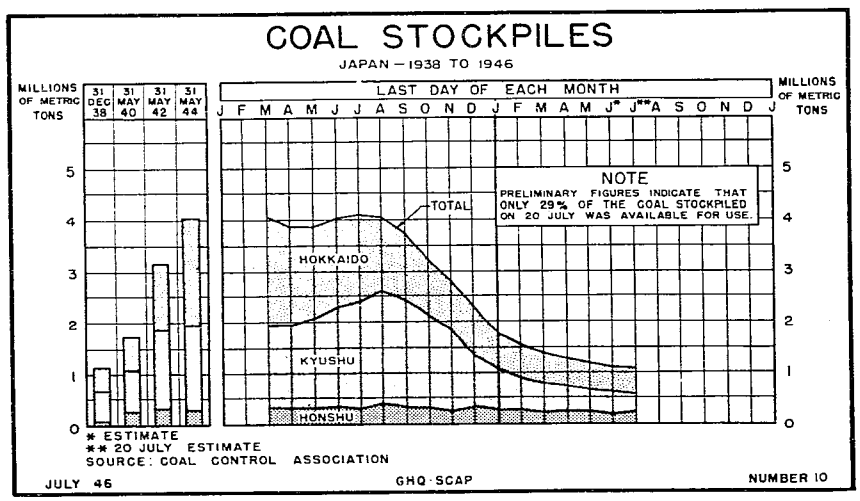
the consumer to about ¥ 440 per ton or to increase the subsidies to ¥ 4,000,000,000.

21. With no effective discipline among employees and no assurance of future solvency, management has become apathetic. The manager of the Mitsubishi-owned Hitto-Bibai mine, Hokkaido, reported that the mine lost ¥ 15,000,000 during the last half of the fiscal year 1945. The Akabira mine, Hokkaido, owned by the Seika Mining Company, expects to lose ¥ 6,000,000 during the first half of the fiscal year 1946. The difference between price and cost is too great for even a substantial increase in production to overcome.

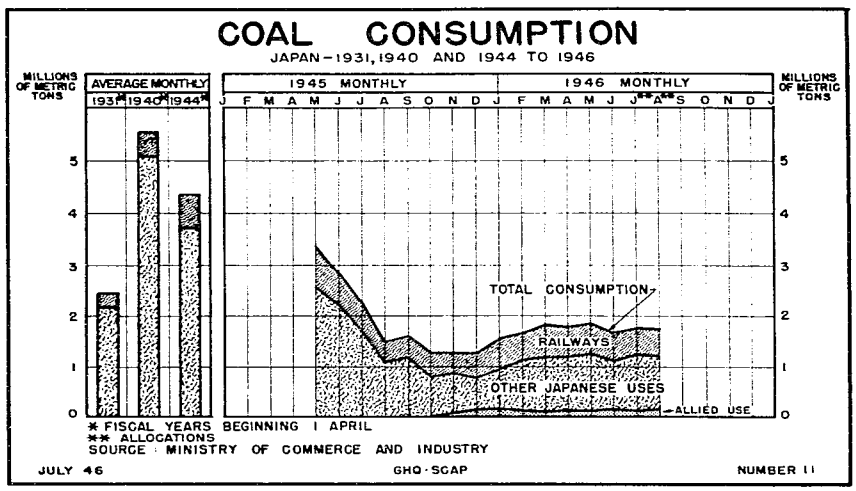
Stockpiles

22. Coal stockpiles are shown in the accompanying chart. The Japan Coal Company reported that in addition to the above stockpiles held at mines, ports and railroad yards, there are 298,393 metric tons located at main factories and plants. Hiroshima has not yet reported.



Consumption

23. Total consumption of coal during June was 1,665,000 metric tons, as shown on the accompanying chart and chart, pages 80 and 81.



Economic Controls in Coal Industry

24. The Coal Control Association, an organization of producers dominated by four of the largest producers, Mitsui, Mitsubishi, Furukawa and Sumitomo, has organized a new association, the Japan Coal Mining Industry Association, sometimes called the Japan Coal Association. This organization is designed to work more democratically, with the basis of voting strength changed from quantity of production to a compromise system wherein the larger producers sacrifice a portion of their votes in favor of smaller producers, most of which are organized locally into district unions.

25. The purchase, sale and distribution of coal are based partly on a separate legal enactment, the Coal and Coke Distribution Law of 1940. The Japanese Coal Board will temporarily continue the Japan Coal Company, Ltd., the government-controlled monopoly, but has created a Negotiation Council to investigate three plans for handling coal after it is brought to the surface.

26. There is a controversy between the producers who are the private stockholders in the Japan Coal Company, Ltd., and the Government which controls the Company's management and policy.

The producers desire reinstatement of the repurchase system abandoned during the war. The producers could then repurchase on paper from the Japan Coal Company, Ltd., the coal produced by them, and make direct distribution to consumers. The Government is determined to control prices, allotments and distribution and contends that coal producers would not distribute in accordance with allotments but would favor their subsidiary corporations.

27. The Mitsui interests control nearly 2,000,000 metric tons of coal produced by the Miike Mine in Kyushu, and have several industrial plants nearby to which its coal is transported by private railroad and belt conveyors. This has been cited as an instance of probable abuse of the plan to have producers distribute the coal.

OTHER MINERALS

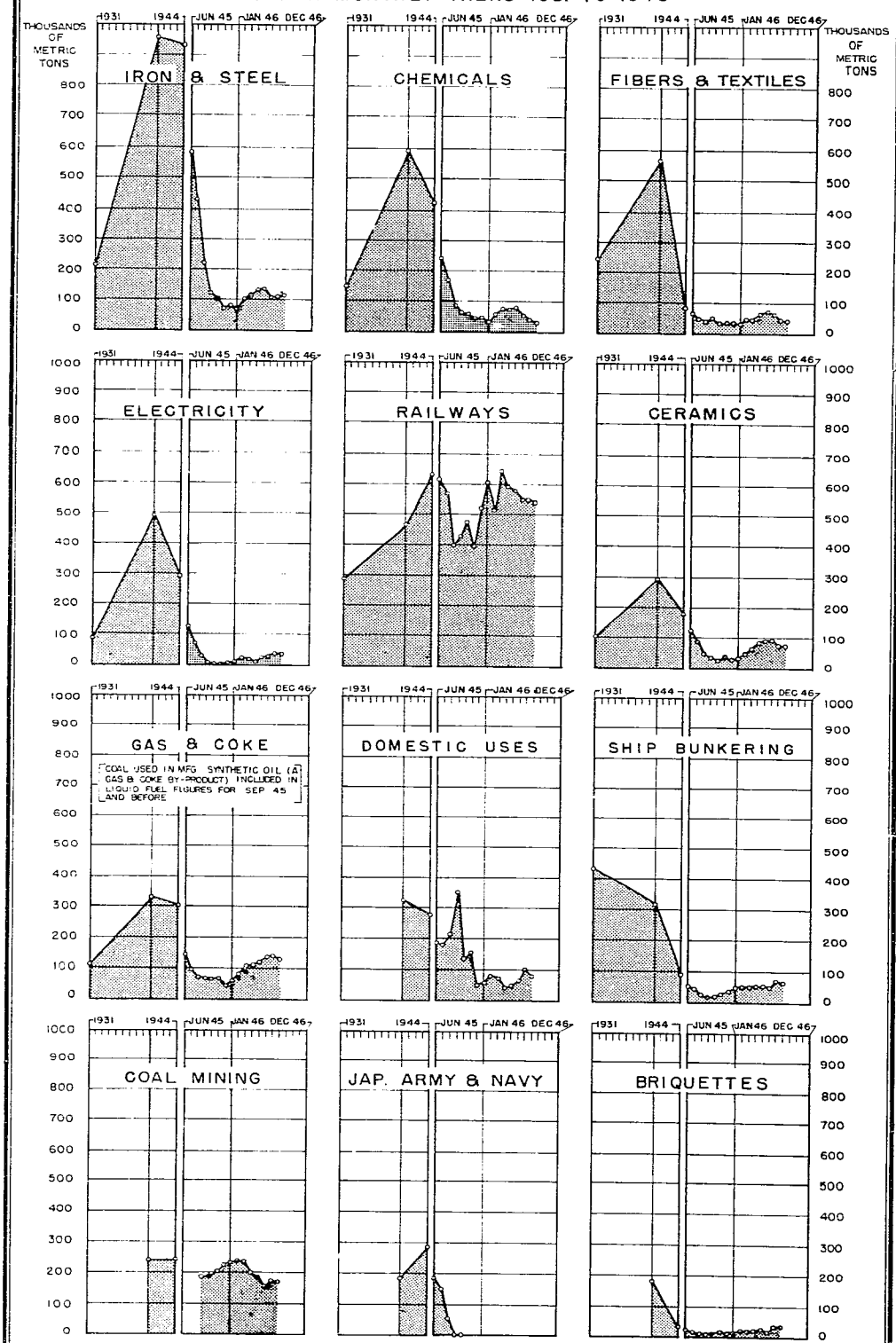
General

28. Although copper mining decreased slightly in May, decided increases are expected because of the ¥ 7,000 bonus per ton added to the price of ¥ 13,000 per ton for refined copper, giving to the producer a price of ¥ 20,000 per ton. At this price most of the larger companies which mine, smelt and refine copper will be able to show a small profit, particularly with increased production.

The increase in fire clay production was caused by the increasing demand for refractories in the repairs to industrial equipment. The increase in gypsum production was due to the gradual increase in cement production.

COAL CONSUMPTION BY INDUSTRIES

JAPAN-MONTHLY TREND 1931 TO 1946



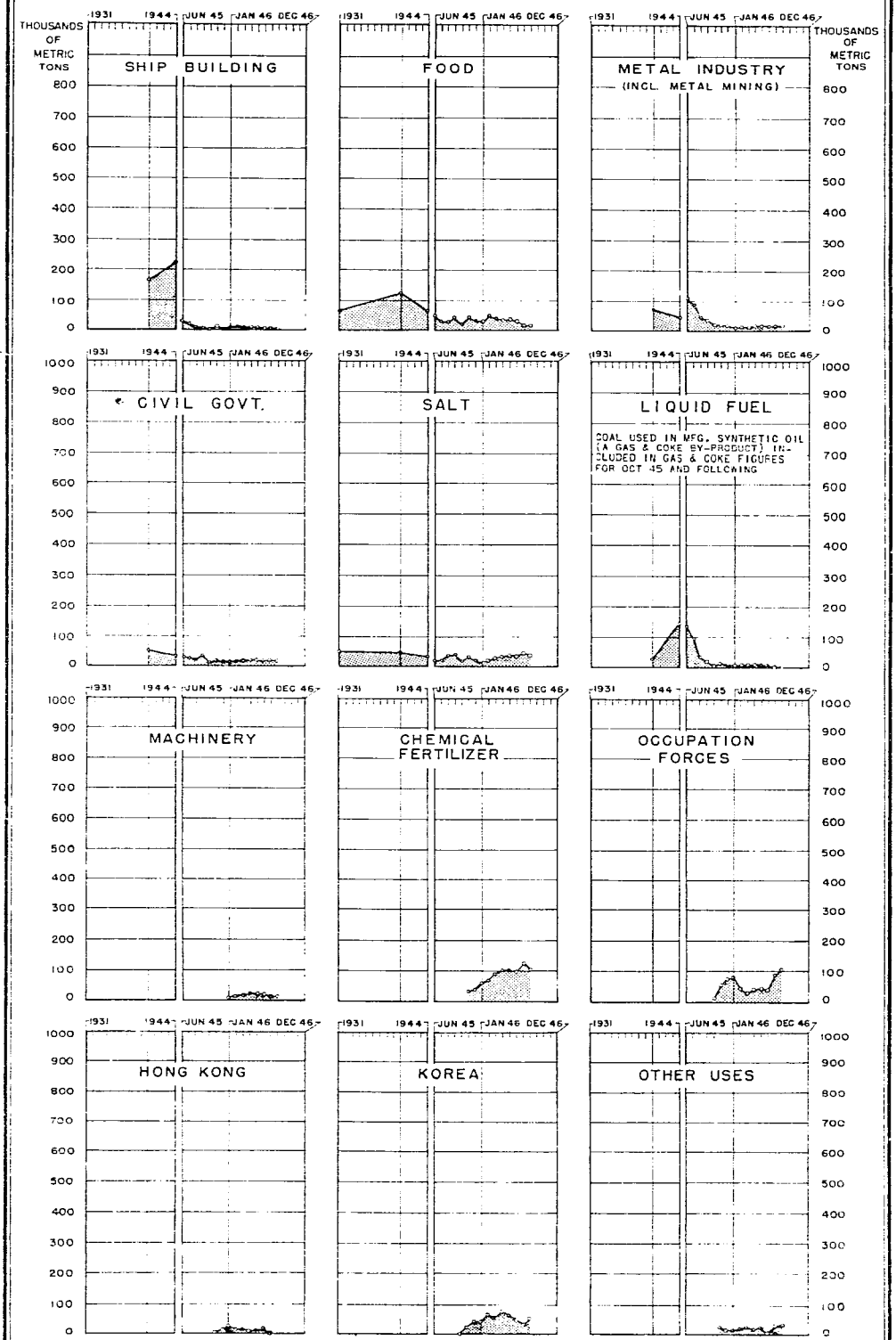
NOTES 1931 DATA ARE MONTHLY AVERAGES 1940 AND 1944 DATA ARE MONTHLY AVERAGES FOR 1 APRIL TO 31 MARCH FISCAL YEARS JULY AND AUGUST 1946 DATA ARE ALLOCATIONS

SOURCE MINISTRY OF COMMERCE AND INDUSTRY, COAL CONTROL ASSN.

JULY 46 GHQ SCAP NUMBER 12 A

COAL CONSUMPTION BY INDUSTRIES

JAPAN–MONTHLY TREND 1931 TO 1946



NOTES: 1931 DATA ARE MONTHLY AVERAGES. 1940 AND 1944 DATA ARE MONTHLY AVERAGES FOR 1 APRIL TO 31 MARCH FISCAL YEARS. JULY AND AUG 1946 DATA ARE ALLOCATIONS.

SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, COAL CONTROL ASSN.

JULY 46 GHQ SCAP NUMBER 128

0375

MINE PRODUCTION

Commodity	Unit		Av Prod/Mo Fiscal Year 1945-46	April	May	Current Total Fiscal Year 1946-47
Antimony	a/	MT	22	1.7	1.2	2.9
Arsenic	a/	kg	-	58,277	41,584	99,861
Asbestos	Fiber	MT	-	67	62	129
Barite	Concentrate	MT	141	0	0	0
Chromite	Concentrate	MT	2,338	266	510	776
Cobalt	a/	kg	-	557	750	1,307
Copper	a/	MT	1,697	1,565	1,520	3,085
Fire clay	-	MT	-	1,390	1,996	3,386
Fluorite	Concentrate	MT	166	0	57	57
Gold	a/	gm	-	95,943	114,657	210,600
Graphite						
Amorphous and crystalline	Concentrate	MT	217	214 b/	1,099	1,313
Gypsum	Concentrate	MT	2,976	4,329	4,930	9,259
Iron ore	Concentrate	MT	90,712	46,066	64,242	110,308
Iron sand	Concentrate	MT	10,180	1,159	2,501	3,660
Lead	a/	MT	441	312	279	591
Manganese	Concentrate	MT	7,498	2,676	2,241	4,917
Mercury	Metal	kg	6,694	1,417	1,707	3,124
Molybdenum	Concentrate	kg	14,605	13,389	10,601	23,990
Pyrite	Concentrate	MT	30,964	38,563	40,547	79,110
Silver	a/	gm	-	2,573,715	3,856,405	6,430,120
Steatite	Concentrate	MT	-	7,226	8,729	15,955
Sulfur	Refined	MT	2,479	1,471	1,940	3,411
Tin	a/	kg	132	1,913	3,605	5,518
Tungsten	Concentrate	kg	10,845	11,789	17,300	29,098
Zinc	a/	MT	1,898	1,394	1,658	3,052

a/ Metal content in concentrate.
b/ Incomplete.

SOURCE: Ministry of Commerce and Industry.

29. Gold and silver increases reflect the general improvement in the mining industry since approximately 56 percent of the gold and 64 percent of the silver have been produced by base metal mines. Siliceous gold ore mines, the Seikoshi mine in Shizuoka Prefecture having the largest production, account for almost all of the remaining gold and silver output. The Takatoma mine, Fukushima Prefecture, the only gold mine in Japan having a cyanide plant in operation, produced only nine percent of the gold and three percent of the silver for May and June.

30. Iron ore production has increased 50 percent in April over March, and 27 percent in May over April. About half this iron ore production is from the Kamaishi mine, Iwate Prefecture, where large quantities of broken ore are stocked underground as the result of mass blasting last February. Only four of Japan's blast furnaces are now operating.

31. Pyrite production has been increased for the fertilizer program. Tohoku sulfur output reflects the electrification of the Matsuo refining furnaces, Iwate Prefecture, to overcome the coal shortage. Sulfur is being recovered from gases liberated by Kyushu volcanic activity.

Problems of Future Production

32. Gains in Japanese mines production must await improvement in the food, coal and equipment situation. The food problem is partly psychological and the new harvest may remove workers' uncertainty. Next to food, coal is the most difficult problem since copper, iron and lead-zinc output depend on it. The failure of metal prices to keep pace with rising costs hinders production since producers must now operate at a loss.

PETROLEUM

Present Situation

33. From January to July petroleum production has fluctuated upward from about 4,100 kiloliters per week to 4,350 kiloliters per week. Beginning in the week ending 20 July five new wells in Akita and Niigata Prefectures are expected to boost the total production at least 10 percent. Detailed figures are given in the Heavy Industry Section, page 93.

34. The financial situation of the Imperial Oil Company, responsible for 95 percent of the domestic crude production, is serious because of the loss of the production subsidy for the fiscal year 1945-46. A tentative settlement for ¥ 18,000,000 by the Government, if granted, will still result in a loss of ¥ 16,000,000. For April, May and June the Imperial Oil Company estimates a loss of ¥ 60,000,000 from increased costs of materials and labor. The cost of production estimated by the Ministry of Commerce and Industry is ¥ 1,400 per kiloliter against the official price of ¥ 415 per kiloliter. The ¥ 1,400 per kiloliter includes a repayment of the current losses over a 15-year period and estimated costs of the five-year plan of exploration and exploitation.

SECTION 3

HEAVY INDUSTRIES

C O N T E N T S

COKE

1. Coke allocations and deliveries are shown on the following table. Coking coal stockpiles at the plants increased from 37,000 to 47,000 metric tons.

COKE ALLOCATION AND DISTRIBUTION
June
(metric tons)

Industry	Allocation	Distribution
Consumed by producers	71,889	67,004
Gas producers		
Iron and steel companies		
Chemical companies		
Metal mining and refining	1,300	1,427
Metal industry	3,493	5,867
Shipbuilding and machinery manufacturing	13,757	17,909
Ceramics (including cement)	1,500	1,700
Chemical fertilizer	42,300	36,627
Chemical industry	2,239	3,196
Maintenance and repair, coal mines	585	545
Reserve	335	-
Others	2,262	3,131
Total	139,660	137,406

SOURCE: Japan Coal Board.

The Japanese Government corrected previous figures on coke. On 30 June 84,000 metric tons of coke was on hand. Monthly coke oven capacity is now rated at 466,000 metric tons based on 169 operating plants, including some small beehive plants. Estimated July production is 128,000 metric tons.

METAL INDUSTRIES

Iron and Steel

2. Iron and steel production is shown on the accompanying charts. Two rolling mills resumed operations, adding 5,000 metric tons to monthly capacity of producing mills.

3. In July it was decided to concentrate all Japanese iron and steel operations at the Yawata plant, Fukuoka Prefecture, to eliminate wasteful consumption of coal in a great number of plants operating uneconomically. This will continue until next March or until the coal situation improves. Exceptions are some electric furnaces melting scrap iron into steel.

4. The largest single producer of steel is the Kawasaki plant of the Japan Steel Tube Company where 250 tons a day are made in two open-hearth furnaces. This steel is fabricated into tubes and pipes for domestic use.

Light Metals

5. Aluminum production decreased 27 percent during June due to lack of fuel. Six hundred sixty-seven metric tons were produced in 14 operating plants; seven reduction plants produced 399 tons and seven remelting plants produced 268 tons. Estimated July production is 866 tons.

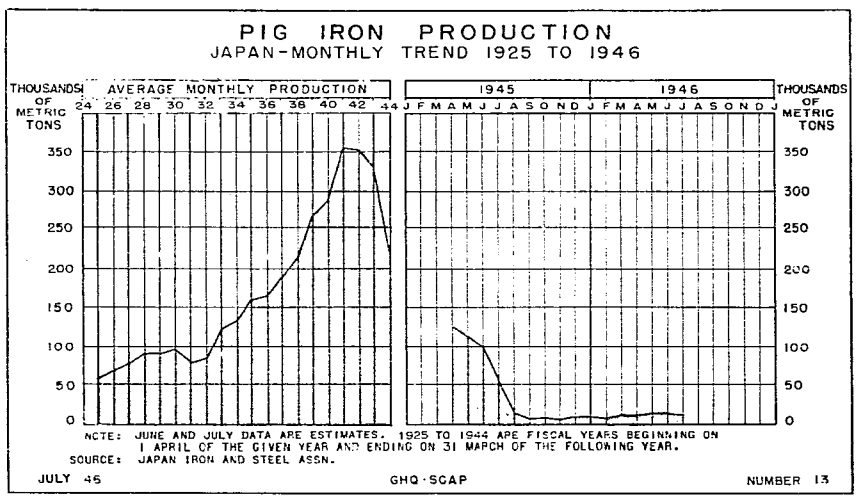
6. Fifty-five operating plants produced the amounts indicated below. The decrease in production was caused by lack of aluminum ingots and fuel.

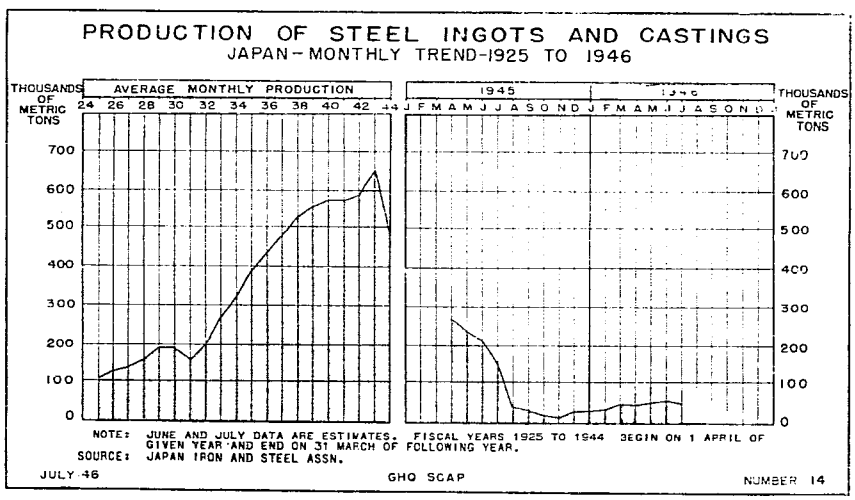
ROLLING INDUSTRY
(metric tons)

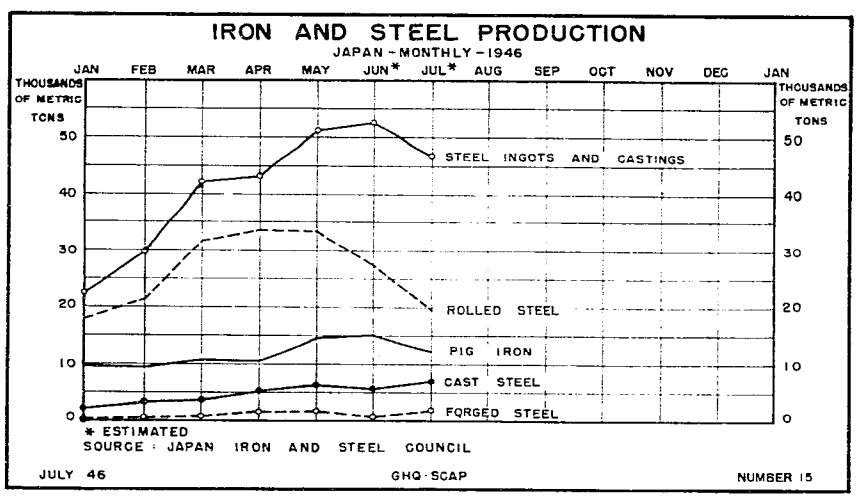
Item	Aluminum		Aluminum Alloy		Total	
	June	July a/	June	July a/	June	July a/
Sheet	760	915	788	1,015	1,548	1,930
Pipe	8	10	24	25	32	35
Rod, bar and profile	0	35	44	60	44	95
Wire	22	30	9	20	31	50
Foil	6	15	-	-	6	15
Total	796	1,005	865	1,120	1,661	2,125

a/ Estimated.

SOURCE: Ministry of Commerce and Industry.


PIG IRON PRODUCTION
JAPAN-MONTHLY TREND 1925 TO 1946
THOUSANDS OF METRIC TONS
AVERAGE MONTHLY PRODUCTION
1945
1946
NOTE: JUNE AND JULY DATA ARE ESTIMATES. 1925 TO 1944 ARE FISCAL YEARS BEGINNING ON 1 APRIL OF THE GIVEN YEAR AND ENDING ON 31 MARCH OF THE FOLLOWING YEAR.
SOURCE: JAPAN IRON AND STEEL ASSN.
JULY 46
GHQ·SCAP
NUMBER 13


PRODUCTION OF STEEL INGOTS AND CASTINGS
JAPAN-MONTHLY TREND-1925 TO 1946
THOUSANDS OF METRIC TONS
AVERAGE MONTHLY PRODUCTION
1945
NOTE: JUNE AND JULY DATA ARE ESTIMATES. FISCAL YEARS 1925 TO 1944 BEGIN ON 1 APRIL OF GIVEN YEAR AND END ON 31 MARCH OF FOLLOWING YEAR.
SOURCE: JAPAN IRON AND STEEL ASSN.
JULY 46
GHQ SCAP
NUMBER 14


IRON AND STEEL PRODUCTION
JAPAN-MONTHLY-1946
THOUSANDS OF METRIC TONS
STEEL INGOTS AND CASTINGS
ROLLED STEEL
PIG IRON
CAST STEEL
FORGED STEEL
* ESTIMATED
SOURCE: JAPAN IRON AND STEEL COUNCIL
JULY 46
GHQ·SCAP
NUMBER 15

0381

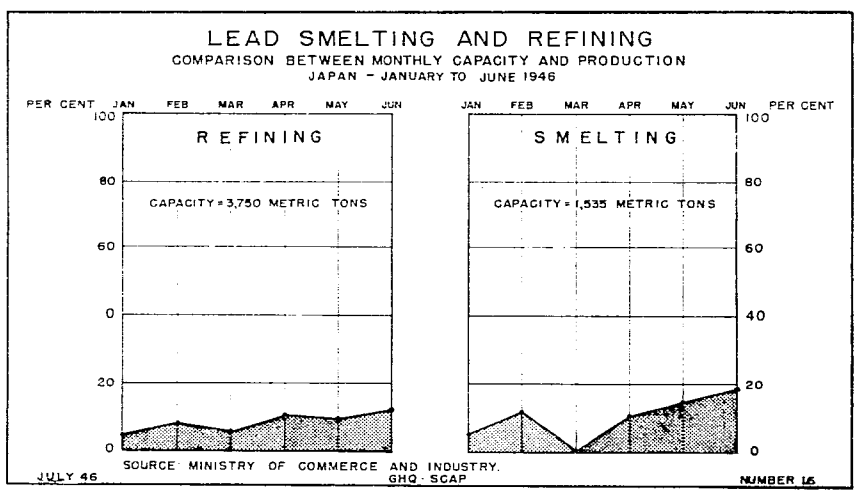
Tin

7. Fifty metric tons of tinfoil was produced in July. Other tin is not being produced now but as soon as enough coal can be obtained two plants, the Toyo Kozan Company, Ltd., Oita, and the Mitsubishi Kozan Company, Ltd., Osaka, expect to start operations. Toyo Kozan plans to produce about 25 metric tons of solder metal per month from ores from the Mitate mine, Miyazaki Prefecture.

A comprehensive inventory of tin ingot stocks in Japan taken in March showed 19,000 metric tons of known stocks, 10,000 tons of which has been earmarked for export leaving 9,000 tons for home consumption.

Lead

8. Continued increase in fuel deliveries and an additional plant commencing operations accounted for a 27 percent increase in June lead smelting production to 285 metric tons, and for a 20 percent increase in lead refining to 437 metric tons. There are now three lead smelters and five refineries in operation. Estimated smelter and refinery production for July is 485 and 530 metric tons respectively. Minimum estimated domestic requirements are about 1,250 metric tons a month.



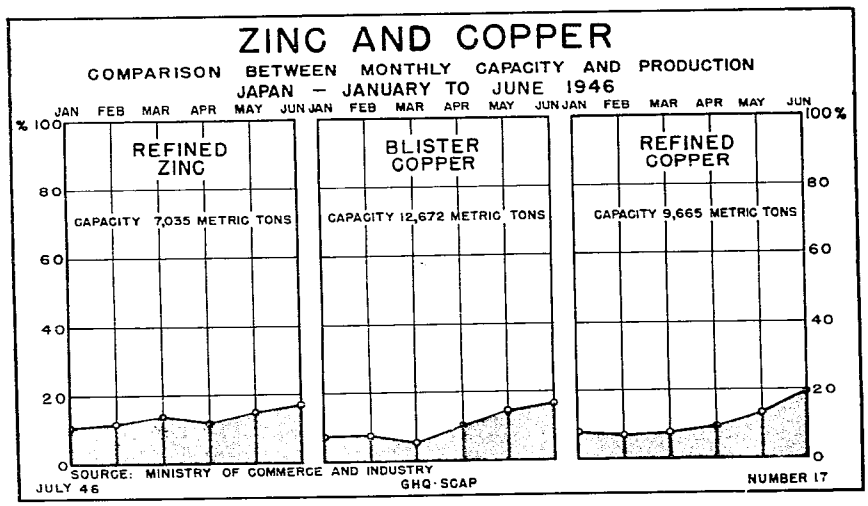
Zinc

9. Increased fuel allocation and delivery accounted for a 12 percent increase in June refined zinc production to 1,198 metric tons. Estimated production for July is 1,402 metric tons. Minimum postwar zinc requirements are 2,000 to 2,500 metric tons a month.

Zinc plate production was 228 metric tons; July estimate is 265 metric tons.

10. Even with these increases in production, the industry is operating below 20 percent of normal capacity. Besides the coal shortage an intangible deterrent to production is the desire to wait until reparations, prices, government controls and labor

problems are settled. During this lag repairs are being made.



