

CAST ALUMINUM WARE PRODUCTION

<u>Month</u>	<u>Production</u>		<u>Plants</u> <u>Operating</u>	<u>Employees</u>
	<u>(units)</u>	<u>(metric tons)</u>		
February	40,560	54.5	8	759
March	137,488	179.0	22	1,159
April	190,795	230.0	53	4,402
May	270,092	353.5	107	8,140

SOURCE: Japan Aluminum Utensil Control Association.

POTTERY AND PORCELAIN

20. The Porcelain and China Ware Control Association is establishing an extensive system of reporting production by individual plants. Since this system is not completely in effect, reports for May cover approximately 40 percent of the actual production of the industry.

POTTERY PRODUCTION ^{a/}
May

<u>Type of Ware</u>	<u>Number</u> <u>of pieces</u>	<u>Weight</u> <u>(metric tons)</u>	<u>Value</u> <u>(¥ 1,000)</u>
Electrical porcelain insulators	2,059,827	591,734	3,599
Industrial ware	113,599	81,211	1,041
Domestic potteries	678,232	170,518	4,272
Sanitary ware	727	6,047	89

^{a/} Reports of 10 plants with 5,364 employees.

SOURCE: Porcelain and China Ware Control Association.

ELECTRICAL MANUFACTURING

21. Of the 77 general electrical manufacturing categories on which comparative figures for April and May are available, production decreased in 36, increased in 37 and remained constant in 4 categories. Production increases were primarily in light mass production items and articles specifically required by the Allied Forces.

Although substantial increases were registered in some categories of electrical manufacturing, the over-all production remained almost constant. Production capacity increased during the month as reconstruction of electrical manufacturing facilities continued.

Although more coal and coke are needed the shortage of materials remains the most critical production problem of the industry.

ELECTRICAL MANUFACTURING INDUSTRY

Product	Production a/		Percent May/April
	April	May	
Motors			
Fractional hp	4,263	4,929	115.6
Standard stock			
1-15 hp	8,284	6,906	83.4
16-100 hp	446	129	28.9
Portable tools	1,500	1,600	106.7
Other motors	1,200	750	62.5
Generators, converter and M-G sets, except turbo- generators			
DC generators	480	450	93.8
AC generators	100	85	85.0
Others	3	0	0
Transformers			
Distribution, 100 kva and under	3,614	2,486	68.8
Power, over 100 kva	45	45	100.0
Instrument transformers	1,800	2,000	111.1
Others	18	10	55.5
Rectifiers			
Steel tank	3	2	66.7
Mercury vapor	50	55	110.0
Selenium and other	0	50	-
Power condensers	45	75	166.7
Furnaces			
Arc	25	30	120.0
Resistance	10	15	150.0
Welding apparatus			
AC arc	500	450	90.0
Resistance	20	20	100.0
Control apparatus			
Hand control			
Starters	2,100	2,500	119.0
Controllers	1,500	1,800	120.0
Others	180	250	138.8
Remote control			
Contactors	120	150	125.0
Contactor panels	35	40	114.3
Resistors	870	900	103.4
Lifting devices	20	15	75.0
Others	7,200	7,000	97.2
Switchboard apparatus			
For standard motors	500	520	104.0
3300 volts and under	250	240	96.0
Over 3300 volts	300	500	166.7
Meters			
Watt-hour	11,317	11,200	99.0
Pyrometers	0	206	-
Others	20,513	16,901	82.4

Product	Production a/		Percent May/April
	April	May	
Household appliances			
Flatirons	7,000	10,000	142.9
Toasters	100	150	150.0
Cooking ranges	50	0	0
Other cooking equipment	35	20,000	-
Heating devices	60,000	1,000	1.7
Fans	0	4,124	-
Others	500	500	100.0
Supplies			
Fuses (kilogram)			
Wire	11,815	23,826	201.7
Tape	7,750	14,927	192.6
Link	148,000	560,800	378.9
Hard	273,900	742,000	270.9
Enclosed	12,000	6,355	53.0
Knife switch	0	9,984	-
Cutouts	31,200	45,890	147.1
Receptacles	53,300	68,083	127.7
Plugs	211,600	180,124	85.1
Line materials			
(kilogram)	316,000	127,000	40.2
Railway line materials			
(kilogram)	1,248	26,923	2,157.2
Cable hangers	511,600	454,000	88.7
Railway equipment			
Motors	-	32	-
Locomotives			
Railway	-	3	-
Mining and industrial	-	5	-
Control apparatus	-	15	-
Battery operated vehicles	-	49	-
Railway signal equipment			
Signal mechanism	-	22	-
Electric level	-	59	-
Interlocking relay	-	3	-
Switch machine	-	21	-
Electric lock	-	263	-
Circuit controller	-	94	-
Line transformer	-	68	-
Signal transformer	-	490	-
Rectifier	-	409	-
Impedance bond	-	1	-
Block instrument	-	35	-
Approach indicator	-	2	-
Signal relay	-	700	-
Other	-	57	-
Insulation materials			
Mica (kilogram)			
Moulding plate	3,500	1,751	50.0
Commutator segment			
plate	4,750	759	16.0
Heat resisting plate	250	53	20.4
Flexible plate	1,400	1,226	87.6
Paper	14,750	9,976	67.6
Paper (rolls)	4,270	2,518	59.0
Varnished cloth (square			
meters)	51,450	171,485	333.3
Varnished tubes			
(meters)	1,058,406	371,892	35.1

<u>Product</u>	<u>Production a/</u>		<u>Percent May/April</u>
	<u>April</u>	<u>May</u>	
Insulation materials			
Black tape (rolls)	118,100	115,039	97.4
Rubber tape (rolls)	20,000	0	0
Illuminating equipment			
Fixtures	80,380	65,338	81.3
Light bulbs			
General use b/	2,686,685	3,581,289	133.3
Special c/	150,516	187,696	124.7
Flashlight	484,961	587,338	121.1
Wire and cable (metric tons)			
Bare copper	1,002	1,042	104.0
Rubber insulated	} 670	545	-
Weatherproofed		157	-
Cotton and silk covered	} 456	392	-
Enameled		106	-
Power cable	91	91	100.0
Others	135	134	99.3
Electromedical apparatus			
X-ray	60	9	15.0
Other	20	47	235.0
Batteries			
Dry cells			
Flashlight	5,002,034	4,954,306	99.0
Others	145,515	185,300	127.3
Storage			
Motor vehicle	35,703	22,935	64.2
Others	62,053	41,482	66.8

- a/ All production stated in pieces unless otherwise specified.
b/ Includes bulbs of 15 to 300 candle power.
c/ Includes bulbs over 300 candle power and special applications for automobiles, railroads, etc.

SOURCE: Ministry of Commerce and Industry.

TRANSPORTATION EQUIPMENT

22. Production of transportation equipment is shown below:

	<u>Production</u>			<u>Employment in May</u>
	<u>March</u>	<u>April</u>	<u>May</u>	
Truck chassis	1,115	1,402	1,272	23,869
Vehicle bodies	-	1,050	1,280	7,998
Electric auto	21	19	29	963
Three-wheeled car	51	170	168	2,352
Small car	3	7	7	167
Motorcycle	0	15	25	514
Tractor	87	72	67	9,979
Bicycle	2,255	3,022	7,614	12,747

SOURCE: Bicycle Association and Automobile Control Association.

Automotive Equipment

23. The May production of truck chassis was 90.7 percent of

the production for April. The 21 producing factories, operating at 43.9 percent of estimated maximum capacity, employed 23,869 people.

PRODUCTION AND DISTRIBUTION OF TRUCK CHASSIS
May

	<u>Stock 30 April</u>	<u>Produced</u>	<u>Total Available</u>	<u>Distri- buted</u>	<u>Stock on Hand, End of Month</u>
Toyota	527	402	929	693	236
Nissan	185	520	705	303	402
Diesel	<u>103</u>	<u>350</u>	<u>453</u>	<u>244</u>	<u>209</u>
Total	815	1,272	2,087	1,240	847

SOURCE: Automobile Control Association.

2. Two of five three-wheel motor car plants were in operation during May. The production was 98.8 percent of the April output, but only 11.3 percent of the estimated maximum capacity of the five plants.

PRODUCTION AND DISTRIBUTION OF THREE-WHEEL MOTOR VEHICLES
May

	<u>Stock 30 April</u>	<u>Produced</u>	<u>Total Available</u>	<u>Distri- buted</u>	<u>Stock on Hand, End of Month</u>
Hatsudoki Seizo	30	120	150	127	23
Toyo Kogyo	<u>26</u>	<u>48</u>	<u>74</u>	<u>57</u>	<u>17</u>
Total	56	168	224	184	40

SOURCE: Automobile Control Association.

25. Three of four electric automobile plants were in operation during May but one of these did not turn out any finished vehicles. All 29 cars produced in May, representing about 20 percent of the estimated maximum capacity of the four plants, were distributed.

26. Small car manufacture continues on a small scale with seven cars produced and distributed.

27. Twenty-five motorcycles, an estimated 8.3 percent of total capacity, were manufactured and distributed.

28. During May 7,998 people were employed in 72 plants manufacturing truck and automobile bodies. The total production was 1,280 bodies, 77.7 percent of the estimated total capacity.

The over-all production of automotive equipment decreased slightly with the factors hampering production remaining unchanged. The food shortage reduced labor efficiency. The shortage of working capital resulting from controlled currency and high material costs is making operation increasingly difficult. Materials continue to be short and stocks decreased in all categories during the month.

Tractors

29. Seven of 11 tractor plants were active in May although one of them manufactured trailers only. Sixty-seven tractors and four trailers were produced and distributed. The tractor output was 93.1 percent of that for April and 13 percent of estimated maximum capacity.

Automobile and Tractor Parts

30. Production of much needed tractor and automotive parts increased appreciably during the month with 18,677 people employed in 165 factories. A total of 3,679,763 parts in 163 different categories were produced. An approximation of the total labor and materials value of the parts is indicated in the following table.

AUTOMOTIVE AND TRACTOR SPARE PARTS PRODUCTION

	<u>Production a/</u>		<u>Estimated June</u>	<u>Percent May/April</u>
	<u>April</u>	<u>May</u>		
Truck	363	630	500	173.5
Tractor	14	8	7	57.1
Electric car	10	45	50	450.0
Small and three-wheel	418	800	730	191.4

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

SOURCE: Automobile Control Association.

Bicycles

31. There were 168 bicycle factories in operation during May. These factories employed 12,747 people to produce 7,614 bicycles and 630 rear cars. The bicycle output is 251.9 percent of the April production. Although the bicycle industry is affected by most of the production difficulties common to industry as a whole, production is increasing steadily.

RUBBER MANUFACTURING

32. The rubber goods manufacturing industry, operating at 46.9 percent of estimated capacity during May, consumed 1,835,542 kilograms of crude rubber, 7.6 percent less than in April. Rubber production is affected by shortages of petroleum products, coal and textiles. Uncertainty as to the future supply of crude rubber is having an adverse effect on rubber production.

RUBBER GOODS PRODUCTION
(kilograms of crude rubber)

<u>Product</u>	<u>March a/</u>	<u>April a/</u>	<u>May a/</u>	<u>Percent May/Apr a/</u>
Auto tires and tubes	290,131	313,683	336,697	107.3
Bicycle tires and tubes	139,134	210,914	150,947	71.5
Rubber soled socks	175,620	293,450	304,431	103.7
Rubber shoes and boots	173,268	243,309	239,240	98.3
Rubber soled canvas shoes	32,391	68,372	79,064	115.6
Rubber soles and heels	57,609	65,494	65,088	99.3
Belting	43,393	87,200	67,035	76.8
Hose	47,890	59,334	42,775	123.9
Rubber cloth	117,790	175,206	121,016	69.1
Tire repair sheet	21,151	21,209	19,871	93.6
Medical goods	39,483	35,329	55,909	158.2
Latex goods	8,352	7,220	5,204	72.1
Rice thresher rolls	58,661	57,279	50,722	88.5
Mechanical goods	<u>276,336</u>	<u>347,926</u>	<u>297,543</u>	85.5
Total	1,481,209	1,985,925	1,834,542	92.4
Reclaimed rubber	75,000	64,000	113,134	176.7

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

33. More raw hides were placed on the markets in May due to an increase in price and because the summer climate would cause spoilage of raw hides. This increase in leather received by tanneries has not yet resulted in a greater output of more finished products since price levels for finished leather are still unfixed and tanneries are holding stocks.

Tanning materials and supplies are sufficient for about three more months.

HIDES RECEIVED BY TANNERIES
(thousands of pounds)

<u>Type</u>	<u>March</u>	<u>April</u>	<u>May</u>
Cattle	255	460	1,301
Buffalo	19	30	0
Horse	112	95	332
Pig	16	34	135
Sheep and goat	0	0	2
Shark	<u>2</u>	<u>0</u>	<u>0</u>
Total	404	619	1,770

SOURCE: Hide and Leather Association of Japan.

TANNED LEATHER PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Cattle			
Sole	224	239	236
Harness	25	25	13
Case	41	49	77
Upper	43	78	59
Belting	96	69	91
Roller skin	0	0	1
Horse			
Case	12	19	37
Upper	25	36	40
Pig			
Sole	13	20	15
Case	12	15	27
Upper	8	13	8
Kid	1	5	1
Buffalo			
Sole	129	105	110
Harness	4	3	5
Belting	112	82	62
Sheep and goat	1	1	3
Whale	40	-	-
Pig, vegetable cured	7	0	0
Shark	<u>1</u>	<u>0</u>	<u>0</u>
Total	794	759	785

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

LEATHER GOODS PRODUCTION
(thousands of pounds)

<u>Item</u>	<u>March</u>	<u>April</u>	<u>May</u>
Belting	93	109	49
Packing	45	47	23
Textile	9	15	11
Artificial limbs	1	2	2
Harness	-	-	7
Footwear (handmade)	0	0	0
Footwear (machine-made)			
Men's	-	175 ^{a/}	136
Women's	336 ^{a/}	1 ^{a/}	1
Children's	-	7 ^{a/}	50
Industrial gloves	3	3	1
Bags			
Handbag	-	1	1
Purse	-	25	24
Portfolios	5	28	3
Traveling	1	16	-
Dustkeepers	<u>5</u>	<u>5</u>	<u>-</u>
Total	498	434	308

^{a/} Revised by Japanese.

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

AGRICULTURAL EQUIPMENT MANUFACTURE

34. A total of 171 factories employing 13,128 people were producing agricultural equipment during May. Production has increased steadily despite material shortages and general production difficulties. Specific material shortages include coal, coke, sheet iron, small bar steel and lumber.

AGRICULTURAL EQUIPMENT PRODUCTION

<u>Product</u>	<u>Jan-Mar</u>	<u>Apr</u>	<u>May</u>	<u>On Hand 31 May</u>
Plow	25,856	14,015	20,610	17,490
Hoe	330,711	127,127	146,376	172,799
Horse stump cutter	96	0	288	21
Power cultivator	30	10	19	20
Harrow	6,451	3,163	2,012	1,158
Ridge scoop	1,250	300	200	697
Sowing machine	1,887	336	130	1,028
Scattering scoop	45,210	5,710	4,487	18,282
Simple weeder	9,800	9,002	18,105	31,730
Weeder	66,255	24,291	39,748	48,743
Fork	18,660	10,990	12,430	2,700
Sprayer	8,536	11,684	11,564	9,674
Vertical pump	108	55	70	0
Sickle	2,098,192	830,140	662,082	501,723
Threshing machine	8,034	4,043	3,986	2,917
Rice huller	488	190	233	90
Winnower	2,881	1,062	1,615	651
Straw softener	605	120	720	23
Straw rope maker	4,860	2,155	2,420	2,603
Straw rope finisher	35	10	20	22
Straw mat machine	771	678	831	924
Pruning shears	750	300	350	250
Tea-leaf shears	0	6,000	1,000	1,500
Ramie barker	230	0	0	0
Tea-leaf finisher	90	53	72	7
Potato cutter	11,045	2,241	4,876	4,299
Tobacco dryer	40	45	45	80
Straw cutter	1,000	190	350	1,037
Straw cutter with feeder	2,665	1,050	1,174	780
Incubator	3	1	2	2
Rice cleaner	289	155	216	24
Barley cleaner	48	31	44	0
Barley press roller	0	3	20	4
Flour milling machine	736	97	142	138
Vermicelli maker	1,700	750	700	35
Fertilizer breaker	10	0	0	3
Fertilizer grinder	0	25	35	35
Fertilizer mixer	2	0	0	1
Farm cart	708	276	299	385

SOURCE: Japan Agricultural Implement Control Union.

MISCELLANEOUS MANUFACTURING

Pumps, Fans, Blowers and Compressors

35. During May there were 74 factories employing 11,511 people in the production of all types of pumps, fans, blowers and compressors. Production has increased steadily throughout the year in spite of difficulties common to industry as a whole. Coal, coke, steel and cast iron constitute the primary material shortages.

PUMP, COMPRESSOR, FAN AND BLOWER PRODUCTION

<u>Product</u>	<u>Jan-Mar</u>	<u>Apr</u>	<u>May</u>	<u>On Hand 31 May</u>
Pumps				
Centrifugal turbine	13,302	3,776	3,322	3,491
Axial flow	57	70	58	4
Reciprocating	306	137	151	161
Rotary	1,550	2,398	1,578	264
Hydraulic	0	115	232	14
Diaphragm	1	2	2	0
Hand	1,648	1,084	1,365	26
Fire engine	37	35	16	5
Other	102	28	0	30
Fans and blowers				
Centrifugal blowers	349	202	216	130
Axial fans	40	0	17	6
Turbo blowers	70	30	54	93
Rotary	2	1	1	0
Others	59	3	0	50
Compressors and dry vacuum pumps				
Horizontal single stage	107	39	31	36
Horizontal double stage	13	5	4	2
Vertical single stage	247	99	85	80
Portable single stage	287	104	134	85
Rotary compressor	30	13	28	13
Other compressors	92	57	39	97
Dry vacuum pumps	30	28	72	8

SOURCE: Industrial Machinery Association.

Business Machines

36. Eleven of 27 business machine companies were in production during May, employing 993 people.

BUSINESS MACHINE PRODUCTION

<u>Product</u>	<u>April</u>	<u>May</u>	<u>Percent May/April</u>
English typewriters	13	5	38.5
Japanese typewriters	39	28	71.8
Calculating machines	100	0	0.0
Time recorders	36	48	133.3
Time stamps	6	6	100.0
Rotary duplicators	50	10	16.9
Blueprinting machines	5	8	160.0

SOURCE: Business Management Machine Association.

Cosmetics and Dentifrices

37. Cosmetic production dropped 39 percent during May because of lack of raw materials coupled with declining labor efficiency. Cosmetics were produced in 168 factories employing 6,091 people, while dentifrices were produced in 16 factories employing 2,114 people.

PRODUCTION OF COSMETICS AND DENTIFRICES (kilograms)

<u>Product</u>	<u>March</u>	<u>April</u>	<u>May</u>
Creams	66,158	79,138	58,993
Face powders	50,625	41,307	25,465
Lotions	2,051	26,499	9,942
Hair preparations	101,934	131,244	88,370
Makeup ^{a/}	6,774	4,493	7,981
Miscellaneous	<u>93,742</u>	<u>101,446</u>	<u>48,008</u>
Total	321,284	384,127	234,759
Dentifrices	1,124,470	1,101,242	1,046,180

^{a/} Lipstick, rouge and eyelash and eyebrow dyes.

SOURCE: Japan Cosmetics Control Association and Japan Dentifrice Control Association.

Watches and Clocks

38. Of 35 watch and clock manufacturing companies in Japan 11 were operating in May and employing 9,267 people. Production at present is confined to pocket and wrist watches, alarm, table and wall clocks.

Although the raw material requirements of the watch and clock industry are comparatively small, it is difficult to obtain raw materials in the proper form for watch and clock manufacture. A considerable amount of this year's production will depend on the use of reserve stocks of raw materials.

WATCH AND CLOCK PRODUCTION

<u>Item</u>	<u>Jan-Mar</u>	<u>Apr</u>	<u>May</u>	<u>Present Capacity</u>
Wrist watches	11,373	4,580	9,298	10,100
Pocket watches	5,484	2,300	2,200	3,500
Alarm clocks	1,310	3,764	8,394	141,700 ^{a/}
Table clocks	21,597	14,472	19,988	-
Wall clocks	<u>18,320</u>	<u>7,464</u>	<u>3,388</u>	<u>62,300</u>
Total	58,084	32,580	43,268	217,600

^{a/} Includes table clock capacity.

SOURCE: Nippon Watch and Clock Industry Association.

Sewing Machines, Parts and Needles

39. Ten companies producing sewing machines and six companies producing sewing machine parts and needles during May employed 2,981 people. The total production of 861 sewing machines during May was 45.9 percent of the April output.

