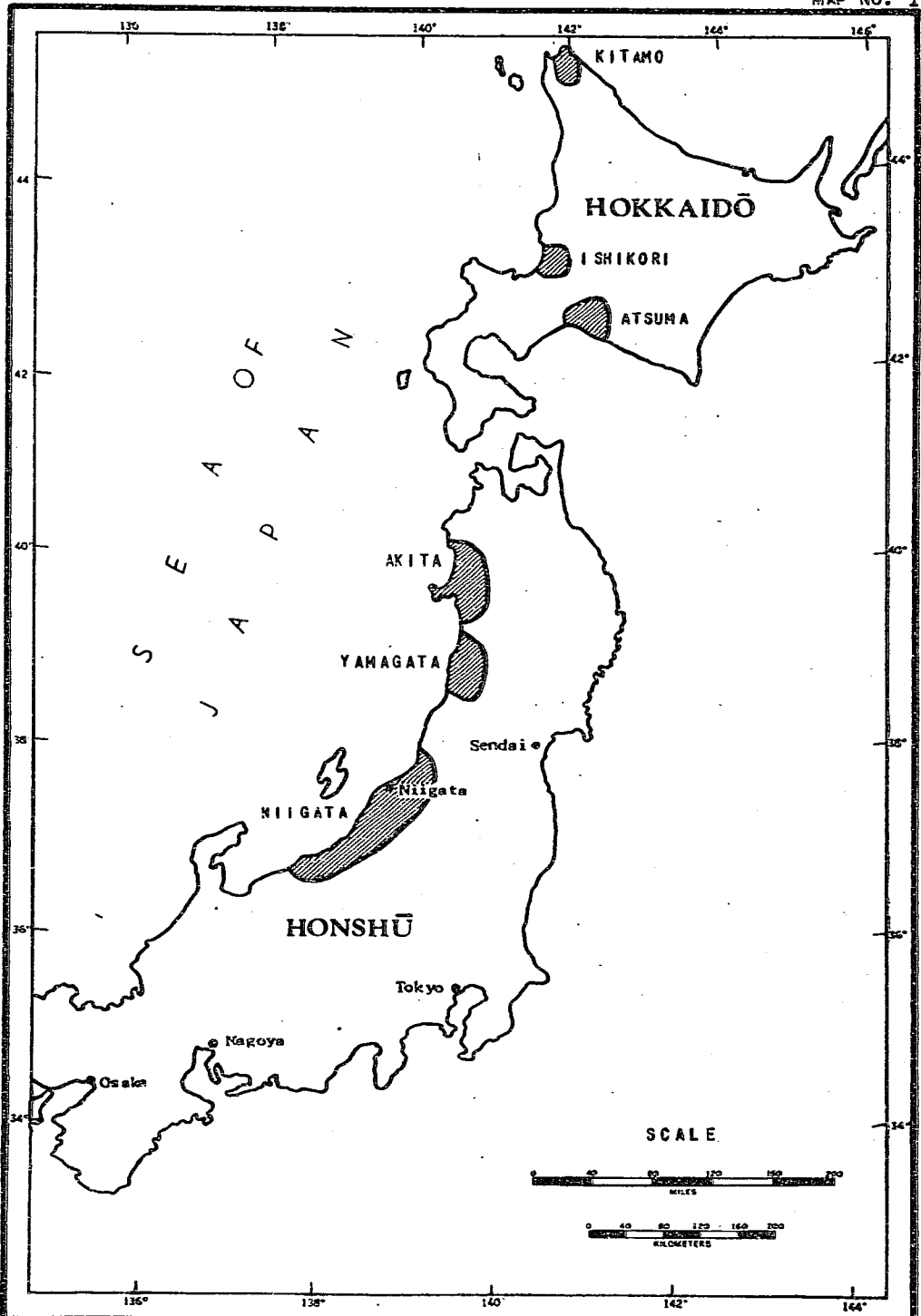
Hokkaido

38. The three main producing fields in the Hokkaido District, Ishikari, Kitami and Atsuma, have a total production of about 16 kiloliters per day. As output is small no new drilling is being planned until the more promising areas on Honshu are thoroughly explored.

Akita

39. The largest producer in the Akita District is the

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OIL JAPAN PRODUCING AREAS

DATE NOV 45

GHQ SCAP

NUMBER 10

Iabase Field which produces about 83 percent of the entire output of the District. There are 523 wells in the Iabase Field of which 289 are producing and 120 are abandoned. The remainder are shut down because of a need for repairs. The oil producing zones are located at 300-400 meters and at 1100-1300 meters. Plans call for drilling 44 new wells in the Iabase Field during 1945 and sufficient materials are available for this purpose.

40. The Hachimori Field is the newest and most promising field in the Akita District. It consists of two sections, East Hachimori and West Hachimori. The western section, discovered in June 1936, produced from zones at 200 and 400 meters. The eastern zone was discovered in October 1941 when a wild cat well brought in an initial production of 10 kiloliters per day. Since its discovery the eastern section has become the more important and holds the greatest promise for future development.