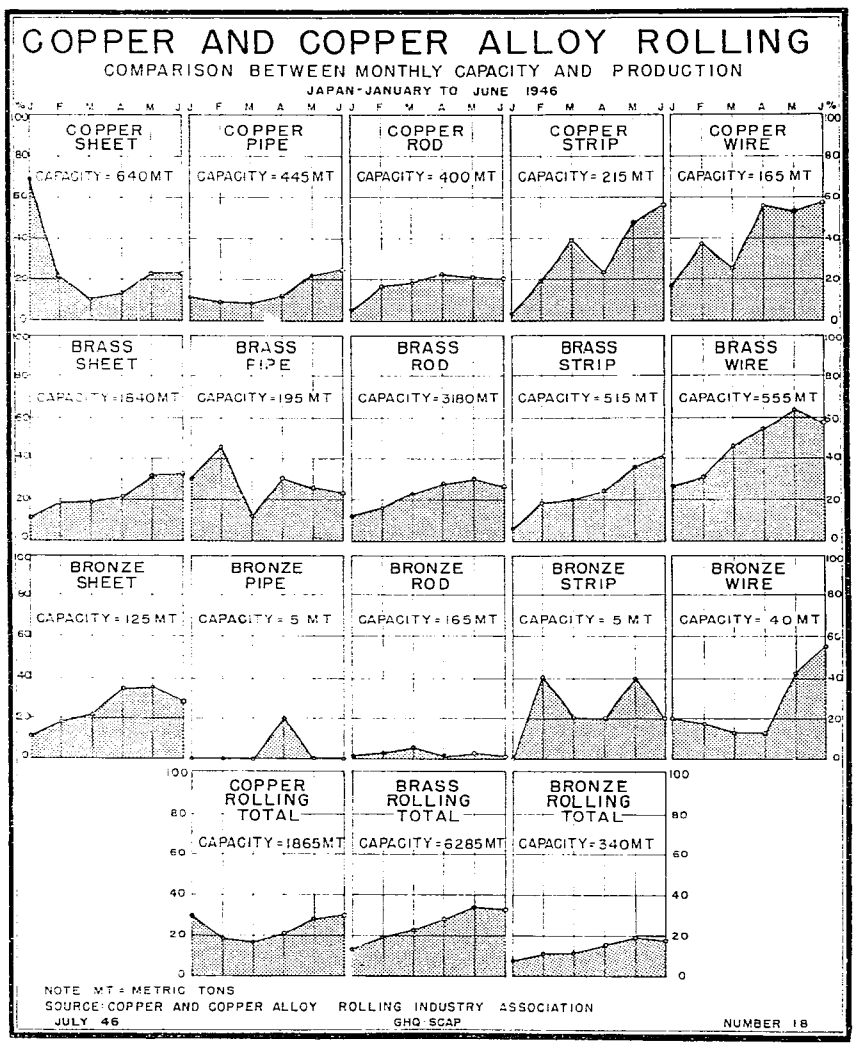
Copper

11. June production of blister copper, 2,038 metric tons, represents an eight percent increase over May due to increased allocation and delivery of coal and coke and operation of three additional plants. Production of refined copper was 1,868 metric tons, up 43 percent due to increased fuel deliveries and to operation of two additional plants. July blister and refined copper production estimates are 2,592 and 2,140 metric tons respectively.

Rolling Industry, Copper and Copper Alloys

12. June rolled copper and copper alloy production totaled 2,623 metric tons. Fuel shortages continued to limit production, although 11 additional plants began operation.

The chart on page 90 compares monthly capacity with production.

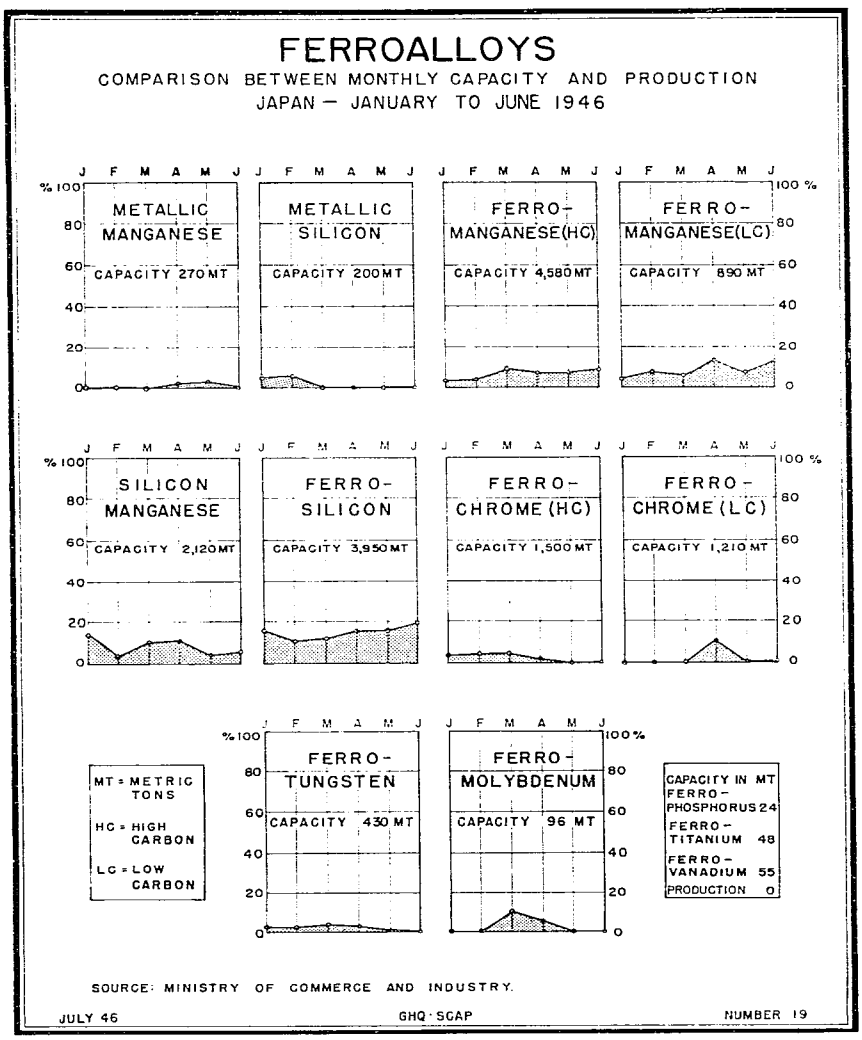


Other Nonferrous Metals

13. All nickel and antimony works continued inactive due to lack of fuel.

Ferroalloy Production

14. Production of ferromanganese, silicon manganese and ferrosilicon increased during the month. Five plants resumed operations while two closed down, resulting in 370 metric tons net monthly increase of capacity in operation.



15. Some electric furnaces formerly producing ferroalloys have been converted to making salt, pig iron or calcium carbide for fertilizer. Because of limited steel production the demand for ferroalloys is small.

16. Manganese ore being mined at present is either stockpiled or used for ferromanganese and ferrosilicomanganese. No metallic manganese is being produced because none is needed now in Japan.

17. The Japanese Government is anxious to use manganese and its alloys for export and has offered the United States Commercial

Company the following amounts of manganese alloys for export in 1947.

MANGANESE ALLOYS FOR EXPORT IN 1947
(metric tons)

Alloy	Amount for Export
Ferrosilicomanganese	
(60 percent manganese, 15 percent silicon)	2,000
Ferromanganese	
(65 percent manganese, 8 percent carbon)	1,600
(75 percent manganese, 6 percent carbon)	1,600
Low carbon ferromanganese	
(75 percent manganese, 2 percent carbon)	1,800
Metallic manganese	
(99 percent manganese)	240
(95 percent manganese)	600

SOURCE: Ministry of Commerce and Industry.

18. The United States Commercial Company is attempting to locate a market for these products. The prices asked by the Japanese Government average more than four times the United States prices at the military rate of exchange, 15 to 1.

19. Production of metallic manganese and most of the above-listed manganese alloys could begin easily if the need should arise, for all the materials are available except possibly graphite electrodes.

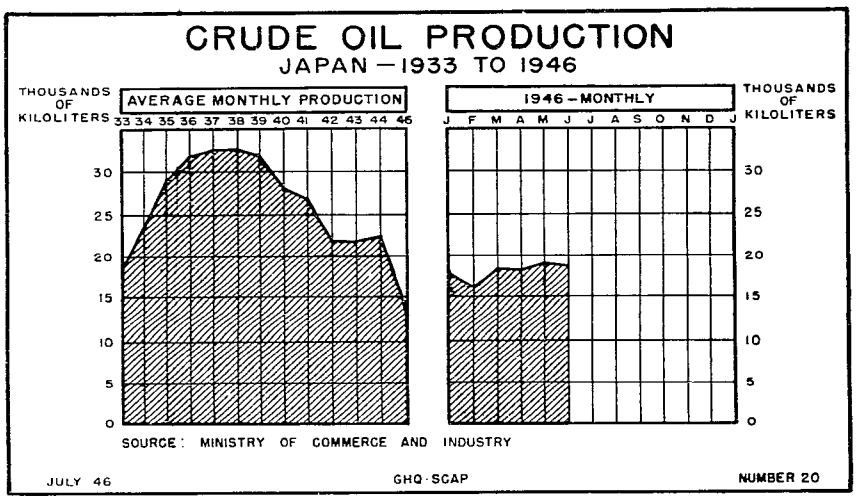
RUBBER

20. During June 1,894 metric tons of crude rubber and 157 tons of reclaimed rubber were consumed. On 1 July about 19,993 metric tons of crude rubber was on hand, with 8,095 tons earmarked for export.

PETROLEUM

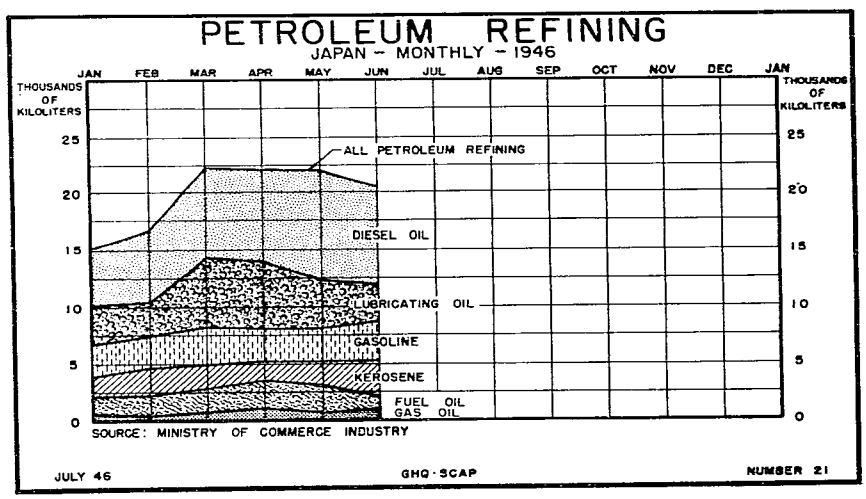
Crude Oil

21. Production of crude oil is shown on the accompanying chart.



Refined Petroleum

22. Nine refineries are now operating.



CEMENT

23. June cement production of 93,410 metric tons was seven percent higher than May due to increased coal deliveries. Two additional plants began operations, making a total of 36. In addition to previously stated shortages, grinding media are needed.

LUMBER

24. Allocation and distribution of lumber is shown in the table, page 95.

CONSTRUCTION

Japanese Housing

25. In June 35,426 buildings were constructed, of which 21,447 were homes, 7,766 were homes with shops and 6,213 were non-residential.

Although this is an increase of 10,186 buildings over May, no real increase in Japanese construction can be expected until the spring of 1947.

Railroads

26. The table below shows June additional railway construction for the Occupation Forces.

RAILWAY CONSTRUCTION
June

	Length of Track Feet	Man Hours	Cost
Track construction	25,310.42	192,271	¥ 2,456,531.94
Buildings, platform extensions, revisions		109,502	1,597,520.65
Crossings (gates, signals)		382	3,773.20
Electrification (basic installations)	no trackage	302,155	4,057,825.79
Total		604,310	¥ 8,115,651.58

SOURCE: The 3rd Military Railway Service.

SHIPBUILDING

27. From 10 June to 10 July civilian shipyards completed repairs on 299 merchant vessels totaling 881,404 gross tons.

28. From 20 June to 20 July four steel ships totaling 7,820 gross tons were launched and 12 steel ships totaling 28,190 gross tons were completed. For the same period nine wooden ships totaling 1,550 gross tons were launched and eight wooden ships totaling 1,400 gross tons were completed.

29. Reports from 50 of the 84 major shipyards indicate that 32 are working 8 hours a day, 12 are working 9 to 16 hours a day and 6 are working 24 hours a day.

30. A SCAP directive of 12 July authorized the Japanese Government to construct 11 railway ferries and six tugboats aggregating 30,800 gross tons for operation at Aomori and Hakodate.

CHEMICAL INDUSTRIES

31. Basic heavy chemical manufactures averaged about 32 percent of calculated minimum needs in June. Estimates for July indicate substantial gains, particularly in nitrogenous fertilizers and salt. The coal shortage still restricts chemical production.

JUNE ALLOCATION AND DELIVERIES OF LUMBER a/
(koku) b/

Industry	Allocated	Delivered
Allied Powers	1,243,457	1,110,681
Mine timbers and ties		
Coal mines	416,660	683,864
Metal mines	11,700	11,219
Others	33,910	18,909
Public construction		
Buildings	666,700	655,895
Highway construction	41,660	23,192
Housing (Japanese)	600,000	399,914
Transportation		
Railway ties	205,416	185,021
Railroad construction	83,330	10,670
New railroad cars	23,333	182
Repair of railroad cars	60,000	105,344
Autos	19,250	349
Packing		
Shipping boxes	275,271	228,681
Sawdust and excelsior	1,700	1,715
Pulp		
Hardwood	80,600	4,872
Softwood	456,730	69,400
Shipbuilding materials		
Wood ships	125,000	33,826
Fishing boats	126,600	20,013
Steel vessels	30,833	1,643
Miscellaneous		
Kitchen tools	4,177	300
Lacquer ware	1,500	-
Toys	3,438	1,150
Coffins	10,050	5,312
Foundry moulds	3,965	1,459
Combs, musical instruments, advertising boards, etc.	34,199	22,403
Wooden machinery and parts		
Textile machinery	271	-
Agricultural machinery	29,166	23,905
Measuring machinery	6,666	1,213
Clogs	33,190	22,384
Barrels	166,660	20,599
Furniture (Japanese)	17,900	16,852
Communications		
Telephone and telegraph poles	92,916	2,572
Crossarms	23,330	7,827
Joiners	13,330	6,995
Matches	75,330	6,277
Pencils	13,700	2,100
Sports	2,325	876
Segregation plates	15,800	643
Stationery goods	2,200	326
Total	5,052,263	3,708,583
Veneer c/		
Allied Powers	5,886,672	1,545,271
Japanese	5,038,917	1,553,038
Total	10,925,589	3,098,309

a/ Allocations made but not delivered in one month may be delivered next month, but are not carried over from one quarter to the next.
b/ Koku - 80 board feet.
c/ Veneer is in shaku - approximately ¼ square foot.

SOURCE: Ministry of Agriculture and Forestry.

PRODUCTION OF IMPORTANT CHEMICALS
(metric tons)

Product	June		Percent Minimum Monthly Needs Produced in June	July	a/
Sulfuric acid	76,533		25	85,000	
Ammonium sulfate	43,051		35	47,000	
Salt	36,032		33	50,032	
Calcium carbide	23,576		71	24,000	
Calcium cyanamide	18,033		48	20,000	
Ammonia	12,286		35	13,000	
Calcium superphosphate	11,014		8	5,000	
Caustic soda	2,455		27	3,000	
Soda ash	2,187		30	2,500	
Hydrochloric acid	1,490		24	1,700	
Ethyl alcohol	724	b/	15	1,000	b/
Benzene	366		29	400	
Nitric acid	331		13	400	
Methyl alcohol	246		12	500	
Dyestuffs	222	c/	33	250	c/
Sodium bicarbonate	194		29	200	

a/ Estimated.
b/ Kiloliters
c/ Kilograms.

SOURCE: Ministry of Commerce and Industry.

Fertilizers

32. Ammonium sulfate production increased slightly in June, as shown in the accompanying chart. July estimates indicate still greater production. The difficulties in June were due partially to failure to deliver allocated coal and coke, but chiefly to delay in repair and replacement of equipment, continued poor maintenance and delays in the transfer of scarce equipment from inoperable factories.

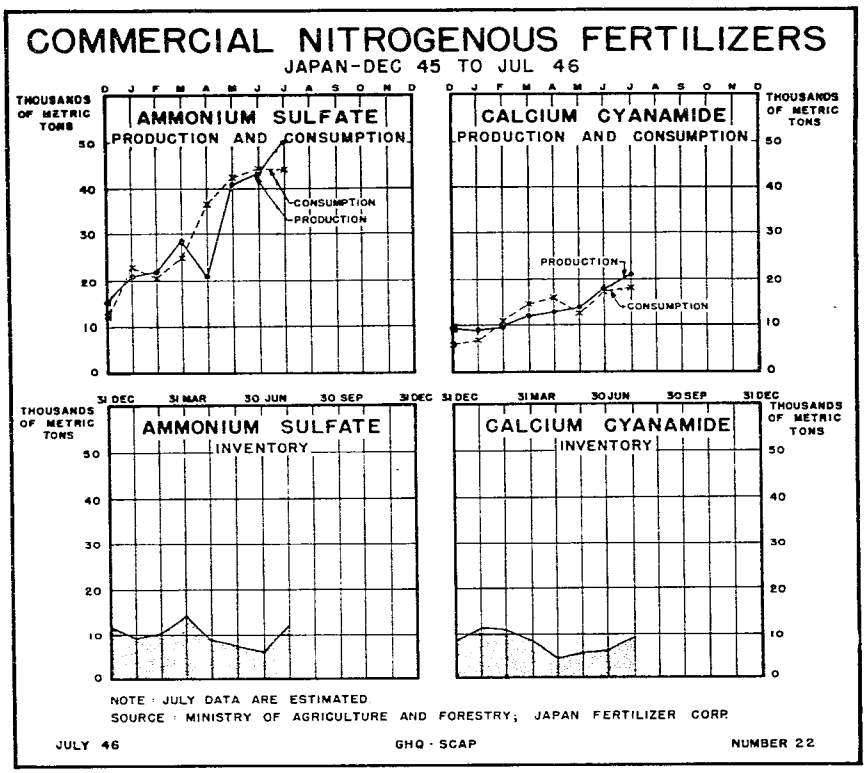
Calcium cyanamide production for June was 22 percent above May production and July estimates indicate another 10 percent increase.

Superphosphate production is dependent upon imports of phosphate rock. Production from January to June totaled 24,000 metric tons, less than 10 percent of the calculated minimum needs.

Potash production increased 28 percent in June but remains inadequate.

Salt

33. June rains cut salt production far below estimates, although it increased 15 percent over May. July estimates are one-third higher than June output. Larger imports are expected in July.



Soda Industry

34. June production of caustic soda, chlorine, bleaching powder and hydrochloric acid equaled May's and was about 15 percent of minimum requirements. The industrial salt shortage hinders production.

Drugs

35. The supply of drug intermediates is now almost sufficient for the production of minimum requirements.

An Association of Penicillin Manufacturers has been formed to exchange information, to establish a method of testing, to increase production and to control distribution of penicillin.

Refrigerants

36. There is a shortage of certain refrigerants needed for both Allied Forces and the Japanese. The most essential demands are being met. The supply of raw materials and productive capacity are steadily increasing.

MACHINERY

General

37. The value of June machinery production increased slightly although manufacture of particular items fluctuated. Manufacturers are unwilling or unable to commit themselves to long range programs.

Former Government Arsenals

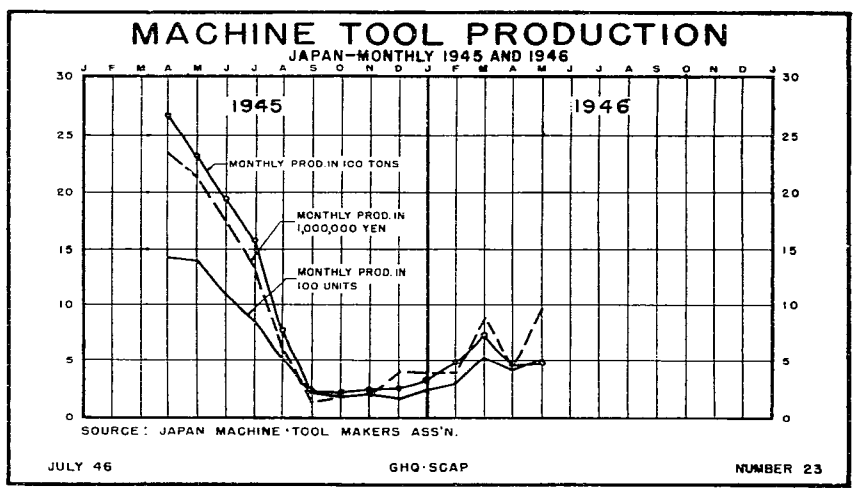
38. Temporary operating permits have been granted to private companies and government agencies to produce civilian commodities in eight army and 10 naval arsenals. Applications are pending on eight former army facilities and five former navy facilities.

Machine Tools

39. The number of machine tool manufacturing plants has declined steadily from the wartime peak of 412 factories in 1943 to 338 in 1945 and 205 now. The causes of the present decline are: (1) present small demand for machine tools; (2) fear of reparations; (3) frozen finances under currency regulations of 21 June; (4) reluctance of the Government to allocate coal, coke and other materials; and (5) increased absenteeism due to food shortages.

These same factors apply in the other machinery industries.

40. Accurate data are hard to get, especially from April to August 1945, because former machine tool makers are trying to disassociate themselves from the industry and thus from seizure for reparations. The accompanying chart shows production of machine tools since April 1945, but includes only the 205 members now in the industry.



MAY-JUNE MACHINE TOOL PRODUCTION

	Units Completed	Units Delivered	Orders Received	Backlog (All Plants)	Stock (All Plants)
May	517	344	579	4,328	2,062
June a/	443	423	214	4,119	2,082

a/ Includes only 167 of the industry's 205 plants.

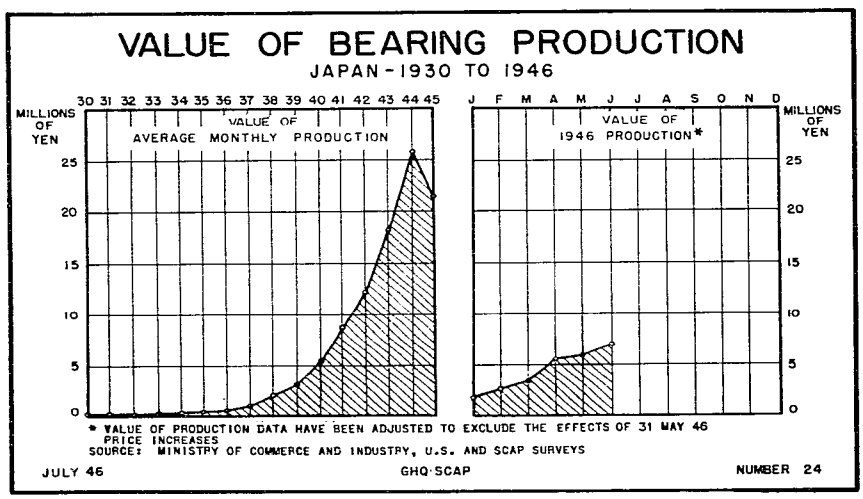
SOURCE: Machine Tool Makers' Association.

Bearings

41. Precision bearing prices, rigidly controlled by the Government during the war, have risen 700 percent.

May production was valued at ¥ 5,800,000 at old prices. June reports show ¥ 27,390,000 at new prices.

This indicates a decline in bearing production, but is probably not accurate because the number of units produced by the five major companies in May totaled 409,041, which jumped 20 percent to 493,000 similar types and sizes in June.



Industrial Machinery

42. May and June industrial machinery production is shown below.

INDUSTRIAL MACHINERY PRODUCTION
May-June
(thousands of yen)

Group Description	May a/	June	Percent Increase or Decrease
Mining machinery	45,393	11,338	- 75
Chemical machinery	29,608	35,592	+ 21
Printing and bookbinding machinery	5,700	15,424	+ 170
Pulp and paper	1,039	313	- 70
Rubber machinery	3,698	2,486	- 33
Food products	22,142	21,924	- 1
Pumps	6,833	24,099	+ 252
Crushers, mixers	19,467	8,026	- 59
Power transmission	3,366	5,702	+ 69
Foundry equipment	3,812	1,918	- 50
Conveyors	3,450	3,434	- .5
Iron and steel equipment	3,561	4,462	+ 25
Prime movers	8,761	10,530	+ 20
Fans, blowers	6,124	11,901	+ 94
Metal forming machinery	21,082	16,658	- 21
Cranes, derricks, hoists	13,551	12,372	- 9
Miscellaneous machinery	4,904	11,794	+ 140
Total	202,491	197,973	- 2

a/. Revised by Japanese.

SOURCE: Industrial Machine Control Association.

43. The mining machinery figures are misleading because the May figure includes well-drilling equipment, civil engineering materials and other products not directly connected with mining. Mining machinery production alone showed a 12 percent increase over May. The loss in production value of crushers, mixers and related machinery is caused by production curtailment of small food processing machinery for which there is little demand.

44. Although only about 60 percent of the industry is represented in the above table it shows current economic instability.

45. Industrial machinery plants are concentrated in the Kanto Shinetsu and Kinki districts.

46. In June the textile machinery industry concentrated on repairs and replacements for damaged or neglected spindles and looms.

TEXTILE MACHINERY PRODUCTION
June
(yen)

Kind of Machine	Repairs	Parts	New Units
Carding	-	12,812	-
Combing	470,500	-	-
Drawing and roving	-	114,210	-
Spinning	-	127,818	-
Twisting	-	8,960	-
Yarn preparing	-	281,163	-
Looms	137,558	600,250	1,221,750
Braiding	-	-	46,800
Cloth handling	-	15,000	-
Cordage and rope	-	-	22,300
Total	608,058	1,160,198	1,290,850

SOURCE: Textile Machine Association.

Loom manufactures include 121 new looms, parts to complete 560 and repairs for 280.

Production of silk manufacturing machinery by 20 reporting factories is shown below.

PRODUCTION OF SILK MANUFACTURING MACHINERY
June
(thousands of yen)

Type of Machinery	New Units	Repairs	Parts	Total
Cocoon dryers	2,256	328	-	2,584
Cocoon boilers	2,154	54	208	2,416
Silk manufacturing machines	23,675	-	-	23,675
Reeling machines	4,575	-	-	4,575
Total	32,660	382	208	33,250

SOURCE: Textile Machine Association.

SECTION 4

MANUFACTURING

C O N T E N T S

FOOD PROCESSING

1. The June production of processed foods showed seasonal fluctuations, the most notable being the decrease in canned foods and the increase in milk products. Shortages of raw materials and containers remain the primary factors limiting production.

FOOD PROCESSING INDUSTRIES
(metric tons)

	Production	
	May	June
Canned foods	2,127 a/	1,274
Bean paste	23,394	27,206
Flour	41,908	43,030
Soy sauce	38,670	42,791
Synthetic soy sauce	724	726
Meat	40	41

	Production	
	May	June
Vegetable oils and fats		
Edible oil and fat	793	611
Drying oil	184	148
Others	166	235
Milk processing		
Condensed	112	213
Powdered	176	247
Butter	440	440
Confectionery	1,650	1,584

a/ Revised.

SOURCE: Ministry of Agriculture and Forestry.

Brewing and Distilling

2. A favorable outlook for the coming harvest has led to the repair of former facilities and a general increase in the capacity of the industry.

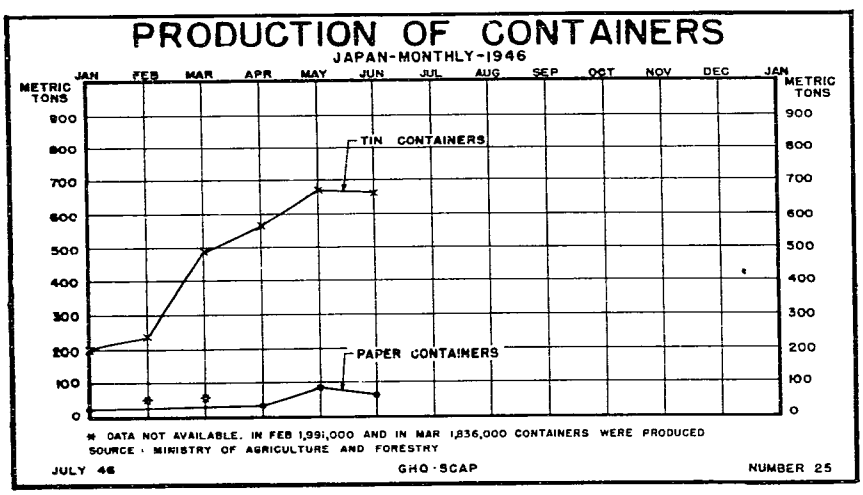
BREWING AND DISTILLING INDUSTRY
(hectoliters)

	Production	
	May	June
Beer	130,662	65,909
Sake	22,320	33,346
Imitation sake	21,369	11,467
Shochu	40,265	24,301
Liquor and wine	11,410	9,387

SOURCE: Ministry of Finance, Tax Bureau.

Containers

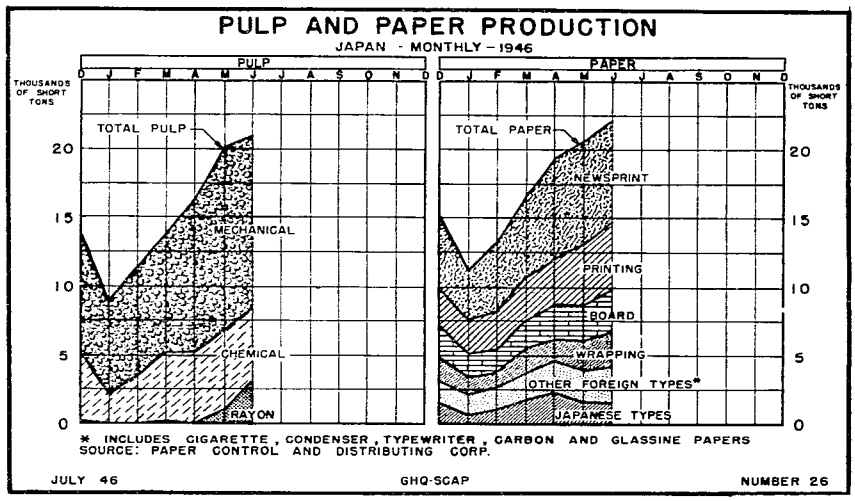
3. Production of tin and paper containers decreased in June as shown in the accompanying chart.



PULP AND PAPER

4. Pulp production in June was 3.1 percent greater than in May. The increase in rayon pulp manufacture resulting from the joint efforts of textile and rayon pulp manufacturers to replenish dwindling stockpiles and to utilize available rayon pulp-making equipment compensated for the decrease in the production of paper pulp.

Paper production increased 7.8 percent over May.



The Oji Paper Company manufactured 59.3 percent of all pulp produced in June and 65.7 percent of all paper. This company's increase over its previous month's production was 3.2 percent for pulp and 0.6 percent for paper.

GLASS INDUSTRY

5. During June the production of polished plate glass, window glass and glassware decreased 32, 8 and 11 percent respectively from May output.

GLASS INDUSTRY

	Unit	Production	
		May	June
Window glass	case a/	84,110	76,822
Polished plate glass	case	1,237	842
Optical glass	kilogram	300	405
Fiber glass	kilogram	10,570	6,174
Glass wool	kilogram	-	25,000
Glassware	metric ton		
Beverage bottles		2,073	14
Food containers		125	1,546
Electrical products		221	297
Table and kitchenware		172	193
Light globes and shades		16	19
Thirteen miscellaneous products		1,315	1,416

a/ 100 square feet of 2 millimeter glass per case.

SOURCE: Ministry of Commerce and Industry, Japan Sheet Glass Control Association, Japan Glass Industry Control Association and Japan Inorganic Fiber Industry Control Union.

OPTICAL INSTRUMENTS

6. Production of optical instruments increased during June.

INSTRUMENT PRODUCTION
(units)

Instruments	May	June
Cameras	1,280	2,514
Projectors	187	131
Binoculars	3,166	4,204
Microscopes	160	235
Transits	181	140
Engineers' levels	179	307
Hand levels	175	0
Sextants	0	52
Alidades	50	100
Gas indicators	317	211
Toolmakers' microscopes	7	17
Quartz spectrographs	11	5
Reading microphotometers	5	5
Spectroscopic projectors	10	0
Photomeasuring micrometers	4	0
Interferometers for gas indicators	350	0

SOURCE: Ministry of Commerce and Industry.

MEDICAL INSTRUMENTS

Hypodermic Syringes

7. Thirty-seven factories with 600 employees were engaged in making hypodermic syringes in June. Production from April through June increased continuously.

HYPODERMIC SYRINGE PRODUCTION

Size a/	May b/	June
1	1,320	1,000
2	41,450	58,000
3	1,100	1,100
5	39,600	30,100
10	14,100	27,800
20	41,650	40,900
30	1,400	3,000
50	7,500	9,000
100	2,500	2,800
1 (TB)	600	500
2 (TB)	14,745	11,000
2 (Dental)	9,000	12,000
Total	174,965	197,200

a/ Cubic centimeters.
b/ Corrected figures.