PRODUCTION OF SEWING MACHINES, PARTS AND NEEDLES

Type	March	April	May	Stock on Hand
Home type Singer 15-83	845	1,661	231	86
Cloth, gear driven Singer 95-40	19	2	380	64
Cloth, Singer 96-41	126	207	250	0
Parts	14,080	16,176	16,000	2,986
Needles (gross)	1,350	737	1,050	4,581

SOURCE: Nippon Commercial and Industrial Sewing Machine Association.

Light Metal Casting and Forging Industry

40. An increase in the supply of coke and aluminum obtained by the industry accounted for an increase of 25 percent in the production of light metal cast items and increased the production of forged products 20 percent. One additional casting plant began production of aluminum products in May.

PRODUCTION OF CAST AND FORGED PRODUCTS
(metric tons)

Item	Jan	Feb	Mar	Apr	May
Cast household utensils	646	735	779	731	828
Other cast products	<u>146</u>	<u>183</u>	<u>164</u>	<u>159</u>	<u>355</u>
Total	792	918	943	890	1,183
Utensils forged from plate	176	229	343	282	347
Other forged products	<u>27</u>	<u>56</u>	<u>81</u>	<u>52</u>	<u>68</u>
Total	203	285	424	334	415

SOURCE: Ministry of Commerce and Industry.

Musical Instruments

41. Musical instruments were produced in 31 factories employing 2,274 people.

MUSICAL INSTRUMENT PRODUCTION

<u>Instrument</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>Percent May/Apr</u>
Organs	100	200	250	125.0
Pianos	0	0	1	-
Brass instruments	249	104	383	368.2
Wood winds	29	21	18	85.7
Harmonicas <u>a/</u>	1,720	2,325	1,895	81.5
Accordions	160	250	250	100.0
Bow instruments	130	187	5	2.7
Plectrums	134	230	728	316.5
Xylophones	3,710	4,460	2,230	50.0
Drums	30	50	0	0
Strings <u>a/</u>	767	1,117	91	8.1
Bows	265	287	0	0

a/ Dozens.

SOURCE: Musical Instrument Makers' and Dealers' Association.

SECTION 5

TEXTILE INDUSTRY

C O N T E N T S

	Paragraph
Cotton.	1
Silk.	10
Rayon	19
Wool.	24
Hard and Bast Fibers.	27
Miscellaneous	32
Knit Goods.	33
Sewing Goods.	34
Sundry Goods.	35
Dyeing and Finishing.	36

COTTON

1. The Japan Textile Association and the Textile Bureau of the Ministry of Commerce and Industry were notified by SCAP in May that the first two shiploads of American cotton would arrive at Kobe the first week in June. Plans for allocation and shipment of the staple to spinning mills were formulated. The Textile Association said that the first quantities of cotton yarn would be available to the U. S. Commercial Company for export in July, and it was expected that cloth would be ready for export in August.

The Japanese plan to export considerably more cotton yarn, cloth and other products during the initial months of the program than the 60 percent required by the agreement among the U. S. Commercial Company, Commodity Credit Corporation and the War Department.

2. There were 2,367,178 operable spindles installed at the end of May with a monthly consuming capacity of approximately 87,000 bales based on prewar averages on a two-shift basis. Only 535,592 spindles were in actual operation.

3. Production of cotton yarn during May was slightly lower than in April, as mill stocks of American-type cotton dropped sharply to a bare month's supply level. See chart, page 151. Receipts of cotton from former military stocks amounted to only 357 bales, compared with 3,090 in April.

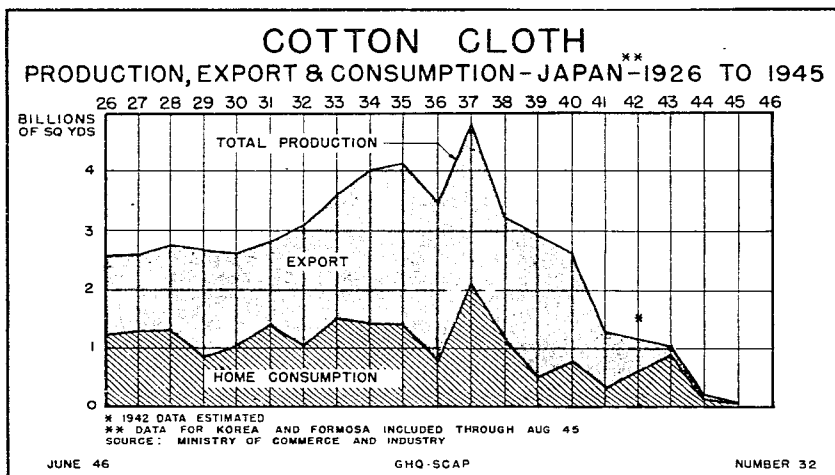
4. Production of cotton-rayon staple mixed yarns was negligible since spinners received no new allocations of rayon staple for such mixtures. Production of these mixtures is expected to cease in the near future.

5. Many of the cotton spindles which became active during May were devoted to pure rayon staple yarns, production of which more than doubled.

6. Settlement of price ceilings resulted in a freer movement of cotton yarn. Both spinners' and weavers' stocks declined slightly during May. Cloth production increased about 50 percent over April.

7. Weavers manufactured more pure cottons and less mixed yarn fabrics in May in order to build up a backlog of cloth acceptable for export.

The chart below shows the great emphasis which was placed on export markets for cotton cloth before the war. Japan's exports of cotton goods reached a peak in 1935-37. In 1939 when hostilities began in China shipments dropped off sharply and with the beginning of the Pacific war they became negligible. The Textile Mission to Japan estimates exports of cotton cloth will approach 100,000,000 square yards monthly in early 1947.



The independent cotton weavers also doubled their production of spun silk fabrics, while their output of spun rayon cloth remained about the same as in April.

9. Cotton weavers report shortages of sizing materials, with stocks of starch at the end of May amounting to little more than a month's supply. Arrangements were made with the Japanese Food Board to use food starch stocks for sizing purposes. These stocks are to be replaced with imports from the United States.

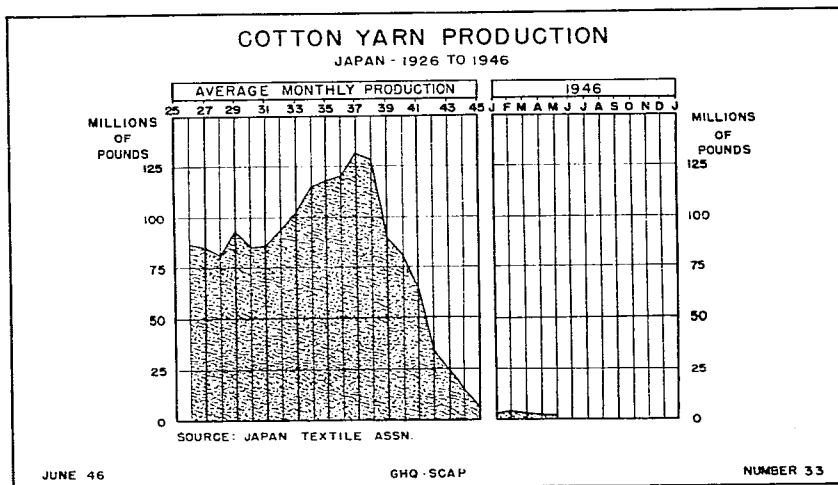
Weavers are working on substitutes for tallow which they are told will not be available for import from the United States.

RAW COTTON IN MILLS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Receipts	1,218	1,588	178 <u>a/</u>
Consumption	1,896	2,790	2,627
Month-end stock	7,281	7,152	4,863

a/ Source of receipt: Home Ministry releases from former military stocks.

SOURCE: Japan Textile Association.



YARN PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Pure cotton	3,225	2,403	2,270
Mixed 1/3 rayon staple	50	88	17
Mixed 1/2 rayon staple	2	33	0
Other mixtures <u>a/</u>	<u>9</u>	<u>40</u>	<u>211</u>
Total <u>a/</u>	3,286	2,564	2,498

a/ 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)

	<u>31 March</u>	<u>30 April</u>	<u>31 May</u>
Pure cotton			
Spinners	7,090	6,128	5,919
Independent cotton weavers	2,175	2,035	1,977
Knit goods manufacturers	330	309	349
Thread manufacturers	1,313	1,639	1,739
Sundry goods manufacturers	702	498	321
Fish net manufacturers	1,544	1,108	1,195
Net & rope manufacturers	113	59	34
In dealers' hands	<u>2,010</u>	<u>1,287</u>	<u>1,269</u>
Total	15,277	13,063	12,803
Mixed 1/3 staple fiber			
Spinners	648	658	383
Independent cotton weavers	260	429	427
Knitted goods manufacturers	0	0	97
Thread manufacturers	0	0	272
Sundry goods manufacturers	0	0	1
Net & rope manufacturers	0	0	1
In dealers' hands	<u>580</u>	<u>492</u>	<u>590</u>
Total	1,483	1,579	1,771
Mixed 1/2 staple fiber			
Spinners	216	254	187
Independent weavers	26	24	23
In dealers' hands	<u>1</u>	<u>49</u>	<u>1</u>
Total	243	327	211
Other mixtures (cotton with other fibers)			
Spinners	295	274	548
Independent weavers	9	12	6
Hosiery manufacturers	109	81	0
Thread manufacturers	332	232	0
Sundry goods manufacturers	37	55	0
In dealers' hands	<u>0</u>	<u>0</u>	<u>0</u>
Total	782	654	554
Grand Total	17,790	15,623	15,339

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Cotton and cotton-rayon staple mixtures	8,270	8,769	8,054

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Cotton and cotton-rayon staple mixtures			
Weavers <u>a/</u>	28,865	28,110	30,806
Independent weavers	11,032	12,056	11,779
Cloth Control Company			
Receipts	-	3,606	507
Disposition	-	23,599	37,654 <u>b/</u>
Month-end stocks	115,149	95,156	58,009

a/ Weaving subsidiaries of spinning companies.

b/ Includes 20,000,000 yards earmarked for export.

SOURCE: Japan Textile Association.

MACHINERY

	<u>March</u>	<u>April</u>	<u>May</u>
Spindles installed	2,333,478	2,381,690	2,416,418
Spindles operable	2,274,122	2,322,334	2,367,178
Spindles operating <u>a/</u>	418,148	490,445	535,592
Looms installed	123,737	124,896	128,238
Looms operable	98,790	99,898	113,752
Looms operating <u>b/</u>	32,660	35,590	38,456

a/ Actual number of spindles operating converted into terms of two-shift basis.

b/ Spinning companies, two 8 $\frac{1}{2}$ -hour shifts; independent weavers, one 10-hour shift.

SOURCE: Japan Textile Association.

SILK

10. Although raw silk production increased slightly in May the industry was still 8,628 bales short of the goal set by the Raw Silk Bureau. See chart, page 155. The silk industry believes that when the food crisis ends, sufficient labor will become available to make double-shift operations possible, thereby making up for present deficiencies.

11. While the number of operable basins installed fell below schedule the output of operating basins reflected improved efficiency. Production per basin in May was at an annual rate of 3.9 bales whereas the rate in April was 3.5.

12. Shortages of food for workers continued to restrict attempts to rebuild mills and expand production. Some mills near urban areas were on the verge of complete stoppage. The Raw Silk Bureau reported some success in getting the local governments to adopt emergency measures to supply enough food to keep the silk mills in operation.

13. The Raw Silk Bureau reported that 18 filatures had completed electrification of their plants in May and that others were following suit. In many cases other fuel substitutions have been made because of the coal shortage. The allocation of 21,200 metric tons of coal for reeling purposes during the April-June quarter was only 50 percent of normal requirements.

14. A full allotment of 24,200 metric tons of coal was allowed for cocoon-drying purposes. Most cocoon-drying is done in June and July.

Warm weather provided an abundant supply of mulberry leaves for the silkworms hatched this spring. Preliminary estimates of the Raw Silk Bureau placed total hatchings at 15,864,000 grams of eggs compared with 26,178,320 in the spring of 1945. A crop of 72,304,000 pounds of reelable cocoons is indicated compared with 112,846,705 from the 1945 spring crop.

Mulberry acreage is discussed in paragraph 12, page 84 of the Agriculture and Fisheries Section of this report.

15. A total of 11,570 bales of silk were tested for export during May compared with 3,425 the previous month. While new price ceilings were still under discussion the understanding of the geelers that higher rates would be made retroactive at least to 1 May encouraged a freer movement of silk from filatures.

16. The Raw Silk Conditioning House in Kobe was reported to be reassembling testing machinery from various localities where it was scattered during the war. The initial daily capacity of 150 bales is to be enlarged when more workers are obtained and more machinery is placed in operation.

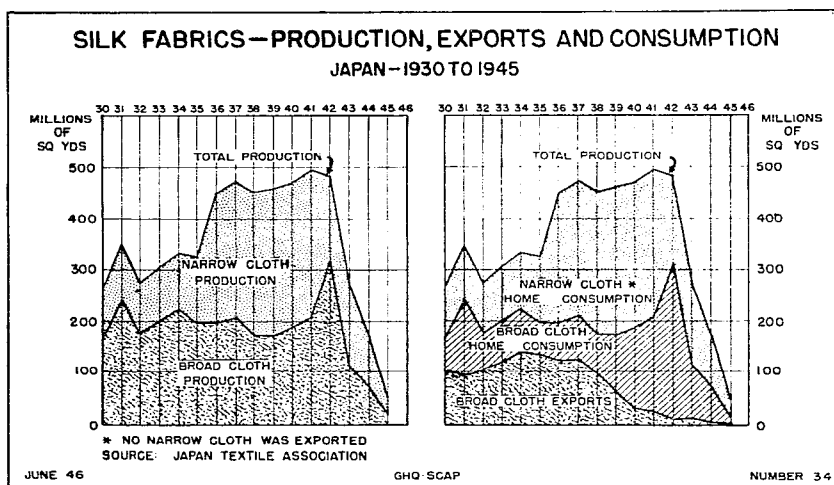
Spun Silk

17. There were no new allotments of cocoons for the production of short silk fiber. The increase during May in the stocks held by silk fiber spinners was due to receipts of old stocks from the Raw Silk Association and small amounts from cotton and wool spinners who are discontinuing the use of silk fiber in mixtures. It is expected that these sources will be exhausted by the end of the year.

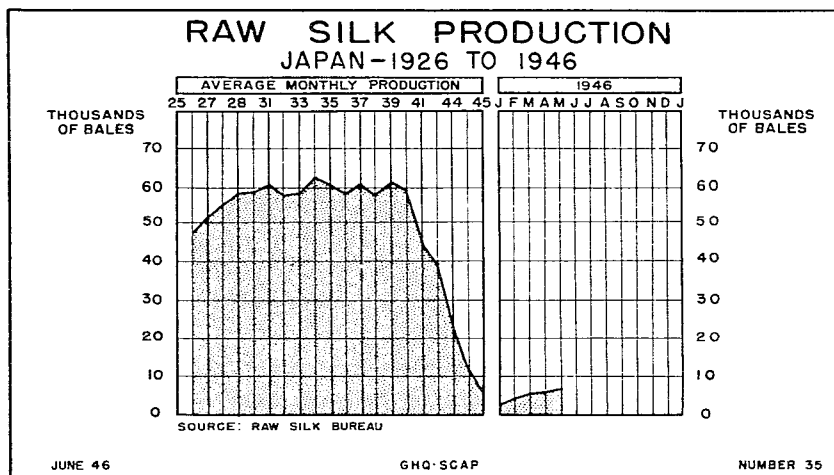
Silk Weaving

18. Production of silk fabrics in May was more than double April's output as a result of the SCAP directive of 8 April which released 55,000 bales of silk in the hands of weavers for manufacture of fabrics for export.

Production of silk fabrics dropped sharply during the war, paralleling the curtailment of silk reeling. Greater emphasis was placed on production of spun silk yarns and cloth. Production of narrow cloths used for domestic clothing formed most of the output during the war years. These trends are shown by chart, page 155.



As cotton yarn supplies remained low, the independent cotton weavers increased the weaving of silk fiber yarns.



RAW SILK

	<u>March</u>	<u>April</u>	<u>May</u>
Cocoons on hand at end of month (thousands of pounds)			
In filatures	-	-	57,201
In other hands <u>a/</u>	-	-	<u>18,361</u> <u>b/</u>
Total	88,946	82,703	75,562
Raw silk produced (bales)	5,742	6,621	7,540
Short fiber production (thousands of pounds)	336	208	172
Tested for export (bales)	15,531	3,425	11,570

a/ Largely waste and doupion cocoons.

b/ Estimate.

SOURCE: Raw Silk Bureau.

RAW MATERIAL CONSUMPTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Waste silk	406	188	240
Short-cut silk) Short-cut cocoon)	1,000	654	958

SOURCE: Japan Textile Association.

FIBER STOCKS IN MILLS
(thousands of pounds)

	<u>31 March</u>	<u>30 April</u>	<u>31 May</u>
Waste silk	1,939	1,792	1,821
Short-cut silk) Short-cut cocoon)	10,242	13,396	14,255

SOURCE: Japan Textile Association.

OTHER SILK YARN PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Spun silk	88	68	83
Mixed waste silk and staple fiber	17	30	30
Silk noils	41	39	36
Short-cut silk) Short-cut cocoon) a/	517	472	492

a/ Includes mixtures.

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Raw silk	4,815	6,323	5,148
Spun silk	748	612	724
Mixed waste silk and staple fiber	104	143	170
Silk noils	329	229	242
Short-cut cocoon	787	1,833	1,862
Mixed waste silk and staple fiber in dealers' hands	5	5	5

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Raw silk	1,865	1,268	3,348
Spun silk			
Fuji silk	133	156	176
All other	319	896	1,897

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Raw silk	18,658	19,093	20,983
Silk fiber and			
Fuji silk	2,303	2,389	2,695
Silk (Cloth Control Co)			
Receipts	-	615	1,406
Disposition	-	124	1,532
Month-end stock	21,292	21,783	21,657

SOURCE: Japan Textile Association.

MACHINERY

	<u>March</u>	<u>April</u>	<u>May</u>
Silk reeling basins operable	21,980	23,080	23,378
Silk reeling plants in			
operation	165	172	180
Short fiber machines in			
operation	144	120	90
Short fiber plants in			
operation	15	13	9

SOURCE: Raw Silk Bureau.

RAYON

19. Production of the first rayon pulp this year was the principal development in the rayon industry during May. In addition to the production of 2,247,000 pounds, the industry received 2,469,000 pounds from the Textile Bureau and the Home Ministry. This allotment was made largely from former Japanese Army stocks of pulp which had been intended for the manufacture of explosives. The quantity also included some pulp which was diverted from the paper industry to the rayon mills.

These receipts plus the new production allowed the mills to build up their backlogs slightly. They had been drawing entirely on their own stocks since the beginning of the year.

20. Production of rayon yarn and rayon staple continued to increase during May, although output still represented only a small fraction of the industry's potential. See charts, pages 158 and 159. The present proportion of production is approximately one third rayon yarn and two thirds staple. The industry expects to average 60 percent rayon and 40 percent staple during the rest of the year.

21. Shortages of caustic soda and coal restricted the activities of the rayon industry. Mills received 9,900 metric tons of coal in April out of an allotment of 11,400 and May receipts were a little less. The conversion of several plants to electric power reduced the effect of this shortage on the industry.

22. The rayon industry has been promised enough coal to produce approximately 12,000,000 pounds of yarn and staple in the fourth quarter of 1946. SCAP has requested imports of enough salt for the rayon industry to produce the caustic soda needed to match the coal allotment.

The industry's soda allotment was raised to 3,100 tons for the April-June quarter.

Rayon Weaving

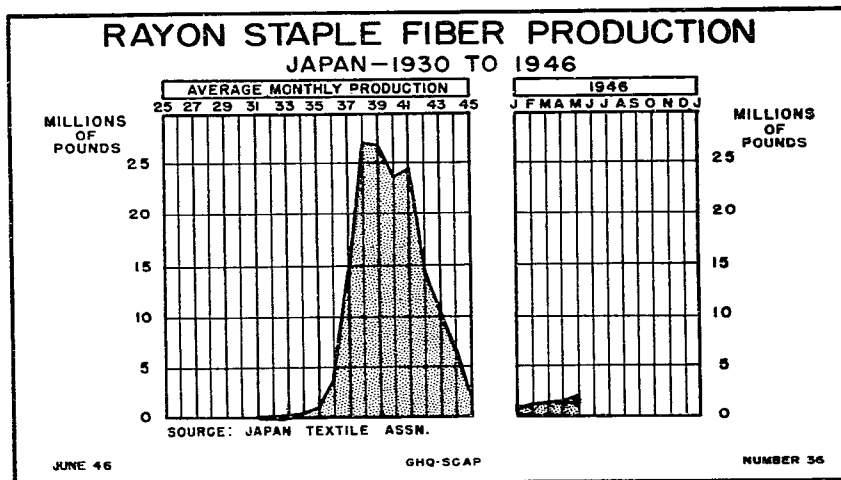
23. Rayon cloth production increased 1,500,000 yards during May as revised price ceilings were announced retroactive to 31 March. The weavers considered the price increase fair.