41. The Innai Field consists of 292 wells of which 146 are shut down because of lack of parts such as tubing and sucker rods, or because of need for repairs. Output could be increased 35 percent if the necessary parts could be obtained.

42. The Asahikawa, Toyokawa and Yuri Fields were discovered during the period 1907-1912. Production has declined steadily until present production from 998 producing wells in three fields amounts to only 71.5 kiloliters per day.

43. Areas in the Akita District which hold promise for future development are the Yoyoiwa, Humada, Futto, Hamaguchi and Ukawa leases. The latter three areas have been seismographed and show favorable structure.

Niigata

44. Most of the wells in the Niigata District are 800 meters in depth and all are on pump. Some experiments have been made in deep drilling but the two wells drilled to 1300 meters proved to be dry.

At the present time ten new wells are being drilled. The status of wells is shown in the following table.

STATUS OF WELLS NIIGATA DISTRICT

Oil Field	New Wells		Existing Wells		
	Planned	Drilling	Producing	Inactive	Drilling Discontinued
Kashiwazeki				2	1
Nishiyama	4	1	455	139	3
Niitsu	4	2	925	80	2
Higashiyama			500	53	2
Shibata	9	4	73	8	5
Gotsu			19	9	
Ono			72	3	
Torigae			71		2
Maki			160	10	1

Oil Field	New Wells		Existing Wells		
	Planned Drilling		Producing	Inactive	Drilling Discontinued
Odagiri	1	1	1		
Oguchi	v		2		1
Kangamine	2	1		1	1
Kuwascne	2	1	1		
Total	22	10	2,279	305	18

Rate of Decline in Producing Areas

45. The monthly rate of decline for principal producing districts of Japan, summarized from data prepared by the Imperial Oil Company, is as follows:

PRESENT MONTHLY RATE OF DECLINE IN PRODUCTION

District	Maximum	Minimum	Mean
Niigata	2.4%	0.2%	1.0%
Yanagata	16.7%	Unknown	Unknown
Akita	2.8%	0.4%	1.5%
Hokkaido	1.7%	0.4%	1.0%

Quality of Japanese Crude Petroleum

46. The crudes of Niigata, Yanagata and Akita Districts are asphalt base with a percentage of tar ranging from 25 to 75 percent. Those from Gotsu and Maki oil fields run as low as 10 and 15 percent respectively. The wax content of the Honshu crudes is negligible. Hokkaido crudes are primarily paraffin base.

Normal Civilian Requirements

47. Domestic production of crude petroleum is inadequate in both quantity and quality. Annual production has been only about 10 percent of normal civilian requirements.

Civilian consumption during 1930 was 2,205,564 kiloliters which rose to 4,066,140 kiloliters in 1935 and remained at about this figure until 1938. A minimum of about 4,000,000 kiloliters per annum appears necessary for normal functioning.

48. Imports during the war were all from the Netherlands East Indies. The combined imports by Japanese Army, Navy and civilian enterprises from each of the producing and refining areas are shown in Chart No. 11.

Field Investigation in Hokkaido

49. In proven oil producing areas in Hokkaido increase in production might be effected by proper utilization of existing facilities and the use of additional modern equipment.

Exploration has been limited and drilling activities in the past have been almost completely directed at intensive drilling in small proven areas.

Field Investigation in the Niigata District

50. The productive horizons which have been tapped consist of thin sandstones in the Shiya and Teradomari formations. Exploitation of the Niigata Basin appears to have been directed towards maximum production from these known producing horizons. The extent of the Niigata Basin is shown on Map No. 12 (opposite this page)

51. No well-directed effort has been made to explore the possibilities of production below the known producing horizons. Several thousands of feet of sedimentary rocks may underlie the Teradomari black shale near the center of the basin. Only one well has been drilled to basement. This well is at Shibata close to the line of outcrop of basement which marks the eastern margin of the basin. Granite basement was struck at Shibata at a depth of about 7,000 feet after penetrating at depth the Teradomari shale, a green tuff and liparite.

52. Practically nothing is known of the depth to basement in the Niigata Basin and possibly an appreciable thickness of strata will be found below the present producing horizons toward the center of the basin. The exploration accomplished to date is inadequate to obtain an assessment of the potentialities of the oil-fields of the Niigata Basin.