SOURCE: Eastern Injection Syringe Association.

REFRACTORY INDUSTRY

8. Due to a shortage of coal, production of refractory brick for June decreased eight percent. Manufacture of magnesia brick ceased because of a shortage of raw materials and chrome brick is now being produced as a substitute. Graphite crucible production dropped 11 percent.

REFRACTORY BRICK PRODUCTION
(metric tons)

Type of Refractory	May	June
Fire clay	11,608	11,519
Silica	4,786	3,521
Chrome	458	419
Magnesia	15	0
Corhart	50	122
High alumina	215	155
Total	17,132	15,736

SOURCE: Ministry of Commerce and Industry.

ABRASIVE INDUSTRY

9. Production increased 14 percent in June but is only 50 percent of essential requirements. Shortage of coal is the limiting factor. Production of purified aluminum oxide and green silicon carbide has ceased entirely.

ABRASIVE INDUSTRY
(metric tons)

	Production	
	May	June
Grinding wheels and stones		
Vitreous bond	287	334
Elastic bond	18	15
Abrasive paper and cloth (ren) a/		
Cloth	5,701	-
Ordinary paper	7,353	-
Waterproof paper	145	-
Abrasive grain		
Aluminum oxide, regular	266	-
Silicon carbide, regular	114	-

a/ One ren equals 480 sheets or their equivalent.

SOURCE: Grinding Wheel Manufacturers' Association, Japanese Abrasive Cloth and Paper Association and the Abrasive Materials Industry Association.

STRUCTURAL CLAY PRODUCTS

10. Approximately 8,500,000 building bricks were produced during June, an increase of 210 percent over May figures. Stocks on 30 June amounted to 5,133,000 bricks. With output normally reaching

its peak during the summer months the industry is employing about 7,000 workers.

11. Production of roofing tile in June was 6,765,000 pieces, a decrease of nine percent.

VITREOUS ENAMEL WARE

12. Although one additional factory began production during June the output of enamel ware dropped sharply. About 37,600 pieces of vitreous enamel ware were produced compared with the May output of 294,700 pieces.

Manufacture of tea kettles and rice boilers was discontinued and production was confined to wash basins, cooking utensils, tableware, chemical ware and sanitary ware.

POTTERY AND PORCELAIN

13. Reports of June production were received on 35 factories covering 60 percent of production.

POTTERY AND PORCELAIN PRODUCTION
June

Type of Ware	Number of Pieces	Weight (kilograms)
Electrical porcelain insulators	3,243,372	1,006,467
Industrial ware	144,102	189,931
Laboratory ware	66,631	204,412
Domestic potteries	2,668,036	2,686,242
Sanitary ware	53,795	244,183

SOURCE: The Porcelain and China Ware Control Association.

ELECTRICAL MANUFACTURING

14. Production of electrical manufacture items increased slightly in June. Of 107 general electrical manufacturing categories on which comparative figures are available, production decreased in 48, increased in 58 and remained constant in 1 category.

15. The industry continues to be hampered by shortages of silicon steel, textiles for wire covering, mica, graphite, bakelite, thin sheet steel, coke, coal, coal gas and ammonium chloride. In spite of material shortages the reconstruction, expansion and reallocation of manufacturing facilities continues at a steady pace. Production capacity is approaching the level of domestic requirements in some categories.

16. Considerable development work is being carried on in the electrical appliance and consumer goods field. Many types of domestic and commercial baking ovens and cooking appliances are being developed. Electric water heaters, domestic wheat grinding appliances, heating elements, refrigerators and fans are being developed and improved for the consumer market.

ELECTRICAL MANUFACTURING INDUSTRY

Product	Production a/ May	Production a/ June	Percent June/May
Motors			
Fractional hp	4,929	2,656	53.9
Standard stock			
1-15 hp	6,906	9,164	132.7
16-100 hp	129	283	219.3
Over 100 hp	0	61	-
Portable tools	1,600	1,292	80.7
Other motors	750	1,076	143.5
Generators, converters and M-G sets, except turbo-generators			
DC generators	450	507	112.4
AC generators	85	17	20.0
Others	0	3	-
Transformers			
Distribution, 100 kva and under	2,486	3,098	124.6
Power, over 100 kva	45	101	224.4
Instrument transformers	2,000	207	10.4
Others	10	82	820.0
Rectifiers			
Steel tank	2	2	100.0
Mercury vapor	55	2	3.6
Selenium and other	50	292	584.0
Power condensers	75	1,026	1,368.0
Furnaces			
Arc	30	0	0.0
Resistance	15	95	633.3
Welding apparatus			
AC arc	450	46	10.2
Resistance	20	15	75.0
Control apparatus			
Hand control			
Starters	2,500	139	5.6
Controllers	1,800	232	12.9
Others	250	1,397	558.8
Remote control			
Contactors	150	26	17.3
Contactor panels	40	18	45.0
Resistors	900	215	23.9
Lifting devices	15	12	80.0
Others	7,000	7	0.1
Switchboard apparatus			
For standard motors	520	1,625	213.5
3300 volts and under	240	1,064	443.3
Over 3300 volts	500	157	31.4
Meters			
Watt-hour	11,200	13,606	121.5
Pyrometers and industrial	206	1,239	601.4
Others	16,901	13,406	79.3

Product	Production a/ May	Production a/ June	Percent June/May
Household appliances			
Flatirons	10,000	4,858	48.6
Toasters	150	0	0.0
Cooking ranges	0	200	-
Other cooking equipment	20,000	20,496	102.5
Heating devices	1,000	9,374	937.4
Fans	4,124	3,868	93.8
Refrigerators	0	108	-
Others	500	2,568	513.6
Supplies			
Fuses (kilograms)	23,826	19,524	81.9
Wire	14,927	8,357	57.0
Tape	560,800	97,130	17.3
Link	742,000	978,300	131.8
Hard	6,355	4,950	77.9
Enclosed	9,984	8,275	82.9
Knife switch	45,890	48,789	106.3
Cutouts	68,083	119,571	175.6
Receptacles	180,124	390,000	216.5
Plugs	127,000	340,813	268.4
Line materials (kilograms)	26,923	9,451	35.1
Railway line materials (kilograms)	454,000	540,000	118.9
Cable hangers			
Railway equipment			
Motors	32	70	218.7
Locomotives			
Railway	3	2	66.7
Mining and industrial	5	11	220.0
Control apparatus	15	73	486.0
Battery locomotives	-	15	-
Battery cars	49	36	73.5
Railway signal equipment			
Signal mechanism	22	58	263.6
Electric lever	59	116	196.6
Interlocking relay	3	4	133.3
Switch machine	21	32	152.4
Electric lock	263	353	134.2
Circuit controller	94	124	132.0
Line transformer	68	58	85.3
Signal transformer	490	767	156.5
Rectifier	409	236	57.7
Impedance bond	1	0	0.0
Block instrument	35	17	48.6
Approach indicator	2	0	0.0
Signal relay	700	1,035	147.9
Insulated rail joint	0	316	-
Other	57	868	1,522.8
Other electrical machines	0	238	
Insulation materials			
Mica (kilograms)	1,751	4,012	291.3
Moulding plate	759	1,396	183.9
Commutator segment plate	53	160	301.9
Heat resisting plate	1,226	938	76.5
Flexible plate	9,976	8,858	88.8
Paper			

Product	Production a/ May	Production a/ June	Percent June/May
Paper (rolls)	2,518	2,189	86.9
Varnished cloth (square meters)	171,485	138,844	81.0
Varnished tubes (meters)	971,892	397,050	106.7
Black tape (rolls)	115,039	192,331	167.2
Rubber tape (rolls)	0	14,800	-
Varnished tape (rolls)	0	20,820	-
Illuminating equipment			
Fixtures	65,338	278,701	426.5
Light bulbs			
General use b/	3,581,289	3,046,757	85.1
Special c/	187,696	234,934	125.1
Flashlight d/	587,338	369,081	62.8
Wire and cable (metric tons)			
Bare copper	1,043	1,042	99.8
Rubber insulated	545	684	125.5
Weatherproofed	157	162	103.2
Cotton and silk covered	392	286	73.0
Enameled	106	102	96.2
Power cable	91	62	68.1
Others	134	112	83.6
Electromedical apparatus			
X-ray	9	129	1,433.3
Others	47	65	138.3
Batteries			
Dry cells			
Flashlight	4,954,306	4,232,150	85.4
Others	185,300	162,570	87.7
Storage			
Motor vehicle	22,935	20,213	88.1
Others	41,482	30,856	74.4
Turbo-generators			
Prime movers			
Steam turbines for power stations	0	1	-
Steam turbines for ships	0	3	-
Other steam turbines	0	1	-

a/ All production stated in pieces unless otherwise specified.
b/ Includes bulbs of 15 to 300 candle power.
c/ Includes bulbs of over 300 candle power and special applications for railroads.
d/ Motor vehicle, flashlight and Christmas tree lamps.

SOURCE: Ministry of Commerce and Industry.

TRANSPORTATION EQUIPMENT

17. Production of transportation equipment is shown below:

SUMMARY OF MANUFACTURE OF TRANSPORTATION EQUIPMENT

	May	June	Employment June
Truck chassis	1,272	1,483	25,100
Vehicle bodies	1,280	1,631	9,841
Electric autos	29	31	1,022
Three-wheeled cars	168	124	3,171
Small cars	7	7	255
Motorcycles	25	29	350
Tractors	67	92	14,230
Bicycles	7,614	8,397	18,460

SOURCE: Bicycle Association and Automobile Control Association.

Automotive Equipment

18. June production of truck chassis was 116.6 percent of the May output. The 21 producing factories, employing 25,100 people, were operating at 51.1 percent of the estimated maximum capacity.

PRODUCTION AND DISTRIBUTION OF TRUCK CHASSIS
June

	Stock 31 May	June Production	Total Available	Distributed	Stock on Hand, End of June
Toyota	236	730	966	369	597
Nissan	402	402	804	238	566
Diesel	209	351	560	249	311
Total	847	1,483	2,330	856	1,474

SOURCE: Automobile Control Association.

19. Two three-wheel motor vehicle plants, employing 3,171 persons, were in operation during June. They manufactured 124 vehicles.

20. Two electrical automobile plants were in operation during June and manufactured 31 electric cars, two more than in May.

21. The production of small cars remained on a small scale with seven cars produced and distributed.

22. Two motorcycle manufacturers produced and distributed 29 motorcycles during June.

23. During June 9,841 persons were employed in 95 plants manufacturing truck and automobile bodies. The total production was 1,631 bodies, 82.5 percent of the estimated total capacity.

Tractors

24. Eight plants produced 92 tractors during June and one tractor plant produced seven trailers. Tractor production was 143.7 percent of the May output and 17.8 percent of the estimated maximum capacity.

Automobile and Tractor Parts

25. During June 161 automotive and tractor parts factories produced 3,932,558 parts, 106.8 percent of the May output, in 107 different categories. The industry employed 19,281 persons.

AUTOMOTIVE AND TRACTOR SPARE PARTS PRODUCTION a/

	May	June	Estimated July	Percent June/May
Truck	374	390	600	104.2
Tractor	5	6	7	120.0
Electric car	20	30	400	150.0
Small and three-wheel	625	450	730	72.3

a/ In parts equivalent to a vehicle in labor and materials value.

SOURCE: Automobile Control Association.

Bicycles

26. During June 205 factories, employing 18,460 persons, produced 8,397 bicycles and 714 rear cars, 110.3 percent of the May output.

RUBBER MANUFACTURING

27. Production of rubber manufactured goods during June was 103.2 percent of the May output. The June consumption of 1,894,151 kilograms of crude rubber is 51.2 percent of the estimated capacity. Production was hampered by the critical shortages in coal, textiles and petroleum products.

RUBBER GOODS PRODUCTION a/
(kilograms of crude rubber consumed)

Product	May	June	Percent June/May
Auto tires and tubes	336,697	296,460	88.0
Bicycle tires and tubes	150,947	159,679	105.8
Rubber soled socks	304,431	326,572	107.2
Rubber shoes and boots	239,240	241,360	100.8
Rubber soled canvas shoes	79,064	93,729	118.5
Rubber soles and heels	65,088	71,686	110.1
Belting	67,035	81,511	121.5
Hose	42,775	53,137	124.2
Rubber cloth	121,016	184,732	152.6
Tire repair sheet	19,871	4,674	23.5
Medical goods	55,909	39,932	66.0
Latex goods	5,204	4,439	85.3
Rice thresher rolls	50,722	39,574	77.1
Mechanical goods	297,543	299,666	100.7
Total	1,835,542	1,894,151	103.2
Reclaimed rubber	113,134		

a/ Data are for the period from the 21st of the preceding month to the 20th of the specified month.

SOURCE: Rubber Control Union.

LEATHER

28. Production of leather goods, particularly men's footwear and industrial belting, increased moderately in June. Output of tanned leather continued to rise slowly.

Larger receipts of cattle and horse hides by tanneries were attributed to the upward revision of ceiling prices on 1 May.

29. Manufacturers of leather goods, anticipating a possible increase in ceiling prices, have been holding on to their stocks of finished products.

HIDES RECEIVED BY TANNERIES
(thousands of pounds)

	May	June
Cattle	1,301	1,551
Horse	332	620
Pig	135	57
Sheep and goat	2	0
Total	1,770	2,228

SOURCE: Hide and Leather Association of Japan.

TANNED LEATHER PRODUCTION
(thousands of pounds)

	May	June
Cattle		
Sole	236	179
Harness	13	75
Case	77	83
Upper	59	36
Belting	91	147
Packing	15	18
Roller skin	1	0
White	0	13
Horse		
Case	37	33
Upper	40	27
White	0	4
Pig		
Sole	15	10
Case	27	13
Upper	8	8
Kid		
Upper	1	10
Buffalo		
Sole	110	119
Harness	5	11
Belting	62	54
Sheep and goat	3	0
Total	800	840

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

LEATHER GOODS PRODUCTION
(thousands of pounds)

	May	June
Belting	49	126
Packing	23	39
Textile	11	1
Artificial limbs	2	2
Harness	7	-
Footwear (handmade)	0	27
Footwear (machine-made)		
Men's	136	274
Women's	1	3
Children's	50	67
Gloves (industrial)	1	1
Bags		
Handbag	1	0
Purse	24	4
Portfolio	3	0
Traveling	0	0
Dustkeeper	0	10
Total	308	554

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

AGRICULTURAL EQUIPMENT

30. A total of 171 factories employing 14,453 persons manufactured agricultural equipment during June. Limitations in the supply of coke, iron sheet, small bar steel, pig iron and lumber continue to prevent any sizable increase in production.

AGRICULTURAL EQUIPMENT PRODUCTION

Product	May	June	On Hand 30 June
Plow	20,610	22,425	26,673
Hoe	146,376	135,250	146,995
Power cultivator	19	0	30
Harrow	2,012	1,884	620
Ridge scoop	200	550	504
Sowing machine	130	300	470
Scattering scoop	4,487	10,934	19,757
Simple weeder	18,105	8,000	18,603
Weeder	39,748	27,254	10,660
Fork	12,430	17,090	2,250
Sprayer	11,564	10,930	9,684
Vertical pump	70	40	40
Sickle	662,082	449,975	854,935
Threshing machine	3,986	7,237	4,758
Rice huller	233	228	249

Product	May	June	On Hand 30 June
Winnower	1,615	2,155	1,107
Straw softener	720	420	402
Straw rope maker	2,420	2,773	3,528
Straw rope finisher	20	24	6
Straw mat machine	831	634	1,200
Pruning shears	960	600	650
Tea-leaf shears	1,000	1,500	2,300
Tea-leaf finisher	72	54	0
Potato cutter	4,876	2,030	10,500
Tobacco dryer	45	80	143
Straw cutter	350	614	1,145
Straw cutter with feeder	1,174	745	970
Rice cleaner	216	460	3,050
Barley cleaner	44	105	15
Barley press roller	20	20	1
Flour milling machine	142	90	26
Vermicelli maker	700	780	50
Fertilizer grinder	35	0	0
Farm cart	299	1,665	1,052

SOURCE: Japan Agricultural Implement Control Union.

MISCELLANEOUS MANUFACTURING

Pumps, Fans, Blowers and Compressors

31. Various types of pumps, fans, blowers and compressors were produced during June in 155 factories employing 15,928 people. Factors hampering production continued to be cast iron, steel, coke and coal shortages.

PUMP, COMPRESSOR, FAN AND BLOWER PRODUCTION

Product	May	June	On Hand 30 June
Pumps			
Centrifugal turbine	3,322	2,582	4,027
Axial flow	58	76	74
Reciprocating	151	228	135
Rotary	1,578	1,651	205
Hydraulic	232	350	18
Diaphragm	2	0	0
Hand	1,365	1,716	32
Fire engine	16	9	5
Other	0	89	169
Fans and Blowers			
Centrifugal blowers	216	376	123
Axial fans	17	7	0
Turbo blowers	54	28	67
Rotary	1	2	51
Other	0	0	0
Compressors and dry vacuum pumps			
Horizontal single stage	31	49	68
Horizontal double stage	4	5	0
Vertical single stage	85	241	103

Product	May	June	On Hand 30 June
Portable single stage	134	115	49
Rotary compressors	28	84	-
Other compressors	39	15	23
Dry vacuum pumps	72	79	49

SOURCE: Industrial Machinery Association.

Business Machines

32. During June six business machine companies were in operation, employing 515 persons. The production of type for Japanese typewriters is now back to normal and 483,300 individual type characters were produced. Many machines which were not in use because of the lack of type are again being utilized.

Plant reconstruction is progressing. Production is hindered by material shortages, labor unrest due to the critical food situation and lack of working capital.

BUSINESS MACHINE PRODUCTION

Product	May	June	Percent June May
English typewriters	5	0	0
Japanese typewriters	28	6	21.4
Calculating machines	0	209	-
Time recorders	48	45	92.4
Time stamps	6	6	100.0
Rotary duplicators	10	0	0
Blueprinting machines	8	6	75.0

SOURCE: Business Management Machine Association.

Cosmetics and Dentifrices

33. Cosmetic production increased 16 percent in June with 168 factories employing 6,072 persons. Production of creams, face powders and lotions registered the largest gains. The 16 factories producing dentifrices employed 2,114 persons and manufactured tooth powder only.

Watches and Clocks

34. Watch and clock production has steadily increased as war-damaged plants are repaired and manufacturing is resumed. Sixteen factories were operating in June employing 9,574 persons.

WATCH AND CLOCK PRODUCTION

Item	May	June
Wrist watches	9,298	6,867
Pocket watches	2,200	2,784
Alarm clocks	8,394	44,793 a/
Table clocks	19,988	-
Wall clocks	3,388	7,838
Total	43,268	62,193

a/ Includes table clocks.

SOURCE: Nippon Watch and Clock Industry Association.

Sewing Machines, Parts and Needles

35. Ten companies producing sewing machine parts and 11 factories manufacturing sewing machines during June employed 2,725 persons. The June production of 1,552 sewing machines was 180.2 percent of the May output.

SEWING MACHINES, PARTS AND NEEDLE PRODUCTION

Type	May	June	Stock on Hand
Home type Singer 15-83	231	971	432
Cloth, gear driven Singer 96-40	380	411	176
Cloth, Singer 96-41	250	170	0
Parts	16,000	25,506	13,509
Needles (gross)	1,050	1,600	4,580

SOURCE: Nippon Commercial and Industrial Sewing Machine Association.

Light Metal Casting and Forging Industry

36. There were 10,494 persons employed in 206 casting plants and 7,411 employees in 47 forging and stamping plants. Four forging plants and 19 casting plants were idle during June.

PRODUCTION OF CAST AND FORGED PRODUCTS
(metric tons)

Item	May	June
Cast household utensils	828	822
Other cast products	355	209
Total	1,183	1,031
Utensils forged from plate	347	300
Other forged products	68	105
Total	415	405

SOURCE: Ministry of Commerce and Industry.

Musical Instruments

37. During June 31 factories employing 2,293 persons manufactured musical instruments. Production of all instruments except woodwinds and harmonicas decreased because of shortages of wood, paints, paper and leather. Restoration of damaged plants is progressing slowly.

SECTION 5

TEXTILE INDUSTRIES

C O N T E N T S

COTTON

1. First shipments of imported American cotton aggregating 30,000 bales reached Japanese spinning mills in the latter part of June, but yarn production figures showed only a small increase over May. Chart, page 126, shows monthly production trends. While a part of the pure cotton yarn spun in June consisted of American cotton, the range of qualities of the first two shiploads, the spinners said, was not wide enough to allow proper mixing and blending of the fiber.

Upon approval by SCAP of the spinning plans for the first two cargoes, 26,944 bales were released to the mills for processing. The spinners maintained that they would have to wait for releases of perhaps two more ships before individual mills would have on hand a wide enough range of qualities, in the necessary proportions, to allow proper mixing.

Based on advance information of cargoes of ships scheduled to arrive in July, the Textile Association predicted that yarn production would be expanded materially, probably above 10,000,000 pounds.

2. With the exception of 2,000,000 pounds of 20s which are to be exported in the form of yarn, all of the yarn spun from the first two shipments of cotton is to be woven into cloth for export.

3. Permission was received from Washington to release 19,000 bales of cotton for Japanese domestic use. The preliminary plan submitted by the Textile Association for the allocation of this staple in July and August provides for the distribution of approximately half the amount to the fish net industry and the rest to various other essential industrial consumers. Since a large part

of the 19,000 bales will consist of SXP cotton a considerable allocation will be made for the manufacture of sewing thread and tire cord.

4. Spinners continued to receive a small amount of cotton from former Japanese military stocks through the Home Ministry but indications were that this source was being exhausted. Of the 10,000 bales in the hands of spinners on 30 May only 1,500 were American-type staple and the rest were Egyptian. Arrival of the American cotton in June enabled some cotton mills which had virtually exhausted their small stocks to continue operations.

5. Production of half-cotton, half-rayon staple yarns was discontinued because allocations of materials for this purpose were suspended. The 1/3 rayon staple mixture was still in production in June but it is expected that output will cease as soon as the final allocations of materials are consumed.

6. The 50 cotton mills in operation in June installed 52,000 additional spindles and made 89,000 additional spindles operable. The number actually in production was increased by 60,000. Surplus spindles were used to spin rayon yarn prior to the arrival of sufficient cotton to require their use.

7. Mills reported continued difficulties in obtaining coal and food supplies although the Government announced that priority consideration would be given to mills producing goods for export.

Of 111,460 tons of coal requested for the cotton mills for the April-June quarter, 58,430 tons were allocated and only half that amount was actually received. Coal requisitions for the July-September quarter were scaled down to 75,000 tons and the Japanese Coal Board has promised to give the mills high priorities although transportation difficulties are expected to restrict deliveries.

Some mills in the Tokyo and Osaka areas were reported to have reduced their working forces temporarily in order to conserve food supplies but no complete stoppages were reported.

8. Yarn stocks in the hands of the spinners continued to decline as larger quantities were moved on to weavers and other consumers.

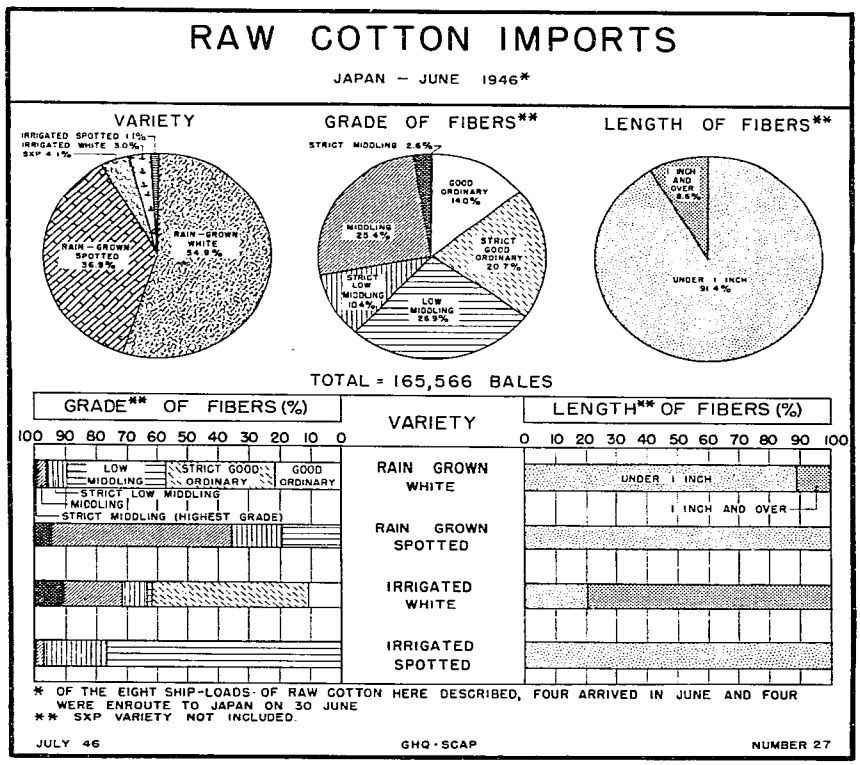
9. The Textile Association, the Textile Bureau and the Cotton Importers' Association were notified in June that six additional shiploads of cotton had left the United States for Japanese ports. The cargoes of the first eight ships aggregate 172,694 bales, broken down as follows:

Rain-grown white	94,920
Rain-grown spotted	63,776
Irrigated white	5,190
Irrigated spotted	1,680
SXP	7,105
Unidentified	23
Total	172,694

10. The bulk of the cotton being shipped, approximately 61 percent, consists of grades below middling in staples shorter than one inch. The quantities of these grades included in the compilation above are as follows:

Rain-grown white	83,293
Rain-grown spotted	22,998
Irrigated white	1,054
Irrigated spotted	1,636
Total	108,981

11. Following is a compilation of the grades and staples of cotton included in the first eight cargoes. The figures are subject to minor corrections, since they are based largely on cabled advices, and may be revised when bills of lading are received here.



RAIN-GROWN WHITE
(bales)

Staple	Grade SM	M	SLM	LM	SGO	GO	Total
13/16	5	1,480	496	35	1,789	386	4,191
7/8	.21	4	4,209	8,907	7,519	2,056	22,716
29/32	-	-	-	11,779	1,919	1,734	15,432
15/16	-	-	811	10,034	13,008	329	24,182
31/32	-	-	7	-	207	18,068	18,282
1	-	-	1	-	7,241	51	7,293
1 1/32	-	543	-	30	-	-	573
1 3/32	-	903	-	-	-	-	903
1 1/8	321	709	318	-	-	-	1,348
Total	347	3,639	5,842	30,785	31,683	22,624	94,920

RAIN-GROWN SPOTTED
(bales)

Staple	Grade SM	M	SLM	LM	Total
13/16	3,469	22,014	6,423	9,101	41,007
7/8	-	15,295	4,119	3,355	22,769
Total	3,469	37,309	10,542	12,456	63,776

IRRIGATED WHITE
(bales)

Staple	Grade SM	M	SLM	LM	SGO	GO	Total
13/16	-	-	4	-	145	33	182
7/8	-	-	5	18	428	52	503
29/32	-	-	-	23	71	-	94
15/16	-	-	-	65	139	71	275
1	-	-	-	-	1,853	393	2,246
1 1/16	2	-	-	-	-	-	2
1 1/8	488	994	405	-	-	1	1,888
Total	490	994	414	106	2,636	550	5,190

IRRIGATED SPOTTED
(bales)

Staple	Grade SM	M	SLM	LM	Total
13/16	3	30	153	40	226
7/8	-	11	193	1,250	1,454
Total	3	41	346	1,290	1,680

S X P
(bales)

Staple	Grade 1	1-1/2	2	2-1/2	3	3-1/2	Total
1 3/8	-	12	127	731	1,209	14	2,093
1 7/16	-	-	-	2,616	1,772	-	4,388
1 1/2	1	3	1	96	518	-	619
1 9/16	-	-	-	-	5	-	5
Total	1	15	128	3,443	3,504	14	7,105

12. Unloading of the first three cargoes was completed by 29 June. The status of the cotton on that date was as follows:

On barges	4,499 bales
In sheds	8,779 bales
In transit	20,869 bales
Delivered to mills	31,153 bales

13. Spinning plans for 36,206 bales of upland cotton from the

first two cargoes were approved by SCAP. The following breakdown shows the distribution by counts of yarn:

Yarn Count	Pounds of Yarn	Bales of Cotton
3.5	85,600	206
10	113,200	273
13	187,600	442
14	1,508,400	3,670
15	1,114,000	2,708
16	296,800	718
20	10,255,600	24,418
23	284,000	667
24	334,800	784
30	635,200	1,503
36	330,000	780
38	16,000	37

14. An important development in June was the consummation of an agreement among the spinners, the Bank of Japan and the Finance Ministry for the formation of a banking syndicate to finance the expanding operations of the cotton industry. Nine of the 10 big spinning companies have been placed on the restricted list by SCAP, and their financial dealings are to be closely scrutinized.

Cotton Weaving

15. Production of cotton cloth jumped another 1,300,000 yards as weavers continued to accumulate stocks for export. While SCAP has not formally approved a plan for this production the weavers have been using their own yarn stocks for several months preparing a backlog of sheetings, twills, jeans and other cloths which are being offered for export.

16. When weaving plans satisfactory to SCAP have been submitted by the Japanese Government, production schedules will be formulated to conform with this master schedule and careful supervision will be maintained.

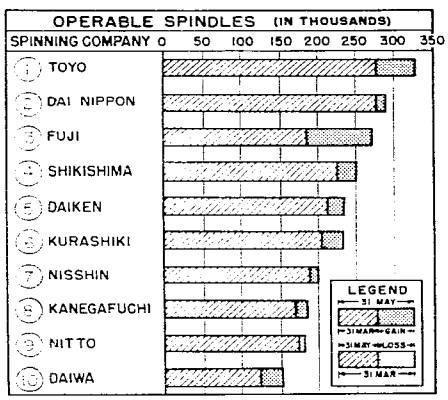
17. The increase in cloth production in June was accounted for entirely by the "Big Ten" mills, since independent weavers' output declined about five percent. The shortage of starch and of dyestuffs for yarn-dyed fabrics restricted production by the smaller weavers. Maps, pages 124 and 125 show loom and spindle strength of big mills and independent weavers.

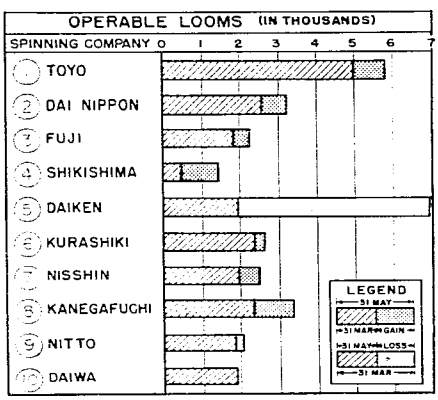
18. Deliveries to the Cloth Control Company for domestic distribution were slow because terms of payment between the control company and the prefectural distributing agencies have not been set by the Government.