A weavers' committee is preparing inventories of yarn stocks which were stored in widely scattered areas during the war.

RAYON PULP
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Consumption	0	0	2,247
Production	2,513	2,694	3,539
Mill stocks (end of month)	14,734	12,056	12,378

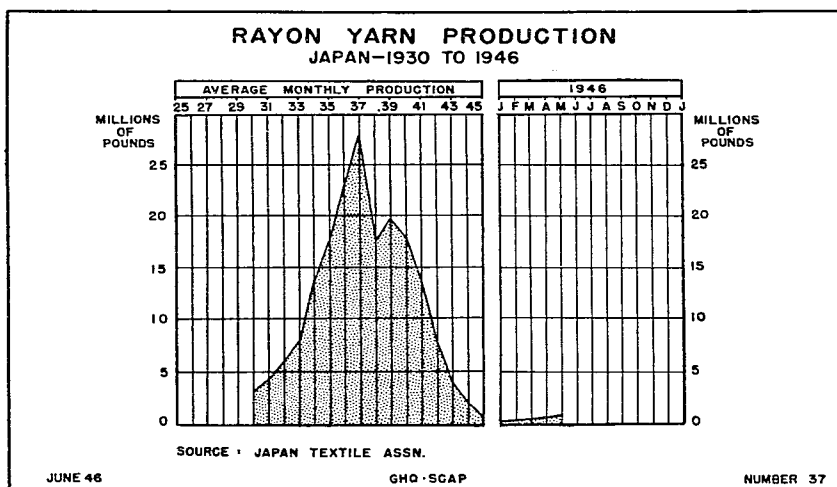
SOURCE: Japan Textile Association.



RAYON STAPLE
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Consumption	1,545	1,661	2,135
Production	1,688	2,299	3,791
Mill stocks (end of month)	24,067	24,827	25,361

SOURCE: Japan Textile Association.



YARN PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Rayon	379	523	752
Rayon staple	700	656	1,328

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Rayon			
Rayon mills	9,467	9,905	10,440
Weavers	2,899	3,441	3,365
Knit goods manufac- turers	570	584	450
Sewing thread	155	153	529
Sundry goods	<u>878</u>	<u>645</u>	<u>431</u>
Total	13,969	14,728	14,215
Spun rayon yarn			
Spinners	2,626	2,660	3,378
Independent cotton weavers	778	752	874
Knit goods manu- facturers	-	247	137
Sundry goods manu- facturers	-	152	110
Net and rope manu- facturers	-	1	0
In dealers' hands	<u>92</u>	<u>95</u>	<u>2</u>
Total	3,496	3,907	4,501

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Rayon	1,278	1,872	3,376
Rayon staple	1,703	3,074	3,446

SOURCE: Japan Textile Association.

CLOTH STOCKS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Mills			
Rayon	8,481	10,161	12,709
Rayon staple	13,391	15,080	13,418
Cloth Control Company			
Rayon			
Receipts	-	0	97
Distribution	-	118	459
Month-end stock	9,582	9,465 ^{a/}	9,102
Rayon staple			
Receipts	-	1,779	2,851
Distribution	-	6,134	4,665
Month-end stock	38,827	34,472	32,659

^{a/} Revised by Japanese.

SOURCE: Japan Textile Association.

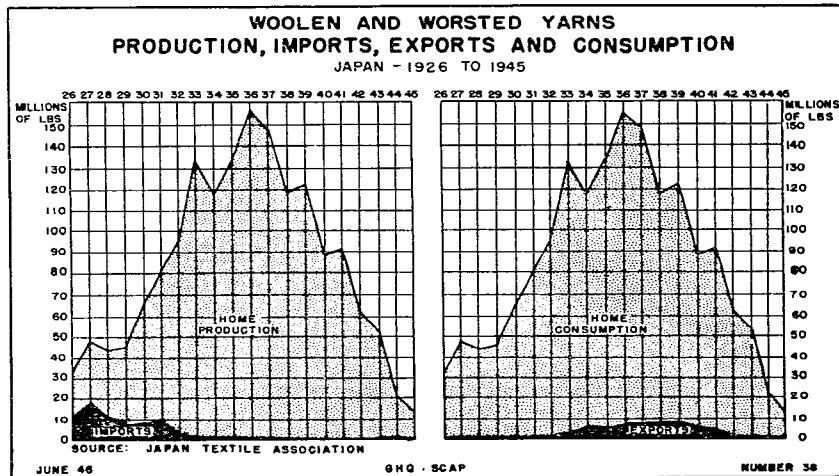
WOOL

24. Freer movement of woolen and worsted yarns through consuming channels continued in May. Previously the tendency had been to conserve raw wool supplies although stocks have been sufficient for capacity operations through the first quarter of 1947.

25. Mills have expanded production moderately since the Government announced that application had been made to SCAP for permission to import raw wool. The industry expects a wool export program to be developed later this year.

26. Both spinning and weaving mills reported improved labor supply in May as recent grammar school graduates became available. Increased production can be partially attributed to this factor.

The chart below compares monthly woolen and worsted yarn production in 1946 with average monthly production in previous years. Since 1938 production of pure worsted yarn has been prohibited in Japan. The figures for worsted yarns include several varieties of mixtures with other fibers, principally rayon staple and short-cut silk.



RAW MATERIALS
(thousands of pounds)
(scoured weight)

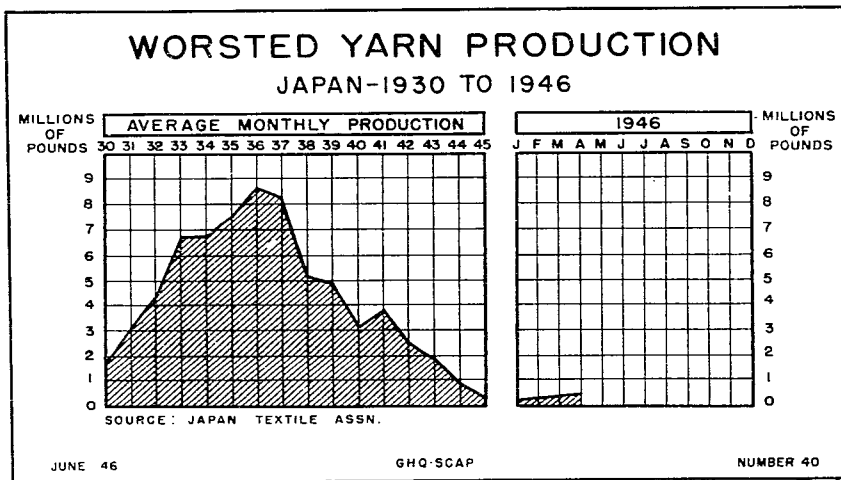
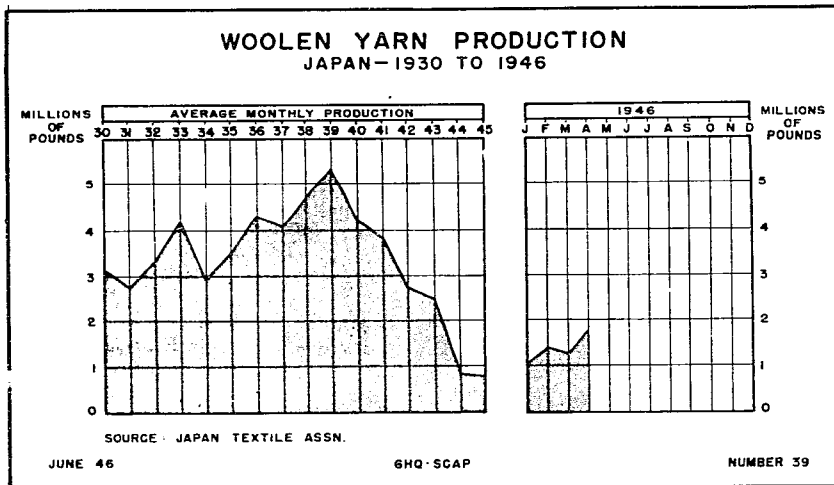
	<u>March</u>	<u>April</u>	<u>May</u>
Month's consumption			
Woolen	1,386	304	640
Worsted	69	174	211
Month-end stocks in mills			
Woolen	14,564	19,455	15,532 ^{a/}
Worsted	4,564	4,988	5,198 ^{b/}
Wool waste	11,984	12,352	11,271
Camel and goat hair	2,422	3,577	3,749
Miscellaneous	6,083 ^{c/}	12,251 ^{c/}	6,993

^{a/} Subject to revision.

^{b/} Includes some stocks formerly classified under "woolen".

^{c/} Revised by Japanese.

SOURCE: Japan Textile Association.



YARN PRODUCTION ^{a/}
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Woolen	1,271	1,766	2,002
Worsted	406	451	523

^{a/} Contains 10 percent or more wool.

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS ^{a/}
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Woolen			
Spinners	2,170	2,291	2,594
Weavers	475	616	642
Worsted			
Spinners	980	1,358	2,153
Weavers	317	321	285
Knitters		500	574

^{a/} Contains 10 percent or more wool.

SOURCE: Japan Textile Association.

CLOTH PRODUCTION ^{a/}
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Woolen	1,935	2,109	2,388
Worsted	<u>445</u> ^{b/}	<u>387</u>	<u>336</u>
Total	2,380	2,496	2,724

^{a/} Contains 10 percent or more wool.

^{b/} Revised by Japanese.

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Woolen	2,146	3,544 ^{a/}	2,483
Worsted	1,589	1,255 ^{a/}	850
Cloth Control Company			
Receipts	-	274	119
Distribution	-	1,268	10
Month-end stocks	3,376	2,383 ^{a/}	2,492

^{a/} Revised by Japanese.

SOURCE: Japan Textile Association.

MACHINERY

	<u>March</u>	<u>April</u>	<u>May</u>
Wool			
Cards installed	421	421	421
Cards operable	-	369	373
Cards operating	221	185	233
Worsted			
Spindles installed	376,464	374,574	374,574
Spindles operable		b/	278,511 a/
Spindles operating	85,576	78,421	46,670 a/
Looms			
Installed	-	9,902	10,834
Operable	-	-	9,802
Operating	-	2,691	2,951

a/ Beginning May all operating spindles converted to two-shift basis.

b/ Previous estimate withdrawn by Japanese.

SOURCE: Japan Textile Association.

HARD AND BAST FIBERS

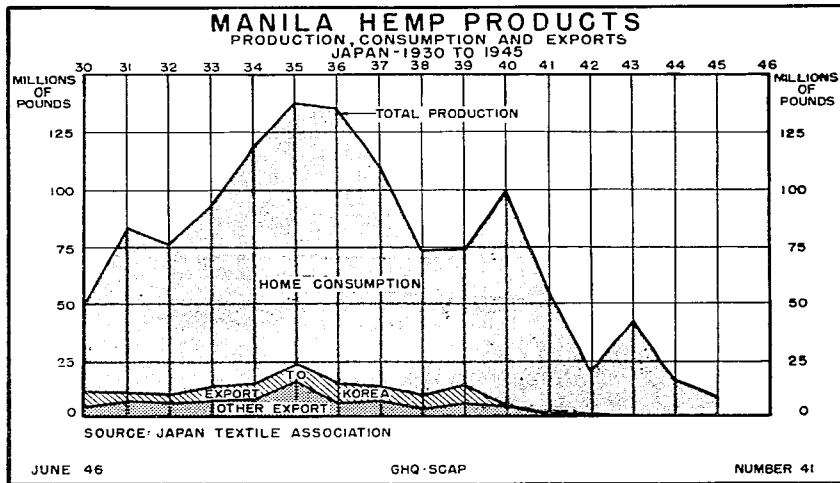
27. There was marked increase in the production of jute bags during May. Gunny sacks are urgently needed for bagging food products to be imported.

28. Increased stocks of various yarns in mills resulted from a continued delay in the publication of price ceilings. The new schedules were announced late in the month and a freer movement of yarns through consuming channels was expected to result.

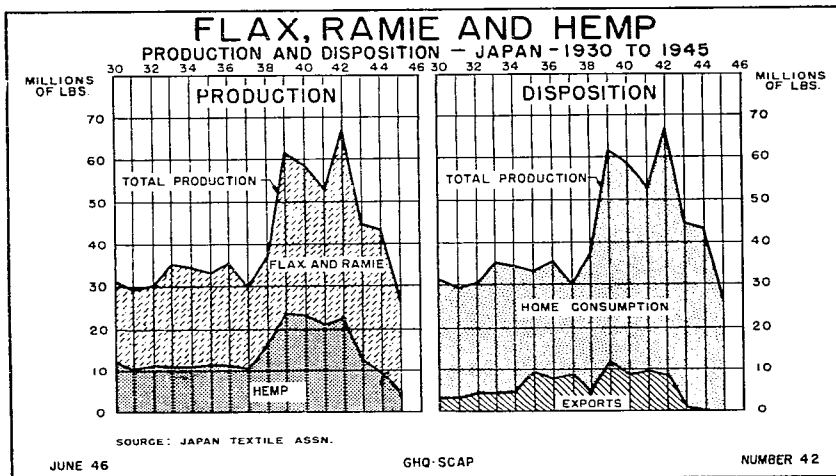
29. Production of fish net twine as well as rope and cord continued to show a steady increase.

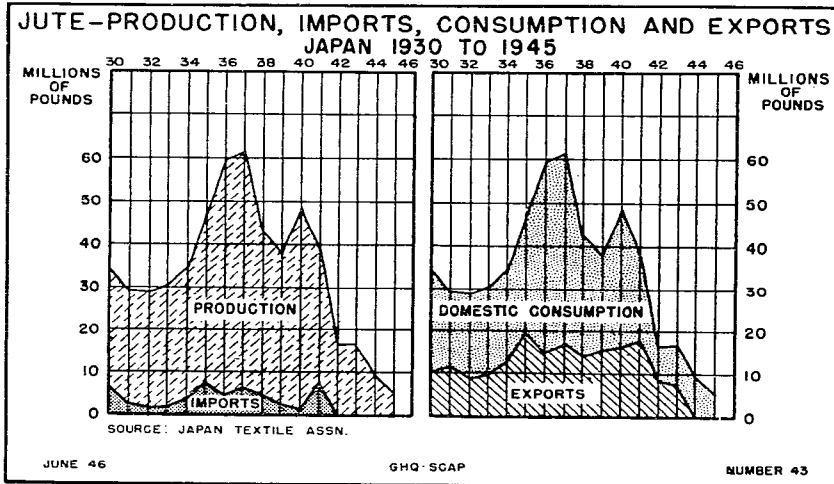
The Textile Association and the Textile Bureau plan maximum use of supplies of domestic fibers for fish nets, rope and cord because requested imports of manila hemp were not approved by SCAP.

30. Output of manila hemp products in Japan dropped sharply during the war even though Japan held the Philippine Islands. This principal source of abaca fiber suffered widespread war damage. Consumption of manila ropes was limited largely to the needs of the army and navy. The principal nonmilitary consumer, the fishing industry, was almost completely neglected. These trends are shown by chart, page 165.



31. Virtually all of the flax, ramie and hemp (other than Manila hemp) consumed in Japan has been home-grown and most of these fibers have been consumed domestically. These trends are shown by the chart below. This is also true of the jute industry, as shown by chart, page 166. Removal of Formosa from Japan's jurisdiction will have far-reaching effects on the jute industry. As a counter measure the Japanese Government has applied for imports of jute seed from Formosa. SCAP has approved the application and forwarded the request for the seed.





RAW MATERIALS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Receipts by mills			
Sisal	35	158	90
Jute	1,152	178	112
China grass and ramie	161	407	460
Flax	1,078	2,403	969
Hemp	3,200	2,220	1,888
Maolan <u>a/</u>	283	296	575
Bamboo	0	20	75
Kanpon <u>b/</u>	0	4	34
Others	0	0	235
Total	5,909	5,686	4,438
Consumed			
Sisal	111	167	238
Jute	752	367	371
China grass and ramie	276 <u>c/</u>	265	398
Flax	1,018 <u>c/</u>	1,128 <u>c/</u>	1,259
Hemp	1,608 <u>c/</u>	1,915 <u>c/</u>	2,214
Maolan	258	298	388
Bamboo	346	381	129
Kanpon	378	72 <u>c/</u>	68
Others	-	10	194
Total	4,747	4,603	5,259

	<u>March</u>	<u>April</u>	<u>May</u>
Month-end mill stocks			
Sisal	1,047	1,039	891
Jute	3,562	2,871	2,611
China grass and ramie	2,065	540	602
Flax	7,604	8,879	8,591
Hemp			
Domestic	7,489	8,126	7,161
Manchurian		1,607	2,740
Manila	1,725	2,288	1,794
Maolan	448	447	633
Bamboo	305	279	225
Kanpon	810	555	521
Flax waste	60	2,450	2,450
Others	<u>4,483</u>	<u>2,134</u>	<u>737</u>
Total	29,598	31,215	28,956

a/ New Zealand fiber.

b/ A species of Manchurian hemp.

c/ Revised by Japanese in accordance with new division of fiber categories.

SOURCE: Japan Textile Association.

SPINNING PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Flax	442	692	788
China grass and ramie	376	330	296
Jute	193	289	229
Rope	1,717	1,582	1,610
Cord	185	86	132
Fish net twine	<u>133</u>	<u>171</u>	<u>220</u>
Total	3,046	3,150	3,275

SOURCE: Japan Textile Association.

YARN STOCKS IN MILLS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Flax	1,175	1,387	2,443
China grass and ramie	334	302	1,239
Jute	442	536	474
Rope	2,131	2,394	2,170
Cord	230	125	177
Fish net twine	<u>165</u>	<u>248</u>	<u>296</u>
Total	4,477	4,992	6,799

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Flax	726	813	935
Ramie and hemp	1,037	1,084	1,246
Jute	<u>56</u>	<u>64</u>	<u>27</u>
Total	1,818	1,960	2,208
Jute bags (pieces)	10,000	6,650	33,150

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Flax	2,710	3,447	3,742
Ramie and hemp	2,569	2,025	2,009
Jute	<u>184</u>	<u>216</u>	<u>181</u>
Total	5,463	5,688	5,932

SOURCE: Japan Textile Association.

MACHINES
(operating)

	<u>Spindles</u>		<u>Looms</u>	
	<u>April</u>	<u>May</u>	<u>April</u>	<u>May</u>
Flax	21,755	26,694	4,472 a/	4,634 a/
Ramie	20,844 b/	29,576 b/	0	0
Jute	4,014	4,124	47	42

a/ Includes flax, hemp and ramie looms.

b/ Includes hemp.

SOURCE: Japan Textile Association.

MISCELLANEOUS

32. The following tables show production of throstle spun, re-generated and mixed waste yarns and cloth.

YARN PRODUCTION
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Throstle a/	124	165	207
Regenerated b/	242	324	250

a/ Waste flax, ramie and cotton.

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

YARN STOCKS IN MILLS
(thousands of pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Throstle-spun			
Independent weavers	1,596	1,325	1,339
Sundry goods manufacturers	0	64	0
Regenerated			
Independent weavers	352	336	389
Sundry goods manufacturers	0	8	0
Others			
Spinners	2,785	3,188	1,681
Independent weavers	1,822	613	343
Sewing thread manufacturers	0	0	225
In dealers' hands	88	0	88

SOURCE: Japan Textile Association.

CLOTH PRODUCTION
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Throstle	177 ^{a/}	165	79
Regenerated	363	674	998
Others	144	440	976

^{a/} Revised by Japanese.

SOURCE: Japan Textile Association.

CLOTH STOCKS IN MILLS
(thousands of square yards)

	<u>March</u>	<u>April</u>	<u>May</u>
Throstle	640	691	723
Regenerated	799	555	504
Others (mixed fabrics)	1,707	1,884	2,266

SOURCE: Japan Textile Association.