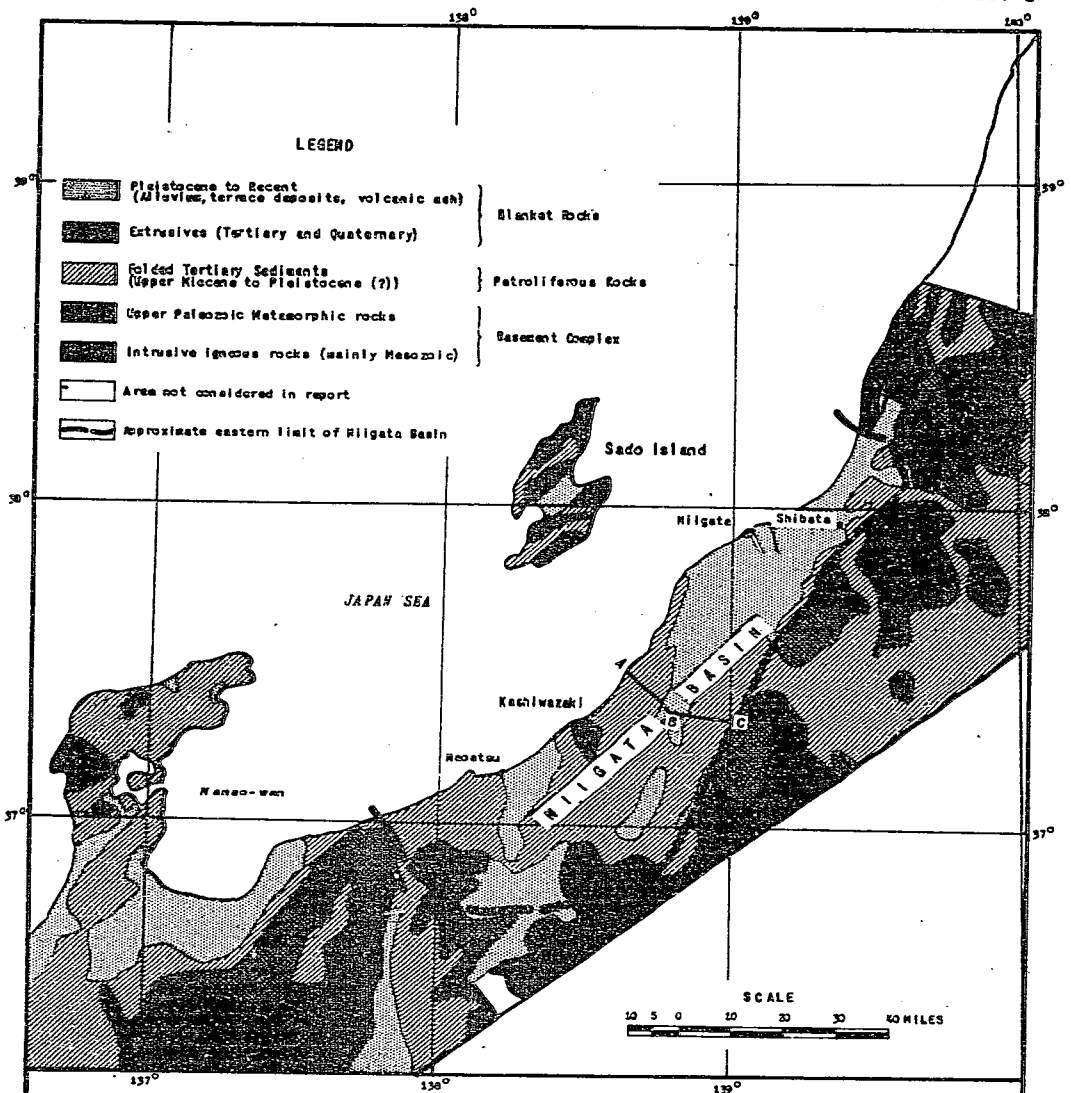
Exploration

53. The methods used in exploration consist of geologic survey, with the assistance in a few cases of geophysical survey to determine subsurface structure. The geologist recommends on the petroleum possibilities of new structures; the possibilities of these structures are then rated as "percentage of certainty" for production. Structures rated high are drilled first according to a haphazard plan of drilling clusters of wells around the first producing well.

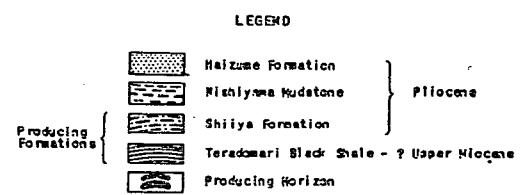
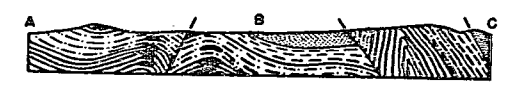
54. The possibility of production from deeper horizons has not been adequately tested. Exploration has been virtually restricted to locating new pools within known producing horizons. The exploration accomplished to date is inadequate to obtain an assessment of the potentialities or reserves in the Japanese oil-fields.

Reserves

55. No estimates are available on the crude petroleum reserves in Japan. The unsystematic methods of exploitation and exploration used in Japanese oil field development preclude making useful estimates.



Typical Cross-section in Niigata Basin



OIL JAPAN
NIIGATA TERTIARY BASIN
GHQ SCAP

DATE NOV 45

NUMBER 12

0259

SECTION 3

INDUSTRY

C O N T E N T S

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GENERAL

Conversion

1. Directive No. 3 of 22 September permits the conversion of war plants to essential civilian goods but specifies that individual applications for each such conversion must be submitted. The Commanding Generals, SIXTH and EIGHTH Armies were authorized to act on these applications.