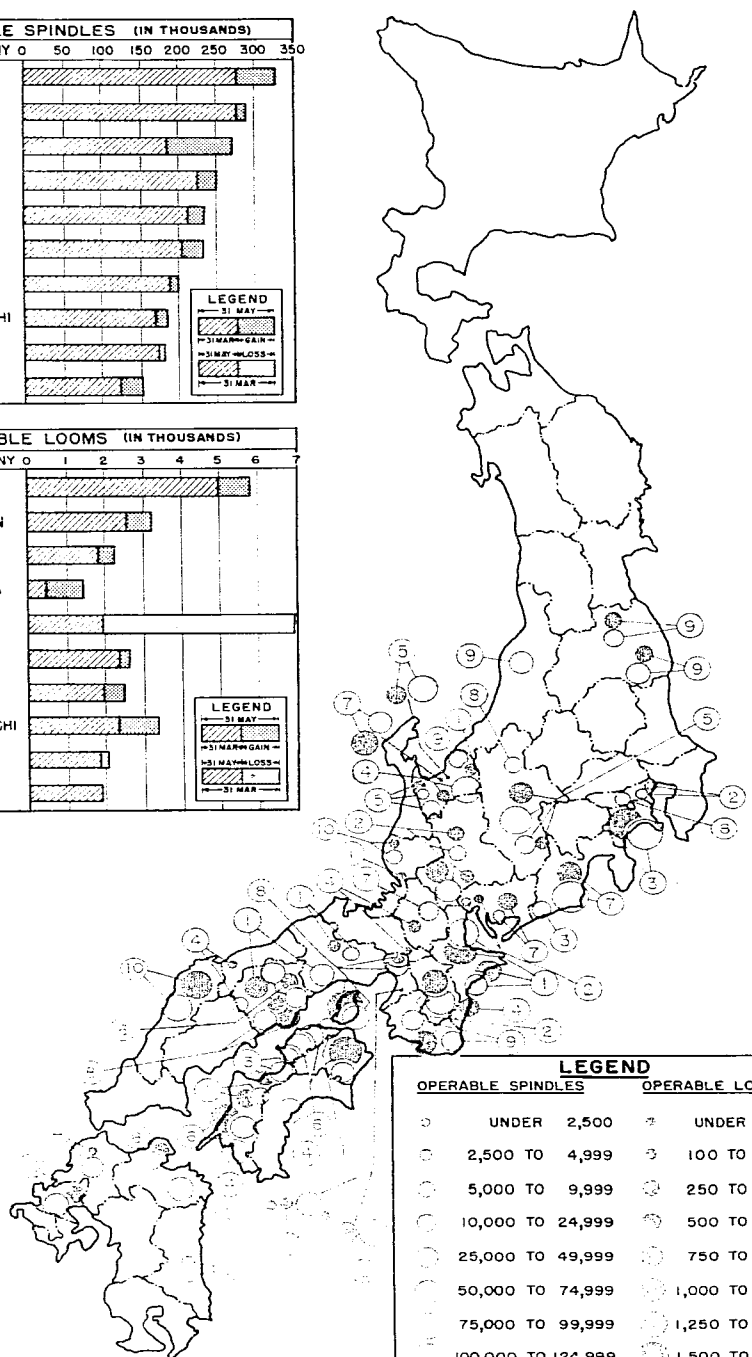
19. The Japanese cotton manufacturing industry was given orders for the manufacture of various articles such as household linens, draperies and rugs for the troop and dependent housing program.

COTTON INDUSTRY

MILLS OF PRINCIPAL SPINNING COMPANIES
JAPAN — 31 MAY 1946







LEGEND

OPERABLE SPINDLES	OPERABLE LOOMS
UNDER 2,500	UNDER 100
2,500 TO 4,999	100 TO 249
5,000 TO 9,999	250 TO 499
10,000 TO 24,999	500 TO 749
25,000 TO 49,999	750 TO 999
50,000 TO 74,999	1,000 TO 1,249
75,000 TO 99,999	1,250 TO 1,499
100,000 TO 124,999	1,500 TO 1,749
125,000 TO 149,999	1,750 TO 1,999

NUMBERS IN RED CIRCLES INDICATE SPINNING COMPANIES (SEE INSET BAR-GRAPHS)

SOURCE: JAPAN TEXTILE ASSN.

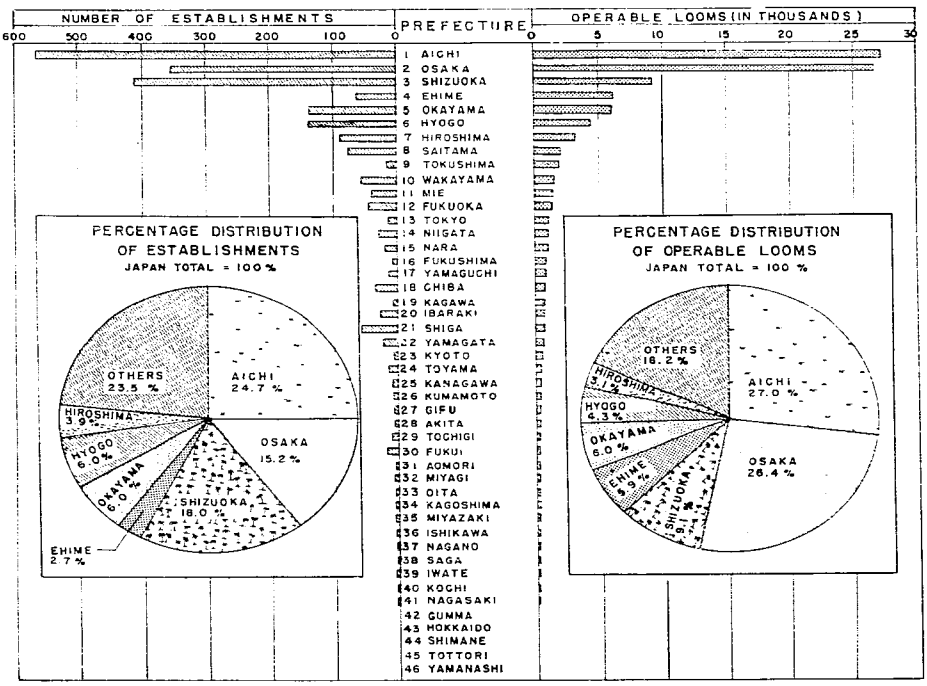
JULY 46 GHQ·SCAP NUMBER 28

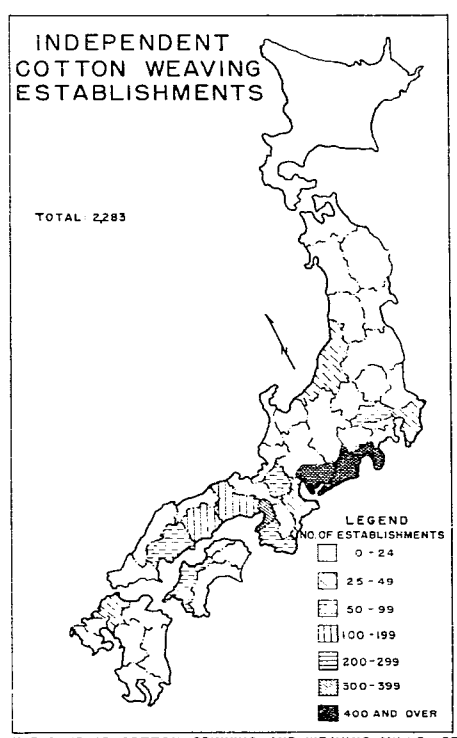
0418

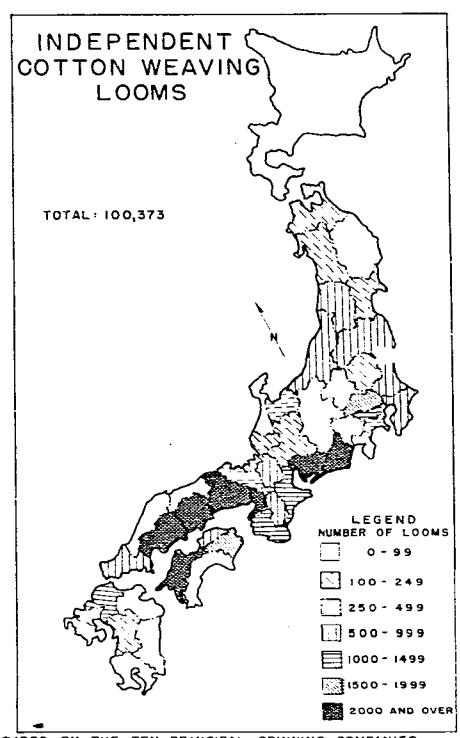
COTTON INDUSTRY

INDEPENDENT COTTON WEAVERS* BY PREFECTURES

JAPAN - 31 MAY 1946







* EXCLUDING COTTON SPINNING AND WEAVING MILLS OPERATED BY THE TEN PRINCIPAL SPINNING COMPANIES (SEE ACCOMPANYING CHART)

SOURCE: JAPAN TEXTILE ASSOCIATION

JULY 46 GHQ SCAP NUMBER 29

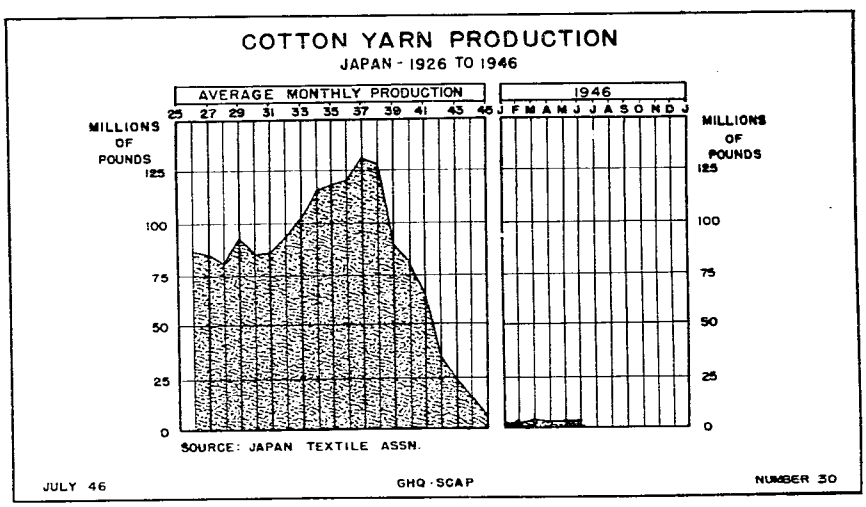
0419

RAW COTTON IN MILLS
(thousands of pounds)

	May	June
Receipts	178	16,887 a/
Month's consumption	2,627	2,518
Month-end stock	4,863	17,425

a/ Source of receipts: Imported, 15,761; Home Ministry, 1,126.

SOURCE: Japan Textile Association.



YARN PRODUCTION
(thousands of pounds)

	May	June
Pure cotton	2,453 a/	2,520
Mixed 1/3 rayon staple	17	121
Mixed 1/2 rayon staple	0	0
Other mixtures b/	211	146

a/ Revised by Japanese.
b/ All figures revised to include only yarns containing cotton; formerly included mixtures of other fibers spun by cotton spinners.

SOURCE: Japan Textile Association.

YARN STOCKS
(thousands of pounds)

	May	June
Pure cotton		
Spinners	5,919	4,767
Independent cotton weavers	1,977	1,804
Knit goods manufacturers	349	353
Thread manufacturers	1,739	1,640
Sundry goods manufacturers	321	162
Fish net manufacturers	1,195	985
Net and rope manufacturers	34	27
In dealers' hands	1,269	1,100
Total	12,803	10,838
Mixed 1/3 staple fiber		
Spinners	383	396
Independent cotton weavers	427	386
Knitted goods manufacturers	97	150
Thread manufacturers	272	256
Sundry goods manufacturers	1	1
Net and rope manufacturers	1	1
In dealers' hands	590	380
Total	1,771	1,570
Mixed 1/2 staple fiber		
Spinners	187	119
Independent weavers	23	23
In dealers' hands	1	1
Total	211	143
Other mixtures (cotton with other fibers)		
Spinners	548	727
Independent weavers	6	5
Hosiery manufacturers	0	0
Thread manufacturers	0	0
Sundry goods manufacturers	0	0
In dealers' hands	0	0
Total	554	732
Grand Total	15,339	13,283

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	May	June
Cotton and mixtures with rayon staple	8,054	9,307

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	May	June
Cotton and mixtures with rayon staple		
Weavers a/	30,806	32,822
Independent weavers	11,779	12,439
Cloth Control Company		
Receipts	507	5,294
Disposition	37,654	22,389
Month-end stocks	58,009	40,914

a/ Weaving subsidiaries of spinning companies.

SOURCE: Japan Textile Association.

MACHINERY

	May	June
Spindles installed	2,416,418	2,468,650
Spindles operable	2,367,178	2,456,490
Spindles operating a/	535,592	595,394
Looms installed	128,238	129,031
Looms operable	113,752	113,404 b/
Looms operating c/	38,456	38,516

17

a/ Actual number of spindles operating converted into terms of two-shift basis.
b/ Partial total; does not include looms in two mills being rebuilt.
c/ Spinning companies, two-shift basis; independent weavers, one shift of approximately 10 hours.

SOURCE: Japan Textile Association.

SILK

20. Raw silk production dropped slightly in June, breaking the steady uptrend since the beginning of the year. The Raw Silk Bureau attributed the decline to a shortage of coal and food combined with the seasonal loss of labor to agricultural areas. Mills were able to secure barely enough food for their workers to maintain operations at current levels but not to allow an expansion of the labor force.

21. June's production was approximately 88 percent of the 7,787-bale goal set for the month by the Raw Silk Bureau but the normal seasonal upswing is expected to more than make up for this deficiency in July. Chart, page 130, shows monthly production trends.

22. The July coal allotment to the silk industry was 12,000 tons whereas the Raw Silk Bureau had requested 10,000 for cocoon drying and 11,000 to meet half of the normal needs of the filatures for reeling. Since the cocoon drying must be accomplished most of the month's allocation will be devoted to this purpose.

23. It was reported that 33 of 184 operating filatures completed their electrification projects by the end of June; 30 mills were continuing the work of converting.

24. Final figures show a total of 15,412,522 grams of silkworm eggs hatched for the spring crop, compared with 26,178,320 in the spring of 1945. It is estimated that the cocoon crop will amount to 9,221,130 kan (75,248,745 pounds). Eighty to 85 percent is expected to be commercially reelable.

25. The size of the individual filaments averages somewhat coarser than is desirable for the reeling of 13/15 denier silk. It is expected that some improvements in this respect will be noted in the summer and fall crops.

26. The installation of new reeling basins continued to lag about three months behind schedule but since most production bottlenecks have been eliminated the Raw Silk Bureau estimates that 28,000 basins will be operable by the end of July and 31,000 by the end of August compared with original goals of 34,078 and 35,528.

27. Price ceiling schedules for raw silk were announced. The higher rates were made retroactive to 15 April, which was even more favorable than the reeling industry had anticipated.

Spun Silk

28. June production of cut silk fiber dropped almost to the vanishing point and is expected to cease entirely in July since, in accordance with instructions from SCAP, the Raw Silk Bureau is making no new allocations of cocoons for this purpose.

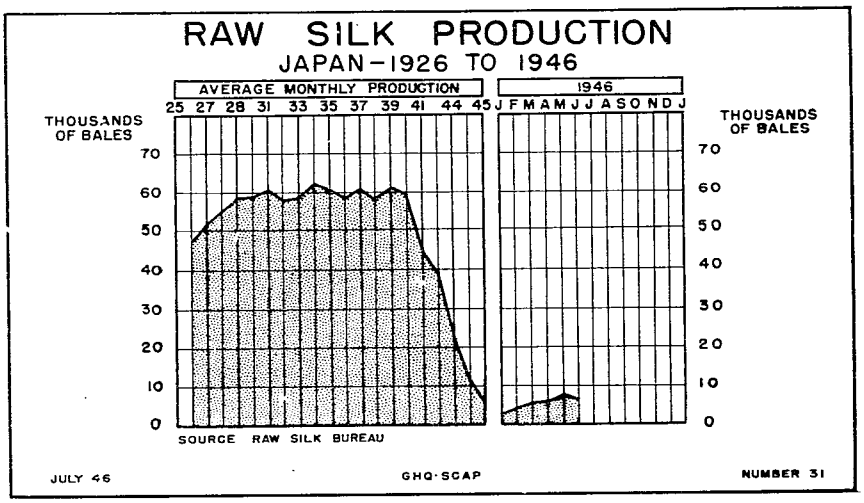
29. Silk spinners received no new supplies of waste silk during the month but they took over 800,000 pounds of silk staple from the Raw Silk Association, a large part of the last remaining stock in the hands of the Association.

30. Production of all spun silk yarns increased in June. Although the supply of cut staple is diminishing, receipts of waste silk are expected to increase as operations of the silk reeling industry are expanded. Spinning mills have been repairing their machinery in anticipation of continued operations on a moderate scale.

Silk Weaving

31. Production of silk cloth continued to rise moderately in June as mills worked on broad fabrics ordered manufactured for export from 55,000 bales of silk released by SCAP on 8 April.

32. Some difficulty is being experienced in the collection of 133,000,000 yards of silk fabrics held by weavers and dealers. The stocks are to be inspected to determine their suitability for export. The Cloth Control Company is seeking the release of frozen yen to finance this operation.



RAW SILK

	May	June
Cocoons on hand at end of month (thousands of pounds)		
In filatures	57,201	98,876
In other hands a/	10,647 b/	20,609
Total	67,848 b/	119,485
Raw silk produced (bales)	7,540	6,835
Short fiber production (thousands of pounds)	172	47
Tested for export (bales)	11,570	10,227

a/ Largely waste and doupion cocoons; excludes stocks for farmers' home use.
b/ Revised by Japanese.

SOURCE: Raw Silk Bureau.

RAW MATERIAL CONSUMPTION
(thousands of pounds)

	May	June
Waste silk	240	364
Short-cut silk) Short-cut cocoon)	958	735

SOURCE: Japan Textile Association.

FIBER STOCKS IN MILLS
(thousands of pounds)

	May	June
Waste silk	1,821	1,537
Short-cut silk) Short-cut cocoon)	14,255	13,448

SOURCE: Japan Textile Association.

SPUN SILK YARN PRODUCTION
(thousands of pounds)

	May	June
Spun silk	83	124
Mixed waste silk and staple fiber	30	31
Silk noils	36	62
Short-cut silk) Short-cut cocoon) a/	492	600

a/ Includes mixtures.

SOURCE: Japan Textile Association.

YARN STOCKS
(thousands of pounds)

	May	June
In mills		
Raw silk	5,148	5,107
Spun silk	724	791
Mixed waste silk and staple fiber	170	201
Silk noils	242	304
Short-cut cocoon	1,862	1,750
In dealers' hands		
Mixed waste silk and staple fiber	5	5
Cut cocoon	0	30

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	May	June
Raw silk	3,348	4,328
Fuji silk	176	127
All others	1,897	903

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	May	June
Raw silk	20,983	22,877
Silk staple and Fuji silk	2,695	5,652
Silk (Cloth Control Co)		
Receipts	1,406	91
Disposition	1,532	32
Month-end stock	21,657	21,716

SOURCE: Japan Textile Association.

MACHINERY

	May	June
Silk reeling basins operable	23,378	23,848
Silk reeling plants in operation	180	184
Short fiber machines operable	90	55
Short fiber plants in operation	9	5
Silk staple spindles		
Installed	-	195,796
Operable	-	177,696
Operating	83,277	81,428
Silk noil spindles		
Installed	-	29,568
Operable	-	26,958
Operating	12,786	11,776

SOURCE: Japan Textile Association and Raw Silk Bureau.

RAYON

33. Most significant development in the industry was the virtual tripling of pulp production. The Government has allotted as much coal as possible to the pulp industry in order to avoid the necessity of importing rayon pulp. The supply of pulp wood available is sufficient for current needs.

The June pulp production rate was close to the industry's monthly production goal for the remainder of the year and moderate increases are planned month by month to meet rayon production plans. The Government was asked to increase the ceiling prices for pulp wood prices have more than doubled.

Preliminary arrangements were made with the Government to resume production by a large pulp mill with a capacity of 40,000 tons annually which was converted to the processing of lubricants during the war. The mill was "loaned" to the rayon manufacturers temporarily and they are arranging to purchase it from the Government by a joint ownership arrangement. Production is expected to be resumed at half capacity around the end of this year.

34. Coal allocation for the rayon industry was reduced from 10,300 tons in June to 6,000 tons for July. The mills had small stocks on hand at the end of June and they believe that the upward trend in production of yarn and rayon staple can be maintained. Mills are continuing plans to convert their boilers to electric power and plants which have completed the conversion have termed the results satisfactory.

35. Allocation of 3,200 tons of caustic soda was expected for the July-September quarter. The industry needs 4,000 tons to produce the 10,200,000 pounds of yarn and staple planned for this period.

36. Rayon plants which own salt extraction equipment turned over to caustic soda mills an estimated 400 tons of salt derived from sea water.

37. The Chemical Fibers Division of the Textile Association estimated that 12,500 tons of sulfur would be needed for the manufacture of carbon disulfide for the rayon industry during the 1946-47 fiscal year. Current deliveries have been short of the industry's needs with the result that stocks of 1,000 tons are being reduced

gradually. An acute shortage is predicted for September unless remedial steps are taken by the Government.

38. Production plans for the July-September quarter provide for output of 46 percent rayon yarn and 54 percent staple. A proportionately larger demand than had been foreseen for rayon yarn is now anticipated to provide for exports of both yarn and fabrics. Charts, pages 133 and 134 show monthly production trends for 1946.

Rayon Weaving

39. The increase in production of rayon and spun rayon fabrics in June was the result of a larger allocation of yarn to smaller weavers since the bulk of the orders to manufacture cotton and silk for export are going to the "Big Ten" and the larger silk weavers.

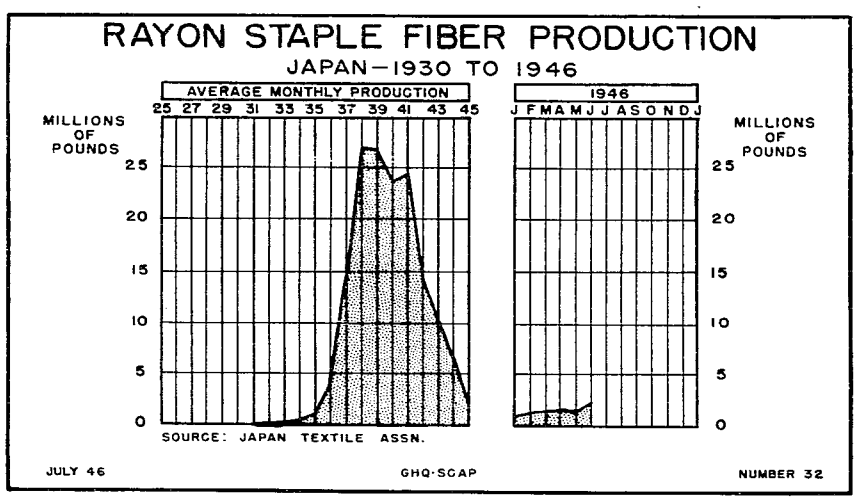
40. The weavers' committee which has been investigating scattered yarn stocks which were hidden during the war reported that approximately 1,500,000 pounds of rayon yarn have been located.

41. It was reported that some small weaving mills near Tokyo suspended operations because of the food shortage.

RAYON PULP
(thousands of pounds)

	May	June
Production	2,247	6,413
Consumption	3,539	4,325
Month-end mill stocks	12,378	13,852

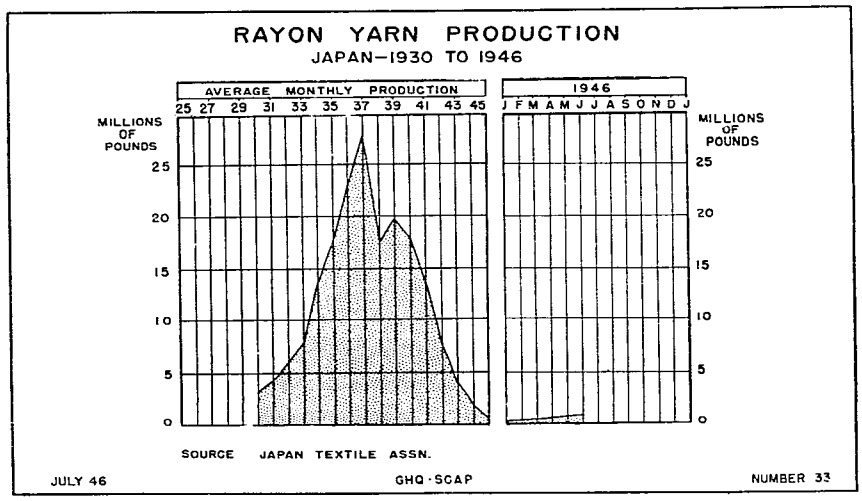
SOURCE: Japan Textile Association



RAYON STAPLE
(thousands of pounds)

	May	June
Production	2,135	2,421
Consumption	3,791	3,125
Month-end mill stocks	25,361	25,185

SOURCE: Japan Textile Association.



YARN PRODUCTION
(thousands of pounds)

	May	June
Rayon	752	888
Spun rayon	1,328	2,264

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	May	June
Rayon		
Rayon mills	10,440	11,139
Weavers	3,365	3,615
Knit goods manufacturers	450	424
Sewing thread	529	262
Sundry goods	431	264
Total	15,215	15,704
Spun rayon yarn		
Spinners	3,378	5,220
Independent cotton weavers	874	727
Knit goods manufacturers	137	133
Sundry goods manufacturers	110	74
Net and rope manufacturers	0	0
In dealers' hands	2	85
Total	4,501	6,239

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	May	June
Rayon	3,376	3,972
Spun rayon	3,146	3,470

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	May	June
Mills		
Rayon	12,709	14,390
Spun rayon	13,418	12,091
Cloth Control Company		
Rayon		
Receipts	97	412
Distribution	459	367
Month-end stock	9,102	9,147
Spun rayon		
Receipts	2,851	3,658
Distribution	4,665	6,148
Month-end stock	32,659	30,169

SOURCE: Japan Textile Association.

WOOL

42. Production of woolen yarn and cloth dropped in June while output of worsted yarns expanded moderately and worsted cloth production more than doubled. See charts, page 136 , for comparison of woolen and worsted yarn production. The shift in emphasis to worsted goods was said to reflect a greater civilian demand for these articles.

43. The woolen section of the industry was nearing the end of military contracts given by the Japanese Army during the war. It has been completing these orders and turning the production over to civilian consuming channels. Approximately 30 percent of the woolen and carpet yarns being spun is going into blankets, rugs and other articles for the use of the Occupation Forces.

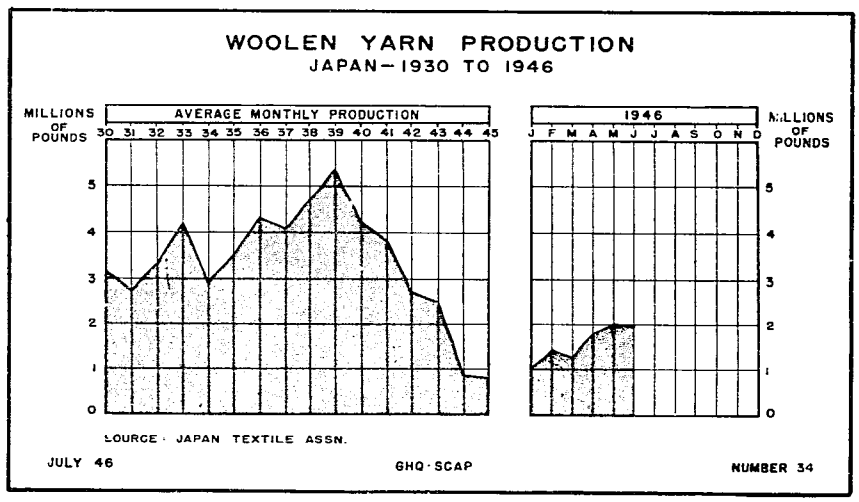
44. A large part of recent months' cloth production has been kept in stock pending settlement of price ceilings. The publication of the new rates late in May is expected to encourage freer movement of wool goods.

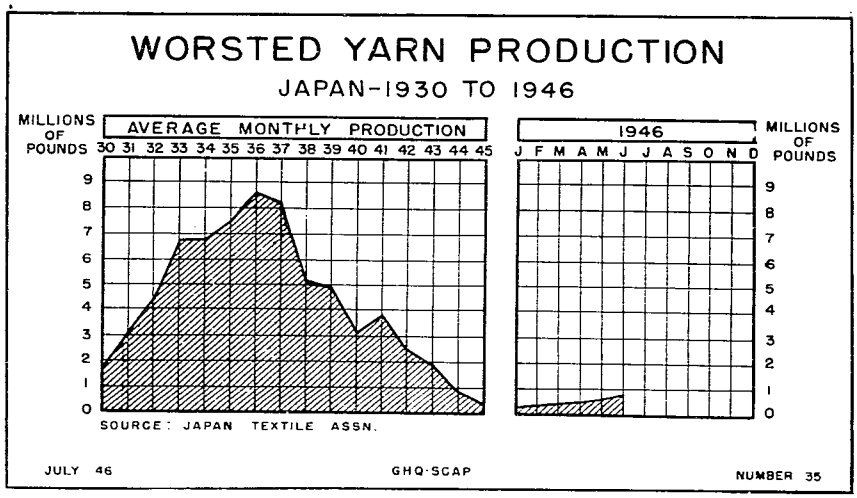
RAW MATERIALS a/
(thousands of pounds)

	May	June
Month's consumption		
Woolen	640	842
Worsted	211	383
Month-end stocks in mills		
Woolen	15,532	14,910
Worsted	5,198	5,407
Wool waste	11,271	13,538
Camel and goat hair	3,749	3,631
Miscellaneous	6,993	6,330

a/ Scoured weight.

SOURCE: Japan Textile Association.





YARN PRODUCTION a/
(thousands of pounds)

	May	June
Woolen	2,002	1,941
Worsted	523	730

a/ Contains 10 percent or more wool.

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS a/
(thousands of pounds)

	May	June
Woolen		
Spinners	2,694	2,778
Weavers	642	466
Worsted		
Spinners	2,153	2,566
Weavers	285	237
Knitters	574	659

a/ Contains 10 percent or more wool.

SOURCE: Japan Textile Association.

CLOTH PRODUCTION a/
(thousands of square yards)

	May	June
Woolen	2,388	1,045
Worsted	336	840
Total	2,724	1,885

a/ Contains 10 percent or more wool.

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	May	June
Woolen	2,483	5,671 a/
Worsted	850	2,181 a/
Cloth Control Company		
Receipts	119	14
Distribution	10	72
Month-end stocks	2,492	2,433

a/ Figures now include cloth in hands of finishers, for accounts of weavers.

SOURCE: Japan Textile Association.

MACHINERY

	May	June
Wool		
Cards installed	421	430
Cards operable	373	373
Cards operating	233	245
Worsted		
Spindles installed	374,574	422,272
Spindles operable	278,511	295,258
Spindles operating a/	78,793	87,685
Looms		
Installed	10,834	10,834
Operable	9,802	9,807
Operating	2,958 b/	2,455

a/ Beginning May all operating spindles converted to two-shift basis.
b/ Revised by Japanese.

SOURCE: Japan Textile Association.

HARD AND BAST FIBERS

45. Production of linen, jute and ramie yarns and rope expanded moderately in June but the output of fish net twine and cord dropped slightly. Fish net twine mills reported a seasonal loss of labor in agricultural districts as the cause of the decline. Stocks of raw materials dropped off.

46. Movement of sisal to rope mills halted. Stocks of sisal were obtained from former military supplies imported from Java and Sumatra. Mills have been using former military supplies of abaca and Manchurian hemp but this source was also reported dwindling. With receipts falling off, mills had to draw more freely on their own stockpiles of sisal, hemp and abaca in order to maintain production of ropes essential to the fishing industry and other users.

47. Production of linen and ramie cloths continued gradually upward in June. Most important articles being manufactured were sail cloth for fishing vessels and work garments for farmers and miners utilizing ramie tow yarns.

48. Flax mills have been providing stocks of tow yarns as a substitute for jute to the Koizume Jute Mill to be woven into backing cloth for linoleum for the Occupation Forces. In addition the mill is experimenting with a small shipment of ramie tow yarns.

49. The impending shortage of jute yarns was reflected in a slackening of gunny sack production. The mills are experimenting with sacking materials made of cotton waste. Exporters already have planned to use cotton bagging as a substitute for hessian cloth in packing cotton goods for shipment.

50. The three large ramie spinning companies have formed a subsidiary organisation to take delivery of the raw material from the farmers' collecting agency and expedite delivery to the mills.

51. Production of oakum in June was 69,000 pounds, with stocks at the end of the month amounting to 44,000 pounds.

RAW MATERIALS
(thousands of pounds)

	May	June
Receipts by mills		
Sisal	90	0
Jute	112	112
China grass and ramie	460	127
Flax	969	1,199
Hemp	1,888	730
Maolan (New Zealand fiber)	575	580
Bamboo	75	60
Kanpon (Manchurian hemp)	34	1
Others	235	301
Total	4,438	3,140
Consumed		
Sisal	238	227
Jute	371	302
China grass and ramie	398	289
Flax	1,259	1,894
Hemp	2,214	2,440
Maolan	388	506
Bamboo	129	128
Kanpon	68	65
Others	194	275
Total	5,259	6,126
Month-end mill stocks		
Sisal	891	664
Jute	2,611	2,421
China grass and ramie	602	471
Flax	8,591	7,896
Hemp		
Domestic	7,161	6,929
Manchurian	2,740	1,794
Manila	1,794	1,262
Maolan	633	707
Bamboo	225	157
Kanpon	521	456
Flax waste	2,450	2,358
Others	737	855
Total	28,956	25,970

SOURCE: Japan Textile Association.