MACHINERY

	<u>March</u>	<u>April</u>	<u>May</u>
Throstle spindles			
Installed	-	-	1,089,856
Operable	-	-	1,089,856
Operating	-	-	647,659

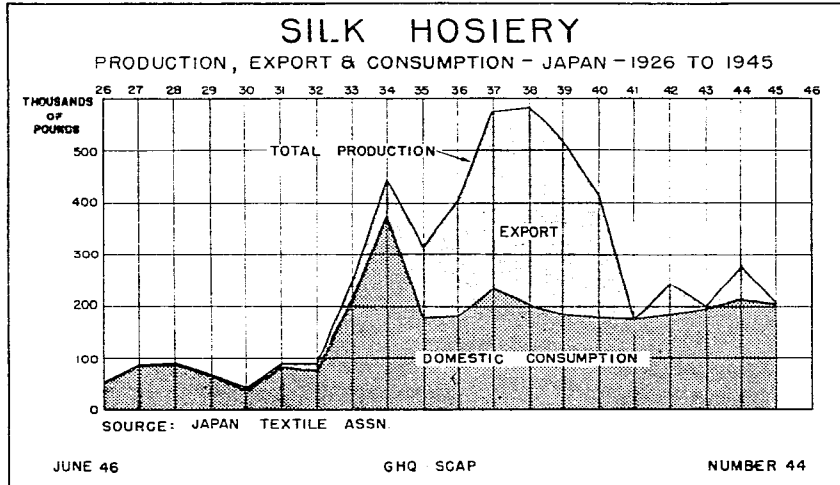
SOURCE: Japan Textile Association.

KNIT GOODS

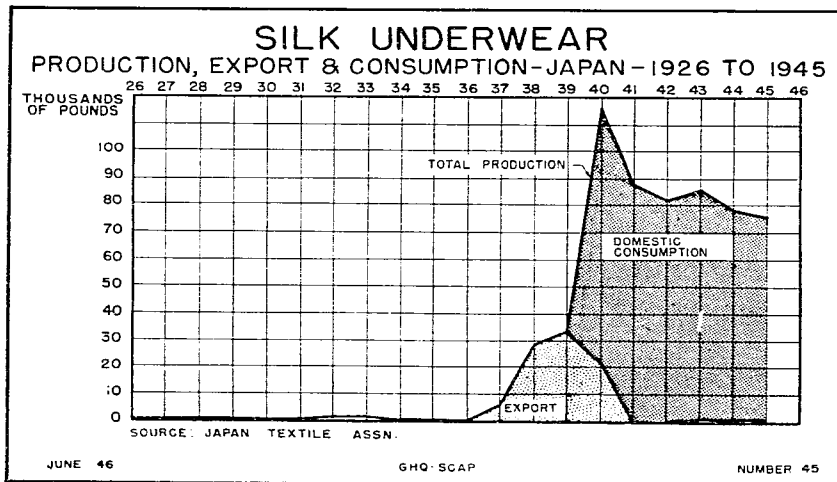
33. Short supplies of yarn caused many knitting machines to remain idle during May. Production of gloves and underwear declined while output of hosiery was slightly greater than in April.

The knit goods manufacturing industry is planning to emphasize production of cotton goods for the cotton export program. A stock of knit-goods was inspected by the Textile Association and found suitable for export.

Since 1939 Japan's production of silk hosiery has dropped sharply. The following chart shows this trend. The rapid growth of the silk hosiery industry before the war was based largely on the demand from other countries. Domestic demand has remained relatively stable for the past 10 years.



Production and domestic consumption of silk underwear continued close to peak levels even after the beginning of the war, as shown in the following chart. Shortage of other textile materials during the war caused the Japanese to make maximum use of silk for ordinary clothing purposes.



YARN CONSUMPTION AND STOCKS
(thousands of pounds)

	<u>On Hand</u> <u>30 April</u>	<u>Receipts</u>	<u>Consumed</u>	<u>On Hand</u> <u>31 May</u>
Cotton	309	154	113	349
Mixed cotton	81	53	38	97
Rayon	584	93	228	450
Spun rayon	247	124	234	137
Raw silk	730	20	80	670
Woolen	500	172	98	574
Others	44	13	19	37
Total	2,495	629	810	2,314

SOURCE: Japan Textile Association.

KNIT GOODS PRODUCTION

	<u>March</u>	<u>April</u>	<u>May</u>
Underwear (dozen)	70,497	101,012	91,800
Stockings (dozen pair)	194,593	155,235	164,070
Gloves (dozen pair)	68,242	53,342	28,028
Total	333,332	309,589	283,898

SOURCE: Japan Textile Association.

DISPOSITION AND STOCKS
May

	<u>Delivered to</u> <u>Japan Knit</u> <u>Goods Company</u>	<u>In Mills Ready</u> <u>for Delivery</u> <u>31 May</u>
Underwear (dozen)	99,849	108,261
Stockings (dozen pair)	155,911	142,327
Gloves (dozen pair)	79,093	153,176
Others (sweaters, etc)	0	0
Total	334,853	703,764

SOURCE: Japan Textile Association.

KNITTING MACHINES
(in operation)

	<u>31 March</u>	<u>30 April</u>	<u>31 May</u>
Warp	62	82	25
Circular	2,332	2,420	2,310
Flat	1,247	2,026	2,104
Flat for gloves	3,868	2,125	1,504
Hosiery	3,034	2,576	2,251
Total	10,543	9,229	8,194

SOURCE: Japan Textile Association.

SEWING GOODS

34. Production of kimonos increased markedly while there was a small increase in the output of street and house clothing items.

Production of other clothing slackened. The output of tabi, urgently needed by industrial workers, increased 24 percent.

RAW MATERIALS
(thousands of square yards)

<u>Cloth</u>	<u>In Mills</u> <u>30 April</u>	<u>Receipts</u>	<u>Distribution</u>	<u>In Mills</u> <u>31 May</u>
Cotton	45,183	4,661	5,354	44,490
Rayon	4,940	323	1,164	4,099
Spun rayon	11,042	2,180	3,143	10,078
Raw silk	6,353	1	1,303	5,052
Mixed silk fiber	933	0	88	845
Regenerated yarn	1,690	265	215	1,740
Woolen and worsted	4,486	200	501	4,185
Others	2,887	304	852	2,340
Total	77,514	7,934	12,620	72,829

SOURCE: Japan Textile Association.

PRODUCTION
(pieces)

<u>Ready-made Clothing</u>	<u>March</u>	<u>April</u>	<u>May</u>
Work	497,256	523,275	442,367
Street and house	158,661	156,894	199,073
Kimonos	247,347	186,530	642,964
Underwear, shirts, etc.	1,618,616	1,593,942	1,274,343
Elementary school uniforms	256,559	270,902	216,235
Secondary school uniforms	67,397	102,722	54,823
Clothing for demobilized soldiers	0	491,494	249,544
Tabi (pair)	2,917,355	2,838,604	3,526,472

SOURCE: Japan Textile Association.

DISPOSITION AND STOCKS

	<u>Delivered in May</u> <u>to Distribution</u> <u>Associations</u>	<u>In Mills Ready for</u> <u>Delivery, 31 May</u>
Ready-made clothing (pieces)		
Work	589,779	8,436,599
Street and house	76,450	649,113
Kimonos	114,605	1,008,204
Underwear, shirts, etc	1,386,322	6,282,450
Elementary school uniforms	47,849	2,410,065
Secondary school uniforms	25,489	235,914
Clothing for demobilized soldiers	78,357	2,244,649
Bedding (sets of 3 sheets)	77,317	179,427
Mosquito nets (pieces)	166,956	325,646
Hats (pieces)	79,103	939,083
Tabi (pair)	3,182,995	1,510,135

SOURCE: Japan Textile Association.

SEWING MACHINES

	<u>March</u>	<u>April</u>	<u>May</u>
Machines reporting	108,577	108,913	110,350
Machines operating	73,390	73,985	76,632
Restored during month	203	336	2,647

SOURCE: Japan Textile Association.

SUNDRY GOODS

35. Twenty-five fish net mills began operation in May, and 100 of the 179 mills are now in operation. Fish net production almost doubled and tapes needed for industrial purposes showed a marked increase but sewing thread and other products declined.

YARN CONSUMPTION AND STOCKS
(thousands of pounds)

	<u>In Mills</u> <u>30 April</u>	<u>Receipts</u>	<u>Consumption</u>	<u>In Mills</u> <u>31 May</u>
Cotton				
Pure	3,359 a/	1,062	1,132	3,289
Mixed	235 a/	40	1	273
Raw silk	949 a/	0	156	794
Spun silk	3	0	0	3
Rayon	798 a/	102	244	656
Spun rayon	154	9	51	111
Regenerated	8	2	5	5
Throstle	64	0	11	53
Manila hemp	29	9	15	24
Others	46	16	18	43
Total	5,645	1,240	1,633	5,251

a/ Includes sewing thread.

SOURCE: Japan Textile Association.

SEWING THREAD PRODUCTION
(pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Silk	47,624	81,347	66,398
Cotton	315,052	507,612	373,762
Rayon	<u>4,361</u>	<u>21,335</u>	<u>13,365</u>
Total	367,037	610,294	453,525

SOURCE: Japan Textile Association.

OTHER PRODUCTION
(pounds)

	<u>March</u>	<u>April</u>	<u>May</u>
Braid	766,178	512,306	211,216
Fringe	77,635	1,220	548
Tape	257,549	245,030	430,890
Twine and net	39,200	52,950	24,830
Lace	22,101	5,738	21,848
Mattress ticking (sets)	45,419	199,002	65,947
Mosquito nets (pieces)	77,631	90,889	104,598
Hats (pieces)	281,041	352,010	366,218
Fishnetting (pounds)			
Cotton	a/	234,435	570,379
Manila	a/	20,625	14,550
Silk	a/	0	0

a/ Total 345,060 pounds.

SOURCE: Japan Textile Association.

DISPOSITION AND STOCKS
(pounds)

	<u>In Mills 30 April</u>	<u>Delivered to Distributing Association</u>	<u>In Mills 31 May</u>
Sewing thread			
Cotton (pure)	990,962	212,340	969,505
Silk	252,253	10,000	308,651
Rayon	61,037	8,112	66,290
Other products			
Braid	2,060,049	234,753	2,036,512
Fringe	150,274	620	150,202
Tape	696,380	478,765	648,505
Twine and net	68,250	32,285	60,795
Lace	164,432	65,243	121,037
Mattress ticking (sets)	190,797	77,317	179,427
Mosquito nets (pieces)	388,004	166,956	325,646
Hats (pieces)	651,968	79,103	939,083
Fish netting (pounds)			
Cotton	0	575,689	11,520
Manila	0	14,550	0
Silk	0	0	1,880

SOURCE: Japan Textile Association.

DYEING AND FINISHING

36. Fewer dyeing and finishing plants were operating during May and processing of cloth was approximately 2,000,000 yards less than in April. The new production and allocation plan for the 1946-47 fiscal year has not yet been put into operation, and mills reported a slackening of new commission business.

DYEING AND FINISHING

<u>Cloth</u>	<u>Dyed or Finished</u>	<u>Returned to Client</u>	<u>Remaining at Mill, 31 May</u>
Cotton	6,250,823	5,890,655	6,032,741
Rayon staple	4,106,294	5,472,450	4,824,669
Raw silk	5,897,638	7,910,769	2,347,073
Rayon	5,267,211	6,796,280	5,513,271
Linen and China grass	<u>1,040,612</u>	<u>833,505</u>	<u>881,332</u>
Total	22,562,578	26,903,659	19,599,086

SOURCE: Japan Textile Association.

SECTION 6

TRANSPORTATION AND PUBLIC UTILITIES

C O N T E N T S

	Paragraph
Motor Transportation.	1
Rail Transportation	2
Water Transportation.	6
Electric Power.	8
Gas Industry.	17

MOTOR TRANSPORTATION

1. The number of motor vehicles increased from 101,841 to 102,145, 51 percent of which are in actual service.

RAIL TRANSPORTATION

2. Cancellation of scheduled train operations was reduced from 187,688 kilometers to 140,138 kilometers in May. Total train kilometers operated increased from 14,051,351 to 15,512,443.

3. The breakdown by classification of total tonnage handled, as shown in chart, page 178, is given below and indicates a substantial increase during May.

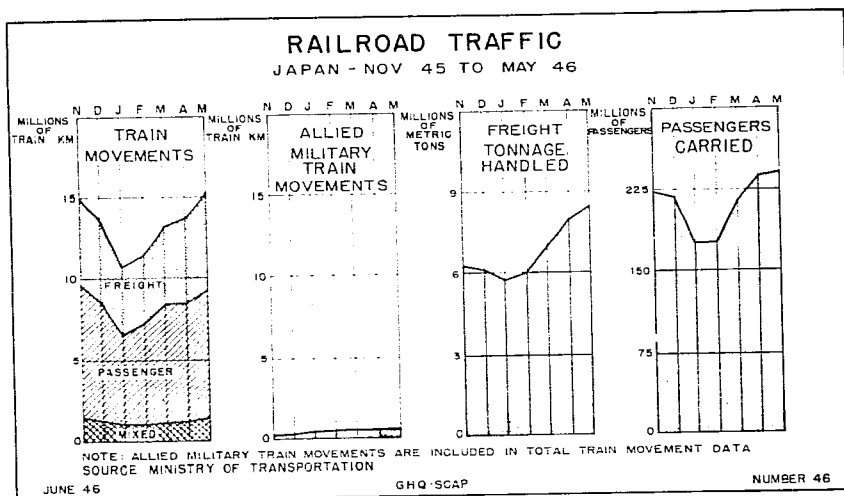
CLASSIFICATION OF TONNAGE HANDLED
(metric tons)

	<u>April</u>	<u>May</u>
Coal	1,902,000	1,588,900
Lumber	931,900	1,100,200
Fertilizer	122,900	143,000
Rice	206,500	147,000
Gravel	330,300	401,800
Ore	91,500	227,200
Cement	84,500	96,100
Iron and steel	154,900	164,100
Petroleum	102,300	110,300
Cotton goods	94,200	113,600
Flour	24,300	32,800
Sugar	4,300	11,100
Others	<u>4,024,900</u>	<u>4,401,100</u>
Total	8,074,500	8,537,200

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 May consisted of 4 electric and 17 steam locomotives, 26 electric cars, 32 passenger cars and 132 freight cars.



WATER TRANSPORTATION

6. Merchant shipping showed a slight decrease for the first time in four months.

	<u>CARGO CARRIED a/</u> (long tons)	
	<u>April</u>	<u>May</u>
Coal	206,144	214,744
Charcoal-coke	22,011	24,365
Lumber	64,446	51,690
Paper and pulp	7,719	5,681
Provisions	16,903	5,510
Iron and steel	17,479	39,054
Others	<u>95,459</u>	<u>53,296</u>
Total	433,161	394,340

a/ Japanese vessels of 100 gross tons and over.

SOURCE: Civilian Merchant Marine Committee.

7. During May an increase was noted in cargo shipped to China, while a decrease in that sent to Korea was evident.

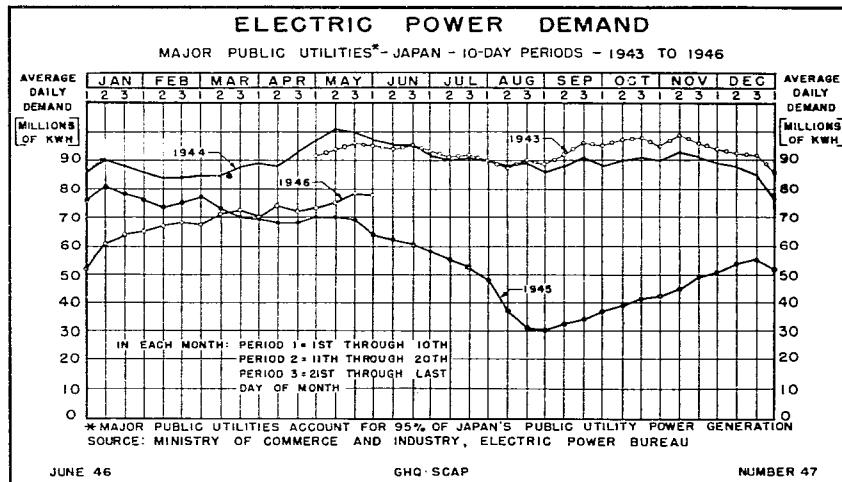
	<u>CARGO SHIPPED</u> (long tons)		
<u>To</u>	<u>March</u>	<u>April</u>	<u>May</u>
China	13,100	9,814	17,627
Korea	74,626	77,802	73,918

SOURCE: Civilian Merchant Marine Committee.

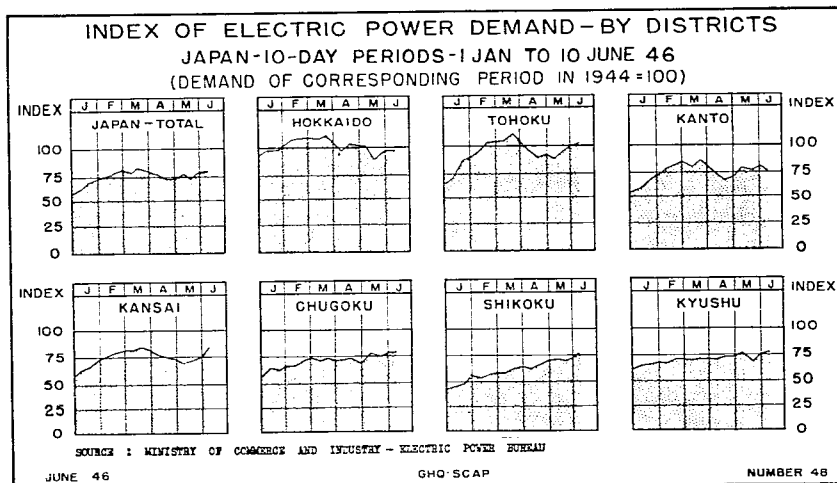
ELECTRIC POWER

8. The supply of electric power continues adequate to meet all demands.

9. Power generated during May totaled 2,344,700,000 kilowatt hours compared with the 2,158,000,000 kilowatt hours generated in April. The accompanying chart shows the trend of electric power demand for 10-day periods from 1 May 1943 through 10 June 1946.



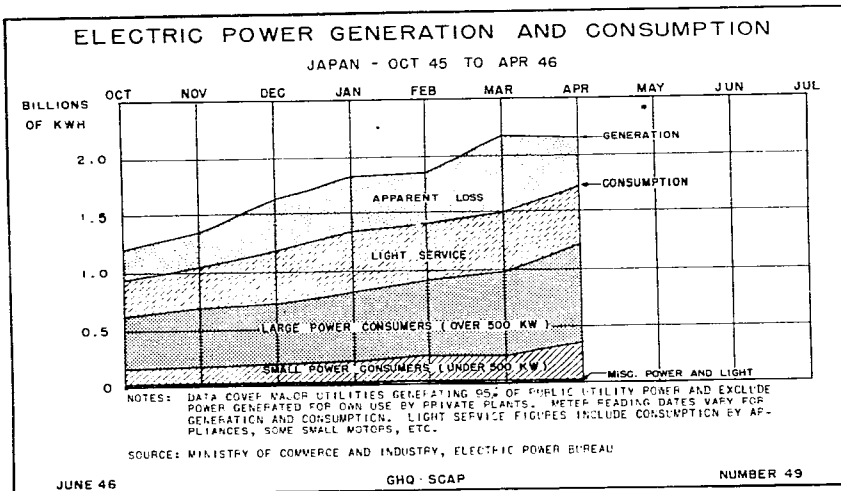
10. The index of electric power demand by districts from 1 January to 10 June compared with corresponding periods in 1944 is indicated in the following chart.



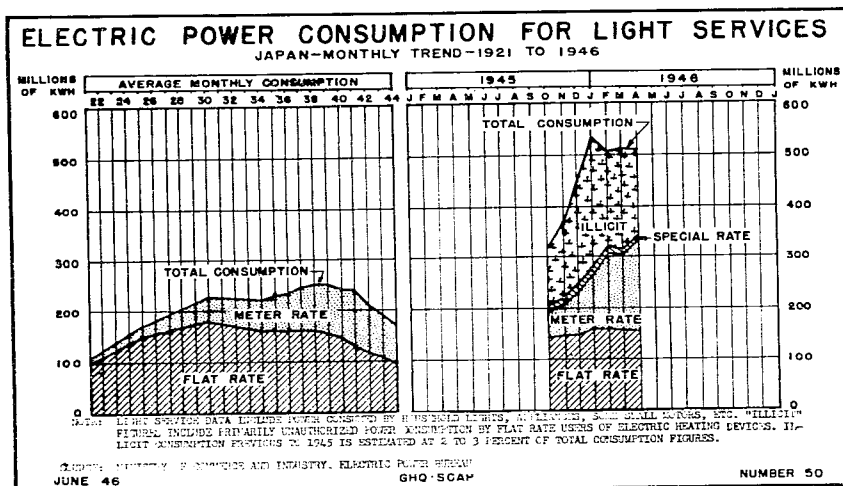
11. Hydroelectric power plants were the sole source of all power generated except in the Chugoku, Kyushu and Hokkaido districts. Steam generating plants supplied the supplemental power necessary in these areas. During May these plants accounted for 30,417,000 kilowatt hours of the total power generated, 80 percent of which was generated in Kyushu.

12. Kyushu in May required 100,000 kilowatts peak-load capacity and a total of 24,000,000 kilowatt hours of steam-generated power. In June it is estimated that 160,000 kilowatts peak-load steam generating capacity will be needed with 50,000,000 kilowatt hours total output during the month.