Applications must be accompanied by complete reports on physical equipment, financial structure, past and proposed production capacities, full details of contemplated conversion, material stocks available and other data.

The plants are inspected by representatives of the Armies who issue permits to the prefectural governors authorizing them to permit the conversion of the approved plants. The permits specify the type of products and the approved production quota.

In order to remove misunderstanding on the part of the Japanese, the meaning of "conversion" as used in paragraph 3b of Directive No. 3 has been defined as conversion of machinery and not of products. Plants which can switch over to consumer goods without change in machinery such as textile mills can reopen and go into civilian production without a permit. Plants especially designed for war production and incapable of producing consumer goods without a major conversion of machinery must obtain a permit..

Statistical Information

2. The government ministries, financial and business organizations, and individual companies have attempted to supply the industrial and financial information requested by this Headquarters, but the data is inadequate and falls far short of American standards. Major corporations have only a fraction of the minimum

information usually considered essential by American business. Few companies have analysts or real statistical bureaus and the government has inadequate statistical or research agencies.

Companies do not employ outside auditors, because the service of Certified Public Accountants as an institution is virtually non-existent. Books do not always give a complete and accurate picture of financial condition. Bank examination occurs not more than once in two years. During the war data on production, stocks and consumption was kept highly classified and very few people had access to the figures of even a single industry.

The value of the information furnished is assessed and where obviously inaccurate, measures are instituted to secure a more factual picture. As steps toward securing a better supply of economic data the Oriental Economist was directed to resume publication and the library and resources of the Mitsubishi Research Institute were taken over.

MINERAL INDUSTRIES

Iron and Steel

3. The iron and steel industry is currently operating on a limited basis. Three of Japan's 11 large-type blast furnaces produced 9,568 metric tons of pig iron in October and 4,711 metric tons in the first 20 days of November. The other plants were inactive due to lack of coal.

4. Three open-hearth steel plants produced 8,440 metric tons of steel in October. During the first 20 days of November two of these plants were idle and the third (Nippon Seitetsu at Yawata) produced 6,353 metric tons of steel. Of the other open-hearth plants 16 were idle in November, three produced small quantities and information was unavailable on five. There was also some slight activity by the numerous small open-hearth plants.

5. Four rolling mills produced 2,654 metric tons of steel in October and 4,615 metric tons during the first 15 days of November. Of the remaining major rolling mills, 11 were idle in November, four rolled small amounts and the activity of one mill was unknown.

6. No figures are available regarding the production of electric steel and special steel. The one Bessemer plant in Japan is not operating.

Steel Stocks

7. It is estimated that 400,000 metric tons of rolled steel are available in Army and Navy stocks. Estimates of non-military stocks range from 110,000 to 225,000 metric tons. Stocks of special steel are estimated at 636,000 metric tons, of which 361,000 metric tons are in Army and Navy stocks and the balance at manufacturing plants or in warehouses of the Iron and Steel Control Association. Special steel was largely made for use in airplane manufacture or other war equipment, and approximately half of the stock is unsuitable for normal purposes.

Aluminum

8. There are eleven major producers of aluminum utilizing bauxite, bauxite shale, and clay as raw materials. Total annual capacity is 359,000 metric tons of alumina. Aluminum metal ingots are produced by nine leading companies with a total capac-

ity of 152,200 metric tons annually. The rapid rise in production during the war period is shown in Chart No. 13 at the end of this Summation). The following table lists the capacities of finishing plants.

<u>No. of Factories</u>	<u>Product</u>	<u>Capacity</u>
23	Aluminum Sheet	64,885 metric tons
9	Aluminum Wire	7,618 metric tons
19	Aluminum Rods and Bars	23,180 metric tons
6	Aluminum Castings	9,600 metric tons
4	Aluminum Tubes	1,205 metric tons
2	Aluminum Foil	1,260 metric tons
1	Miscellaneous Items	<u>850</u> metric tons
Total		109,598 metric tons

The industry is producing on a very limited basis due to lack of coal and raw materials. Six thousand tons of metal have been allocated for immediate production of needed civilian items according to the following plan:

<u>Product</u>	<u>Quantity</u>
Household Articles	4,000 metric tons
Coins	500 metric tons
Electrical Instruments	500 metric tons
Parts for Rolling Stock	500 metric tons
Medical Instruments & Tools	<u>500</u> metric tons
Total	6,000 metric tons

Magnesium

9. Six large-scale producers of magnesium have a total capacity of 6,950 metric tons of metal ingot annually, principally from magnesite and by-product bittern. No evidence of production directly from seawater has been uncovered. Production during recent years is shown in Chart No. 14 at the end of this summation.

MACHINERY INDUSTRIES

General

10. Some progress was made in return to operation of factories making machinery. A number of plants that formerly made capital goods are now producing consumer goods such as hand tools and kitchen utensils; others are repairing motor trucks or converting Japanese Army tanks to bulldozers.

The supply of labor is still inadequate, but is improving as better housing and more food become available. Additional factors slowing down the resumption of production are shortage of coal, general technical difficulties in connection with conversion to

different products and shortage of transportation particularly of drayage from railway sidings to factories and markets.