SPINNING PRODUCTION
(thousands of pounds)

	May	June
Flax	788	938
Ramie and china grass	296	310
Jute	229	322
Rope	1,610	1,802
Cord	132	127
Fish net twine	220	212
Total	3,275	3,711

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	May	June
Flax	2,443	2,538
China grass and ramie	1,239	1,192
Jute	474	581
Rope	2,170	1,826
Cord	177	128
Fish net twine	296	215
Total	6,798	6,480

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	May	June
Flax	935	1,133
Ramie and hemp	1,246	1,253
Jute	27	14
Total	2,208	2,400
Jute bags (pieces)	33,150	24,400

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	May	June
Flax	3,742	3,650
Ramie and hemp	2,009	1,723
Jute	181	69
Total	5,932	5,442

SOURCE: Japan Textile Association.

MACHINES
(operating)

	Spindles		Looms	
	May	June	May	June
Flax	26,694	30,685	4,634 a/	3,876 a/
Ramie and hemp	29,576	31,120	-	-
Jute	4,124	4,035	42	42

a/ Includes flax, hemp and ramie looms.

SOURCE: Japan Textile Association.

MISCELLANEOUS

52. Following are production and stock figures for throstle-spun and reprocessed yarns and cloth.

YARN PRODUCTION
(thousands of pounds)

	May	June
Throstle a/	207	480
Reprocessed b/	250	169

a/ Waste flax, ramie and cotton.
b/ Waste cotton, flax, ramie and wool fibers and used as substitutes for cotton yarn.

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	May	June
Throstle-spun		
Independent weavers	1,339	978
Sundry goods manufacturers	53 a/	45
Reprocessed		
Independent weavers	389	374
Sundry goods manufacturers	5 a/	5
Others		
Spinners	1,681	431
Independent weavers	343	383
Sundry goods manufacturers	43 a/	33
In dealers' hands	88	0

a/ Revised by Japanese.

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	May	June
Throstle	79	203
Reprocessed	998	314
Others	976	756

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	May	June
Throstle	723	772
Reprocessed	504	450
Others (mixed fabrics)	2,266	2,484

SOURCE: Japan Textile Association.

MACHINERY

	May	June a/
Throstle spindles		
Installed	1,089,856	1,007,542
Operable	1,089,856	814,008
Operating	647,659	705,279

a/ Excluding figures for Saghalien included in previous report.

SOURCE: Japan Textile Association.

KNIT GOODS

53. An additional 2,600 knitting machines were in operation during June and production was more than 50 percent larger than in May. The number of machines in operation was at the highest level since the end of the war.

54. The knitters received no new allocation of yarn during the first quarter of the year and none had been received in April and May. The entire allocation for the second quarter was received in June. In addition the knitters received about 50,000 pounds of silk yarns and 50,000 pounds of rayon yarns from former military stocks.

Knitters did not receive any cotton yarns for the manufacture of goods for export, but they were preparing for this allocation.

55. The silk consumed during the month was used for the manufacture of silk stockings for sale to the Occupation Forces.

56. Old price schedules expired on 5 June and manufacturers held on to their production awaiting some satisfactory action. Late in the month the old schedules were extended another two months but the mills were dissatisfied with these price levels and have been negotiating for an upward revision.

YARN CONSUMPTION AND STOCKS
(thousands of pounds)

	On hand 31 May	Receipts	Consumed	On hand 30 June
Cotton	349	194	191	352
Mixed cotton	97	123	70	150
Rayon	450	98	123	425
Spun rayon	137	328	333	132
Raw silk	670	83	81	672
Woolen	574	320	234	660
Others	37	18	20	35
Total	2,314	1,164	1,052	2,426

SOURCE: Japan Textile Association.

KNIT GOODS PRODUCTION

	May	June
Underwear (dozen)	91,800	132,739
Stockings (dozen pair)	164,070	211,316
Gloves (dozen pair)	28,028	64,613

SOURCE: Japan Textile Association.

DISPOSITION AND STOCKS

	June Delivered to Japan Knit Goods Company	In Mills Ready for Delivery 30 June
Underwear (dozen)	81,289	159,710
Stockings (dozen pair)	186,318	467,326
Gloves (dozen pair)	82,056	135,732
Others (sweaters, etc)	0	0

SOURCE: Japan Textile Association.

KNITTING MACHINES IN OPERATION

	31 May	30 June
Warp	25	94
Circular	2,310	2,461
Flat	2,104	2,375
Flat for gloves	1,504	2,890
Hosiery	2,251	3,010
Total	8,194	10,830

SOURCE: Japan Textile Association.

SEWING GOODS

57. Clothing manufacturers turned out more than 2,000,000 suits of clothing for demobilized soldiers, an increase of more than nine times over May's production. These articles consist of former Army stocks of uniforms, both finished and partly finished, which are being converted into civilian clothing by removal of military markings.

58. There has been a moderate production increase in all branches of the clothing manufacturing industry except the output of tabi which was said to be a seasonal development. Revision of ceiling prices in May tended to stimulate production.

59. The delay in formulating a domestic clothing distribution plan and publishing new ceiling prices caused the manufacturers to accumulate stocks of various clothing items equal in some cases to three to seven months' current production. A decrease was expected in July and subsequent months.

60. The local military government placed a ban from January to May on shipment of clothing from factories in Okayama Prefecture because of confusion in the Japanese handling of former military clothing stocks. Approximately 30 percent of the clothing production capacity of Japan is located in this area.

61. The large consumption of cotton cloth listed in the tables below for June includes some quantities which were actually consumed during the previous months for which reports were incomplete.

62. Plans were made by various sewing goods companies to reorganize the Japan Clothing Production Control Company to give individual mills more freedom in their purchase of cloth and other materials. Under the new arrangement, which will go into effect in September, the individual mills will purchase their own materials and the Clothing Production Control Company will only act as a common merchandising organization to handle distribution of the finished products.

CLOTH MATERIALS
(thousands of square yards)

	In Mills 31 May	Receipts	Consumption	In Mills 30 June
Cotton	44,490	5,985	22,165	28,310
Rayon	4,099	1,320	571	4,848
Spun rayon	0,078	4,519	3,466	11,131
Raw silk	5,052	171	1,080	4,143
Mixed silk fiber	845	0	845	0
Reprocessed	1,740	148	217	1,671
Woolen and worsted	4,185	1,458	1,282	4,361
Others	2,340	233	992	1,581
Total	72,829	13,834	30,618	56,045

SOURCE: Japan Textile Association

PRODUCTION
(pieces)

	May	June
Ready-made clothing		
Work	442,367	770,254
Street and house	199,073	121,614
Kimonos	642,964	907,333
Underwear, shirts, etc.	1,274,343	1,732,858
Elementary school uniform	216,235	381,582
Secondary school uniform	54,823	149,471
Clothing for demobilized soldiers	249,544	2,026,719
Footwear, tabi (pair)	3,526,472	3,353,937
Hats (pieces)	365,218	153,995
Mattress ticking (sets of three)	65,947	23,366
Mosquito nets (pieces)	104,598	109,676

SOURCE: Japan Textile Association.

0438

DISPOSITION AND STOCKS
(pieces)

	Delivered in June to Distribution Associations	In Mills Ready for Delivery 30 June
Ready-made clothing		
Work	1,180,882	8,025,971
Street and house	326,932	442,800
Kimonos	480,652	1,434,884
Underwear, shirts, etc.	2,878,909	5,136,399
Elementary school uniforms	260,332	2,531,318
Secondary school uniforms	150,221	235,164
Clothing for demobilized soldiers	875,899	2,295,469
Hats	285,123	807,955
Tabi (pair)	1,392,481	3,471,591
Mattress ticking (sets of three)	35,629	167,064
Mosquito nets	235,712	199,610

SOURCE: Japan Textile Association.

SEWING MACHINES

	May	June
Machines reported	110,350	110,591
Machines operated	76,632	77,052
Restored during month	2,647	420

SOURCE: Japan Textile Association.

SUNDRY GOODS

63. Manufacture of 27,000 pounds of silk fish netting, the first since last December, and a slight increase in production of Manila hemp netting were reported in June to the Textile Association. Output of cotton netting dropped by more than 250,000 pounds as April-May deliveries of yarns were suspended and diverted to the weaving of cloth for export.

64. The silk for the fish nets was released by SCAP on 17 May as part of an allocation of 92,000 pounds for this purpose and for other industrial netting.

65. Mills reported a slight increase in receipts of Manila hemp yarn, but the quantities received in recent months were only about 10 percent of the allocations made by the Textile Bureau. SCAP instructed the Textile Bureau to allocate as much hemp yarn as possible to the fish net industry.

66. Production of cotton sewing thread almost doubled after the sharp decline in May. A part of the 7,105 bales of SXP cotton imported in June and some of the Egyptian cotton to be imported from the United States are to be diverted to the manufacture of sewing thread.

67. Sundry goods manufacturers announced the establishment of an export association to handle shipment of articles approved by SCAP for export.

YARN CONSUMPTION AND STOCKS
(thousands of pounds)

	In mills 31 May	Receipts	Consumption	In Mills 30 June
Cotton				
Pure	3,289 a/	333	809	2,813
Mixed	273	25	41	257
Raw silk	674	11	131	674
Spun silk	3	0	1	2
Rayon	656	90	219	527
Spun rayon	111	0	36	75
Reprocessed	5	0	0	5
Throstle	53	0	8	45
Manila hemp	24	13	17	20
Others	43	0	10	33
Total	5,251	472	1,272	4,451

a/ Includes sewing thread.

SOURCE: Japan Textile Association.

SEWING THREAD PRODUCTION
(pounds)

	May	June
Silk	66,398	52,656
Cotton		
Pure	190,883 a/	337,147
Mixed	0	40,000
Rayon	13,365	46,520
Total	270,646 a/	476,323

a/ Revised by Japanese.

SOURCE: Japan Textile Association.

OTHER PRODUCTION
(pounds)

	May	June
Braid	211,216	116,592
Fringe	548	1,753
Tape	430,890	283,044
Twine and net	24,830	7,441
Lace	21,848	14,623
Fish netting		
Cotton	570,379	310,194
Manila	14,550	16,251
Silk	0	27,163

SOURCE: Japan Textile Association.

DISPOSITION AND STOCKS
June 1946
(pounds)

	In mills 31 May	Delivered to Distributing Association	In mills 30 June
Sewing thread			
Cotton			
Pure	969,505	301,327	1,021,959
Mixed	0	0	40,000
Silk	308,651	5,368	355,939
Rayon	66,290	14,030	98,780
Other products			
Braid	2,036,512	266,908	1,886,196
Fringe	150,202	3,436	148,519
Tape	648,505	446,360	485,189
Twine and net	60,795	24,792	43,444
Lace	121,037	26,924	108,736
Fish netting			
Cotton	11,520	309,554	12,160
Manila	0	16,251	0
Silk	1,880	27,163	1,880

SOURCE: Japan Textile Association.

DYEING AND FINISHING

68. Eleven additional dyeing and finishing plants went into operation during June and a slightly larger volume of goods was processed. The larger quantity of cloth handled by the finishers was accounted for to a large extent by the napping of cotton and spun rayon flannel fabrics to be used for domestic clothing consumption this winter.

69. The dyers and finishers expect their operations to remain slow until a production plan for cotton piece goods for domestic clothing use is formulated. Up to June they were working largely on goods which had been taken from former military stocks but this source is becoming depleted.

70. Very few cotton goods for export will require dyeing or finishing. The plan for export of silk goods to be woven from the 55,000 bales of silk released in April calls for shipment in the gray.

71. In view of the relatively small volume of work to be done the dyers and finishers have planned the formation of a new organization to handle allocation of business. They consider this method more equitable than to allow the cloth dealers and mills to place the business themselves. The new company will receive the orders from those who have cloth to be processed, and allocate the work to the various mills. Allocations are to be based on a formula which takes into consideration the mills' capacity and the volume of business which they have handled heretofore.

DYEING AND FINISHING
(square yards)

Cloth	Dyed or Finished	Returned to Client	Remaining at Mill, 30 June
Cotton	6,403,713	6,409,861	6,026,593
Rayon staple	5,815,188	4,959,235	5,680,622
Raw silk	6,702,072	3,061,761	5,987,384
Rayon	3,686,313	5,723,272	3,476,312
Linen and china grass	1,505,509	1,294,202	1,092,639
Total	24,112,795	21,448,331	22,263,550

SOURCE: Japan Textile Asscciation.

MACHINERY

	May	June
Mills reporting	143	155
Mills operating	110	121
Machines operating		
Boilers	221	193
Tenters	204	178
Driers	291	260
Printers	17	20
Napping machines	82	126

SOURCE: Japan Textile Association.

SECTION 6

TRANSPORTATION AND PUBLIC UTILITIES

C O N T E N T S

MOTOR TRANSPORTATION

1. The number of motor vehicles increased from 102,145 in May to 104,47~ at the end of June; 53 percent of these vehicles are in actual service.

RAIL TRANSPORTATION

2. Cancellation of scheduled train operations remained constant at 140,138 kilometers. Total train kilometers operated decreased from 15,512,443 to 15,113,734.

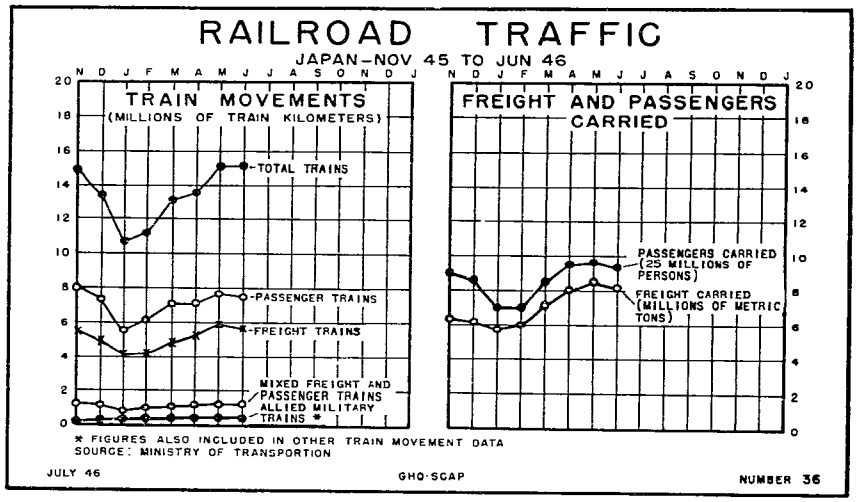
3. There was a substantial decrease in total freight tonnage handled in June, as shown in chart, page 150 . The breakdown by classification of this tonnage is given in table below.

CLASSIFICATION OF TONNAGE HANDLED
(metric tons)

	May	June
Coal	1,588,900	1,690,300
Lumber	1,100,200	1,173,600
Fertilizer	143,000	140,800
Rice	147,000	102,300
Gravel	401,800	389,100
Ore	227,200	210,000
Cement	96,100	121,900
Iron and steel	164,100	161,700
Petroleum	110,300	109,400
Flour	32,800	45,600
Sugar	11,100	3,600
Others	4,514,700	3,991,500
Total	8,537,200	8,139,800

SOURCE: Ministry of Transportation.

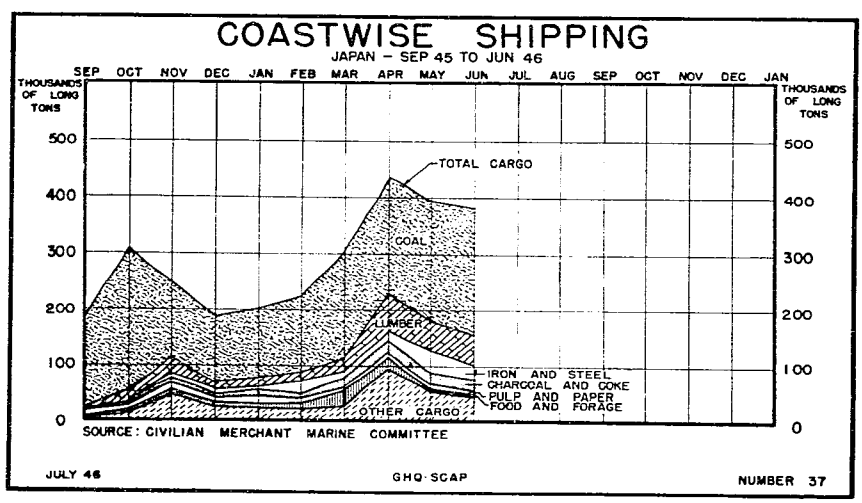
4. The chart also shows the trend in total train movements, Allied military train movements and passengers carried.



5. New rolling stock placed in operation in June consisted of one electric and 21 steam locomotives, 43 electric cars, 29 passenger cars and 176 freight cars.

WATER TRANSPORTATION

6. Coastwise merchant shipping again showed a slight decrease. The accompanying chart shows both the total tonnage handled and the breakdown by classification.

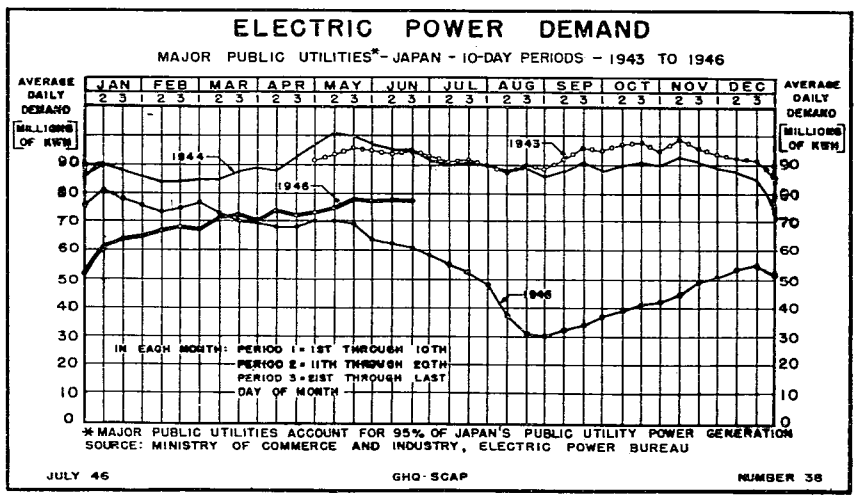


7. Cargo shipments to Korea again decreased in June, totaling 64,365 long tons. Shipments to China totaled 14,729 tons, well below May's peak figure but about 50 percent larger than the April total.

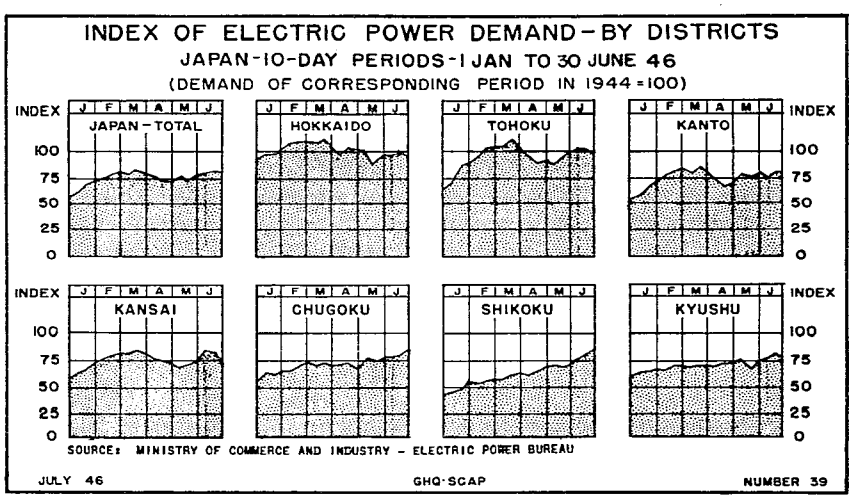
ELECTRIC POWER

8. The supply of electric power remained adequate.

Power generated during June totaled 2,315,000,000 kilowatt hours compared with the 2,344,700,000 kilowatt hours generated in May. The accompanying chart shows the trend of electric power demand for 10-day periods from 1 May 1943 through 30 June 1946.



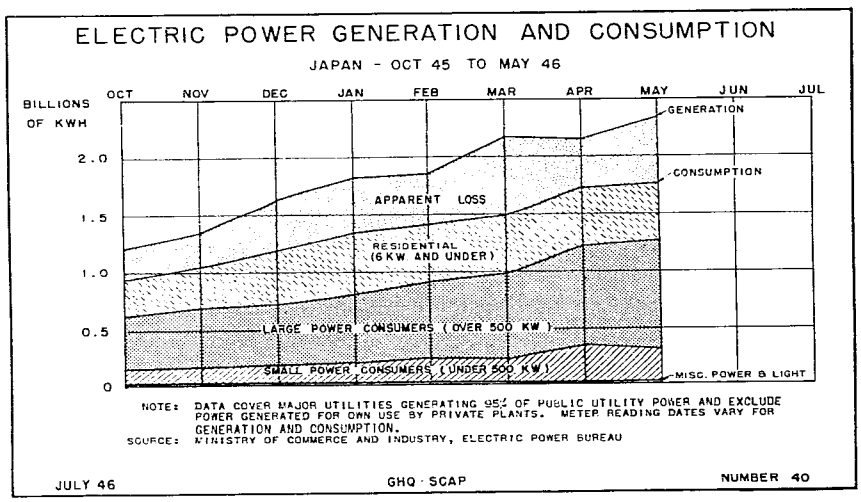
9. The index of electric power demand by districts from 1 January to 30 June compared with corresponding periods in 1944 is indicated in the following chart.



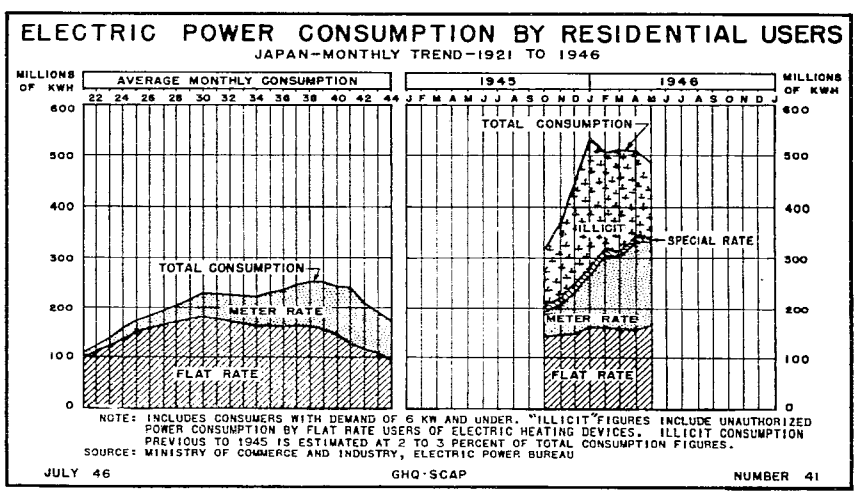
0445

10. Hydroelectric power plants were the source of all power generated except in the Chugoku, Hokkaido and Kyushu districts where steam generating plants accounted for 78 percent, 1.15 percent and 10.8 percent respectively of the total.

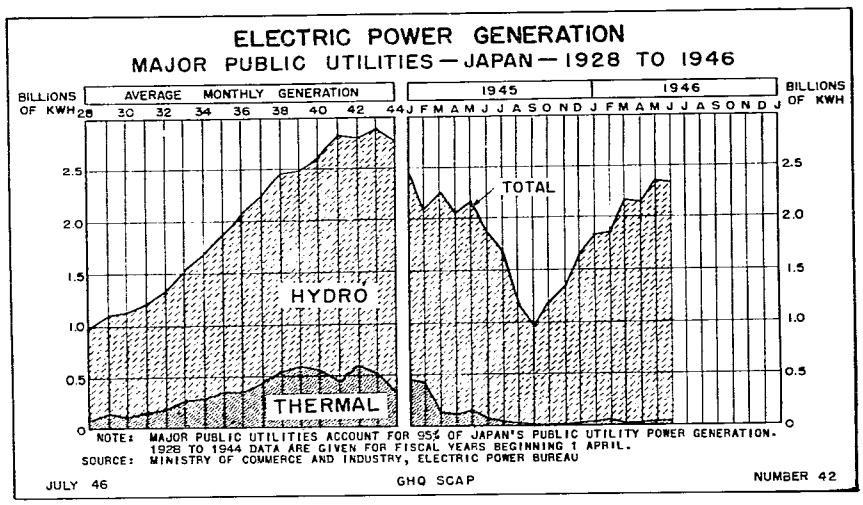
11. The accompanying chart shows electric power generation and consumption by major classes of consumers. Heavy industries are included in the "Large Power" classification which shows a steady increase in power consumption concurrent with industrial recovery.



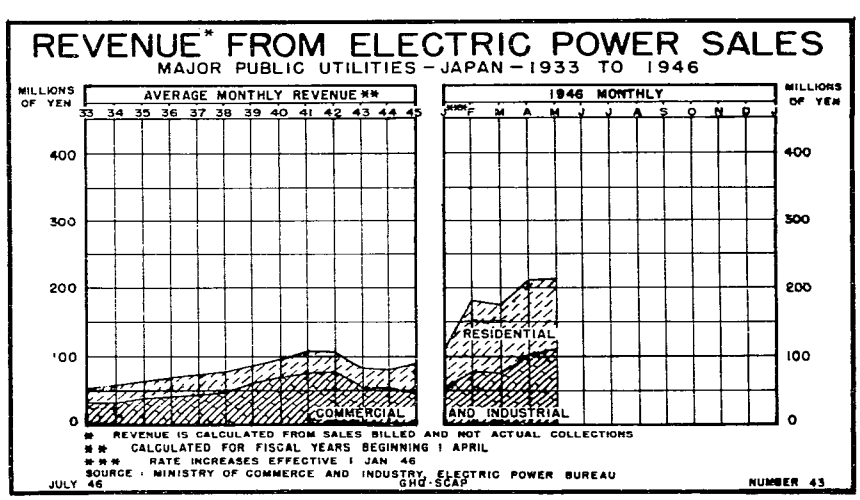
12. The following chart shows the monthly trend of electric power consumption for residential service. Much power is illicitly used for electrical cooking and heating by nonmetered flat-rate consumers.



13. The monthly trend of electric power generation, both hydro and thermal, for the major public utilities from 1928 to 1946 is shown in the accompanying chart.



14. Electric power revenue of the major public utilities classified by residential and commercial-industrial consumption is shown on the following chart.



Plant Construction

15. Construction of the Nagamatsu hydroelectric power plant in Niigata Prefecture was completed. The plant went into service on 26 June. Its maximum capacity is 3,250 kilowatts with a firm capacity of 1,530 kilowatts.

16. Three additional hydroelectric plants are nearing completion at Shimosomi (4,300 kilowatts) in Kyushu, Oyama (5,600 kilowatts) in Kyushu and Iyogawa (6,000 kilowatts) in Shikoku.

GAS INDUSTRY

17. The coal shortage rendered 72.5 percent of gas production capacity idle. The supply of gas to the consumer remained irregular and undependable.

Production and Consumption

18. During June 131 of 175 public utility plants were operating, all at partial capacity. Production averaged 981,502 cubic meters per day. Apparent losses continued high, with the daily average supply of gas 654,662 cubic meters.

The following table is a detailed report of the public utility gas industry by prefecture.

REPORT ON GAS FOR JUNE
(cubic meters/day)

Prefecture	Plant Capacity	Average Production	Average Consumption		
			Domestic	Industrial	Gas Works
Hokkaido	45,000	25,997	14,853	2,751	1,000
Iwate	2,520	0	0	0	0
Akita a/	2,700	6,064	4,656	645	52
Yamagata	7,070	3,100	1,858	838	70
Miyagi	10,800	3,822	1,669	670	14
Fukushima	8,190	3,012	1,791	735	10
Ibaraki	30,400	1,335	484	476	29
Tochigi	5,400	2,398	1,379	201	47
Gumma	9,300	3,457	1,993	1,012	57
Saitama	11,630	3,892	2,582	484	44
Chiba b/	13,680	10,822	4,681	5,520	125
Tokyo	702,930	322,410	166,140	8,929	322
Kanagawa	592,950	51,508	17,920	14,376	319
Yamanashi	2,930	497	175	16	161
Niigata c/	23,660	19,083	11,423	5,114	366
Nagano d/	11,660	7,128	3,885	2,385	46
Shizuoka	30,440	7,228	5,448	312	48
Aichi	192,210	59,181	33,398	2,547	1,216
Gifu	10,750	2,781	1,511	927	18
Miye	18,220	4,827	3,475	1,307	25
Toyama	6,080	814	682	67	4
Ishikawa	16,700	5,093	4,238	366	12
Kyoto	195,300	78,052	63,337	2,401	1,329
Osaka	1,088,700	183,429	79,963	27,835	2,670
Hyogo	254,330	50,539	25,583	5,296	908
Nara	5,450	4,001	3,455	29	33
Wakayama	7,600	1,527	763	0	16
Shiga	3,380	-	3,058	87	21
Fukui	5,400	680	475	76	8
Tottori	4,650	1,093	662	288	23
Shimane	3,240	714	477	94	3
Okayama	50,690	5,671	1,518	2,846	140
Hiroshima	52,350	15,613	2,344	306	12,094
Yamaguchi	8,330	3,019	1,994	180	117
Tokushima	2,250	0	0	0	0
Kagawa	5,040	1,592	767	401	88
Ehime	11,260	2,394	969	1,016	54
Kochi	5,200	671	525	53	5
Fukuoka	77,850	63,732	42,176	9,705	136
Saga	4,950	-	2,723	280	8
Nagasaki	12,500	7,372	6,435	32	35
Kumamoto	8,650	8,193	6,280	303	24
Oita	7,190	4,087	1,871	49	497
Miyazaki	4,060	3,139	798	993	25
Kagoshima	5,000	1,241	25	56	
Total	3,578,590	951,508	530,439	102,004	22,219

a/ 85.6 percent natural gas.
b/ 75.2 percent natural gas.
c/ 69.7 percent natural gas.
d/ 32.0 percent natural gas.

SOURCE: Ministry of Commerce and Industry, Coal Board.

SECTION 7

COMMUNICATIONS

C O N T E N T S

ADMINISTRATION

1. The imperial ordinance elevating the Board of Communications to a Ministry became effective 1 July.

2. Chart 44, page 158, shows the organization of the Broadcasting Corporation of Japan. This headquarters directs the operations of Radio Tokyo, certain local stations in the Tokyo area, and the seven central stations located at key points throughout Japan. The managers of the central stations are directors of the Corporation.