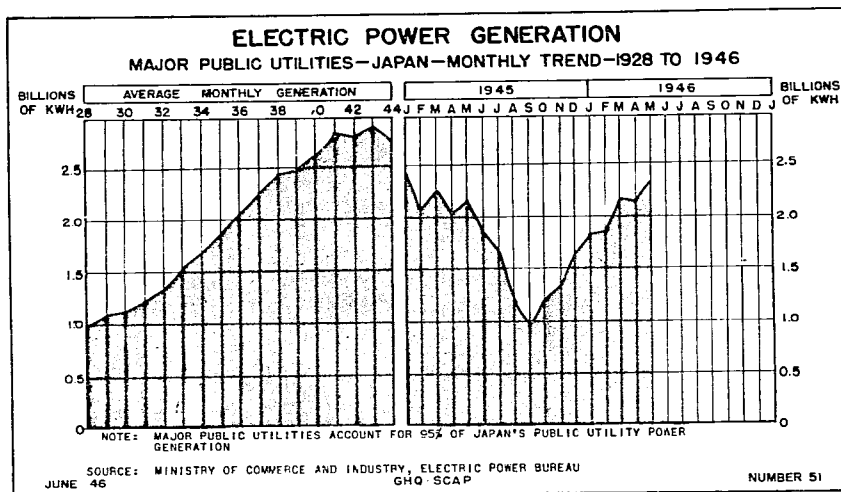
13. The accompanying chart shows electric power generation and consumption by major classes of consumers. The rapid growth of consumption by domestic consumers in the "Light" classification and the "Smaller Power and Light" category is notable. Heavy industries are included in the "Large Power and Light" classification which is showing a gradual increase in power consumption concurrent with industrial recovery and reconversion.



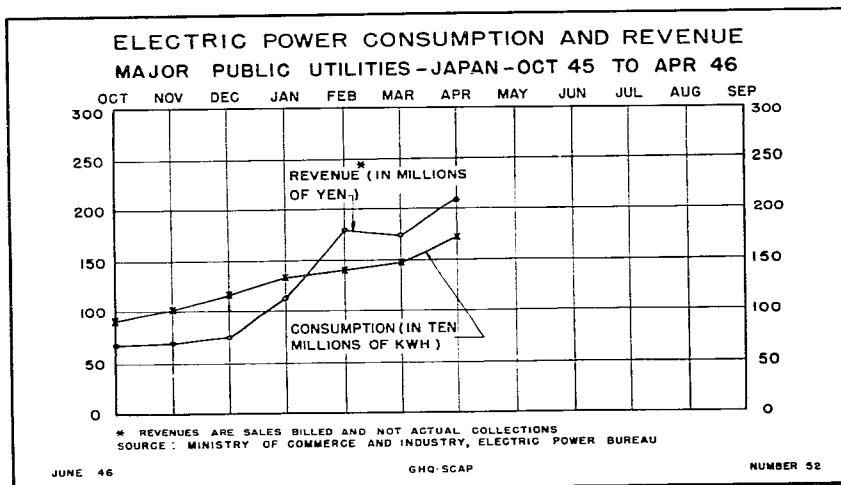
14. The following chart indicates the monthly trend of electric power consumption for light service. Much of the present consumption in this classification is due to illicit use of power for electric cooking and heating by nonmetered flat-rate consumers.



15. The monthly trend of electric power generation for major public utilities from 1928 to 1946 is shown by the accompanying chart.



16. Electric power consumption and revenues of the major public utilities are shown on the following chart.



GAS INDUSTRY

17. The shortage of coal continues to render 70 percent of the gas production capacity idle. The supply of gas to the consumer is irregular, undependable and does not meet the demand.

Production

18. During May 134 plants out of the total of 175 public utility plants were operated at partial capacity. Facilities for the manufacture of gas had a capacity of 3,578,590 cubic meters per day.

SUPPLY OF GAS FOR GENERAL USE BY PREFECTURE
May

<u>Prefecture</u>	<u>Production Capacity</u> (cubic meters/day)	<u>Average Daily Consumption</u> (cubic meters/day)	<u>Available Hours/Day</u>
Hokkaido	45,000	17,269	15
Iwate	2,520	0	0
Akita a/	2,700	4,518	4-8
Miyagi	10,800	2,220	3-4
Yamagata	7,070	2,915	4-6
Fukushima	8,190	2,256	3
Niigata b/	23,660	15,261	3-5
Ibaraki	30,400	793	3
Tochigi	5,400	1,349	4-7
Gunma	9,300	3,192	4-7
Chiba	13,680	8,312	4-6
Saitama	11,630	3,882	4-5
Nagano a/	11,660	6,064	4-8
Toyama	6,080	729	2
Ishikawa	16,700	3,980	4
Tokyo	702,930	193,143	4-5
Kanagawa	592,950	34,923	4
Yamanashi	2,930	352	12
Shizuoka	30,440	4,926	3-8
Aichi	192,210	29,234	2-5
Gifu	10,750	2,100	4
Mie	18,220	4,066	2-5
Shiga	3,380	3,073	4-6
Fukui	5,400	524	4
Kyoto	195,300	81,663	3-4
Nara	5,450	3,216	7
Wakayama	7,600	754	6
Osaka	1,088,700	129,755	4
Hyogo	254,330	40,353	2-6
Okayama	50,690	1,651	4-5
Tottori	4,650	778	4
Shimane	3,240	619	4
Hiroshima	52,350	12,890	4-7
Yamaguchi	8,330	1,778	4-7
Kagawa	5,040	1,125	4-5
Tokushima	2,250	0	0
Ehime	11,260	2,714	4-5
Kochi	5,200	565	4-5
Fukuoka	77,850	49,500	15
Saga	4,950	3,050	15
Nagasaki	12,500	5,924	15
Oita	7,190	2,339	15
Kumamoto	8,650	5,882	15
Miyasaki	4,060	2,565	15
Kagoshima	5,000	0	0
Total	3,578,590	692,292	

a/ 50 percent natural gas.

b/ 1.35 percent natural gas.

SOURCE: Ministry of Commerce and Industry, Coal Board.

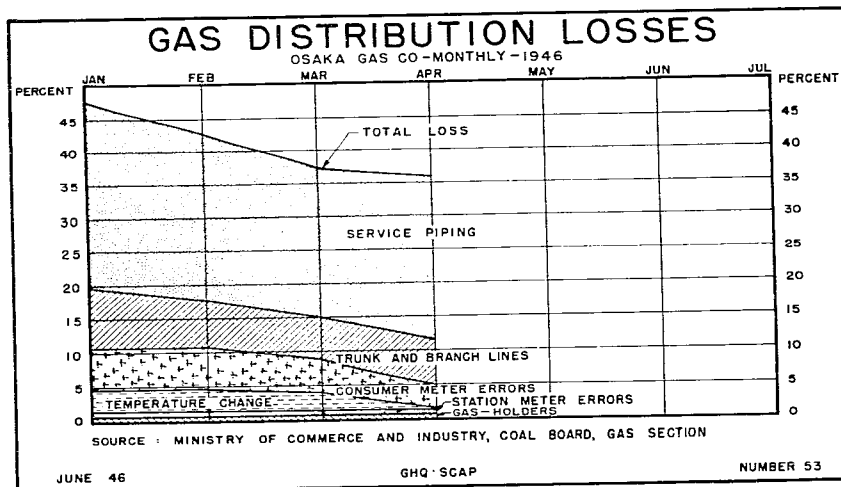
Consumption

19. There are 1,088,000 public utility gas consumers the majority of whom are domestic customers. The industrial users consumed 3,063,000 cubic meters in April representing approximately 16 percent of the total consumption. Industries demanding large quantities of gas such as the iron and steel industry are equipped with privately owned gas producers, or utilize by-products gas. The fact that the public utilities supply such a small quantity for industrial use is normal and cannot be interpreted to indicate lack of industrial activity.

Distribution

20. The amount of gas produced in May averaged 1,054,885 cubic meters per day. The amount supplied to consumers averaged 692,292 cubic meters daily. Apparent loss accounts for the difference between the quantity produced and supplied. For the regions supplied by the Tokyo Gas Company, the Osaka Gas Company and the Toho (Magoya) Gas Company, the areas of largest consumption, this loss in April was 44 percent, 36 percent and 47.8 percent, respectively. The loss decreased from an average of 40 percent of the quantity produced in April to 35 percent in May.

21. The following chart indicates the apparent loss from January through April as determined by a study by the Osaka Gas Company.



SECTION 7
COMMUNICATIONS

C O N T E N T S

	Paragraph
Administration	1
Wire Services.	6
Radio Services	15
Postal Services.	21
Construction and Equipment Installation.	24
Communication Equipment Manufacturing and Supply	32
Personnel.	40
Financial Operations	46

ADMINISTRATION

1. The Cabinet and Privy Council approved an imperial ordinance elevating the Board of Communications to a Ministry effective 1 July.

2. The Minister of Communications will be Sadakichi Hitotsumatsu, now Minister of State. Since 1928 he has been a member of the Diet. A lawyer by profession, he was Counselor of the Imperial Rule Assistance Association during the war.

The Vice-Minister of Communications will be Kyoichi Suzuki, now Director of the General Affairs Bureau of the Board of Communication. He is a career man in the Board of Communications.

3. The Building and Repair Division of the Board of Communications, previously part of the President's Secretariat, was made an independent division with authority equivalent to that of a staff bureau.

4. The Broadcasting Corporation of Japan is being reorganized to assure more democratic use of its facilities and services. Major changes effected recently are:

- (1) Revision of the charter effective 29 May 1946 increasing the number of directors from 25 to 30 in order to give wider representation; establishing a Board of Councillors of 60 appointed by the President and responsible for selecting and electing the directors; and increasing the par value of the nonnegotiable and nondividend paying membership shares or units in the Corporation from ¥ 200 to ¥ 500 in accordance with the general increase in prices and costs.
- (2) Establishment of a new department, the "Radio Cultural Research Institute," to raise the quality and cultural level of broadcasting.

5. The Government plans to introduce the following four bills concerned with communications in the current session of the Diet:

- (1) Amendment to the Mail Law to increase rates on ordinary mail by the general magnitude of 200 percent.
- (2) Amendment to the Telegraph Law and Wireless Telegraph Law to rescind all provisions relating to the Japanese military.
- (3) Amendment to the Postal Savings Law to increase the minimum deposit from 50 sen to one yen and the maximum deposit from ¥ 5,000 to ¥ 10,000.
- (4) Amendment to Communications Special Account Law to permit the borrowing of funds for the construction of post offices and to effect other changes.

WIRE SERVICES

Occupational Services

6. Major items of Japanese equipment providing services exclusively for the Occupation Forces as of 1 June follow:

- 1,166 long distance circuits involving 183,372 miles of wire
 - 93 private telephone exchanges serving approximately 1,400 Occupation Forces telephones
- 6,489 telephone instruments
- 7,000 (approximately) telephones served by exchanges in joint use by Occupation Forces and the Japanese
- 8,000 (approximately) exchange cable pairs
- 118 telegraph circuits encompassing 13,483 miles of wire

7. Most of the Occupation Force telegraph network is provided by Signal Corps voice frequency telegraph equipment using Japanese long distance telephone circuits for the transmission medium.

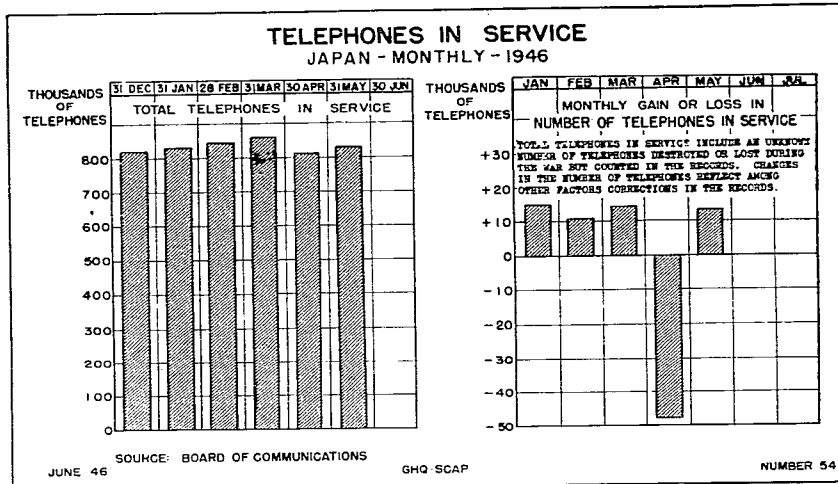
8. Equipment rearrangements were completed to establish long distance telephone service for the Occupation Forces through the Japanese toll switchboard at major points. A directory for this service which is available to approximately 350 organizations was distributed.

9. The number of offices from which Sender's Composition Messages to the United States may be filed was increased from 17 to 36. Arrangements for filing these messages on Shikoku and on Kyushu largely accounted for this increase.

10. Expeditionary Force Messages may now be filed in over 100 offices. The lack of English speaking attendants in many offices renders utilization of this service difficult. The situation is being alleviated by arrangements with the American Red Cross whereby messages may be filed at their club houses in northern Honshu and Hokkaido.

Domestic Telephone

11. The number of telephones in service increased in May as shown in the accompanying chart.



There is a large backlog of applications for telephone service.

12. Chart, page 188 shows changes in long distance telephone service in May. Long distance telephone traffic through 52 principal exchanges increased by about 15 percent in spite of the increase in the telephone rates of almost 300 percent effective 6 May.

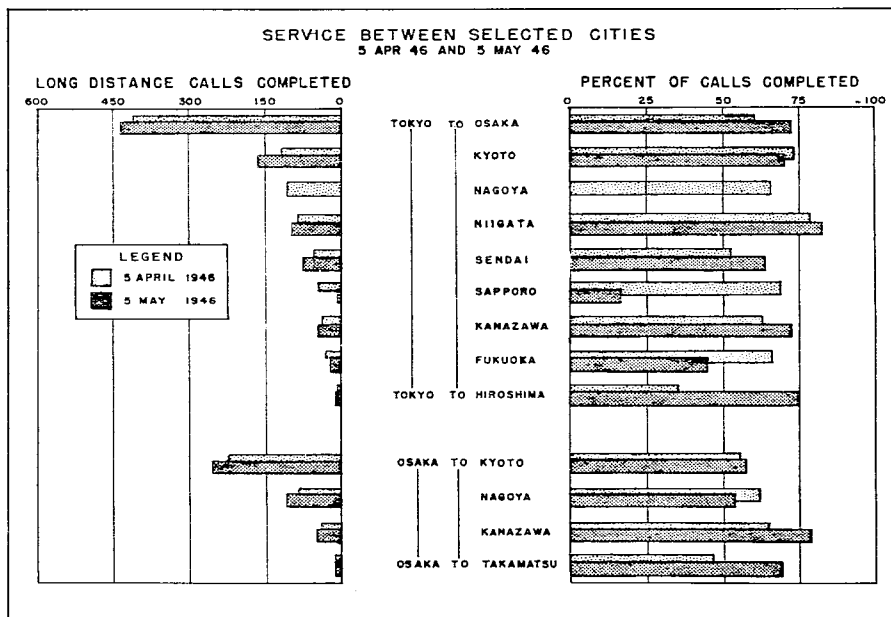
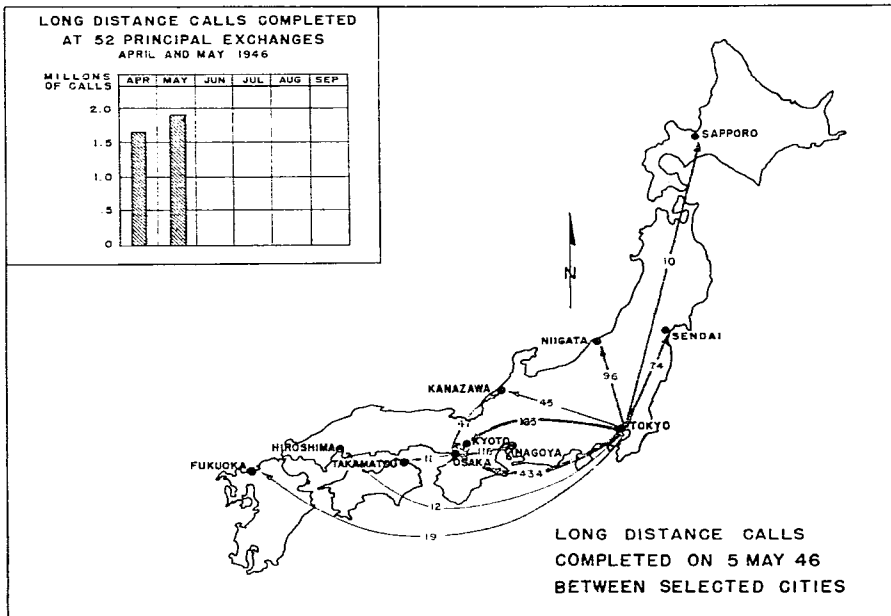
The percentage of calls completed in relation to those placed over selected circuits remained low.

Domestic Telegraph

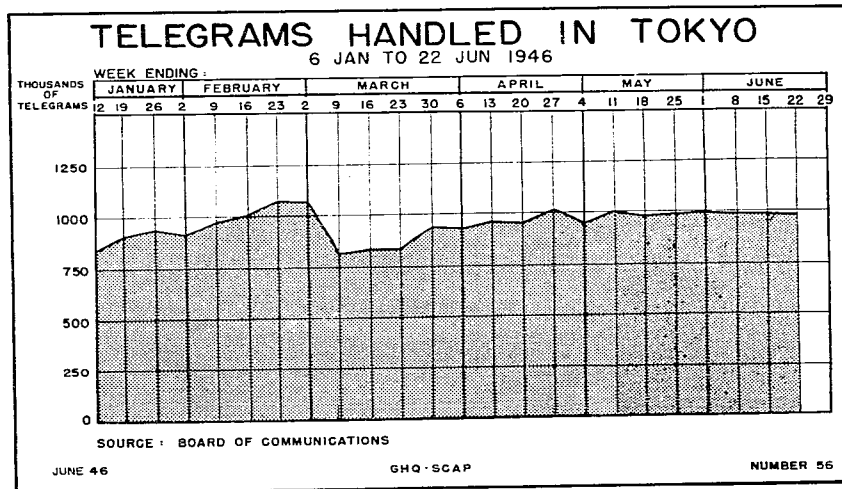
13. The number of telegrams handled in Tokyo declined steadily during the three weeks ending 22 June, as indicated by chart, page 189. This is attributed to the increase in telegraph rates which became effective 6 May.

LONG DISTANCE TELEPHONE SERVICE

JAPAN - APRIL AND MAY 1946



SOURCE: BOARD OF COMMUNICATIONS



International Cable

14. The number of cablegrams transmitted between Japan and Korea increased from 1,119 for the four weeks ending 18 May to 1,777 for the four weeks ending 15 June.

RADIO SERVICES

Domestic

15. The Broadcasting Corporation of Japan's daily program transmission hours for the national (No. 1) and urban (No. 2) networks remained at 17½ and 6½ hours respectively.

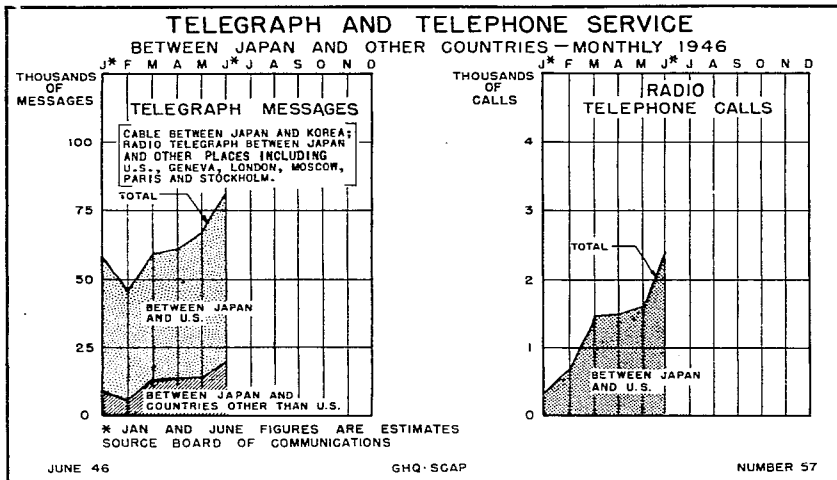
16. The Corporation entered into contracts for 43,812 new listening licenses in May as compared with 26,194 in April. The Corporation reported a total of 5,082,775 paying listeners and 365,892 free listeners on 30 May. Between 31 August 1945 and 30 May 1946 the total number of listeners reported declined by about 600,000 reflecting corrections made in the records to exclude recorded nonexistent sets.

17. The number of radio stations in the Board of Communications point to point system was reduced from 225 to 105 during June. This action was taken because the stations were in excess of requirements.