Inventory of Machinery

11. An inventory of existing equipment has been prepared on the principal types of machinery. The Ministry of Commerce and Industry and the various Control Associations have been the main sources of information. In some cases it has been possible to obtain data from the Japanese Army and Navy, but it is very difficult to reconcile production figures for the war period. In many cases statistics were not kept from the end of 1942 to date; in some cases records were destroyed in air raids.

The following data is the best at hand and is subject to revision as further information is obtained. The number of machines in each industry on which data are available is listed:

Textile Machinery

Spindles	2,782,156
Looms	121,202

Forging Machines

7,930

Punching and Shearing Machines

27,919

Paper Making Machines (collenders)

260

Gas Producers

1,270

Saw Mills

22,633

Food Processing Machines

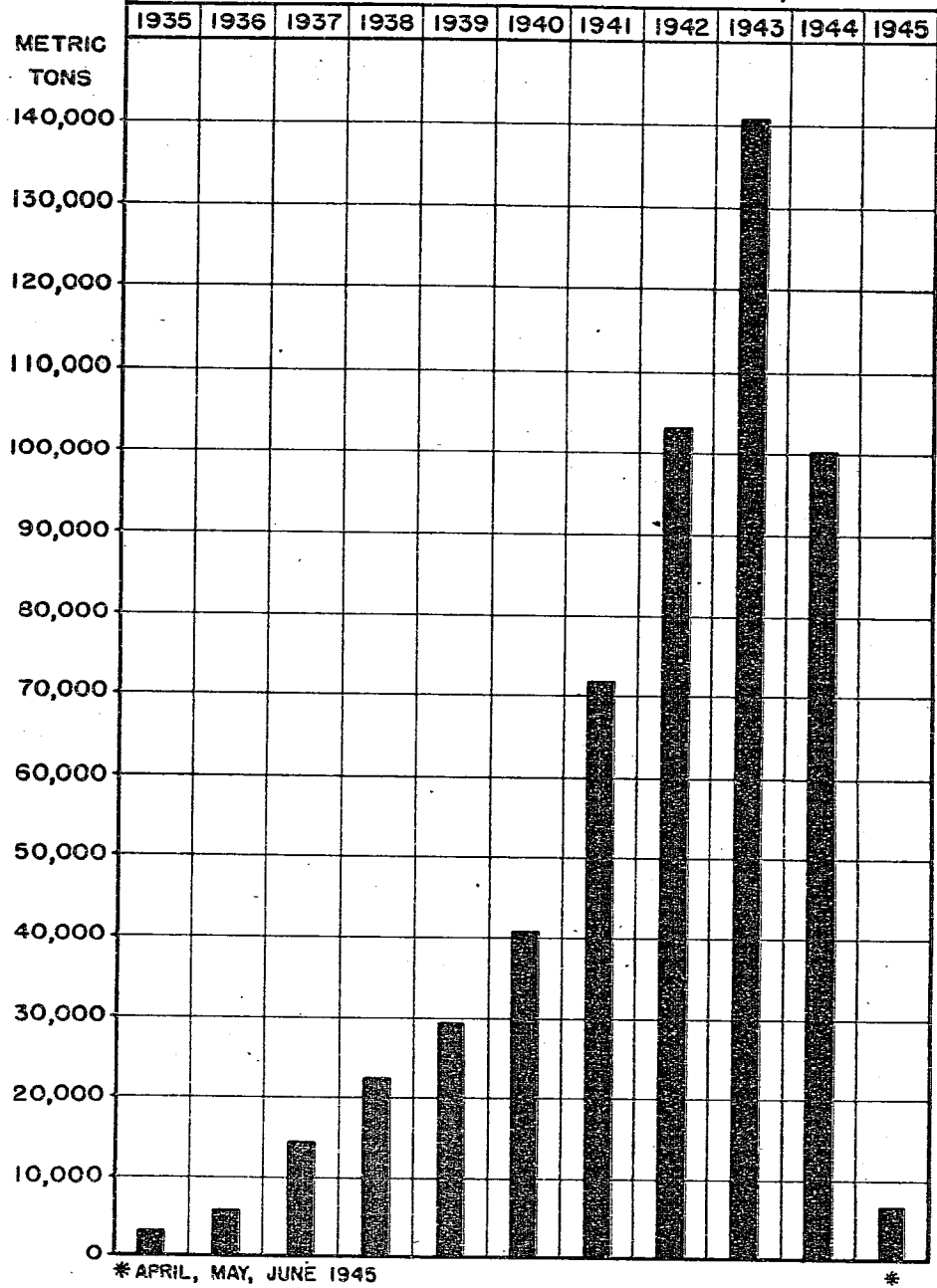
Barley Cleaning Machines	5,907
Flour Milling Machines	8,528
Canning and Bottling Machines	1,524