3. An amendment to the Mail Law effective 25 July increased ordinary mail rates by approximately 200 percent.

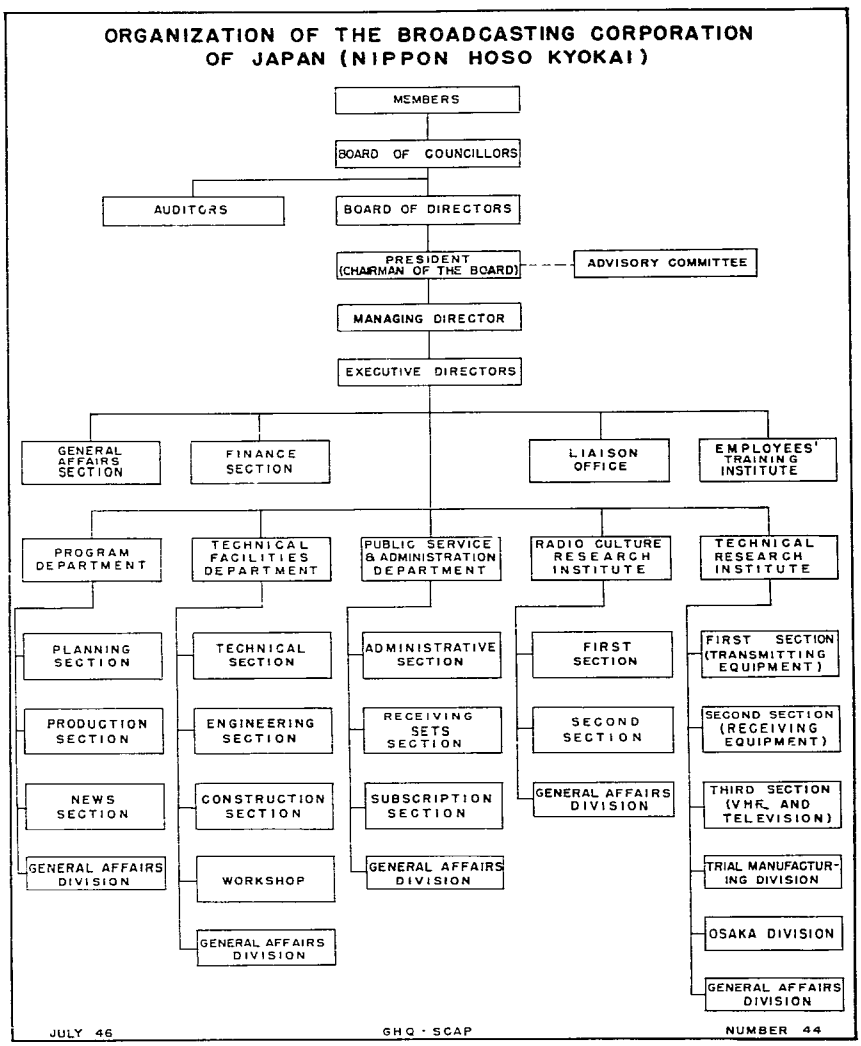
WIRE SERVICES

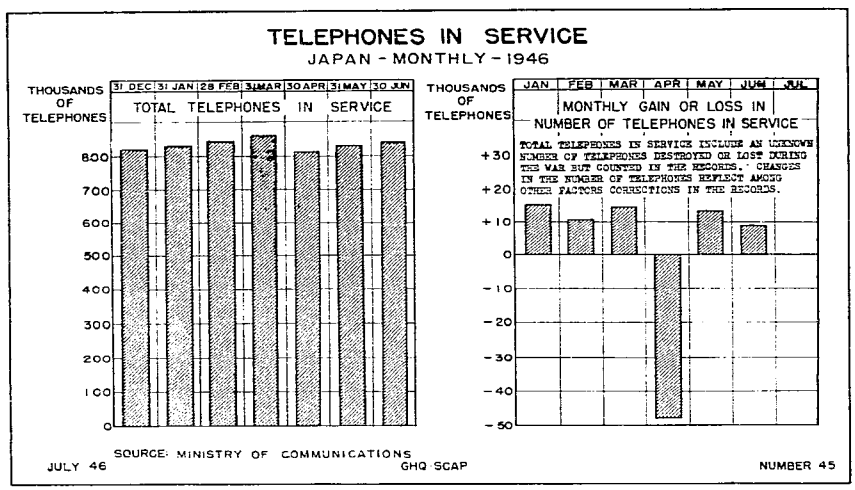
Domestic Telephone

4. Long distance telephone service for the Occupation Forces over Japanese circuits was extended to all important military points. English-speaking operators were provided.

5. The number of telephones in service is indicated in Chart 45, page 158.

6. Chart 46, page 159, shows the status of long distance telephone service on 5 June compared with 5 May.


ORGANIZATION OF THE BROADCASTING CORPORATION OF JAPAN (NIPPON HOSO KYOKAI)
MEMBERS
BOARD OF COUNCILLORS
AUDITORS
BOARD OF DIRECTORS
PRESIDENT (CHAIRMAN OF THE BOARD)
ADVISORY COMMITTEE
MANAGING DIRECTOR
EXECUTIVE DIRECTORS
GENERAL AFFAIRS SECTION
FINANCE SECTION
LIAISON OFFICE
EMPLOYEES' TRAINING INSTITUTE
PROGRAM DEPARTMENT
TECHNICAL FACILITIES DEPARTMENT
PUBLIC SERVICE & ADMINISTRATION DEPARTMENT
RADIO CULTURE RESEARCH INSTITUTE
TECHNICAL RESEARCH INSTITUTE
PLANNING SECTION
PRODUCTION SECTION
NEWS SECTION
GENERAL AFFAIRS DIVISION
TECHNICAL SECTION
ENGINEERING SECTION
CONSTRUCTION SECTION
WORKSHOP
GENERAL AFFAIRS DIVISION
ADMINISTRATIVE SECTION
RECEIVING SETS SECTION
SUBSCRIPTION SECTION
GENERAL AFFAIRS DIVISION
FIRST SECTION
SECOND SECTION
GENERAL AFFAIRS DIVISION
FIRST SECTION (TRANSMITTING EQUIPMENT)
SECOND SECTION (RECEIVING EQUIPMENT)
THIRD SECTION (VHF AND TELEVISION)
TRIAL MANUFACTURING DIVISION
OSAKA DIVISION
GENERAL AFFAIRS DIVISION
JULY 46
GHQ · SCAP
NUMBER 44

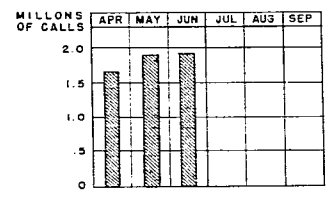

TELEPHONES IN SERVICE
JAPAN - MONTHLY - 1946
THOUSANDS OF TELEPHONES
31 DEC 31 JAN 28 FEB 31 MAR 30 APR 31 MAY 30 JUN
TOTAL TELEPHONES IN SERVICE
800
700
600
500
400
300
200
100
0
THOUSANDS OF TELEPHONES
JAN FEB MAR APR MAY JUN JUL
MONTHLY GAIN OR LOSS IN NUMBER OF TELEPHONES IN SERVICE
TOTAL TELEPHONES IN SERVICE INCLUDE AN UNKNOWN NUMBER OF TELEPHONES DESTROYED OR LOST DURING THE WAR BUT COUNTED IN THE RECORDS. CHANGES IN THE NUMBER OF TELEPHONES REFLECT AMONG OTHER FACTORS CORRECTIONS IN THE RECORDS.
+30
+20
+10
0
-10
-20
-30
-40
-50
SOURCE: MINISTRY OF COMMUNICATIONS
JULY 46
GHQ SCAP
NUMBER 45

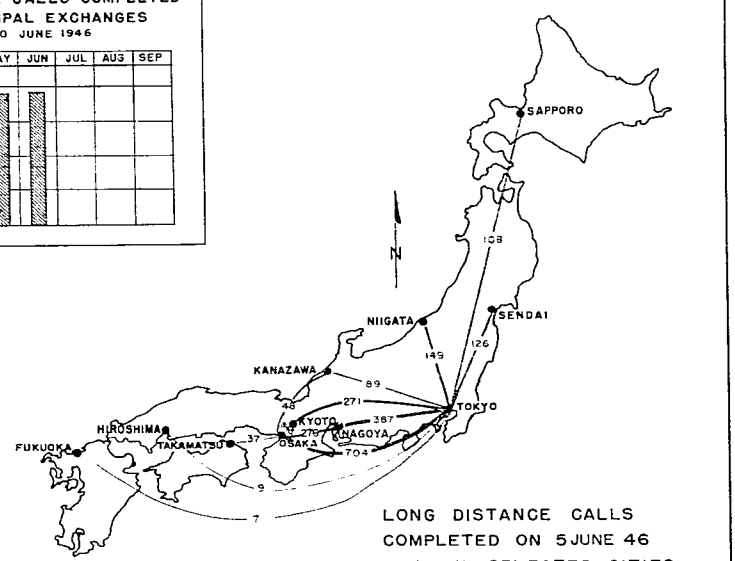
LONG DISTANCE TELEPHONE SERVICE

JAPAN - APRIL TO JUNE 1946

LONG DISTANCE CALLS COMPLETED AT 52 PRINCIPAL EXCHANGES

APRIL TO JUNE 1946

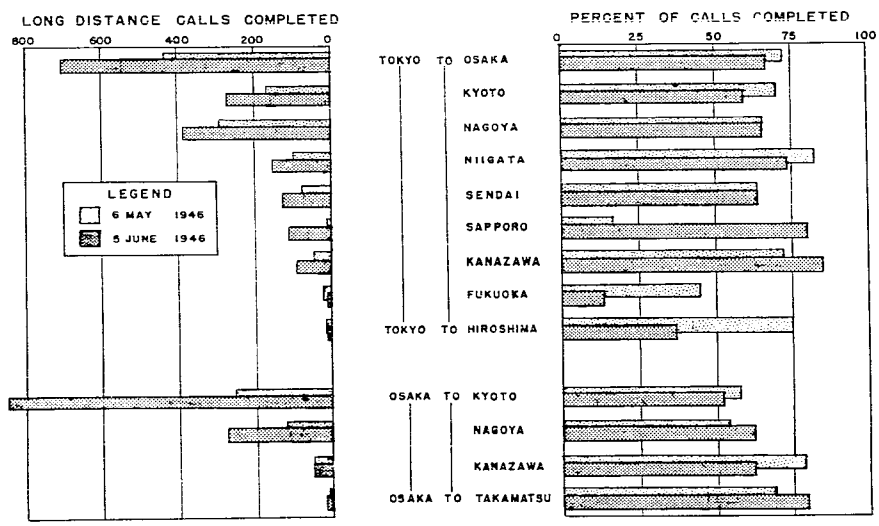




LONG DISTANCE CALLS COMPLETED ON 5 JUNE 46 BETWEEN SELECTED CITIES.

SERVICE BETWEEN SELECTED CITIES

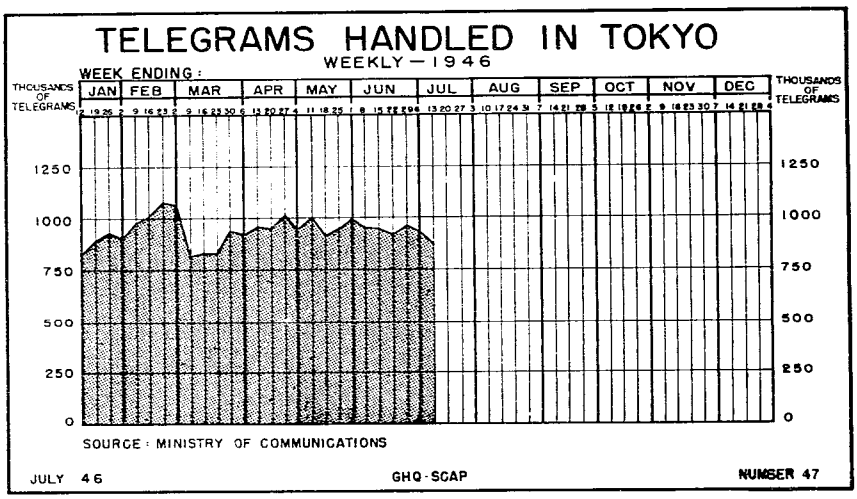
6 MAY 46 AND 5 JUNE 46



SOURCE: MINISTRY OF COMMUNICATIONS

Domestic Telegraph

7. The accompanying chart shows the number of telegrams handled in Tokyo through the first two weeks of July.



8. Expeditionary Force Messages may now be filed in about 250 offices serving every military point in Japan.

9 Twenty-three additional offices were made available for filing of Senders' Composition Messages bringing the total to 59 offices in 45 cities.

International Cable

10. The number of cablegrams transmitted between Japan and Korea declined from 1,156 in June to an estimated 712 in July. This circuit is also open for telephone calls.

RADIO SERVICES

Domestic Broadcasting

11. During June 47,255 radio listening licenses were issued by the Broadcasting Corporation of Japan compared with 43,812 in May and 26,194 in April.

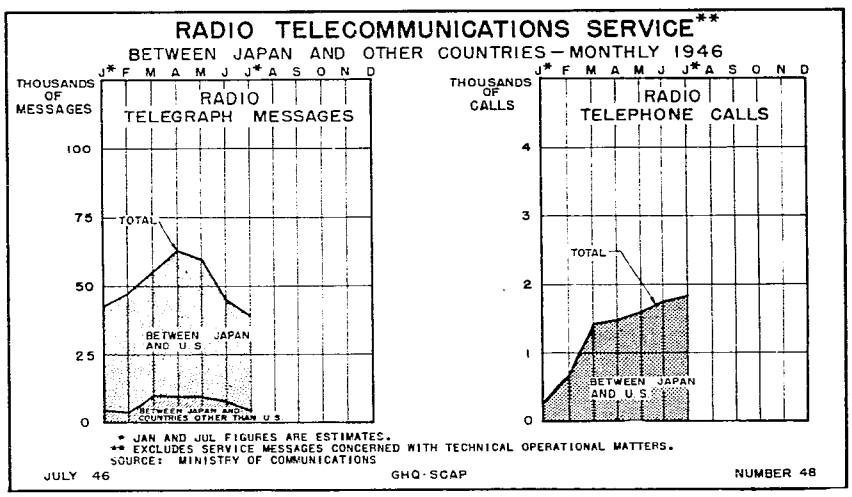
Domestic Point-to-Point

12. The Japanese Government was directed on 11 July to install, operate and maintain five radio transmitter stations to report on the condition of radio beacons and ranges operated by the Ministry of Communications for Air Communications Services, United States Army.

13. The Railroad Bureau was authorized to operate two additional radio beacons at Kominato and Arito to aid railroad ferries operating between Honshu and Hokkaido.

International Services

14. Radio telegraph and telephone traffic between Japan and other countries through July is shown in the accompanying chart.

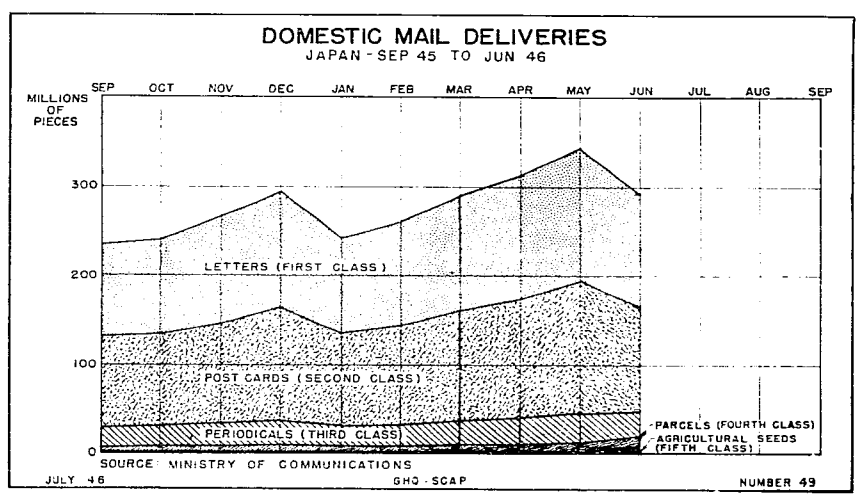


15. Restricted radio telegraph service was authorized on 11 July between Tokyo and Minami Daito Jima.

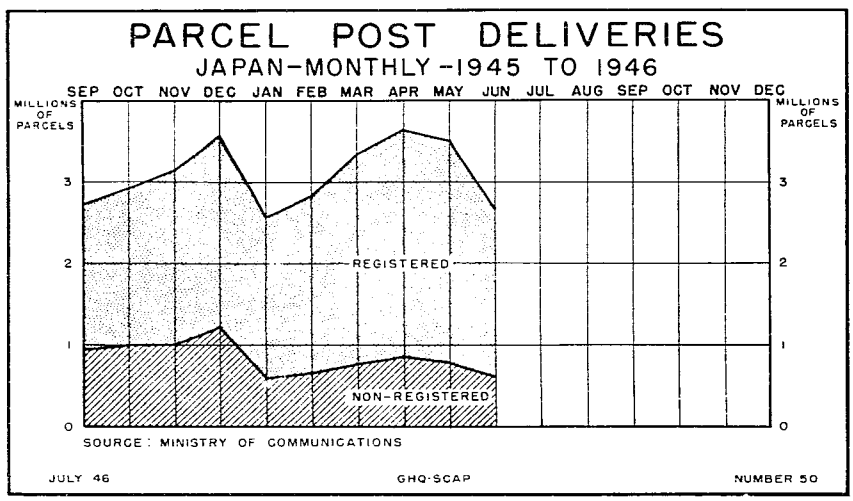
POSTAL SERVICES

Domestic Mail

16. The accompanying chart indicates the volume of domestic mail handled through June.

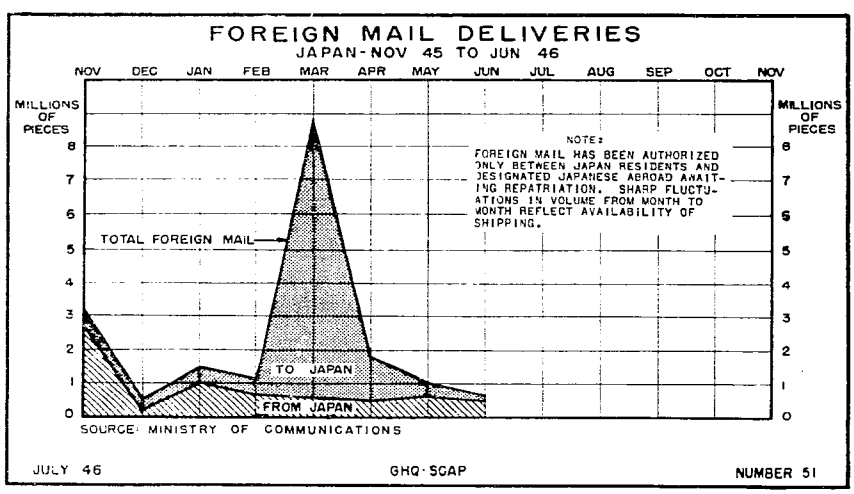


Parcel post deliveries are shown in the following chart.



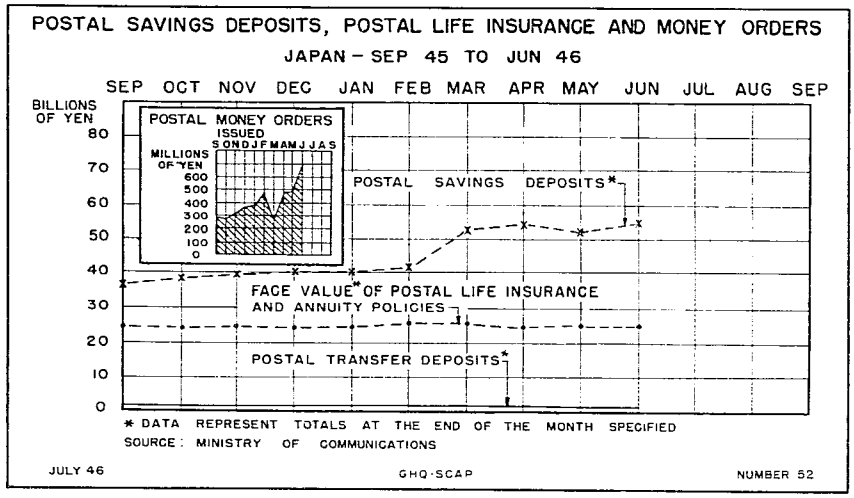
Foreign Mail

17. The volume of mail between persons in Japan and Japanese awaiting repatriation in the former Japanese occupied areas is shown by the following chart.



Financial Activities

18. The following chart shows the trend in postal deposits, postal life insurance and annuities and money orders through June.



19. The postal savings system is hampered by loss of the records of more than 49,000,000 ledger accounts during the war. By 31 May about 11,000,000 of these accounts had been reconstructed from passbooks and other records. This work is continuing.

20. The decentralization of Tokyo area accounts to other cities during the war has delayed their posting. Shortage of office space in Tokyo precludes the return of the accounts.

21. Persons repatriated from Okinawa, North China and the South Sea Islands have been authorized to make deposits and withdrawals from postal savings accounts opened in those areas. Such transactions are entered in ledger accounts for these areas which are maintained in Japan.

22. Persons repatriated from Korea, Formosa, Kwantung and Karafuto were permitted to make deposits in postal savings accounts opened in those areas prior to 11 December 1945. They may withdraw amounts credited prior to 1 October 1945. Since the accounts for these areas are maintained outside Japan, notices of deposits and withdrawals made in Japan are accumulated at the ledger offices in the Home Islands.

By 31 May Japanese repatriated from Korea had made withdrawals approximating ¥ 325,000,000 from postal savings accounts.

Post Offices

23. Japan has two kinds of post offices:

(1) Ordinary post offices, located in larger cities, provide complete postal service and occupy space in government-owned buildings. Postmasters are civil service career men, compensated according to the government salary scale.

(2) Special post offices serve small towns and villages and give limited service in larger towns and cities. These units occupy rented quarters. Postmasters are not in classified civil service, but are compensated

by nominal salaries plus the margin between the cost and sales price of stamps and commissions on life insurance policies issued and certain postal savings accounts.

24. Reclassification from special to ordinary post office is determined by volume of business and number of employees.

POST OFFICES

	1 Mar 45	1 Nov 45	1 Jul 46	Net Change
Ordinary	529	512	543	+ 14
Special	13,709	12,955	12,854	- 855
Total	14,238	13,467	13,397	- 841

25. The decrease in the number of special post offices is attributed to the advancement of some to the grade of ordinary post offices, the relocation of displaced persons and the elimination of many post offices by war damage.

COMMUNICATIONS EQUIPMENT MANUFACTURING AND SUPPLY

Construction

26. The decrease in communications construction noted in June was attributed to shortages of food and transportation and to the excessively hot weather.

Telecommunication Equipment

27. Progress was made in the engineering of automatic carrier regulator and pilot alarm systems for application to major telephone toll routes. Modifications of unsatisfactory equipment were completed and the results of initial tests were satisfactory. Rehabilitation and reconnection of four-wire loaded toll cable regulators is proceeding slowly due to the removal of components and extensive deterioration.

28. The SCAP survey of telephone toll circuit maintenance and transmission indicated that inability of workers to carry out instructions was largely responsible for poor practices. A program to correct this situation was initiated.

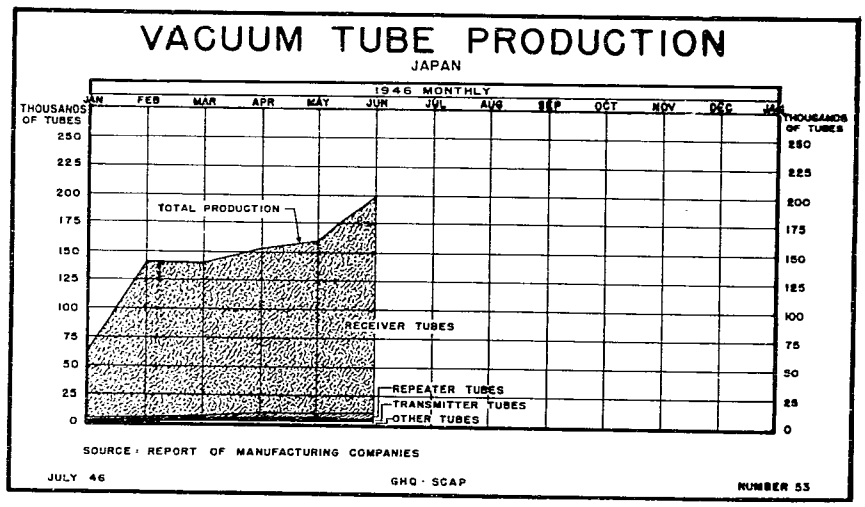
29. To eliminate the present excessive delays caused by rehandling and reshipping of telecommunications maintenance supplies the Ministry of Communications authorized direct shipments from manufacturer to operating stations and offices.

30. A SCAP investigation of the delivery of critical items found that the Ministry of Communications failed to accept certain equipment immediately following production because of delays in inspection, reporting of completion and transportation. To correct this situation the Ministry of Communications is requesting higher shipping priorities on communications equipment. A systematic method of reporting manufacturing progress to the Ministry is being devised.

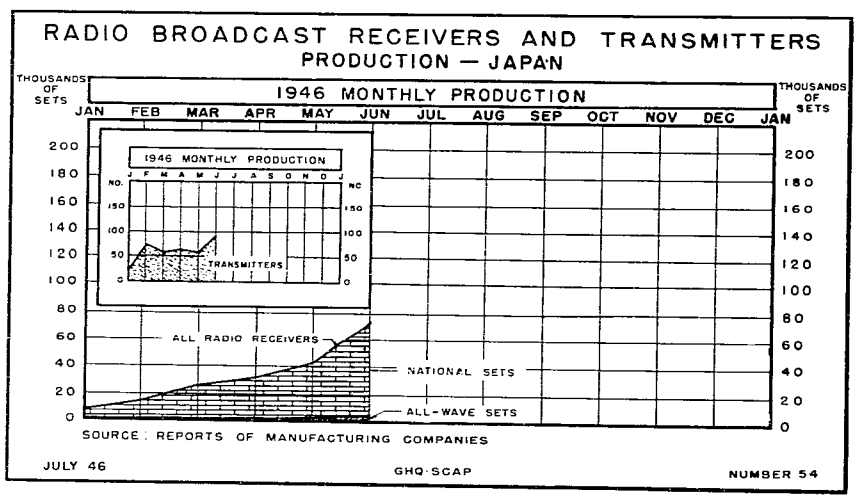
Production

31. Increased coal allocations in July to the communications equipment manufacturing industry will make increased production possible.

32. Vacuum tubes continue in critically short supply despite the production increase shown in the accompanying chart. Although manufacturers are expanding their facilities, one to two years will be required to overcome the shortage.



33. The upward trend in the production of radio receivers and transmitters continued in June as shown in the following chart. The shortage of tubes continues to retard production.



34. As a result of recent increases in the production of radio component parts other than tubes, current requirements can now be met.

COMPONENT PARTS

Product	Production May	Production June
Condensers	1,110,000	1,290,000
Resistors	955,000	1,520,000
Transformers	22,000	37,000
Speakers	41,000	29,000
Other radio parts a/	6,540	6,680

a/ Production figures in thousands of yen.

SOURCE: Reports of manufacturing companies.

35. The production of wire communications equipment is sufficient to meet current requirements.

WIRE COMMUNICATIONS EQUIPMENT

Product	Production May	Production June
Telephone sets	10,830	16,250
Manual switchboards	323	725
Automatic switchboards	3,830	3,770
Carrier equipment	92	132
Repeater equipment	577	450
Telephone cable a/	494	402
Wire communications parts b/	6,410	9,740

a/ Production figures in kilometers.
b/ Production figures in thousands of yen.

SOURCE: Reports of manufacturing companies.

The decrease in the production of telephone cable was due largely to a shortage of insulating paper.

Japanese Army and Navy Equipment

36. The redistribution of Japanese Army-Navy communications equipment was expedited in June with over 30 percent of the stock on hand on 1 June distributed by 30 June.

PERSONNEL

37. Absenteeism among workers of the Ministry of Communications and the communications equipment industry declined.

38. Most manufacturers of communications equipment grant their workers regular food-buying holidays. These are staggered among workers to stabilize production.

39. Ministry of Communications employees received a wage increase of 50 percent as part of the general increase for all government employees. This brings the average increase in the wages of these workers since the beginning of the Occupation to more than 300 percent.

40. It is now possible to segregate Ministry of Communications personnel by function.

MINISTRY OF COMMUNICATIONS PERSONNEL a/
30 June

Administrative		60,502
Operating		
Telephone	74,742	
Telegraph	41,856	
Postal	90,603	
Money orders and savings	69,583	
Postal life insurance and annuities	51,859	328,643
Construction		11,128
Total		400,273

a/ Only permanently employed personnel included.

SOURCE: Ministry of Communications.

41. In addition to these permanent employees about 15,000 temporary workers normally are employed, principally on construction. Most of the construction personnel are engaged in construction and installation of telecommunications equipment and apparatus.

All communications buildings are erected by outside contractors.

42. In anticipation of continued increases in the production of wire communications equipment manufacturers are conducting a training program for personnel.

SECTION 8

LABOR

C O N T E N T S

LABOR LEGISLATION

Labor Disputes Bill

1. The Labor Disputes Adjustment Bill was introduced in the Diet on 13 July.

Employers generally supported the bill while labor unions felt it was restrictive and presented several petitions to that effect to the Diet.

Labor Protection Bill

2. The Ministry of Health and Welfare announced that a Labor Protection Bill designed to consolidate and improve protective legislation contained in the Factory Act, the Mining Act, the Minimum Age for Industrial Employment Act and certain allied ordinances would be introduced in the fall session of the Diet.

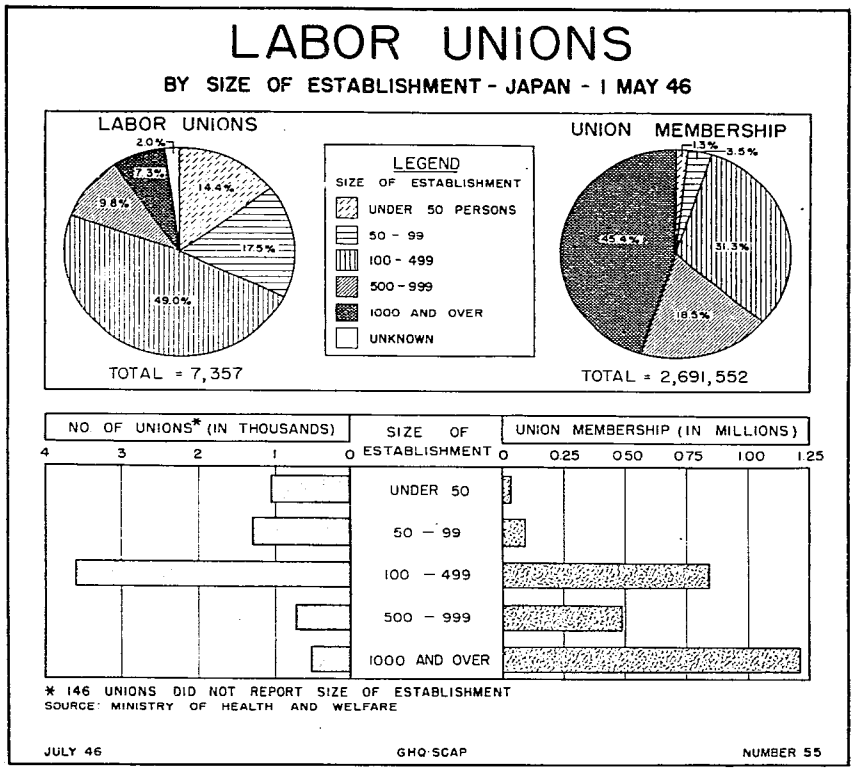
To obtain maximum public assistance in formulating this measure the Ministry dispatched questionnaires to more than 400 labor unions, employers and employer organizations requesting suggestions for extension of coverage and elevation of protection standards. Public hearings on the projected legislation will be held in August.

LABOR AND EMPLOYER ORGANIZATIONS

Labor Union Statistics

3. Chart, page 171 shows the monthly progress of labor unions from September 1945 through April.

4. The following chart gives the number of unions by size of establishment.



Labor Unions and Federations

5. Activities of labor unions and both major federations subsided during July as attention was focused on plans to strengthen the organizational structure of local unions and union alliances.

6. The All-Japan General Federation of Labor Unions prepared for its inauguration in Tokyo 1 through 3 August. This union claimed a membership of 800,000 at the end of July, an increase of one third over its claimed membership of 600,000 at the end of May. The leaders of the National Congress of Industrial Unions planned a formal inauguration of the Congress in late August.