18. The Board of Communications allocated the 254 frequencies cleared by SCAP in May. Technical reasons made it possible for only 12 stations to change to the new frequencies.

International

19. Chart, page 190 indicates the increase in the number of radio telephone calls and radio telegraph messages between Japan and other countries during June.

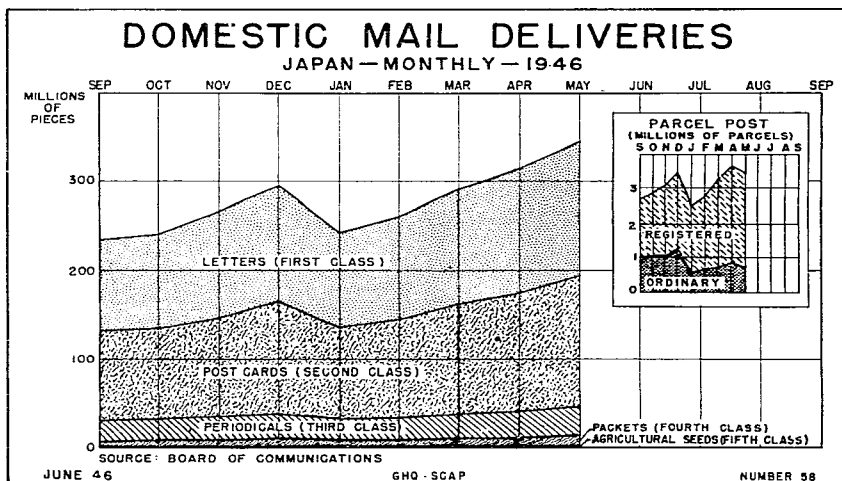


20. The short-wave broadcasting service for Japanese repatriation camps was modified to provide increased signal power in areas previously served and to extend the service to the Shanghai and Tsingtao areas. Areas previously served were Formosa, Peiping, Tientsin and Changchun.

POSTAL SERVICES

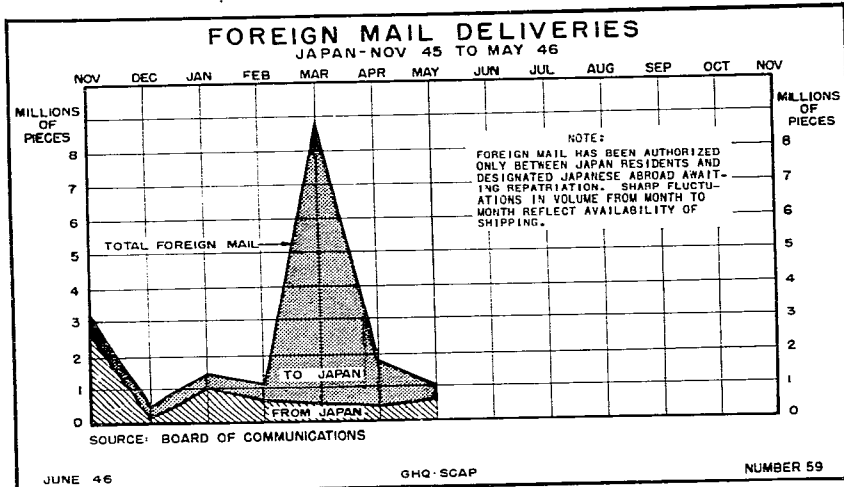
Domestic Mail

21. The following chart indicates that the volume of all classes of domestic mail handled, with the exception of parcel post, increased during May. The decline in the volume of parcel post reflects the increase in rates for that class of mail effective 6 May. This decrease is significant since large quantities of foodstuffs are forwarded by parcel post to areas where the food shortage is most critical.



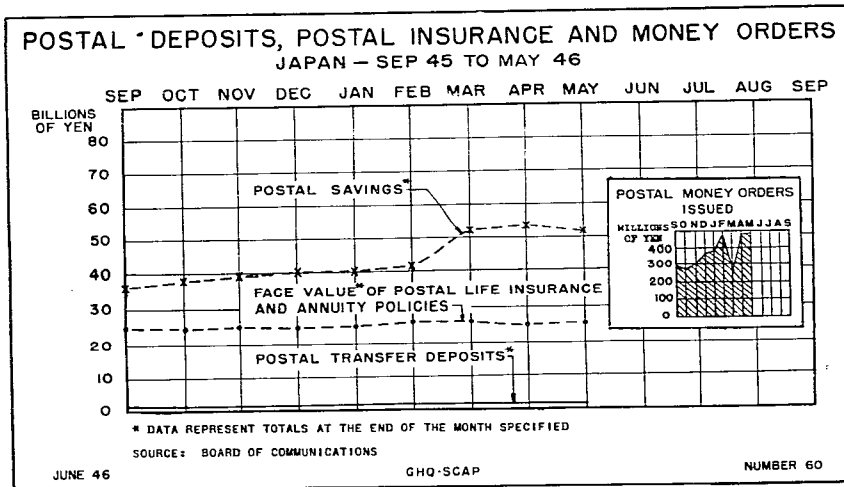
Foreign Mail

22. The volume of mail between persons in Japan and Japanese awaiting repatriation in formerly Japanese occupied areas is shown in the accompanying chart. The fluctuations are due primarily to changes in the amount of shipping available and the backlog at the time the service was opened in November.



Financial Activities

23. The following chart indicates the trend in postal deposits, postal insurance and money orders from September 1945 through May.



CONSTRUCTION AND EQUIPMENT INSTALLATION

Wire

24. Nine major construction projects were completed in May as compared with eight in April.

STATUS OF REPRESENTATIVE PROJECTS 1 June

<u>Type of Project</u>	<u>Percent on Which Progress was Made</u>		
	<u>1 April</u>	<u>1 May</u>	<u>1 June</u>
Building repair and construction	30.0	64.7	43.8
Toll cable	63.6	63.6	40.0
Telegraph equipment reinstallation	40.0	42.1	56.7
Regrouping subscribers	71.4	57.1	50.0
Toll, local and test boards	50.0	100.0	50.0
Carrier system installations	38.5	69.4	93.0

SOURCE: Board of Communications.

25. Shortage of operable motor vehicles continues to hamper the construction and rehabilitation program. Repair and delivery schedules show that this shortage will not be eliminated for several months.

26. The main toll routes are being equipped with emergency engine driven alternators. Fifteen recently manufactured alternators are being prepared for shipment to repeater stations.

27. Automatic carrier regulator and pilot alarm systems for application to both open wire and cable carrier systems are being engineered. This equipment should improve service greatly since circuit equivalents vary over wide limits and the present system is not equipped with transmission indicating equipment. Four wire toll cable regulators which were disconnected several years ago are being rehabilitated.

28. The receipt of additional vacuum tubes has improved telephone service somewhat, but it is still unsatisfactory due to inefficient transmission and maintenance practices. This may be corrected by the program of on-the-job training which is under way.

Radio

29. The International Telecommunications Company completed construction of two-channel single-side band receiving and transmitting equipment, which is now undergoing operational tests. This equipment which will be used in the radio telephone service between Japan and the United States will make possible two simultaneous telephone conversations using one transmitter and one receiver installation. At present only one conversation at a time can be conducted over this circuit. This is the first attempt of the Japanese to develop and construct carrier suppressed single-side band equipment.

30. Rehabilitation of the war-damaged facilities of the Broadcasting Corporation of Japan is hampered by shortages of new equipment and replacement parts. In spite of this, transmission coverage has been raised almost to the prewar level through redistribution and maximum use of available facilities.

Postal

31. Workers have completed 15 of the 53 war-damaged first class post offices scheduled for rebuilding.

COMMUNICATION EQUIPMENT MANUFACTURING AND SUPPLY

Production

32. Communication equipment manufacturers received only about one half of the coal required to maintain scheduled production in June. Deliveries were below allocations which were only 65 percent of requirements.

The Ministry of Commerce and Industry is now allocating coal to the communications equipment manufacturing industry on a monthly basis.

33. Prompted by the failure of the industry to meet the scheduled increase in receiver-set production for April, manufacturers instigated a concerted production drive in May. This resulted in a 40 percent increase in production over the April figure as shown in the accompanying table.

RADIO BROADCAST RECEIVERS AND TRANSMITTERS

<u>Product</u>	<u>Plants Operating</u>		<u>Production</u>	
	<u>April</u>	<u>May</u>	<u>April</u>	<u>May</u>
Receivers				
Broadcast	17	20	31,000	43,000
All-wave	<u>8</u>	<u>10</u>	<u>1,000</u>	<u>1,500</u>
Total	-	-	32,000	44,500
Transmitters	9	10	720	1,150

SOURCE: Ministry of Commerce and Industry.

The fact that all-wave receivers were not manufactured during the war is reflected in the lack of quality control measures in the fabrication and assembly of the sets. Leading manufacturers are making serious efforts to establish appropriate controls.

34. The production of vacuum tubes is shown below:

TUBES

<u>Type of Tube</u>	<u>Plants Operating</u>		<u>Production</u>	
	<u>April</u>	<u>May</u>	<u>April</u>	<u>May</u>
Receiver	11 <u>a/</u>	13 <u>a/</u>	144,000	151,000
Transmitter	5 <u>a/</u>	5 <u>a/</u>	3,400	3,100
Repeater	1	1	5,200	5,060
Other	5 <u>a/</u>	7 <u>a/</u>	<u>720</u>	<u>1,150</u>
Total	-	-	153,320	160,310

a/ Plants manufacturing more than one of the items listed.

SOURCE: Ministry of Commerce and Industry.

35. Difficulties are being encountered in the manufacture of large water cooled transmitting tubes. Only one of this type tube has been completed. All others were cracked while being exhausted. Production is further restricted by shortages of skilled workers.

36. The production of repeater tubes fell below estimates during May due to a shortage of high caloric coal from which gas is produced. Deliveries of high caloric coal increased in June and a corresponding increase in production is anticipated.

37. Only minor changes took place in the production of wire communications equipment in May.

WIRE COMMUNICATIONS EQUIPMENT

Product	Plants Operating		Production	
	April	May	April	May
Telephone sets	7	7	12,970	10,830
Manual switchboards	5	7	210	323
Automatic switch units	4	4	3,800	3,830
Carrier equipment	4	3	130	92
Repeater equipment	2	2	405	577
Telephone cable <u>a/</u>	4	4	460	494
Wire communication parts <u>b/</u>	15	16	6,380	6,410

a/ Production figures in kilometers.

b/ Production figures in thousands of yen.

SOURCE: Ministry of Commerce and Industry.

There is no shortage of telephone cable, the production of which continues to increase in proportion to demand.

38. The production of most component parts registered small increases during May.

COMPONENT PARTS

Product	Plants Operating		Production	
	April	May	April	May
Condensers	36	36	950,000	1,110,000
Resistors	14	14	770,000	955,000
Transformers	19	19	35,000	22,000
Speakers	8	9	28,000	41,000
Other radio parts <u>a/</u>	43	45	6,000	6,540

a/ Production figures in thousands of yen.

SOURCE: Ministry of Commerce and Industry.

Japanese Army and Navy Communications Equipment

39. The redistribution of stocks of Japanese Army-Navy communications equipment is proceeding slowly. The Board of Communications attributes this to:

- (1) Decentralization of warehouses in which the items are stored.
- (2) Shortage of qualified personnel to properly inventory and classify the items.

- (3) Inadequate transportation facilities.
- (4) High prices placed on these items by the Ministry of Finance, preventing their purchase by manufacturers for "cannibalistic" purposes and adaptation of parts to current production.
- (5) Certain items such as telephone cable are being stockpiled for utilization in the troop billets and housing program.
- (6) The necessity for obtaining prior approval of specific projects before distribution may be made.

PERSONNEL

40. Absenteeism among workers both of the Board of Communications and the communications equipment industry remained high. The food shortage is responsible for this as well as for the decrease in productivity of individual workers, particularly those engaged in heavy labor.

Board of Communications

41. The Board of Communications reported that its projected personnel increase of between 35,000 and 40,000 during the current fiscal year is primarily for reconstruction and rehabilitation.

42. The Board of Communications made arrangements early in 1946 for the distribution of substantial quantities of food, clothing and stoves and the improvement of workers' housing.

Union Activity

43. The All Japan Communications Workers' Union which has a claimed membership of 400,000 was formally inaugurated on 31 May. This is the largest single union in Japan and is affiliated with the All Japan Congress of Industrial Unions.

Broadcasting Corporation of Japan

44. The Broadcasting Corporation continued to screen key personnel and to remove militarists, ultranationalists, those responsible for wartime propaganda, persons connected with the Japanese expansion program, and persons influential in organizations dissolved by SCAP.

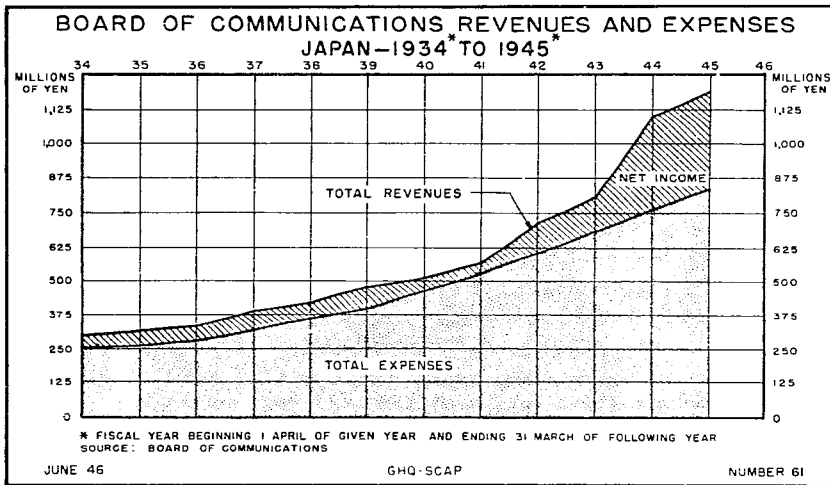
International Telecommunications Company

45. The management of the International Telecommunications Company is now considering the dismissal of about one third of its 3,000 employees because of the loss of the bulk of its foreign business. Negotiations between the management and the employees are still under way.

FINANCIAL OPERATIONS

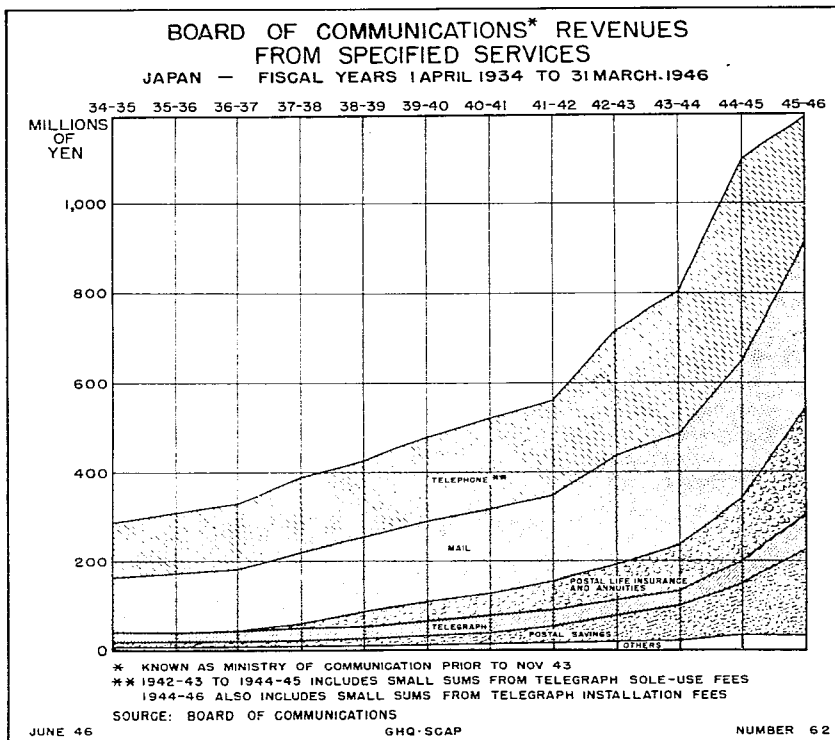
Board of Communications

46. Business revenues and net income of the Board of Communications were higher for the fiscal year ending 31 March than in any previous year, as is shown in chart, page 196.



About one half of the business expenditures represent salaries and wages. This proportion has increased from less than 30 percent in 1935.

47. The following chart shows the business revenues of the Board of Communications by type of income from the 1934-1935 fiscal year through the 1945-1946 fiscal year.

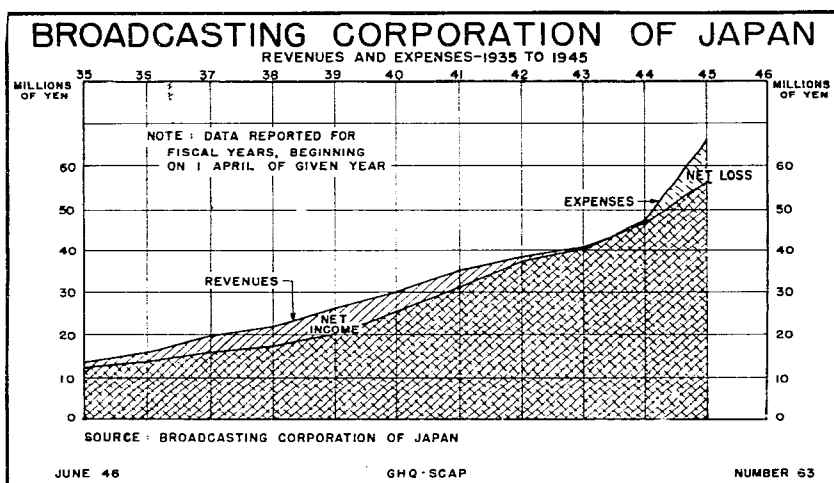


48. Business revenue received from long distance calls made through 52 principal exchanges increased from ¥ 2,400,000 in April to ¥ 7,700,000 in May reflecting principally the increase in rates effective 6 May.

Broadcasting Corporation of Japan

49. The Broadcasting Corporation of Japan is encountering financial difficulties due to wage increases of about 300 percent in late 1945.

50. The accompanying chart shows the financial condition of the Corporation from 1935 through 31 March 1946.



SECTION 8

LABOR

C O N T E N T S

	Paragraph
Labor Legislation	1
Labor and Employer Organizations.	2
Labor Relations	12
Labor Education	27
Wages	31
Employment and Unemployment	35
Labor for the Occupation Forces	47
Labor Administration.	49

LABOR LEGISLATION

Labor Disputes Bill

1. The Labor Disputes Adjustment Bill establishing machinery for conciliation, mediation and arbitration of labor disputes was approved by the Labor Legislation Committee on 31 May and by the Cabinet on 24 June for introduction into the Diet.

LABOR AND EMPLOYER ORGANIZATIONS

Labor Unions Registered

2. Registered labor unions increased from 3,739 on 15 March to 7,357 on 1 May. Union membership increased from 1,690,985 to 2,691,552 on these dates. The number of union members reported on 1 May is 29 percent of the total regularly employed nonagricultural labor force as of the 26 April census.