Mining Machinery

Air Compressors	2,018
Air Drills (rock)	19,017
Undercutting Machines	323
Pneumatic Pickhammers	10,723
Vertical Hoists	793
Slanting Shaft Hoists	2,736
Conveyers	3,404
Ship Carriers	2,291
Leaders (outside mines)	2,102
Pumps (water)	2,626

TREND IN ANNUAL PRODUCTION

FISCAL YEARS (APRIL THROUGH MARCH)



ALUMINUM PRODUCTION - JAPAN

DATE NOV 45

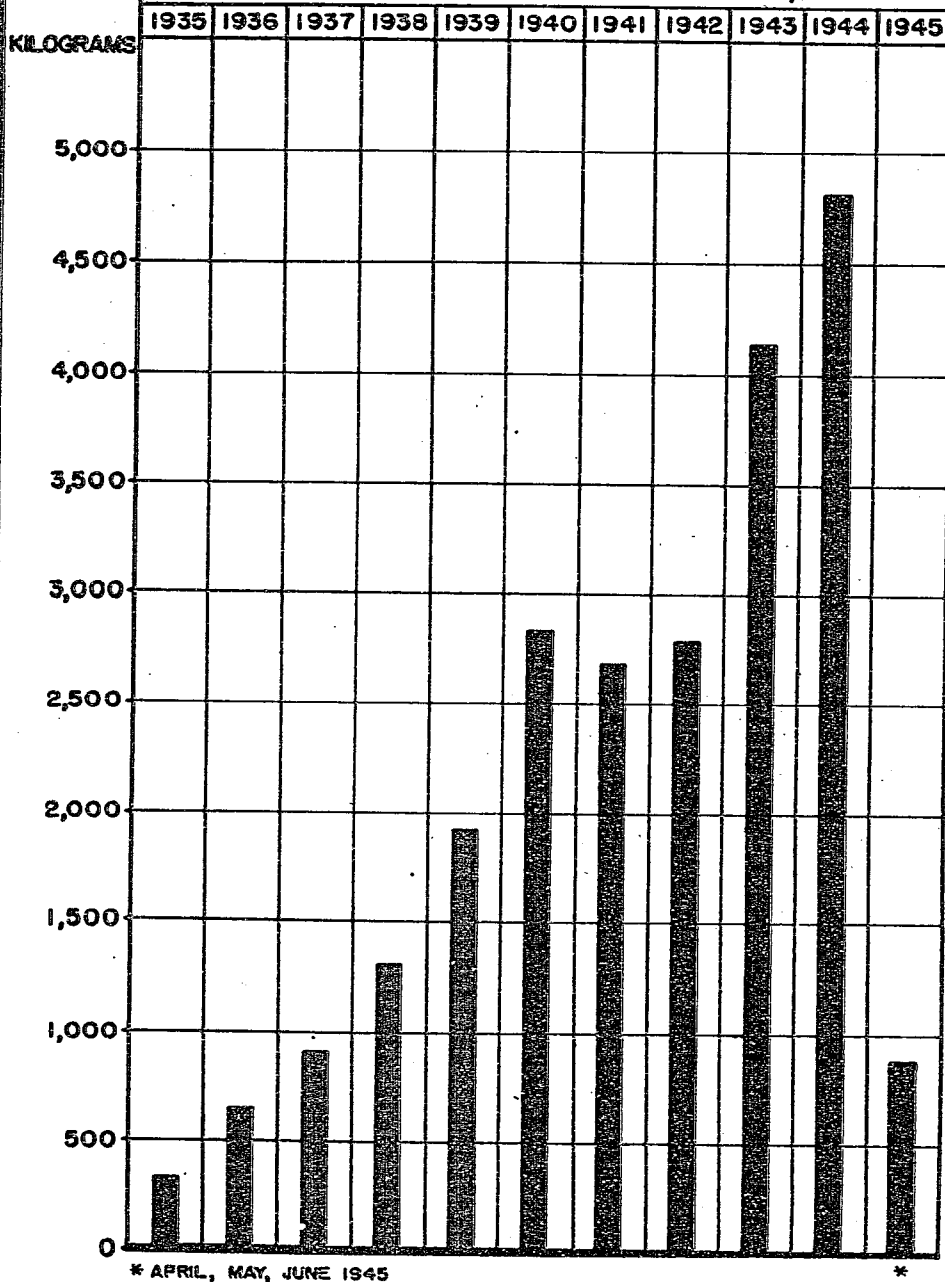
GHQ · SCAP

NUMBER 13

0264

TREND IN ANNUAL PRODUCTION

FISCAL YEARS (APRIL THROUGH MARCH)



MAGNESIUM PRODUCTION - JAPAN

DATE NOV 45

GHQ · SCAP

NUMBER 14

0265

Ventilating Blowers

2,596

Rolling Mills

General Steel

7,722,000 tons capacity

Special Steel

1,300,000 tons capacity

Reparations Studies

12. Detailed studies of several important heavy industries are summarized as follows:

	<u>No. of Factories</u>	<u>Annual Capacity</u>
Machine Tools	130	41,700 metric tons
Other Machinery	7,587	1,050,000 metric tons
Iron & Steel Forgings and Castings	3,332	1,678,000 metric tons
Heavy Electrical Machinery	7	50,000 metric tons