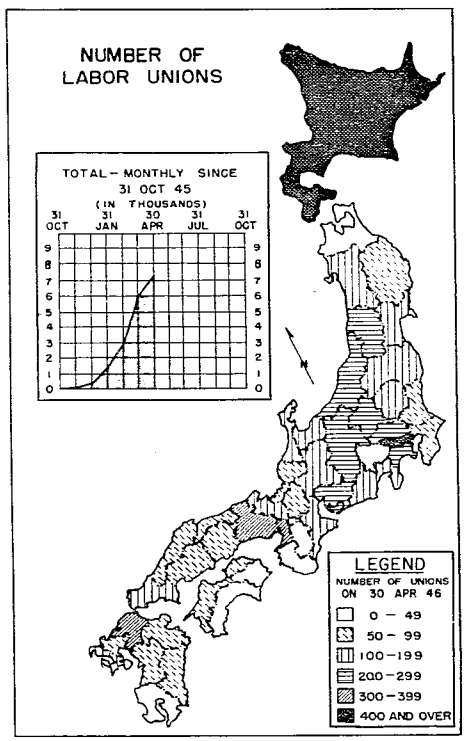
7. A comparison of the two federations indicated that the national and regional structure of the All-Japan General Federation of Labor Unions is tighter and more dependent on the individual leaders than that of the National Congress of Industrial Unions. The loose organization of the Congress has been largely compensated for by the aggressiveness and independence of such member unions as the All-Japan Railway Workers' Union and the All-Japan Communications Workers' Union.

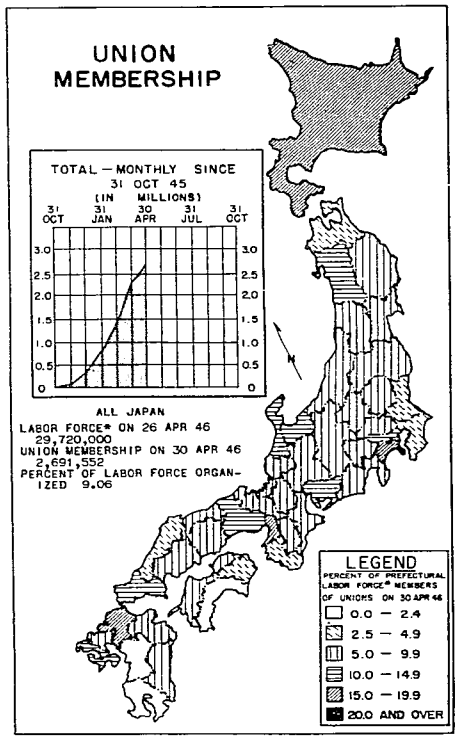
8. The prospect of unification of the two groups in the near future appears unlikely because of criticism leveled earlier by leaders of the Congress at certain Federation leaders. Both groups are competing to win the independent unions.

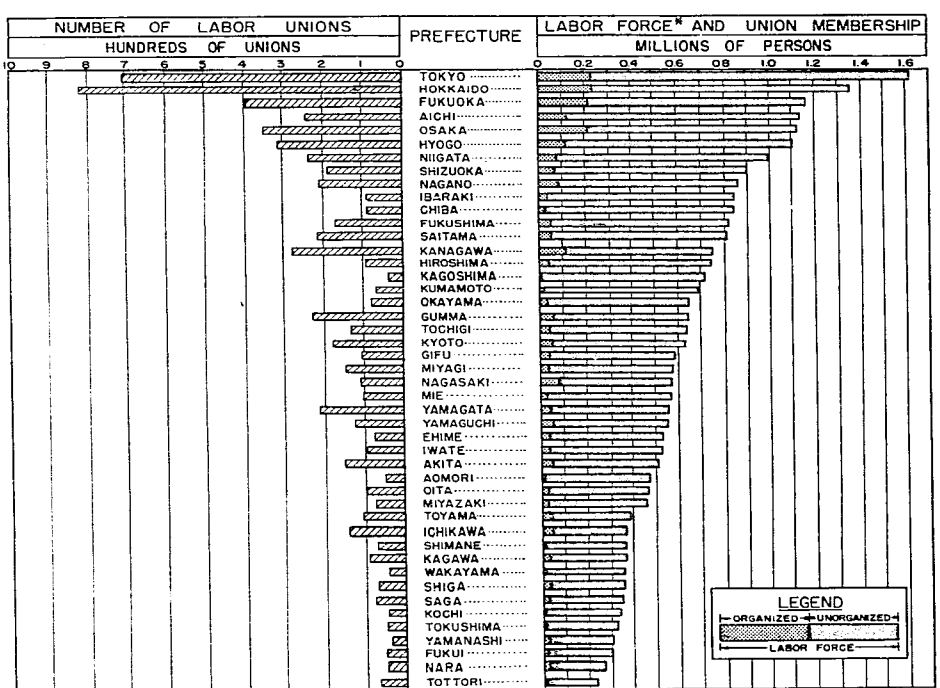
LABOR UNIONS

BY PREFECTURES

JAPAN







* LABOR FORCE = PERSONS AGE 13 – 61 (JAPANESE AGE RECKONING) ABLE AND WILLING TO WORK AS REPORTED IN THE NATIONAL CENSUS OF 26 APRIL 1946

SOURCE: MINISTRY OF HEALTH AND WELFARE

JULY 46

GHQ·SCAP

NUMBER 56

0465

LABOR RELATIONS

Labor Relations Committees

9. On 17 July the Central Labor Relations Committee released its preliminary report on Labor-Management Operations Councils. The study was made at the request of the Cabinet, which is promoting these councils as a substitute for "production control". Basic recommendations are:

(1) The Labor-Management Operations Council should be set up in the form of an agreement arrived at by collective bargaining with the labor union.

(2) The object of the Council should be to permit workers a degree of participation in management to promote industrial democracy.

(3) The Council should consist of management and employee members, selection to be determined by collective bargaining. Inclusion of third-party members should be considered, especially in public utility enterprises.

(4) The authority of the Council should be determined by collective bargaining. The nature of the enterprise and the degree and manner of union participation in management should be carefully considered.

(5) Decisions of the Council should require unanimity and be given the same legal effect as a collective trade agreement under the Labor Union Law.

Negotiations and Agreements

10. Protracted labor-management negotiations embodying a renewed drive by unions to raise wages occurred in July. Unions campaigned for increases of 100 to 200 percent, considerably less than the raises demanded in December 1945 and early 1946.

11. The most significant negotiations involved 1,630,000 employees of 19 government agencies who co-ordinated their collective bargaining activities for wage increases in one committee of government workers' unions.

Groups such as the Government Railway Workers' Union (520,000 claimed members), the All-Japan Public Corporation Employees' Union (540,000 claimed members), the Communication Workers' Union (400,000 claimed members) and the Japan Teachers' Union (70,000 claimed members) as well as small groups numbering a few hundred each were represented in the bargaining.

Labor Disputes

12. Labor disputes declined in July. No new strikes of any consequence were reported although the Tokyo metropolitan workers' and the Yomiuri-Hochi newspaper disputes continued.

13. "Production control" by workers appeared to be losing favor as workers conducting long sustained "production control" strikes foresaw little relief while employers, although losing prestige, experienced relatively small financial losses.

14. The Tokyo municipal workers undertook an adaptation of "production control" tactics when on 20 June unions representing

51,000 of the 70,000 employees instituted "business control" of the metropolitan government.

This action consisted of improving surface transportation and water supply, and in the administrative sphere of countersigning all official papers with the union committee seal of approval. No work interruptions were recorded.

After 11 days of such tactics designed to make the metropolitan government "lose face," a compromise was reached whereby the municipality was to stand ready to lend rather than grant outright to each employee the amount demanded by the union.

15. The question of rightful workers' bargaining agent was raised in the labor dispute of the Yomiuri-Hochi newspaper which broke out on 13 June with the dismissal of six employees for failure to comply with the paper's editorial policy.

The local union and the All-Japan Newspaper, Press and Radio Workers' Union charged violation of the trade agreement which they claimed required consultation with the union prior to discharge. However, in two votes taken on 26 June and 13 July the majority of the employees voted to accede to the dismissal of the six employees and to the later transfer to offices outside of Tokyo of some 41. They also voted to condemn a strike called by the national union on 12 July.

Acknowledging the call to strike, a minority group engaged in a sit-down strike. They were ejected by the majority faction and 31 strike leaders were discharged.

On 22 June four of the six discharged employees, and 52 other employees, who had continued to report to work, were arrested on the grounds of illegal entry. All those arrested were released, the 52 after four hours and the remaining four after 11 days. All charges were dropped and the union brought suit against the police for false arrest.

The charges of the national union, that the majority vote repudiating the union leadership was brought about by employer interference with the local and that such domination of the union contravened Article 2 of the Labor Union Law, were referred to the Tokyo Prefectural Labor Relations Committee for decision.

16. The Ministry of Home Affairs issued instructions on 21 and 22 June to prefectural governors which further delineated the role of police in labor disputes.

The instructions directed the police to watch carefully over instances of "production control" by workers during strikes for purposes of detecting accompanying infractions of the law such as forgery, impersonation or trespass.

Any regular police attendance at labor union meetings or collective bargaining conferences which may have been instituted locally was ordered discontinued, while the gathering of information on labor affairs was specifically denoted as a function of the Ministry of Health and Welfare. Police were instructed to attend labor meetings only when held in public places by numbers of persons large enough to create a problem of maintaining order, or when violence, breach of the peace, actual or attempted bodily harm or other specific unlawful acts were involved.

LABOR EDUCATION

17. Educational activities of labor groups continued to expand. The All-Japan General Federation of Labor Unions is operating two labor schools with attendance of 150 each in Saitama and Kanagawa Prefectures. The Socialist Party has set up labor schools in Tokyo, Osaka, Kanagawa and Ishikawa Prefectures. The major Communist Party schools for union organizers, ranging from 50 to 120 students each, are located in Kyoto, Ishikawa, Gumma, Tochigi, Nagano and Saitama Prefectures.

WAGES

18. June wage increases in the electric power and coal industries were followed by substantial increases for 1,630,000 government workers.

19. A report from the Cabinet Board for War Damage Construction showed a great disparity between official and "free market" wages for construction workers.

The report quotes the official fixed wages for carpenters during April at an average of ¥ 8.70 per day while the average "free market" wage in cities amounted to ¥ 46.20 daily. Respective figures for plasterers were ¥ 8.70 and ¥ 45.00, ditch-diggers ¥ 6.80 and ¥ 28.80, sheet-metal workers ¥ 8.50 and ¥ 44.60, roofers ¥ 7.80 and ¥ 40.80 and glaziers ¥ 7.40 and ¥ 40.10.

Free market wages varied considerably by area. In the Osaka-Kyoto-Kobe area construction workers' wages were the highest with carpenters, plasterers, sheet-metal workers and the like getting as much as ¥ 50 - ¥ 80 per day. In Tokyo, such free market wages were about ¥ 40 - ¥ 50 or only a little higher than the national average. In rural areas skilled construction workers rarely received less than ¥ 30 daily and averaged almost ¥ 40.

20. A general increase of 50 percent in the earnings of government workers resulted on 28 June when a special temporary allowance amounting to 200 percent of base pay plus regular allowances was granted in the six largest cities. This replaced the earlier special temporary allowance which amounted to 100 percent of base pay plus regular allowances. Workers in smaller cities and rural areas were granted allowances equal to 85 percent and 70 percent, respectively, of the big city allowances.

With this increase the average government worker's earnings reached approximately ¥ 350 per month. Seven percent of all government workers earned a net (less taxes) of ¥ 714 per month, 33 percent earned between ¥ 393 and ¥ 714 per month and 60 percent earned less than ¥ 393 per month.

21. On 22 July further wage adjustments were agreed on as a result of union demands to provide a minimum raise of ¥ 100 per worker plus ¥ 100 per dependent.

22. The Tokyo metropolitan workers' settlement, instead of increasing wages, made available a loan fund for the 70,000 workers to borrow up to ¥ 1,000 each, payable in five years without interest. The device was necessary in order to avoid bankrupting the municipal government.

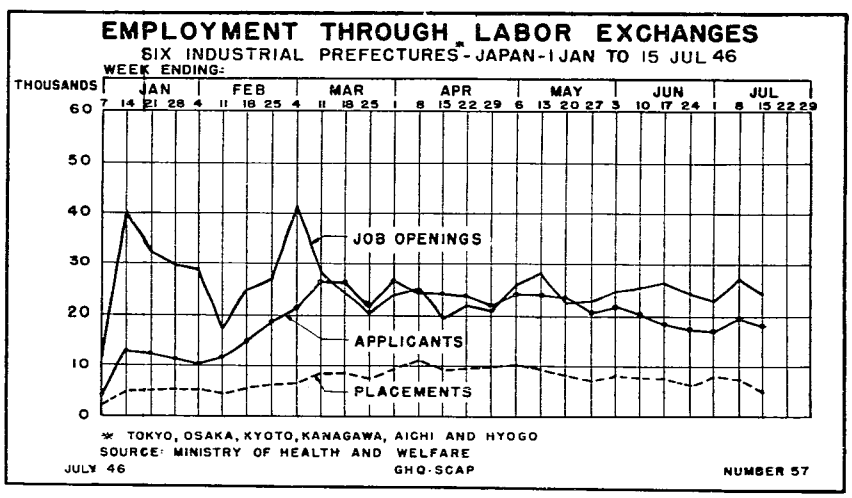
EMPLOYMENT AND UNEMPLOYMENT

23. Unemployment continued at an estimated 5,000,000. Additional plants permitted 3 to 8 days specified food holidays per month. Hours of work were shortened by many establishments in urban areas largely because of the food shortage.

24. All government and municipal offices went on half-day summer working basis effective 21 July. This schedule will continue until 31 August.

Labor Exchanges

25. The following chart of labor exchange activity, showing a decline in the number of placements, reflects reluctance on the part of workers to accept jobs requiring the expenditure of much energy.



Recruitment

26. The recruiting drives for cotton and silk textile workers continued to fall behind quotas. At the close of the first three months of the recruitment drive for workers for the cotton spinning and weaving mills only 18,475 women had been recruited as against the goal of 36,041, while the quota of 2,231 men had been met with 2,580 hired. Since 3,117 men and 18,309 women left the industry during the same period there was little change in the number of workers. Expansion was hampered by scarcity of food and low wages.

27. In the first three months of the drive to recruit silk filature spinners only 18,265 women and 1,933 men were hired against the goal of 29,944 and 1,564 respectively. During this period 6,225 women, one third of the number recruited, and 941 men or about one half of the number recruited left the industry.

28. With an allotment of ¥ 30,000,000 released by the Ministry of Finance, the Ministry of Health and Welfare by mid-July was operating 193 vocational training stations. Approximately 14,000 students were being trained as carpenters, joiners, sawmill operators, boat builders, farm implement workers, handicraft workers and clerks.

Additional funds of the ¥ 250,000,000 appropriation for the vocational training program are expected as the Economic Stabilization Board begins to operate.

COAL MINE LABOR

29. The release of food to coal miners in Hokkaido resulted in an increase in production efficiency. Output per man for May was 5.69 tons while in June it went up to 6.25 tons. Conversely, in Kyushu mines where the food situation became acute a decline in production efficiency from 5.06 tons per man in May to 4.38 tons in June was reported.

LABOR FOR OCCUPATION FORCES

30. Although absenteeism among workers employed for Occupation Forces was high because of the necessity to search for food, the supply remained satisfactory. No serious shortages of labor were reported in the large scale program of constructing barracks and housing for the Occupation Forces.

31. The policy of denying employment to persons hostile to the Occupation was clarified by SCAP. Japanese nationals who fall under the "political purge" or who exhibit nationalistic or militaristic tendencies were barred from employment as were Axis collaborationists and Axis nationals other than anti-Fascists or those rendered stateless for racial or political reasons. Those excluded by the "educational purge" directives were forbidden employment in supervising, teaching or liaison positions. Exceptions were to be permitted only for irreplaceable specialists if approved by army or separate corps commanders.

32. To meet the cost of living the Japanese Government authorized wage allowances ranging from ¥ 100 to ¥ 250 per month retroactive to 16 May for permanent employees working for the Occupation Forces. The allowances will be uniform for all classes of workers within a given labor area and will be based on the prevailing area wage rates and the food shortages in the area.

33. In keeping with the shortened work week of the Occupation Forces, effective 16 July, a standard 40-hour work week was established for workers employed for the Occupation Forces. At the same time the practices of overtime pay at time and a half rates and leave with pay accumulating at the rate of two days per month, both innovations in Japan, were installed.

ADMINISTRATION

34. An Allowance Bureau was established in the Ministry of Finance to handle problems of wage administration for government employees. The first project of this Bureau was the preparation of a plan consolidating the various regular allowances and bonuses of government workers into regular monthly wages.

SECTION 9

IMPORTS AND EXPORTS

C O N T E N T S

1. Greatly increased import shipments during July taxed the port facilities of Yokohama, Nagoya, Kobe and Otaru but movements were effected without serious delay by the use of secondary ports. Fifty vessels carrying 326,000 tons of commercial imports arrived during the month, including 41 ships carrying foodstuffs, 3 phosphate rock and 6 raw cotton.

TRADE POLICY AND PLANNING

2. The revised Japanese import and export programs for the second half of 1946 were forwarded by SCAP to Washington for approval. The realization of these programs will require the importation of 84 commodities in critically short supply and an increase in production for export.

3. On 16 July SCAP amended the export regulations published in March to provide for the insertion of prices on invoices and clarify basic procedures.

EXPORTS

4. The following table shows exports from Japan during June and the first half of July together with total shipments for 1946.

EXPORTS

Country and Commodity	Unit	SCAP Authorization a/	Shipments 1946		
			June	July 1-15	Jan-July 15
China					
Detonators, electric	pc	726,000	180,000		546,000
Dynamite	cs	5,600	1,500		4,100
Eggs, silkworm	sheet	300,000			300,000
Locomotives, mining	ea	22	15		15
Motor, electric (mining locomotive)	ea	22	10		10
Seedlings, mulberry	pc	2,000,000			2,000,000
Sleepers, railway	pc	140,000			144,650
Timber, mining	pc	297,000 (monthly)	351,412	182,800	1,490,944

0471

Country and Commodity	Unit	SCAP Authorization a/	Shipments 1946 June	July 1-15	Jan-July 15
Hongkong					
Coal	MT	18,000 (per mo)	18,888	9,648	106,789
United Kingdom					
Seeds, larch	lb	100			100
United States					
Agar-agar	lb	1,076,000	47,610		47,610
Antimony, slab	lb	3,306,900	535,930	614,068	1,149,998
Heaters, electric b/	set	2,000			2,000
Silk	bl/cs	83,900	12,455	5,936	49,851
Tin	lb	22,046,000	4,409,664	4,145,400	8,555,064
Lead	MT	15,000	5,000		5,000
Rabbit hair, angora	lb	10,300	5,600		5,600
Handicraft samples	cs	44		44	44
Rubber	MT	10,000	1,192	713	1,905
U.S.S.R.					
Eggs, silkworm	sheet	50,400			50,400
Korea					
Alcohol, industrial	drum	10	10		10
Aluminum sulfate	MT	1,260	634	126	1,269
Apparatus, electrical	MT	c/		10	10
Bamboo	bdl	84,333	42,846		63,634
Bicycle parts	cs	4,740,000 (pcs)		937	937
Calcium carbonate	Meas T	500	130		130
Cars, motor	ea	2	2		2
Chlorine, liquid	MT	12			12
Cloth					
Cotton	sq yd) Total			981,795	981,795
Silk	sq yd)2,636,178			148,715	148,715
Wool	Lin yd) sq yds			26,000	26 000
Coal	MT	d/	70,000	17,500	408,869
Cutouts, outdoor	ea	50	50		50
Cutters, cloth	set	3	3		3
Film, X-ray	sheet	8,000	8,016		8,016
Headlights	cs			16	16
Ink, printing	lb	800	800		800
Lamp, electric	cs			37	37
Magnesium carbonate	MT	100			30
Needles, cutting	pc	500			500
Paper, cigarette	lb	395,818	130,134		395,818
Pitch	MT	6,214			8,426
Poles, telephone	pc	3,000		3,000	3,000

Country and Commodity	Unit	SCAP Authorization a/	Shipments 1946 June	Shipments 1946 July 1-15	Shipments 1946 Jan-July 15
Korea (continued)					
Pyrethrum flowers	MT	85			85
Salt	MT	4,000			4,000
Seeds, vegetable	kg	54,368	32,750		32,750
Seeds, mulberry	lb	3,000			3,000
Seedlings, mulberry	pc	910,000			910,000
Soda ash (sodium carbonate)	MT	75			60
Soda sulfate (Glauber salt)	Meas T	3	5.6		5.6
Sodium amide	kg	100			100
Sodium bicarbonate	MT	5			5
Sulfur	MT	500	510		510
Transportation Equipment					
Locomotives,					
Electric	ea	4			1
Gasoline	ea	5			5
Steam	ea	3		2	3
Locomotive and tender	ea	7			2
Locomotive parts					
Frame main	set	1			
Motor, elec	ea	c/	6		6
Motor acces	ea	c/	1		1
Tender	ea	4	2		2
Tender frame	ea	2	2		2
Tender truck	ea	3	1		1
Tires, locomotive	pr	292	292		292
Truck, leading	ea	1	1		1
Tubes, boiler	lb	17,800			10,897
Wheel and axle	pr	80	80		80
Switch system parts	box	c/			28

a/ Total quantity authorized by SCAP to date for shipment in 1946.
b/ For United States Armed Forces in China.
c/ SCAP authorization in terms of detailed list not separately identifiable.
d/ Authorization of 70,000 to 75,000 per month, January through June; 50,000 for July.

5. The following commodities have been offered to the U.S. Commercial Company for possible shipment to the United States: ajino-moto (soup flavoring), tea, dinner sets, tea sets, pottery figures, pedaline braid, Christmas tree lights and ornaments, Christmas table ornaments, manganese alloys and album covers.

6. The 5,700 metric tons of crude rubber now awaiting shipment to the United States will bring the total exports of this item to 7,652 tons against a commitment of 10,000 tons.

7. Repair parts for 25,000 bicycles were scheduled for shipment to Korea during July. This is the first half of a commitment for repair parts for 50,000 bicycles to be shipped before 30 September.

IMPORTS

8. The following table summarizes imports received during June and the first half of July together with cumulative totals for 1946.

IMPORTS

Country and Commodity	Unit	Quantity Received 1946 June	July 1-15	Jan-July 15
China				
Bran, wheat	MT	5,284		5,284
Iron, pig	MT	2,000		2,000
Phosphate rock	MT	2,051	3,600	8,899
Salt	MT	4,122	8,100	125,787
Hongkong				
Biscuit	LT		20	20
Vegetables	LT		500	500
Korea				
Fish, fresh	MT			20
United States a/				
Cotton, raw	lb	21,827,277	38,395,158	71,154,483
Dynamite	sticks			27
Medical supplies and supplies for rodent control b/	MT	48.5	2.5	862.5
Petroleum products				
Oil, fuel	bbl	269,176	147,726	930,474
Oil, lubricant	gal			133,700
Phosphate rock	MT	832		13,274
Seed, vegetable	lb	57,825		58,353
Tentage and canvas, scrap	lb	422,306		422,306
Food				
Army supplies misc	LT		16,560	16,560
Beans	lb			284,325
Canned goods misc	LT	6,846	22,476	33,822
Cereal	lb			334,457
Corn	lb		18,536,000	18,757,982
Crackers, soda	lb			570
Eggs	doz			1,610
Feed, misc	lb	82,047		82,047
Fish, canned	lb	9,860,605		11,519,724
Flour	lb	18,194,855	36,962,240	68,121,330
Foodstuffs, misc	LT	8,630	3,524	12,154
Juice, apple	lb	3,912		3,912
Fruit, canned and dried	lb	368,651		426,981
Meal, corn	lb			95
Milk, canned	lb			328
Onions	lb			350,000
Potatoes	lb			426,900
Meat, canned, dried, frozen	lb	2,715,605		24,123,709
Rations	lb			16,297,504

Country and Commodity	Unit	Quantity Received 1946 June	July 1-15	Jan-July 15
United States a/ (Cont'd)				
Rice	lb			35,772,230
Salt	lb			16,040
Shortening (and butter)	lb			9,030
Squid, canned	lb			2,588,760
Subsistence supplies misc	LT		3,739	3,739
Sugar	lb	2,312,320		3,058,055
Wheat	lb	93,403,520	183,630,720	370,883,707
Yeast	lb	15,000		15,000

a/ Includes goods supplied from local U.S. Army and Navy stocks and goods obtained by U.S. Government agencies from areas outside the United States, in addition to goods shipped from the United States proper.

b/ Includes vaccines, insect powder, ointments, soap and other supplies. Quantity is a rough estimate since receipts are in terms of vials, boxes and other containers.

9. In addition to the amounts listed in the table above shipments of phosphate rock were received in July from North Africa. Instructions have been issued to the Japanese to arrange for loading and shipping phosphate from Angaur Island and other sources.

10. June loadings of cereal from the United States for Japan were sufficiently in excess of the schedule recommended by former President Hoover during his visit in early May to more than make up the shortage of May loadings. Approximately 212,000 tons of cereals arrived in Japan in July and an additional 32,000 tons were diverted to Korea.

Forty thousand tons of miscellaneous army food supplies were scheduled for July arrival in Japan and another 5,000 tons were diverted to Korea.

11. The third cargo of raw cotton arrived in Kobe in late June. The shipment consisted of about 11,000 bales of one inch strict good ordinary and good ordinary, 9,000 bales of 13/16 inch middling spotted and an assortment of 2,000 bales of miscellaneous types. All but the inch cotton was released for manufacture into cotton textiles for export. The Japan Textile Association proposed to use the 11,000 bales of one inch for spinning 20s yarn and spinning tests were ordered to determine whether this cotton could be used to produce finer yarns such as those required to make print cloth (shirtings).

Six additional cargoes of raw cotton arrived in Japan during July, making total imports since 5 June 185,384 bales. Seven more shiploads containing 131,842 bales have left the United States for Japan and will arrive on or before 15 August. The total shipped to date is 317,226 bales.

The Board of Trade was authorized to release 46,800 bales of cotton for manufacture of cotton yarn. It is planned to export about 2,000,000 pounds of this yarn and allocate the rest to the manufacture of fabrics. The bulk will be used in weaving coarse sheetings, medium sheetings and jeans. Large quantities of drills and print cloths are scheduled for future production.

SECTION 10

RATIONING AND PRICE CONTROL

C O N T E N T S

FOOD

The Food Crisis

1. During July food supply reached its most critical stage since the beginning of the Occupation. Government-controlled staple food stocks, already at a low level in June, were even lower by July. The smallest quantity of fresh vegetables in any month since February was distributed through legal markets during July.

2. The dwindling food supply was reflected in the average diet, as attested by a survey made in Tokyo in May but reported for the first time in July. The survey showed the average food intake per person per day from all sources to be 1,352 calories per day.

Measures to Relieve Food Deficits

3. SCAP, following its policy of supplementing domestic food supplies to prevent starvation and civil unrest, found it necessary to release imported foods in 20 prefectures. The Japanese Government continued its efforts to increase collection of staple foods and curtailed supplementary rations to heavy laborers, but these measures fell short of solving the problem.

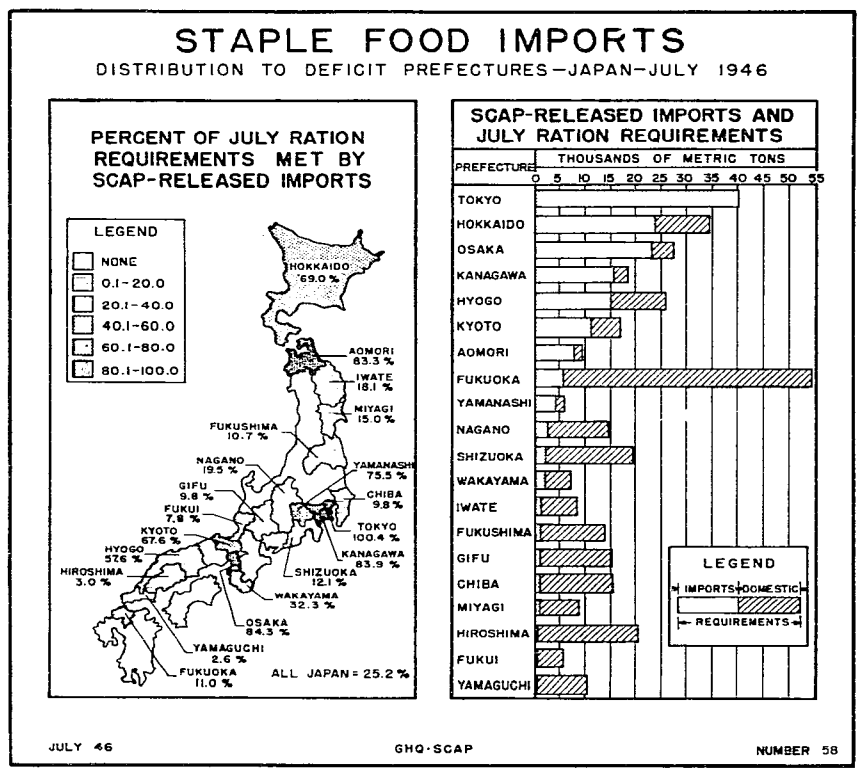
Release of Imported Foods

4. A total of 157,435 metric tons of cereals and 17,273 tons of canned foods was released in July. This was equivalent to approximately 25 percent of the total monthly ration requirements of staple foods for Japan.

5. In the 20 prefectures affected, imports provided as high as 100.4 percent of the staple food requirement (in Tokyo-to) to

as little as 2.6 percent (in Yamaguchi). The apparent "over-distribution" in Tokyo is due to the fact that only a fraction of the canned food released for distribution in Tokyo on 13 July was actually distributed during the month because of difficulties of segregating the various types of food. Distribution of the rest of the releases was held over until August.

6. The following chart shows the imported food releases by prefecture, the total ration requirements by prefecture and the percentage of requirements met by imported foodstuffs. Imported canned foodstuffs have been converted to rice equivalents.



7. Total imported food releases through the end of July are shown in the following table:

RELEASES OF IMPORTED FOOD a/
Through 31 July
(long tons)

Date of Authorization	Description	Quantity	Area
25 April	Rice	7,768	Hokkaido
19 May	Wheat flour	8,705	Tokyo-Yokohama
9 June	Wheat flour	10,000	Tokyo-Yokohama
9 June	Wheat flour	8,147	Hokkaido
22 June	Rice, wheat flour	22,250	Tokyo-Yokohama
27 June	Wheat flour, canned goods	7,106	Aomori and Yamanashi
1 July	Wheat, wheat flour, rice	46,698	18 prefectures
12 July	Wheat flour, canned goods	66,478	19 prefectures
22 July	Wheat, wheat flour, corn	58,754	20 prefectures
Total		235,906	

a/ Excluding U. S. Army spoiling foodstuffs.

The balance of imported foods on hand on 20 July, adjusted for total amount released during the month, was 144,936 long tons of rice equivalents, of which 71,887 were held by the U. S. Army. The balance on 21 June was 193,616 tons.

8. Canned food was included in the releases of imported food because of the shortage of staple foodstuffs. The Japanese Government has divided the various types of food suitable for use as staple food substitutes into four categories: fats, cereals, canned meats, and dried fruits and vegetables.

A substitution rate for rice has been established for each category. In order to simplify the distribution plan one price has been set for each category except cereals and their caloric equivalents, which sell at the existing official prices for corresponding Japanese foods.

Prices and substitution rates of these foods are shown in table below:

STAPLE FOOD SUBSTITUTUES

Item	Price per Pound (yen)	Rate of Substitution for Rice (percent)
Fats and their equivalents	5.00	150.0
Cereals and their equivalents	a/	100.0
Canned meats and their equivalents	2.00	66.7
Dried fruit and vegetables and their equivalents	1.50	33.3

a/ Current official price for corresponding Japanese foods.