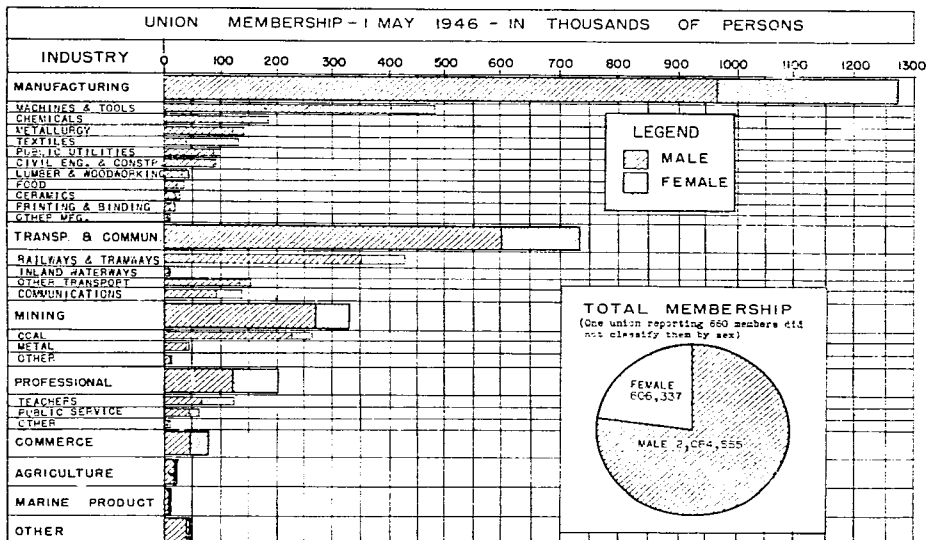
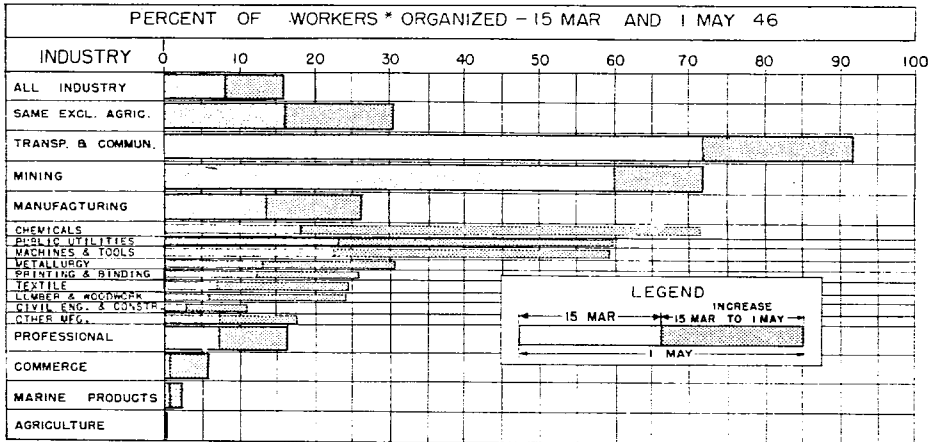
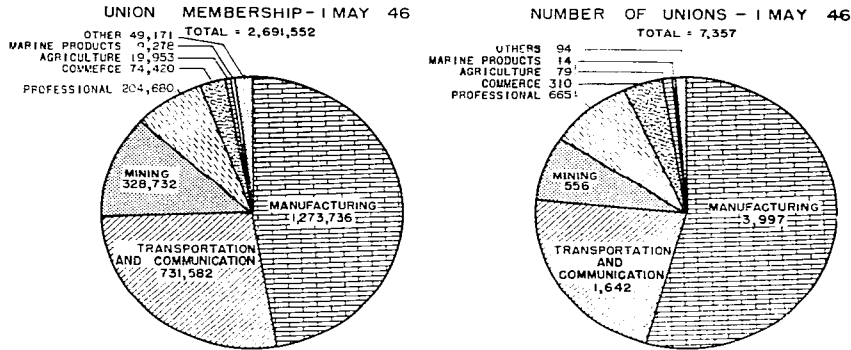
3. Twenty-three percent of all union members were women. They constituted 69 percent of all textile union members.

4. Manufacturing, transportation and communications and mining remained the most highly unionized industries. In the manufacturing industries the number of union members almost doubled between 15 March and 1 May as shown by chart, page 200.

5. Thirty-five percent of all union members are found in Fukuoka, Hokkaido, Tokyo and Osaka Prefectures. Most of Japan's coal mines are concentrated in the first two of these prefectures, indicating the extensive degree of unionization in that industry. Detailed breakdown of the 10 prefectures most highly unionized on 1 May follows:

LABOR UNIONS - BY INDUSTRIES

JAPAN - 15 MARCH AND 1 MAY 1946



* NUMBER OF WORKERS AS OF 1 DEC 45 OCCUPATIONAL REGISTRATION. LABOR UNIONS AND MEMBERSHIP REGISTERED ON 15 MARCH AND 1 MAY 1946.

SOURCE: MINISTRY OF HEALTH & WELFARE
JUNE 46

GHQ · SCAP

NUMBER 64

Union Membership

<u>Prefecture</u>	<u>Number of Unions</u>	<u>Men</u>	<u>Women</u>	<u>Total</u>
Fukuoka	397	207,838	52,770	260,608
Hokkaido	819	191,374	40,349	231,723
Tokyo	704	179,281	50,535	229,816
Osaka	359	167,978	44,057	212,035
Hyogo	312	95,525	26,092	121,617
Aichi	240	96,348	24,305	120,653
Kanagawa	280	93,839	22,293	116,132
Niigata	239	59,623	22,384	82,007
Nagasaki	110	64,860	14,754	79,614
Shizuoka	189	47,479	16,684	64,163
Total	3,649	1,204,145	314,223	1,518,368

SOURCE: Ministry of Health and Welfare.

Labor Union Federations

6. The Central Committee of the Japan General Federation of Labor Unions (Zen-Nippon Rodo Kumiai Sodomei) met on 25 June to prepare for the official inauguration of the Federation in July.

7. On 4 June the All Japan Congress of Industrial Unions (Sangyo-betsu Kumiai Kaigi) announced its interim program, emphasizing the following objectives:

- (1) Measures to relieve mass unemployment.
- (2) Establishment of a minimum wage system.
- (3) Rationalization of the wage structure.
- (4) Abolition of income tax on wages.
- (5) Establishment of collective bargaining and workers' right to participate in management.
- (6) A broad organizational drive to establish national unions in all important industries.

Labor Union Activities

8. The All Japan Union of Communication Workers, the largest single union in Japan, was formally inaugurated on 31 May. The union maintains an independent position and has refused affiliation with any political party.

9. Progress was made in the movement to consolidate all government employees' unions with the establishment on 31 May of the Federation of Tokyo Metropolitan Government Employees' Unions. This was followed by the formation of a preparatory committee to establish a National Federation of Labor Unions of Public Agencies, with an anticipated membership of 400,000.

10. On 4 June delegates of life insurance company unions inaugurated a federated council which proposes to combine the 100,000 employees in the field into a national union.

11. Following SCAP directive extending the Japanese fishing areas, the Japan Fishermen's Union drafted a plan whereby the fishermen may take advantage of the extended area. In order to assure the supply of fishing materials and implements and improve the distribution of fish to consumers, the following proposals were made:

- (1) Reorganization of the semiofficial Fishing Association into 10 regional co-operatives and a federated council in Tokyo.
- (2) Democratic election of officers of the co-operatives by the membership, and of members of the federated council by presidents of the co-operatives.
- (3) Establishment of a National Fishing Congress composed of 500 representatives as the supreme deliberative body of the fishermen.
- (4) Elimination of commission merchants in order to supply larger amounts of fish at lower prices.
- (5) Creation of new fishing rights and extension of the old to small fishermen.

LABOR RELATIONS

Labor Relations Committees

12. The prefectural Labor Relations Committees have begun to handle the adjustment of individual disputes. Their activity was previously confined largely to determining whether labor organizations were qualified as labor unions.

On 11 June the Ministry of Health and Welfare reported that 39 labor disputes had been referred to Labor Relations Committees since their establishment and that five had been settled by their influence. The work of the committee has been hampered by a lack of information on proper mediation procedures.

13. The Central Labor Relations Committee made a formal request for its reorganization to the Ministry of Health and Welfare on 18 June. In accordance with the Imperial Ordinance on Labor Unions, the Ministry will invite recommendations from unions and employer associations for labor and employer representatives on the Committee, to be selected in August.

14. The Ministry of Health and Welfare has made inquiries to the Prefectural Labor Relations Committees regarding their reorganization. The labor unions have asserted that these committees were formed before the unions were sufficiently regularized to be representative.

15. The Ministry of Health and Welfare submitted a proposal to the 18 June meeting of the Central Labor Relations Committee recommending that the Committee formulate model agreements establishing labor-management councils in each industry.

Negotiations and Agreements

16. On 16 June, after three weeks of negotiations, the union of 30,000 employees of the Japan Electric Power Generation and Transmission Company accepted a compromise settlement covering the period from May through July which amounted to 89 percent of its demands. A three-installment "antifamine fund" of ¥ 33,000,000 is to be paid by 1 August.

Employees in the six principal cities are to receive a total of ¥ 750 plus ¥ 100 per dependent, those in medium urban areas ¥ 650 plus ¥ 100 per dependent, and the remainder ¥ 550 plus ¥ 100 per dependent.

In these negotiations the union was supported by the National Council of Electric Workers' Unions which includes the unions in the nine power-distribution companies with 78,000 employees. The settlement secured from the Japan Electric Power Generation and Transmission Company is being used by the electric-distribution unions as the basis for obtaining similar concessions.

17. Joint negotiations for a special allowance were continued throughout June by 538,000 government railway employees, 400,000 government communications workers and 150,000 teachers.

18. The Ministry of Health and Welfare announced that 212 agreements between labor unions and management had been concluded up to 30 May. This compares with the 122 trade agreements in force in March 1936, the date of maximum prewar unionization.

19. Joint labor-management councils are provided for in 110 agreements. The closed shop was included in only 59.

An important feature of the agreements was the absence in most of a specified period for which the agreement would be effective. In the cases where an effective period was stated (less than half of the total) a period up to a year was the general rule. In only a small percentage of agreements was the effective period up to the legal maximum of three years.

Tokyo Prefecture accounted for 45 agreements. Other prefectures reporting 10 or more agreements concluded were Hokkaido 17, Kagoshima 12, Saitama 11, Kanagawa 10 and Kagawa 10.

20. A major trade agreement was signed between the All Japan Seamen's Union and the Japan Coastal Shipping Association covering 30,000 seamen employed on 3,000 small wooden ships. This provided for establishment of a negotiation council to work out details of wages, allowances, food and commodity distribution, employment and dismissal procedures and operation of coastal craft.

Labor Disputes

21. Disputes involving interruption of normal production operations totaled 329 with 198,694 participants in the nine-month period from 1 September 1945 to 31 May. This indicates a monthly average of 35 disputes and 22,077 participants.

TYPE OF DISPUTE
1 Sep 45 - 31 May 46

	<u>Number</u>	<u>Participants</u>
Walkout	170	75,417
Slowdown	38	29,021
Lockout	18	4,308
Workers' control of production operations	<u>103</u>	<u>89,948</u>
Total	329	198,694

SOURCE: Ministry of Health and Welfare.

22. Following several months of public discussion on the legality of "production control" the Japanese Government on 13 June issued a statement declaring "the Government finds it difficult to justify it as a recognized form of labor dispute . . . it is likely to destroy the industrial structure of the country . . ."

The Government urged labor and management to consider increased production and the establishment of labor-employer "management councils" to prevent disputes. The utilization of mediation and arbitration machinery was urged in the event that negotiations fail.

Labor unions considered the government statement an attempt to deny workers all right to strike, contending that "production control" was a mild form of outright strike which would otherwise take the form of a walkout and halt production entirely.

Coal Mine Labor

23. Labor relations in the coal mines continued to receive special attention. Recognizing that lack of food was primarily responsible for lowered output per miner the Government on 7 June authorized both regular and special rations totaling six go (one go equals approximately 143 grams) of cereal daily for each miner and three go for each of his dependents. For some months only the special ration (3.9 go per miner and 0.9 per dependent) had been supplied to many of the miners.

24. A raise in wage to a maximum daily average of ¥ 30 for the underground miner and ¥ 20 for the surface worker from ¥ 13 and ¥ 10 respectively was authorized by the Coal Board. Joint labor-employer management councils were also urged.

25. The labor relations plan developed at the Mitsubishi Bibai mine in Hokkaido in May featuring a strong labor-management council (see Monthly Summation Number 8, page 171) was adopted in several new trade agreements. By the end of June it was in effect in the principal Hokkaido coal fields of the Mitsubishi and Mitsui mining companies.

26. In June the All Japan Federation of Coal Mine Operators, consisting of the coal operators' associations in Hokkaido, Kyushu and Japan was established. The labor relations policy of this federation, organized under the leadership of the Tokyo Coal Mine Operators' Federation, closely follows the Mitsubishi Bibai plan.

LABOR EDUCATION

27. The Communist Party has established schools for training

labor organizers and labor officials in most prefectures. Efforts of other labor groups have been hampered by lack of funds, teachers and materials.

28. One of the first postwar union schools was established by the National Federation of Government Railway Workers' Unions on 20 May at the Shinagawa Railway Station in Tokyo. The school provides lectures and discussion for 50 members of the local branch of the Federation on history of Japanese capitalism, theory of trade-unionism, the Labor Union Law and labor regulations. The Federation is arranging for similar schools for other branches.

29. The first nonpartisan labor institutes since the end of the war were established in June. The Osaka Labor Society was formed to promote reconstruction of the Japanese economy through scientific studies of the labor situation. Managing director of the organization is Kiyoshi Goto, former professor of Kyushu Imperial University.

Activities of the Society are to include classes on labor topics for union members, monthly research meetings on labor problems for persons engaged in labor administration, establishment of liaison with labor organizations for exchange of information, and preparation and publication of research data for general dissemination.

Several noted labor scholars sponsored the Central Labor College (Chuo Rodo Gakuen) in Tokyo. Lectures and published material are provided for labor union leaders, personnel managers and government labor officials. The College is to take over the buildings, library, publications and other facilities of the Labor-Capital Harmonization Society (Kyocho-kai), original sponsor of Sampo in 1936, which after 27 years' existence voted on 25 June to dissolve. The Labor College excludes all wartime and prewar directors and officials of the Harmonization Society from membership.

30. A committee representing the motion-picture unions obtained the support of unions having 1,100,000 members for production of labor education films. Initial films are to stress organizations of unions, conduct of meetings and union business, and procedure of collective bargaining and negotiation.

WAGES

31. Wage rates increased, particularly in the electric power and coal mining industries, but continued to lag behind cost of living. The Ministry of Health and Welfare estimated the monthly cost of living for an average household of 4.26 persons in April at ¥ 1,118 in big cities, ¥ 1,007 in smaller cities and ¥ 794 in rural areas.

32. Compared with the relatively high wages paid carpenters, roofmakers and other skilled construction labor which ran as high as ¥ 60 per day in the large cities, the earnings of the 1,400,000 government workers remained extremely low. In June government employees' wages ranged from a minimum of ¥ 180 per month to ¥ 1,170 for the Prime Minister. About 60 percent of all government employees had an income of less than ¥ 300 per month, while only seven percent earned ¥ 570 or more per month.

33. The Japanese Government led the movement to eliminate the regular bonus system by abolishing the quarterly bonus for government

employees in June and incorporating it in the monthly pay. The practice of deferring earnings was discontinued.

34. For some months demands have been made on individual employers by the League of Koreans in Japan for separation bonuses of ¥ 1,000 per Korean worker for each year worked in Japan, as compensation for indignities suffered. These demands were sometimes accompanied by violence or threat of violence. In most cases the individual Korean worker concerned had already been repatriated.

On 19 June the Ministry of Health and Welfare, citing the SCAP memorandum of 28 November 1945 prohibiting discrimination against any worker by reason of nationality, creed or social status, issued instructions to prefectural governments defining the rights and limitations on such claims as follows:

- (1) Korean, Formosan and Chinese nationals terminating employment on or after 2 September 1945 are entitled to separation allowances equal to those of Japanese nationals in similar work. Computation of the allowance is to be based on wages paid Japanese where wartime wages for Koreans were lower than for Japanese. Such separation allowances are the obligation of the individual employer.
- (2) Claims other than for authorized wages and allowances are to be made against the Japanese Government.
- (3) The League for Koreans and similar organizations are without legal authority to negotiate as agents and are therefore prohibited from collecting money for Korean, Formosan and Chinese nationals.

EMPLOYMENT AND UNEMPLOYMENT

Population Census

35. The 26 April population census provided the first reliable measure of the unemployment situation. Estimates based on the census indicate that 5,600,000 persons between the ages of 13 and 61 were unemployed on any given day during the preceding 30 days.

The census showed a large number of partially employed persons. Compared with the totally unemployed who numbered 1,600,000 (1,400,000 non-farm), 6,300,000 (2,600,000 non-farm) were employed or engaged on one to 19 days of the preceding month.

36. The labor force drawn from farm households numbering 16,300,000 persons comprised 56 percent of the total labor force of 29,700,000, a proportion far higher than in the war or prewar years. While the number actually engaged in farm work is less than the 56 percent in farm households it is significant that agricultural workers comprised only 42 percent of the total labor force in 1940. The present high percentage represents in part those urban workers and returned soldiers absorbed in farms who would otherwise be unemployed.

The non-farm labor force of 13,400,000 has declined since the peak of the wartime employment in 1944 when there were 18,300,000 so employed. Some 3,000,000 of the unemployed were non-farm residents. This amounted to 22 percent of the non-farm labor force. This percentage is apparently low since many of those registered as employed are merely retained on the rolls of their firms and since certain of the agricultural unemployed are really city residents.

37. The employment status of men and women between the ages of 15 and 61 who were working or willing to work is indicated in Chart No. 65, page 208.

Employment

38. Chart No. 65, page 208, indicates that during June the operations of the employment exchanges remained relatively constant.

39. A temporary labor exchange set up for three days in a Tokyo department store in May did not succeed in making any appreciable number of placements.

40. Surveys conducted in industrial areas by the Ministry of Health and Welfare during June disclosed that refusal to accept jobs was due primarily to shortages of accessible housing, transportation and food. Employment exchanges found that applicants lacked the skills required to fill vacancies. The majority of the job openings were in fields of civil engineering, construction, electrical work and highly skilled experienced clerical work.

41. Another problem in placement is the reluctance of employers to hire persons over 30 years of age because of the age differentials and dependency allowances they are required to pay.

42. The vocational training program of the Ministry of Health and Welfare has been expanded to full operation to alleviate the critical employment situation. There were 97 vocational training stations in Japan at the beginning of June. Two hundred sixteen additional stations are to be established by the end of July. Emphasis is being placed on training carpenters and other construction workers, typists and translators.

Recruitment

43. The recruitment of workers for the cotton textile industry continued behind schedule. At the end of May, only one third of the quota set for the first three months of the recruitment drive had been met.

The cotton textile recruitment drive was largely nullified by the high percentage of workers leaving the industry. Figures submitted by the Textile Association showed that the number of separations during May was 74 percent of the number recruited in the case of men and 67 percent in the case of women.

On 31 May, 80,460 men and 279,026 women were employed in the entire textile industry.

44. The recruitment program for silk-filature spinners also failed to meet its quota. The Raw Silk Association reported that 4,339 women were recruited in May as against 11,160 in April when new graduates of primary schools were available. It appeared unlikely that the three-month quota of 29,944 could be met.

Recruitment of men for the silk-filature industry was more successful, with the quota of 1,564 filled by the end of May.

The rate of separation was high, amounting to 50 percent of men and 31 percent of women recruited.

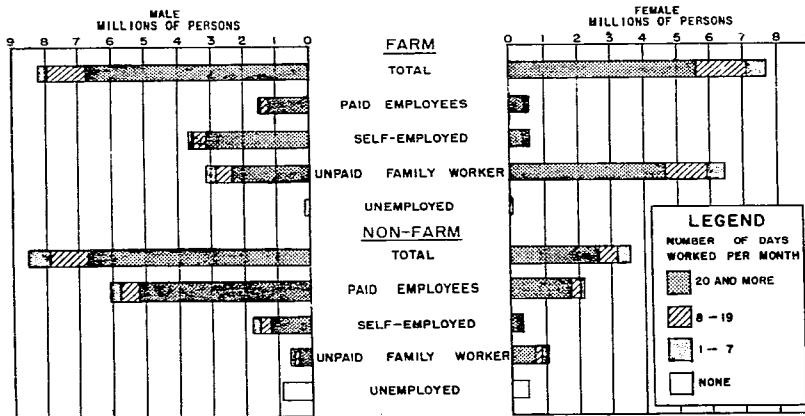
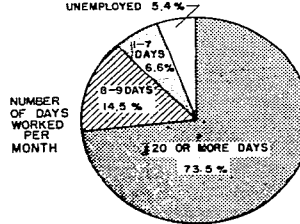
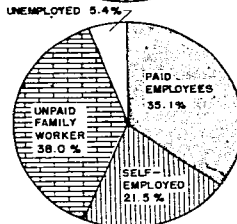
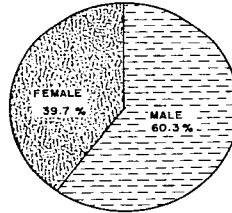
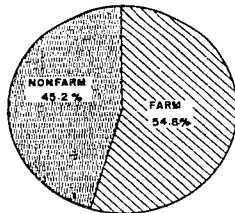
Absenteeism

45. Absenteeism remained high during June owing to the necessity to search for food. Authorized food-buying holidays became more prevalent. The Japan Special Steel Company granted

EMPLOYMENT AND UNEMPLOYMENT

JAPAN-APRIL 1946

TOTAL LABOR FORCE
29,720,000 PERSONS
[ABLE AND WILLING TO WORK]



SOURCE: JAPAN CENSUS OF 26 APRIL 1946

JUNE 46

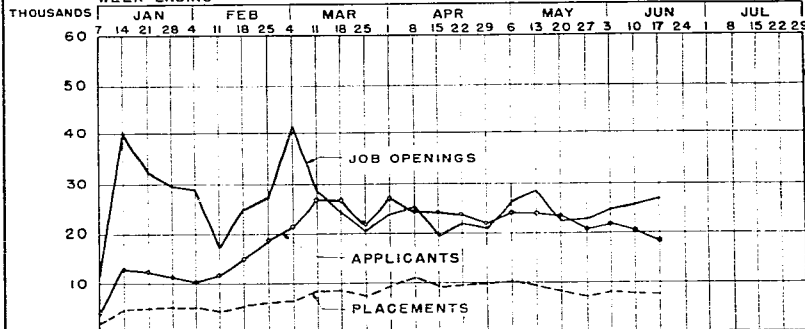
GHQ-SCAP

NUMBER 65

EMPLOYMENT THROUGH LABOR EXCHANGES

SIX INDUSTRIAL PREFECTURES - JAPAN - 1 JAN TO 17 JUN 46

WEEK ENDING:



* TOKYO, OSAKA, KYOTO, KANAGAWA, AICHI AND HYOGO

SOURCE: MINISTRY OF HEALTH AND WELFARE

JUNE 46

GHQ-SCAP

NUMBER 66

employees a three-day buying holiday every 10 days, while the Japan Steel Manufacturing Company shortened its business hours by half an hour.