Wire Rope and Nails

13. The most urgent problem in connection with Japanese industry has been coal production. Part of that problem is the replacement of worn mining machinery and hoisting cable. On 17 November the Kobe Steel Co. began production of steel rods for wire drawing. This is the only mill in Japan capable of rolling material suitable for the manufacture of wire rope. In the first 4 days of operation it produced 90 tons of steel ingots and rolled 50 tons of rods suitable for nail making. Planned production for the next three months is as follows:

	<u>Wire Rope Rods</u>	<u>Rods for Nails</u>
November 1945	200 metric tons	100 metric tons
December 1945	1,350 " "	580 " "
January 1946	3,500 " "	1,700 " "

Coal on hand is adequate for November production and allotments have been made for December and January. The present urgent need for wire rope is estimated at 900 tons with an additional need of 2,900 tons apparent. Present inventories can supply 750 tons to the mines by mid-December and the remainder can be produced by mid-February. The current need at the mines for nails is estimated at 300 tons which can be met from production alone by the end of December.

Precision Machinery

14. Manufacturers are anxious to commence full scale production but uncertainty as to their role in Japan's peacetime economy is a deterring factor. It is estimated that 30 percent of the plants are producing on a limited basis, 30 percent are in the process of reconversion and the balance are marking time.

15. A complete inventory of machine tools is in preparation. Preliminary figures indicate a total of over 800,000 operable tools with their ownership divided approximately as follows:

	<u>Percent</u>
Army and Navy arsenals	10
Aircraft Industry	25
Machine Tool Industry	5
Other War Industries	40
Civilian Industries	<u>20</u>
Total	100

16. Spot checks indicate that air raids and weather have destroyed a smaller number of units than was at first expected. Some companies are repairing damaged machinery. Many units, especially those in military arsenals are in danger of deterioration from lack of maintenance.

17. Large stocks of semi-finished and finished units are being uncovered. About 7,000 finished machine tools are in makers hands plus undetermined quantities of bearings and other types of precision machinery.

FOOD PROCESSING

Canned Foods

18. Production of canned foods for the year beginning 1 December 1945 is estimated as follows:

Marine products	526,000 cases
Fruit	220,000 "
Vegetables	150,000 "
Other	<u>54,000</u> "
TOTAL	950,000 "

The shortage of cans and tin plate is the chief limiting factor. Canning companies have 500,000 cases of tins of various sizes in their warehouses and an additional allotment of 350,000 cases is expected. Other shortages are not as critical and can be met.

19. The industry has formed a "Post War Commission" consisting of representatives of the Cannery Association of Japan and the Japan Canned Goods Control Co., Ltd, the Nichiro Fisheries Co., and the tin can manufacturers. It will operate as a fact finding and advisory organ to the industry. A Cannery Guild composed of all producers is being formed and will eventually supersede the "Post War Commission".

20. Individual canning companies are still hesitant about concrete plans and future commitments because of uncertainty over future availability of raw materials and supplies to canners. The canning industry believes that it can assist materially in relieving the food shortage during the coming year. Fruit and vegetable crops and fish catches come in seasonal gluts. Because of

transportation difficulties they must in large part be preserved at the source to avoid spoilage and waste. With their existing plant facilities cannery can assist in preserving these crops for later distribution.

Milling

21. Wheat flour production is estimated at 360,000 metric tons for the period 1 July 1945 to 30 June 1946 as compared with 599,000 tons in 1944. Milling of this years wheat is closing and flour mills are either shut down or making immediate plans for closing. Unless wheat is imported, they expect to remain inoperative until the next harvest in July 1946. A large part of the wheat crop this year was diverted directly to the consumers to increase the cereal ration.

One flour mill is producing sweet potato flour with an estimated production for the year beginning 1 July 1945 of 26,000 metric tons.

22. Japanese flour mills are classified in three groups according to size: large mills with over 200 barrels capacity per day, medium mills with between 50 and 200 barrels capacity per day and small mills with less than 50 barrels capacity per day. (one barrel equals 88 kilograms)

Tabulation of mills is as follows:

<u>Year</u>	<u>Large Mills</u>	<u>Medium Mills</u>	<u>Small Mills</u>
1941 (Prewar status)	50	538	8,042
1944 (After conversion and before bomb damage)	37	409	2,072
1945 (Present status)	23	397	2,072

The small mills consist chiefly of community mills operated by five or six persons and employing primitive methods. Water power is used in most small mills.

Present capacity by type of mill is as follows:

Large mills	25,188 barrels per day
Medium mills	16,010 " " "
Small mills	17,233 " " "

Sugar Refining

23. Estimated production of refined beet sugar for the year beginning 1 December 1945 is 10,800 metric tons. Three refineries in Hokkaido are now in operation processing the sugar beets grown in that region. A fourth refinery in Hokkaido which was being converted to an alcohol plant when the war ended is inoperative.