Staple Foods under Government Control

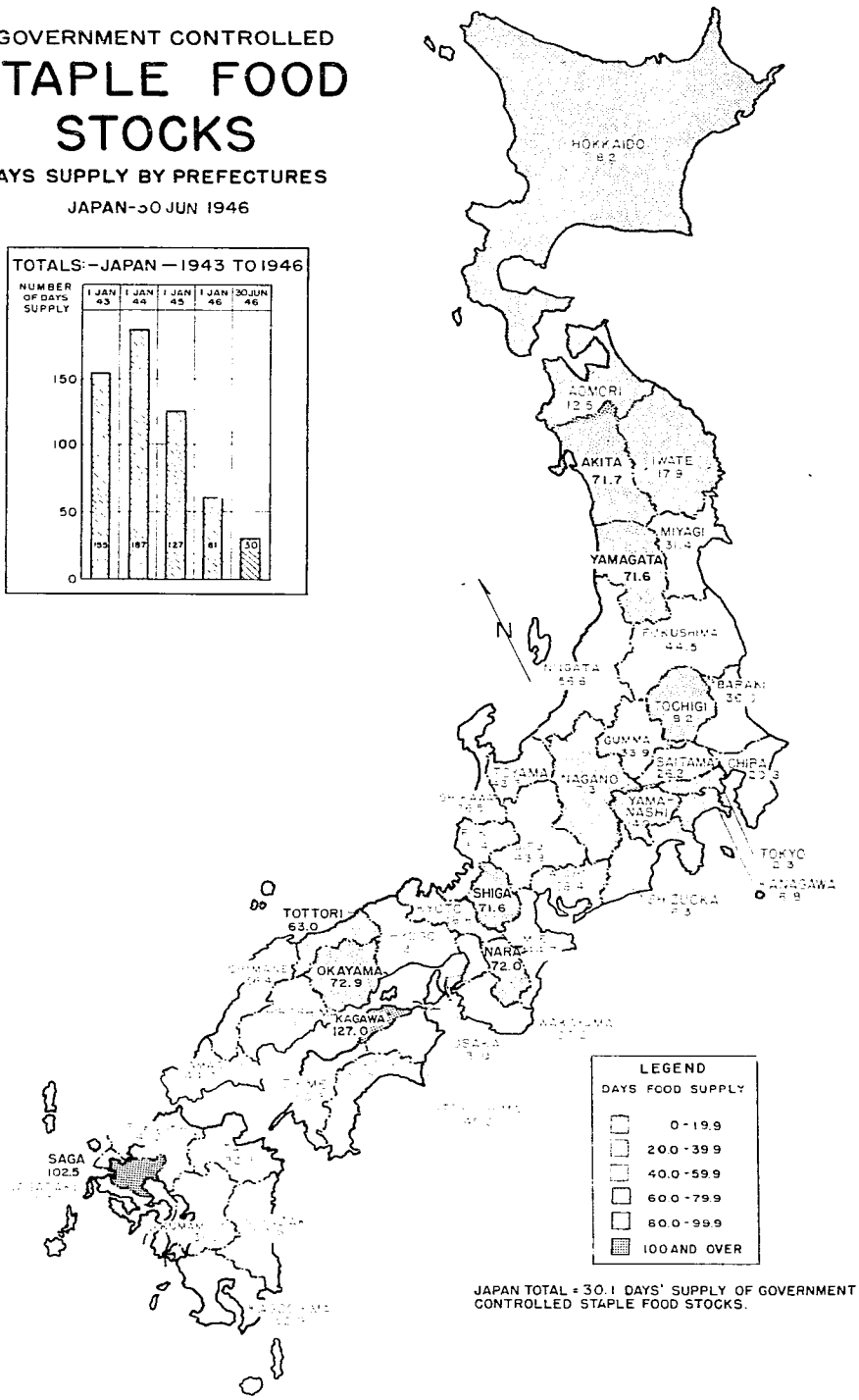
9. On 30 June staple foodstuffs under government ownership averaged 30.1 days supply. Quantities on hand varied from 2.3 days in Tokyo to 127 days in Kagawa Prefecture. See charts, pages 186 and 187.

GOVERNMENT CONTROLLED

STAPLE FOOD STOCKS

DAYS SUPPLY BY PREFECTURES

JAPAN-30 JUN 1946



JAPAN TOTAL = 30.1 DAYS' SUPPLY OF GOVERNMENT CONTROLLED STAPLE FOOD STOCKS.

SOURCE: MINISTRY OF AGRICULTURE OF FORESTRY

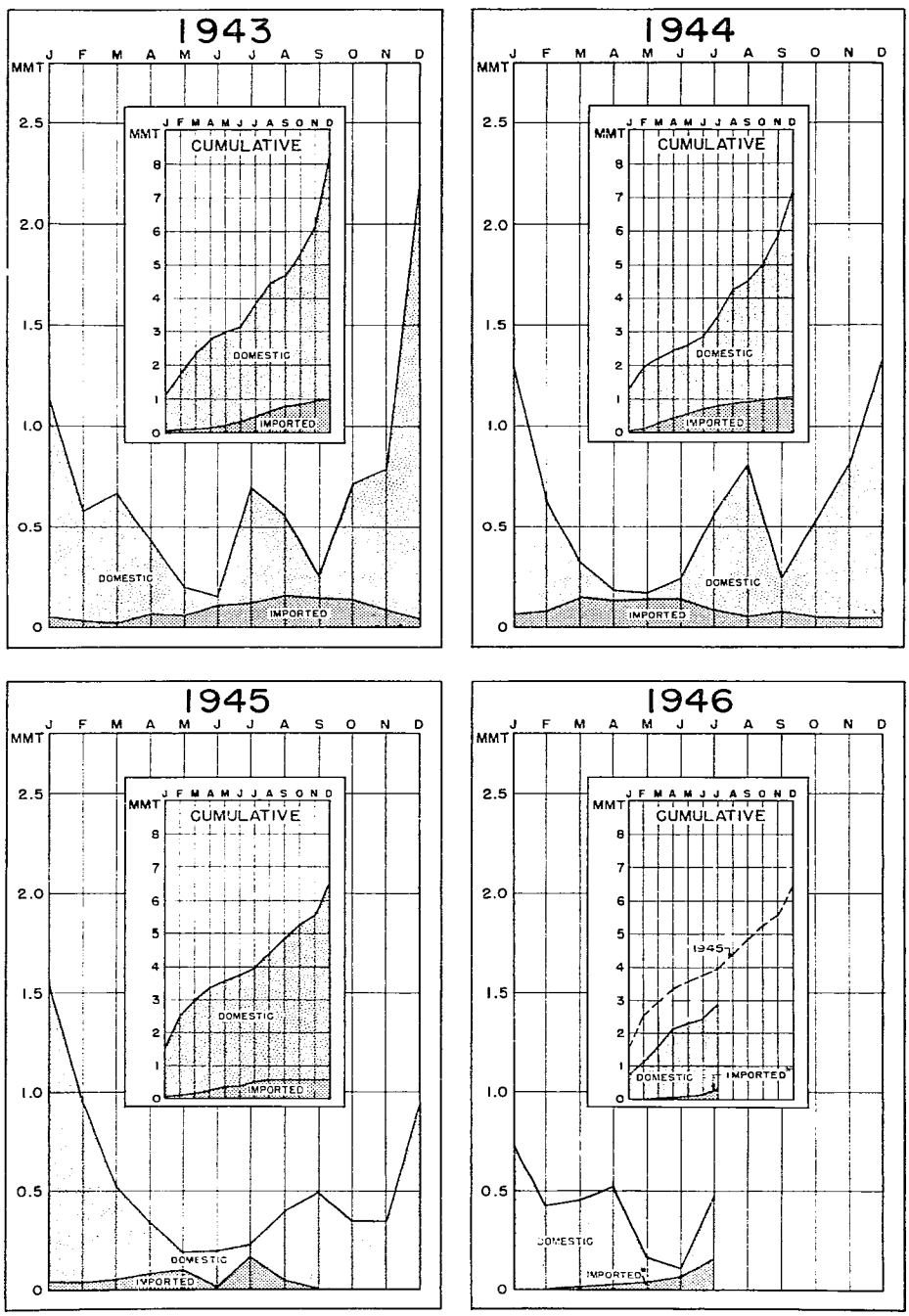
JULY 46 GHQ SCAP NUMBER 59

0480

STAPLE FOOD

PURCHASES BY THE JAPANESE GOVERNMENT

MONTHLY 1943–1946



MMT = MILLION METRIC TONS * RELEASED TO JAPANESE GOVERNMENT FOR CIVILIAN DISTRIBUTION

NOTE: ALL QUANTITIES HAVE BEEN EXPRESSED IN TERMS OF RICE. COMPARABLE FIGURES FOR CEREALS OTHER THAN RICE HAVE BEEN OBTAINED BY COMPUTING THEIR NUTRITIONAL EQUIVALENT IN METRIC TONS OF RICE.

SOURCE: MINISTRY OF AGRICULTURE AND FORESTRY

JULY 46 GHQ · SCAP NUMBER 60

10. Until July the food crisis was confined to Tokyo, Kanagawa, Hokkaido, Aomori and Yamanashi Prefectures. By late June food stocks were exhausted in all major urban areas and delays in ration distribution became increasingly serious.

Entire prefectures became deficit areas as the interprefectural movement of food practically ceased and local stocks were exhausted.

Collection of Wheat, Barley, Naked Barley and Potatoes

11. The central agency for the collection of wheat, barley and potatoes is the Food Management Board of the Ministry of Agriculture and Forestry. Prefectural authorities are consulted in determining collection quotas for each prefecture concerned.

12. A district food committee is organized in each prefecture. This committee is composed of representatives of political parties, consumers and farmer associations. The committee arbitrates with the Food Management Board and agrees on a prefectural quota which it assigns to each county, town and village within the prefecture.

13. In towns and villages food readjustment committees are elected. The chief of each hamlet and government food inspectors serve as exofficio members. Individual farmer quotas are fixed by this committee. Any farmer who disagrees with his assigned quota may present his case to the food readjustment committee for review and possible revision.

14. In establishing the collection quota for each farmer consideration is given to the estimated food stocks held by the farmer on 1 July; to an estimate of his harvests of wheat, barley, naked barley and potatoes; and to the consumption requirements of the farm family. The consumption requirement is calculated on the same staple food ration basis as used for nonproducers.

A supplementary ration allowance based on crop areas is also included. This supplementary ration varies from district to district. In the Hokuriku and Tohoku districts, the supplementary ration allowance of rice is 12 kilograms per tan (.99 hectare); in Kyushu it is 15 kilograms per tan. The supplementary ration allowance of wheat is 6.8 kilograms per tan for all Japan except in Kyushu where only 5.5 kilograms per tan is allowed.

Distribution of Fresh Vegetables

15. The total distribution of fresh vegetables in the major cities during June was 12,686 metric tons, the lowest since February. Daily per capita consumption was 52.2 grams as compared with an average 84.5 grams for the previous six months. Since vegetable production was on a seasonal uptrend the sharp decrease was the direct result of removal of government subsidies.

16. Only the cheapest vegetables such as daikon (giant radish), turnips, cabbage, greens and herbs were reaching consumers through official channels. This supply was due to the fact that these vegetables commanded a black-market price only slightly higher than the official price.

17. The situation in Osaka was acute. Consignments of vegetables fell from a daily average of 263 metric tons for the first week in May to a daily average of 27 metric tons for the first week of June. On 12 June the Osaka Fresh Fruit and Vegetable Control Company, financed by the Osaka municipal and prefectural governments, commenced buying vegetables for the consumers in the black market

at black market prices, thus in effect giving official recognition to the failure of ceiling price schedules.

The Ministry of Agriculture and Forestry issued a strong directive to the local government to discontinue the black-market purchases and the practice was discontinued on 5 July.

18. Daily per capita distribution of fresh vegetables in six major cities from December through June is shown in Chart 61, page 190.

Distribution of Fresh Fish

19. The quantity of fresh fish distributed in the major cities during June decreased slightly but was still considerably greater than the monthly average for the first quarter of 1946. Daily per capita consumption was 44.6 grams as compared with the 26.9-gram average of the previous six months. Daily distribution per capita for the six major cities from December through June is shown in Chart 62, page 190.

No major changes were made in the fish price schedule.

Tea

20. On 17 July SCAP authorized the Japanese Government to release for home consumption 934,975 pounds of tea from stocks which had been frozen.

Nutrition Survey

21. The critical nature of the food position of large urban areas was reflected in a nutrition survey conducted in May under the supervision of SCAP. Average food intake from all sources in Tokyo during May was 1,352 calories per person per day. This relatively low caloric intake reflects the sharp curtailment in distribution of the staple food ration in Tokyo during the month. It also indicates that the supply of food from black markets, gifts and other sources has markedly declined. Details of the survey are given on pages 232 and 233.

Synthetic Soy Sauce

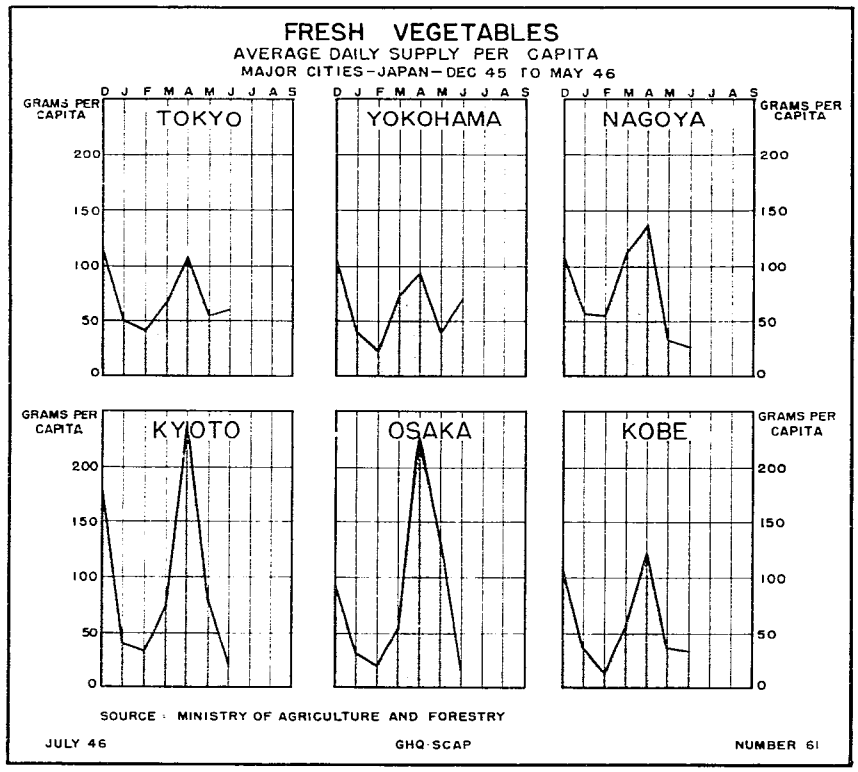
22. A new producers' price scale for synthetic soy sauce (amino acid) went into effect on 17 June, changing the December 1945 prices as follows:

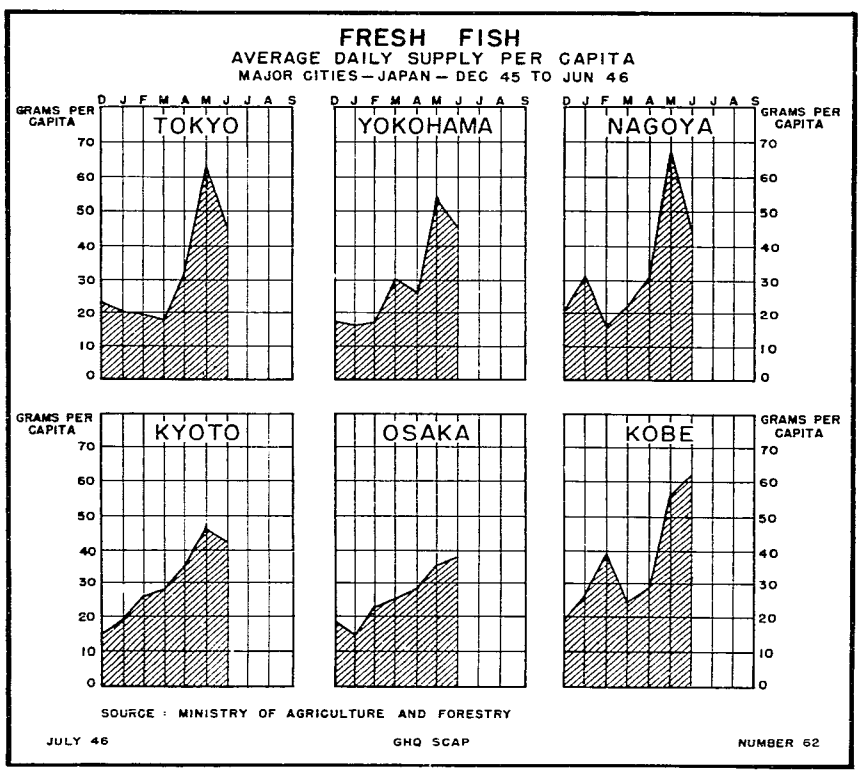
SYNTHETIC SOY SAUCE
(yen per 0.607 hectoliters)
17 June

Nitrogen Content (percent)	Old Price	New Price	Percent of Increase
Over 2.0	46.80 a/	69.00	47.4
	37.44 b/		84.3
1.6 to 2.0	35.10 a/	51.70	47.3
	28.08 b/		84.1
0.8 to 1.5	19.40 a/	31.60	62.9
	15.57 b/		103.0

a/ Contains glutamic acid.
b/ Glutamic acid removed.

SOURCE: Ministry of Agriculture and Forestry.


FRESH VEGETABLES
AVERAGE DAILY SUPPLY PER CAPITA
MAJOR CITIES-JAPAN-DEC 45 TO MAY 46
D J F M A M J J A S
GRAMS PER CAPITA
TOKYO
YOKOHAMA
NAGOYA
KYOTO
OSAKA
KOBE
200
150
100
50
0
SOURCE : MINISTRY OF AGRICULTURE AND FORESTRY
JULY 46
GHQ SCAP
NUMBER 61


FRESH FISH
AVERAGE DAILY SUPPLY PER CAPITA
MAJOR CITIES-JAPAN-DEC 45 TO JUN 46
D J F M A M J J A S
GRAMS PER CAPITA
TOKYO
YOKOHAMA
NAGOYA
KYOTO
OSAKA
KOBE
70
60
50
40
30
20
10
0
SOURCE : MINISTRY OF AGRICULTURE AND FORESTRY
JULY 46
GHQ SCAP
NUMBER 62

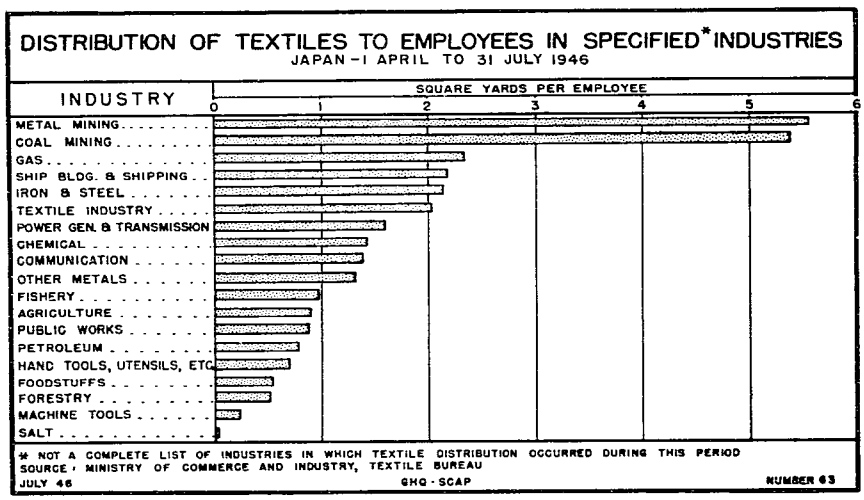
CLOTHING AND TEXTILES

23. Clothing and textiles were distributed on a provisional basis pending the institution of the new allotment program. Supplies were still short of requirements and clothing was issued only for emergency requirements and for essential industrial uses.

Distribution of Textiles to Industrial Workers

24. Distribution of textiles by class of consumer from April through July is shown in table, page 192.

25. The chart below shows amount of textiles for clothing per worker in selected industries. It is apparent from this chart that distribution from April through July was not carried out in conformity with the priority plan for essential workers drawn up by the Japanese Government.



Coal miners received about the proper amount per capita, whereas workers engaged in agriculture, fisheries and the chemical fertilizer industry received a much smaller amount than they were entitled to under the ration plan. The Textile Bureau of the Ministry of Commerce and Industry stated that the unbalance in distribution to essential workers will be rectified in the second and third quarters of the fiscal year 1946.

Textile Rationing Program

26. The per capita ration of textile materials for civilian consumption during the fiscal year 1 April 1946 to 31 March 1947 has been fixed at 8.9 square yards. Approximately 695,000,000 square yards of textiles will be distributed.

Methods of clothing distribution will be similar to those used in allocating other essential materials in short supply. By classifying the major industries according to essentiality and combining this list with the average annual requirements per capita in each industry, a basic ration of clothing for essential workers has been determined by the Japanese Government and is shown in the following table:

TOTAL DISTRIBUTION OF CIVILIAN TEXTILE GOODS
April-July
(square yards)

Class of Consumer	Quantity of Cloth
Agriculture	10,820,548
Forestry	954,469
Fishery	688,277
Coal mining	2,060,171
Metal mining	671,970
Iron and steel	240,675
Other metals	39,430
Other metals (government workers)	2,365
Machine and tools industry	266,395
Chemical industry	193,679
Salt manufacture (government workers)	900
Petroleum industry	14,942
Textile industry	699,818
Paper and pulp industry	65,715
Daily necessities	119,431
Foodstuff industry	208,424
Printing and publications	40,253
Timbering	326,690
Shipbuilding	579,228
Shipping	505,227
Communications	18,200
Communications (government workers)	386,703
Transportation	338,850
Transportation (government workers)	2,091,907
Motor transportation	1,436,531
Public works	855,902
Public works (government workers)	161,640
Gas industry	38,614
Water works	65,201
Power generation and transmission	133,850
Laborers at rationing outlets	82,943
Day laborers	159,072
Reclamation	1,270,844
Medicine and sanitation (government workers)	75,433
Police and prison (government workers)	873,880
Others	589,878
Held in reserve	5,001,981
Total	32,080,036
Repatriates	26,787,280
Babies and pregnant women	4,200,000
Elementary school boys	3,163,500
Students	580,059
General public	75,024,752
Grand Total	141,835,627

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

CLOTHING REQUIREMENTS AND BASIC RATION
FOR ESSENTIAL INDUSTRIES

Industrial Group	Average Annual Industrial Requirement: Working Clothes (suit)	Army Gloves (pair)	Gaiters (pair)
Industries allocated 100% of requirements			
Agriculture	1.00	0.33	0.33
Marine products	1.00	2.00	0.00
Chemical fertilizer	1.50	3.50	0.00
Coal mining	1.50	7.00	1.00
Industries allocated 80% of requirements a/			
Steel	1.50	3.00	0.00
Fabrics	1.00	0.50	0.00
Silk	1.00	0.00	0.00
Food processing	0.67	0.50	0.00
Salt manufacture	0.67	1.00	0.00
Civil engineering and construction	1.00	3.00	0.50
Overland transportation	1.00	0.50	0.50
Shipbuilding and shipping	0.67	1.00	0.00
Communications	0.67	0.50	0.50
Chemical products	1.50	3.50	0.00
Liquid fuel	1.50	3.50	.00
Mining industry	1.50	3.50	0.50
Metal industry	0.67	2.00	0.00
Stone and sand	1.00	3.00	0.00
Machinery	0.67	2.00	0.00
Gas	1.00	0.50	0.50
Electricity	1.00	1.00	0.50
Forestry	1.00	3.00	1.00
Medicine and sanitation	1.00	2.00	0.00
Necessaries	0.67	0.50	0.00

a/ Full requirement is shown; 80 percent has not been applied in table.

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

27. A quarterly allocation of textiles to each essential industry will be made on a pro rata basis, using the basic ration factors described above. The amount of textiles to be received by each prefecture under this plan will be announced quarterly by the Ministry of Commerce and Industry. The prefectural authorities will in turn make public the amount of textiles each industrial group is to receive during the quarter.

Since it is not expected that the quarterly allocation will be sufficient to satisfy the basic ration requirements of all workers engaged in these industries, the types of jobs within each group have been classified in order of their importance. Those workers with the more essential jobs will receive preference. For example, farmers who grow rice and wheat will receive priority over farmers growing other crops.

28. Prefectural authorities will issue clothing purchase tickets to the designated industries each quarter. Workers will receive coupons from their employers authorizing them to purchase clothing from the retail outlets of prefectural clothing distribution associations. Issuance of coupons will be closely controlled to avoid issuing coupons against a nonexistent supply, and allocation notices will be made public through newspapers, bulletins and other media. Workers' and farmers' local committees will monitor the issuance of purchase coupons and bring to the attention of the local authorities any irregularities.

Price of Raw Silk

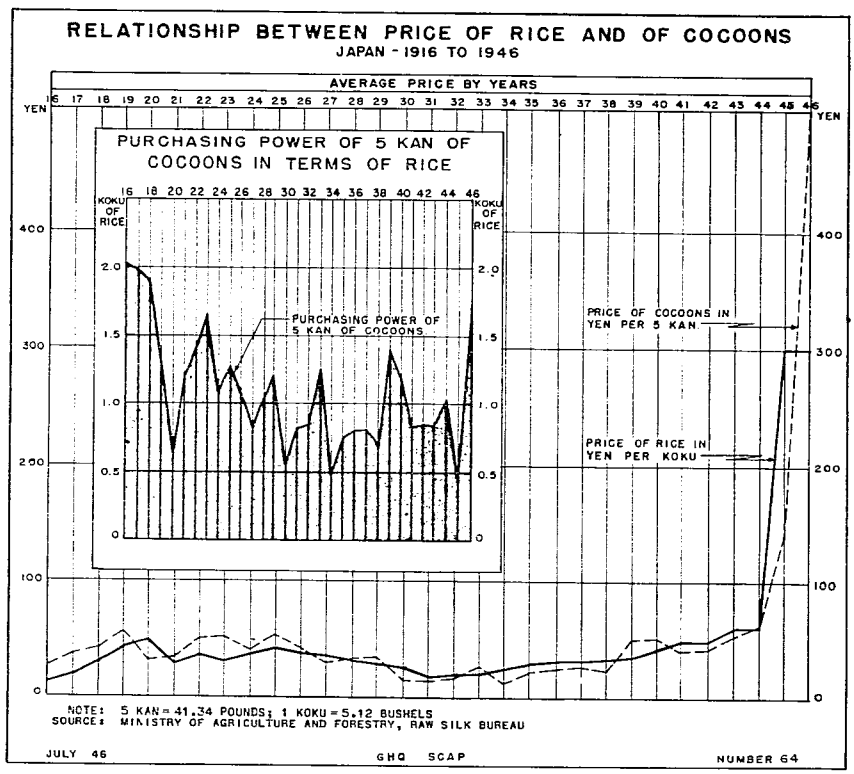
29. A sharp increase in the legal price of raw silk manufactured after 15 April was announced by the Japanese Government. The former price was ¥ 5,680 per bale and the new price is ¥ 15,550. This increase is due primarily to a rise in the price of cocoons from ¥ 3,200 to ¥ 11,424 for 114 kan, the average amount required for one bale of raw silk. In addition, the Japanese Government reported that processing costs have increased from ¥ 2,320 to ¥ 3,676 per bale. A comparison of past and present prices is presented as follows:

PRICE OF RAW SILK
(yen/bale)

	Before 15 April	After 15 April	Percent Increase
Price of cocoons	3,200	11,424	257
Processing costs	2,320	3,676	58
Total purchasing price of Raw Silk Association	5,520	15,100	174
Commission and charges of Raw Silk Association	160	450	181
Total selling price of Raw Silk Association	5,680	15,550	174

SOURCE: Ministry of Agriculture and Forestry, Raw Silk Bureau.

30. The Japanese Government maintains that the sharp increase in the price of cocoons was the natural consequence of efforts to balance the price of cocoons against the price of rice in order to stimulate cocoon production. A comparison of rice and cocoon prices from 1916 to 1946 is given in the following chart. The inset shows the purchasing power of cocoons in terms of rice for the same period.



The chart shows a definite relationship between rice prices and cocoon prices, although the ratio between them fluctuates considerably. Sharp increases in the prices of both commodities in the past two years are apparent. It will be noted that the ratio of cocoon prices to rice prices stands higher today than at any time since 1918.

The fact that raw silk production was at a high level during the decade 1930-1940, when the ratio was at a low point, indicates that factors other than the cocoon-rice price ratio were affecting production.

LEATHER

31. On 19 July SCAP authorized release of 5,000 metric tons of raw hides for domestic consumption from stocks which had been earmarked for export. This action was taken because of reports from manufacturers of essential leather goods that their supplies of raw hides were at a low level.

The following table shows the types and quantities of leather goods to be manufactured from these hides, with the amount of hides allocated for each purpose.

LEATHER GOODS TO BE MANUFACTURED FROM RAW HIDES

Goods to be Manufactured		Raw Hides Required for Manufacture	
Item	Quantity	Type Hide	Metric Tons
Sole leather for shoes	1,334,000 pair	cattle	1,172
		buffalo	828
Leather belting	14,400,000 in ft	cattle	1,172
		buffalo	828
Leather packing	380,000 sq ft	cattle	293
		buffalo	207
Leather pickers	1,188,000 pc	cattle	440
Textile leather sheets	8,400 sq ft	cattle	20
Auxiliary leather for textile machinery	30,400 sq ft	cattle	40
Total			5,000

Shoes

32. Distribution of hides for shoes will begin in August for use in September. Shoes manufactured from October to December totaling 1,100,000 pairs will be allocated by the shoe control union to each prefecture. The remaining 234,000 pairs will be carried over to the next ration period. The table below shows the number of shoes of various types allocated each month.

PLANNED ALLOCATION OF PAIRS OF SHOES TO BE MADE FROM RELEASED HIDES

Month	Men's	Women's	Children's	Total
October	200,000	30,000	90,000	320,000
November	300,000	30,000	100,000	430,000
December	200,000	40,000	110,000	350,000
Total	700,000	100,000	300,000	1,100,000
Reserved for next allocation				234,000
Total to be made from released hides				1,334,000

FERTILIZER

Fertilizer Supply

33. The anticipated improvement in the fertilizer supply for July was realized, with a substantial increase in shipments of ammonium sulfate and calcium cyanamide. During the first seven months of 1946, 92 percent of planned shipments of these fertilizers was achieved. See page 96 for production figures. Use of these fertilizers is still only one third of the rate in 1936, one of the peak years. Imports of phosphate rock are shown in table, page 180.

Prices of Ammonium Sulfate

34. Fertilizer prices have been stabilized at about the level effective 1 April. At that time the producer's price for ammonium sulfate was set at ¥ 2,600 per metric ton compared with the previous price of ¥ 1,001.48. The official consumer price is ¥ 2,740.22 compared with ¥ 1,079.20 in January.

35. Actual prices paid to fertilizer factories by the Japan Fertilizer Company for ammonium sulfate produced from April through

July 1946 are shown in table, page 198. The prices received by individual producers are determined by adding a profit of five percent of paid-up capital to production cost.

36. Production costs for each factory are based upon the estimated production of fertilizer during the fiscal year 1946. They represent the average unit cost during the year rather than the actual cost during any month. Thus, at the beginning of fiscal year 1946 when production was very low, production cost per ton actually exceeded the average cost of production used in calculating the producer's price. As indicated in the table, the Japan Fertilizer Company has netted a profit of ¥ 16.93 per metric ton over and above the six percent commission from April through July authorized by law.

During the last five months of 1946 production by the high-cost producers is expected to increase more rapidly than that of low-cost producers. Estimates to date indicate that this factor will force the average price paid to producers up to ¥ 2,656.14 per metric ton, more than offsetting the excess profit earned by the Japan Fertilizer Company from April through July.

Rationing of Fertilizer

37. The Japanese Government announced that for the remainder of 1946 the distribution of commercial nitrogenous fertilizer will be closely linked with the collection of staple food crops. Under this system 50 percent of all commercial nitrogenous fertilizer allocated for use from August to December will be distributed to the farmers in return for crops at the ratio of one kan (8.27 pounds) of fertilizer for one koku (5.12 bushels) of wheat or barley, 120 kan of sweet potatoes, or 100 kan of potatoes.

38. The remaining fertilizer will be distributed for application to crops grown to supply the needs of farm families. The average amounts to be distributed in this way for each staple food crop per tan (.245 acre) of area are as follows:

Rice	24.8 pounds
Wheat	19.8 pounds
Sweet potatoes	9.9 pounds
Potatoes	19.8 pounds