Japan's only cane sugar refinery is located in Moji, Kyushu. It has a capacity of 350 metric tons per day but is not operating due to lack of raw material. About 1,800 tons of cane sugar is grown near Kagoshima, but is refined locally by primitive methods.

Soy Sauce

24. The manufacture of soy sauce involves 6,087 factories

with a capital investment of about ¥ 500,000,000. The prewar industry employed about 32,000 workers.

Prewar production of soy sauce averaged about 1,000,000 metric tons per year, but dropped to 750,000 metric tons in 1944 due to shortage of soy beans, salt and wheat. Output for the fiscal year ending 31 March 1946 is estimated at 590,000 metric tons. As the brewing of soy involves a fermentation period of at least 12 months, the work in process is large, amounting to 380,000 tons as of 30 September 1945.

25. The supply of new raw materials on hand is small. As of 30 September 1945 only 10,500 metric tons of soy beans, 6,500 metric tons of wheat and 7,400 metric tons of salt were on hand. Production of new soy mash is therefore almost at a standstill. Manufacturers estimate that only 140,000 metric tons of soy sauce will be available for the next fiscal year unless soy beans and salt are imported in the near future.

The production of synthetic soy sauce, called Amino-san, has been increasing in the past twenty years. There are 45 Amino-san plants in Japan representing an investment of ¥ 51,000,000. Production capacity is estimated at 179,302 metric tons per year. This industry faces the same raw material shortages as does the soy sauce industry and practically all production has ceased. Estimated production for the calendar year 1945 is about 15,000 metric tons.

Miso

26. Miso (bean paste) is produced by 5,200 large and small factories representing a total investment of ¥ 530,000,000. Production prior to the war averaged about 525,000 metric tons per year which was all consumed in Japan. There are about 100,000 metric tons of Miso in process but shortages of raw materials, particularly of soy beans and salt, have forced the great majority of plants to discontinue new production. This will result in a decreased supply of Miso in 1946.

Brewing and Distilling

27. Beer is produced by two companies in 13 large modern breweries, only one of which was completely destroyed during the war. Present production capacity is estimated at 53 million gallons per year, which is about the same as before the war. Estimated output for 1945 is 28,100,000 gallons.

28. Sake, whiskey and other alcoholic beverages constituted a large industry prior to the war. The Japanese report a total of 13,223 establishments engaged in such production, with an investment of ¥ 512,000,000 and a prewar employment of about 90,000. The great majority of these plants are small. As a result of rationing during the war, a stockpile of 644,000 koku of various liquors was built up. The estimated rate of production is as follows for the calendar year 1945 and 1946: (In koku; one koku equals 47.935 U.S. gallons)

	1945	1946	Percentage of Prewar Production
Sake	1,077,000	1,010,000	25
Imitation Sake	150,000	300,000	300
Shochu (a whiskey)	180,000	200,000	24
Others	251,000	220,000	95

Confectionery

29. Candies, rice cakes, pastries and bread are produced largely in small household shops. There are few large modern plants. The industry suffered war damage of about 45 percent. The remaining factories total 4,970, with a capacity of 220,000 metric tons a year.

This industry was greatly curtailed during the war. Output dropped from 560,000 metric tons in 1941 to 3,146 tons in 1945. Production is now at a standstill due to the lack of sugar and salt. Present plans call for the production of 8,000 metric tons of sweet potato confectionery within the next three months.

Dairy Products

30. Condensed milk, powdered milk and butter are produced in 72 plants which have a total capacity in pounds per month as follows:

	<u>Pounds per Month</u>
Condensed milk	4,178,000
Powdered milk	1,569,000
Butter	1,000,000

About 55 of these plants are operating but at only 20 percent of capacity because of shortages of sugar and tin plate.

31. Condensed and powdered milk is used chiefly in the feeding of infants under one year of age. Imports of condensed milk for this purpose are considered necessary by the Japanese, unless production can be increased to prewar levels in the coming year. Actual production through 1944 and estimates for 1945 and 1946 are as follows:

<u>Year</u>	<u>Condensed Milk Pro- duced (metric tons)</u>	<u>Powdered Milk Pro- duced (metric tons)</u>	<u>Butter Produced (metric tons)</u>
1941	13,827	3,636	1,744
1942	13,212	5,202	2,204
1943	10,627	6,108	2,535
1944	4,370	4,886	3,502
	(Estimated Production)		
1945	3,811	3,539	2,268
1946	3,800	2,955	1,037

TRANSPORTATION EQUIPMENT

Motor Vehicles

32. The three principal automobile manufacturers are: Toyota Jidosha Kogyo K.K., Nissan Jukogyo K.K. and Diesel Jidosha Kogyo K.K. Before the war Toyota and Nissan each produced about 15,000 trucks a year, Diesel about 8,000. During the war production declined due to shortages of materials and the loss of workers to industries of higher priority. Many sub-contractors turned to other lines. The decline in production during the war is shown in Chart No. 15 at the end of this summation.