The practice of permitting such holidays was extended to government workers. Employees of five ministries obtained informal permission for monthly holidays ranging from 10 days for Ministry of Agriculture and Forestry employees to two days for Ministry of Transportation workers.

Public Works Program

46. Pending establishment of the Economic Stabilization Board and full operation of the ¥ 6,000,000,000 Public Works Program (see Monthly Summation Number 8, pages 175 and 176) various ministries continued existing public works by release of funds from the temporary budget amounting to approximately ¥ 500,000,000.

The Reconstruction Board, functioning directly under the Cabinet, is at present exercising limited control of scarce-material priorities for these projects.

LABOR FOR THE OCCUPATION FORCES

47. The efficiency of the laborers working for the Occupation Forces continued to decline due to the lack of food. Inability to work steadily at heavy labor was particularly noticeable in the Yokohama and Tokyo areas.

48. Instructions from the Central Liaison Office to prefectural authorities in May established a separation allowance policy for regular Occupation Forces workers. Allowances were authorized for workers dismissed at the convenience of the Occupation Forces, excluding those discharged for cause, for the period of their unemployment.

The allowance is equal to two thirds of the daily wage. Payments are to be made weekly for a period equal to 10 percent of the duration of the worker's employment with the Occupation Forces, minimum period of payment being 30 days and maximum 90 days.

An additional allowance of half the monthly wage is authorized when government offices fail to give workers a two-week notice.

LABOR ADMINISTRATION

49. On 28 May the Cabinet decided to establish a Labor Ministry to which the existing Labor Policy and Vocations Bureaus of the Ministry of Health and Welfare and the Seamen's Bureau of the Ministry of Transportation are to be transferred.

Proposed bureaus in the new Ministry are Labor Relations and Labor Unions, Labor Protection, Allowances and Supplies (i.e. wages), Seamen, Women and Children and Investigation.

50. On 14 June the Ministry of Health and Welfare announced a plan to transfer all ex-police officers out of labor administration within six months. To replace these employees and provide new officials for expanding labor administration functions, 1,080 persons are to be trained in the next year by the Ministry. Initial courses to last one month are to be under the direction of university professors and persons with technical knowledge and experience from labor and employer circles.

Prior to the announcement of the reorganization plan the Tokyo Transport Workers' Union and four other unions had protested the presence of former members of the secret police in the Tokyo metropolitan labor administration office.

SECTION 9

IMPORTS AND EXPORTS

C O N T E N T S

	Paragraph
Trade Policy and Planning	1
Exports	4
Imports	11

TRADE POLICY AND PLANNING

1. The first raw cotton arrived from the United States in June. This shipment is part of 890,000 bales to be imported in 1946 under an agreement among the U.S. Commercial Company, Commodity Credit Corporation and the War Department. Boeki Cho took delivery of the cotton and, under instructions from SCAP, made distribution of 21,712 bales to manufacturers.

Approximately 10,000,000 pounds of cotton yarn will be spun, of which 3,000,000 pounds will be set aside for export to Hongkong, Burma and other areas. The rest will be used to produce approximately 30,000,000 yards of assorted sheetings, drills and print cloth.

In the beginning most of the textiles made from this cotton will be exported to build up a credit to pay for future shipments. Distribution of export fabrics will be made by the U.S. Commercial Company on the basis of allocations made by the Combined Textile Committee in Washington. Goods for domestic use will be released through normal distribution channels.

2. The Textile Bureau has agreed to make 100,000,000 square yards of present cotton textile stocks available for export. Samples and a detailed construction inventory of 10,800,000 square yards have been submitted to the U.S. Commercial Company. After inspection shipments will be made in conformity with allotments determined by the Combined Textile Committee.

3. Various Southeast Asia governments have designated agencies to work with SCAP in arranging trade with Japan. Communications with the following agencies have been established:

China	Central Trust of China
Hongkong	Supply and Industry Department
Singapore and Malayan Union	Joint Supply Board
Netherlands Indies	Netherlands Indies Government
	Import-Export Organization
French Indo-China	Director of Commercial and
	Supply Services
Siam	Ministry of Commerce
Burma	Commerce and Industry Department
India	Secretariat of Commerce
British Borneo and Ceylon	Lord Killearn, Special Commissioner
	for Southeast Asia
Philippines	Exports: Bureau of Commerce
	Imports: National Trading
	Corporation; National Coopera-
	tive Administration

EXPORTS

4. The following table summarizes the export shipments made during June and shows revised cumulative totals since January.

<u>Country and Commodity</u>	<u>Unit</u>	<u>Quantity Shipped</u>		
		<u>May</u>	<u>June (estimated)</u>	<u>Total Jan-Jun</u>
<u>China</u>				
Detonators, electric	piece	216,000	180,000	546,000
Dynamite	case	1,800	1,500	4,300
Eggs, silkworm	sheet			300,000
Locomotives, mining	each		15	15
Motors, electric	each		18	18
Seedlings, mulberry	piece			2,000,000
Sleepers, railway	piece	42,432		144,377
Timbers, mining	board feet	4,523,120	4,814,000	18,218,800
<u>Hongkong</u>				
Coal	metric ton	9,278	9,240	87,943
<u>United Kingdom</u>				
Seed, larch	pound			100
<u>U.S.S.R.</u>				
Eggs, silkworm	sheet			50,400
<u>United States</u>				
Agar-agar	long ton		28	28
Antimony	short ton		548	548
Handicraft goods, samples	case		44	44
Lead	metric ton		5,000	5,000
Rabbit hair, angora	case		70	70
Rubber	long ton		1,900	1,900
Silk, raw	bale/case	10,226	11,053	42,513
Tin	short ton		2,205	2,205
Heaters, electric	set			2,000
<u>Korea</u>				
Alcohol, industrial	drum		10	10
Aluminum sulfate	metric ton	359	283	792
Bamboo	bundle	20,788		20,788
Boiler tubes	pound			10,897
Calcium carbonate	metric ton		150	150
Chlorine, liquid	metric ton			12
Cloth, wool and cotton	yard		900,000	900,000
Cars, motor	each		2	2
Cutter, cloth	each		3	3
Film, X-ray	sheet		8,016	8,016

Country and Commodity	Unit	Quantity Shipped		
		May	June (estimated)	Total Jan-June
Coal	metric ton	68,238	70,000	369,558
Glauber's salt	metric ton		5.6	5.6
Ink, printing	pound		800	800
Locomotives, steam	each	1		1
Locomotives, electric	each	1		1
Locomotives, gasoline	each	5		5
Motors, electric	piece		6	6
Motor accessories	case		1	1
Tenders, locomotive	each	2	2	4
Tenders, frame	piece		2	2
Tender truck	piece		2	2
Tender water truck	piece		1	1
Truck, leading	piece		1	1
Truck, trailing	piece		1	1
Tires, locomotive	pair		292	292
Wheel and axle	set		80	80
Wheel, driving	set		1	1
Needles, recording	piece	500		500
Paper, cigarette	pound	135,550		265,634
Pitch	metric ton	953		8,426
Pyrethrum flowers	metric ton	85		85
Salt	metric ton			4,000
Seed, mulberry	pound		3,000	3,000
Seed, vegetable	pound		24,678	72,200
Seedlings, mulberry	piece			910,000
Soda ash	metric ton	60		60
Sodium amide	kilogram	100		100
Sodium bicarbonate	metric ton	5		5
Sulfur	metric ton		530	530
Switch system parts	box			28

a/ To U.S. Army in China.

5. The 44 cases of handicraft samples shipped to the United States in June included representative products such as lacquer ware, cloisonne, toys, Christmas ornaments, straw braid, ceramics, glassware, jewelry, ivory, tortoise, coral and artificial flowers. A SC&P representative is enroute to Washington, D. C., to assist the U. S. Commercial Company in developing a system for distribution and sale of Japanese handicrafts. Boeki Cho is now organizing an advisory committee of experts on foreign markets for these products.

6. The first crop of the 1946 tea season is now being packed and the U.S. Commercial Company has advised American manufacturers of the types and grades which will be available.

7. A shipment of 900,000 square yards of cotton and woolen cloth went to Korea for use as incentive goods in the collection of rice and other cereals. This is part of 2,636,178 square yards of cloth originally manufactured by the Japanese for their own use in a similar program during the war.

8. The Japanese Government has been directed to assemble for shipment to Korea sufficient automotive spare parts to repair and maintain 3,000 cars and trucks for six months.

9. At the request of the Japanese Government 5,000 tons of leather was released for urgent industrial uses such as belting and a small quantity for shoe soles from a stock of 10,000 tons previously frozen for export.

10. The following commodities have been offered to the U.S. Commercial Company for possible shipment to the United States:

Linen piece goods
 Silk piece goods
 Minnow netting
 Tenegujo paper (duplicator stencil paper)

Imitation Panama hats
 Flower and tree seeds
 Pottery (figures, florist ware, kitchenware)
 Rabbit furs

Silk tape
 Silk stockings
 Bamboo
 Lily bulbs
 Green tea

IMPORTS

11. The following table summarizes imports received during June and shows cumulative totals of imports since January:

Country and Commodity	Unit	Quantity Shipped a/		
		May	June (Estimated)	Total Jan-June
<u>China</u>				
Bran, wheat	metric ton		2,663	2,663
Iron, pig	metric ton		2,000	2,000
Phosphate rock	metric ton	1,626	2,051	7,350
Salt	metric ton	39,413	4,125	117,690
<u>Korea</u>				
Fish, fresh	metric ton	20		20
<u>U.S.</u>				
Wheat, wheat flour	short ton	36,625	54,827	108,223
Rice	short ton	72		17,468
Corn	short ton			222
Sugar	short ton	373	1,116	11,484
Potatoes	short ton			231
Beans	short ton	25		71
Onions	short ton	175		175
Meat, canned or frozen	short ton	10,686		10,686
Packaged rations	short ton	8,149		8,149
Fish, canned or salted	short ton	2,070	137	2,233

Country and Commodity	Unit	Quantity Shipped a/		
		May	June (estimated)	Total Jan-June
Canned goods, miscellaneous and other miscellaneous foods	short ton	3	19,106	19,275
Salt	short ton	8		8
Eggs	dozen	1,610		1,610
Vegetable seeds	pound	528	57,825	58,353
Feed, miscellaneous	short ton		41	41
Cotton, raw	bale		65,311	65,311
Phosphate rock	short ton	2,205	992	12,502
Dynamite	short ton		27	27
Medical supplies	pounds	500	7,500	1,400,000
Oil, diesel	barrel	11,889		11,889
Oil, fuel	barrel	95,741		385,125
Oil, range fuel	barrel		31,425	31,425
Oil, lubricating	barrel			3,660

a/ Revised.

12. Food imports in June included shipments of wheat and other cereals from the United States, and miscellaneous excess U.S. Army stocks from various Pacific islands. Arrival of 50,000 short tons of cereals in June together with 97,000 tons due to arrive in early July from the United States will contribute materially to the achievement of the program outlined by former President Herbert Hoover in May for the relief of the critical food shortage.

An initial shipment of wheat bran from China was received during June packed in sacks which were shipped from Japan in May for that purpose. An additional supply of sacks has been ordered shipped to China to transport the remainder of the bran being held for Japan.

13. Arrangements have been completed for obtaining salt from various Asiatic areas. A shipment from Formosa arrived in June and another from Fukien, China, is enroute.

14. The Combined Food Board allocation of fertilizer to Japan for 1946 was received in early June. Unfavorable weather conditions and lack of suitable barges and loading facilities make it doubtful whether the allocation from Pacific sources can be shipped in time for this season's planting. One shipment was received during the month from Kita Daito and the first shipment from North Africa is enroute.

28

SECTION 10
RATIONING AND PRICE CONTROL

C O N T E N T S

	Paragraph
Food	1
Fuel	11
Commercial Fertilizer	13
Cement	15
Miscellaneous Goods	17
Housing	30
Enforcement	33

FOOD

1. Urban food supplies dwindled sharply in June reflecting sluggish transfers of rice from producing to consuming areas. Since equitable distribution is the responsibility of the Japanese Government food releases to deficit areas by SCAP were deferred until necessary for prevention of disease and unrest. To maintain the staple food ration 47,867 long tons of imported foodstuffs were distributed in the Tokyo-Yokohama area and Hokkaido, Aomori and Yamanashi Prefectures.

Staple Foods

2. Government-owned staple foodstuffs totaled 45.3 days' supply on 31 May. Reserves ranged from 152.2 days' supply in Shiga Prefecture to 1.0 day's supply in Tokyo. Staple foodstocks under Government control are shown in chart, page 218. Staple food purchases by the Japanese Government are shown in chart, page 219.

3. Although interprefectural distribution of rice continued only limited amounts were available for transfer. A detailed summary of the food situation in the major deficit areas follows:

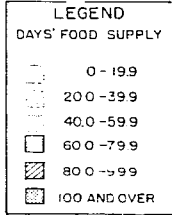
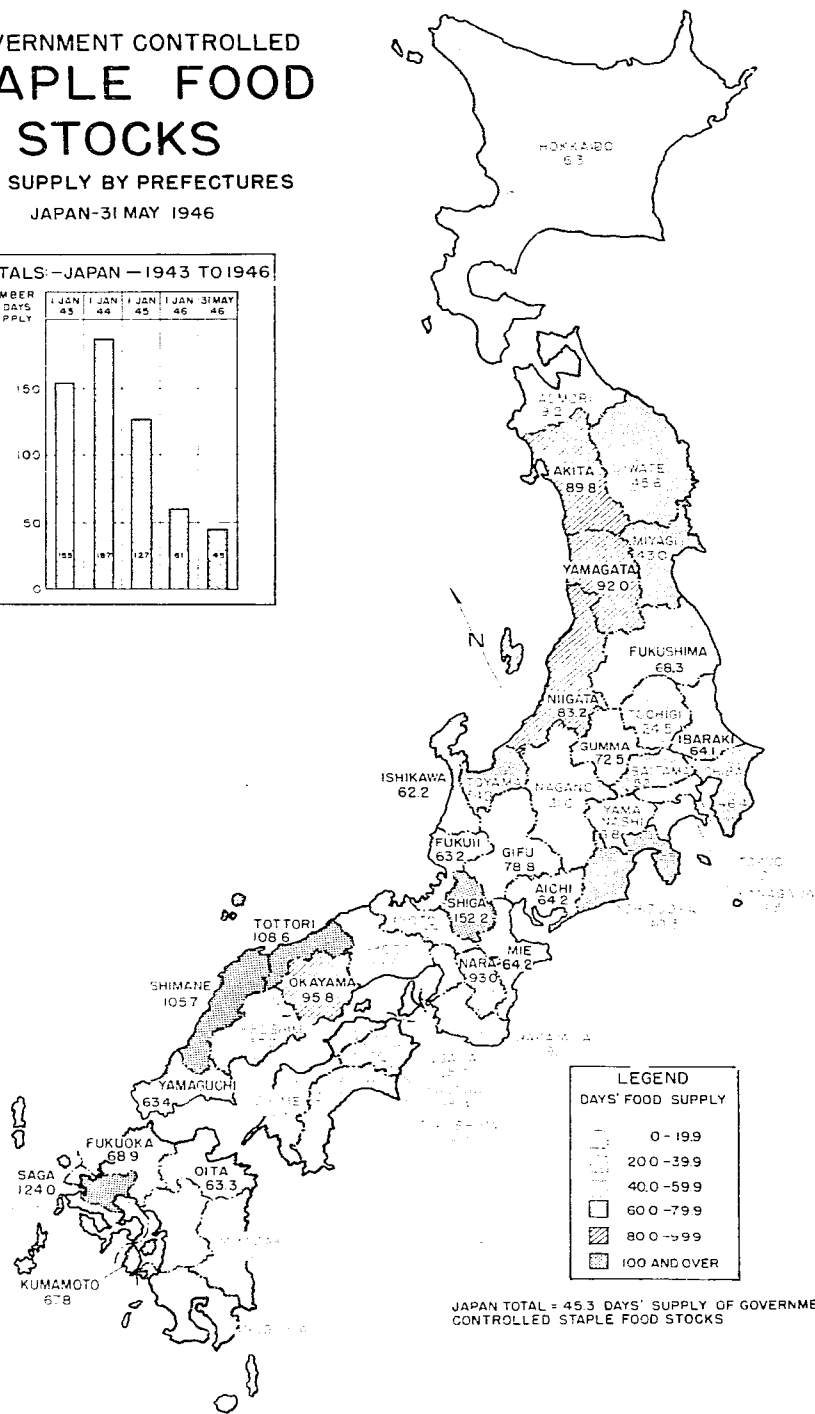
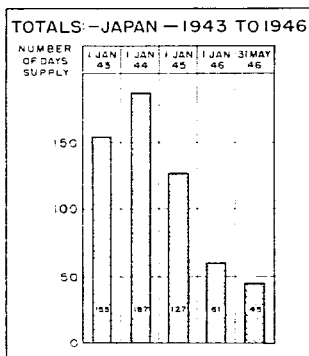
Tokyo Food stocks varied from less than a day to six days' supply as indigenous food arrived at a fraction of ration requirements. Although deliveries from 1-15 June averaged only 27 percent of the daily basic staple food ration of 1,042 calories per person, allotment of 51 percent was realized. Distribution which was delayed 20 days in some sections was temporarily accelerated on 9 June when 10,000 long tons of wheat, a 5.8 days' supply, was issued in the Tokyo-Yokohama area. Further relief was effected on 22 June when 22,250 long tons of wheat, a 12 days' supply, was distributed.

Yokohama A three- to six-day food reserve existed in Yokohama from 1-10 June. Indigenous food deliveries were 56 percent and actual distribution 62 percent of ration requirements. On 9 June the release of 10,000 tons of imported food mitigated a 15-day lag in rationing. Deliveries were inadequate from 10-20 June and Yokohama was included in the 22,250 ton distribution on 22 June.

Hokkaido The sporadic ration distribution in Hokkaido was alleviated by a relatively large supply of herring. Rice crops

GOVERNMENT CONTROLLED STAPLE FOOD STOCKS

DAYS' SUPPLY BY PREFECTURES
JAPAN-31 MAY 1946

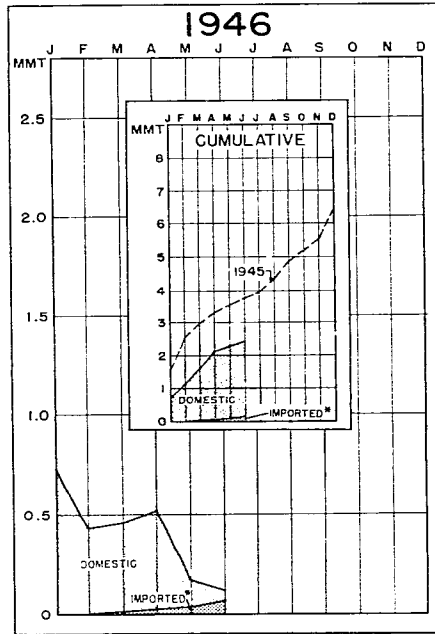
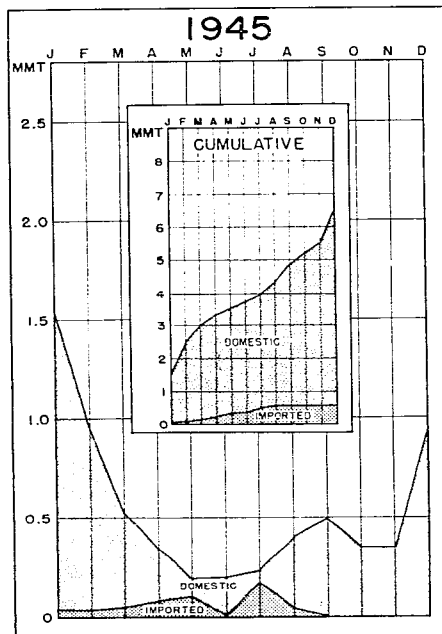
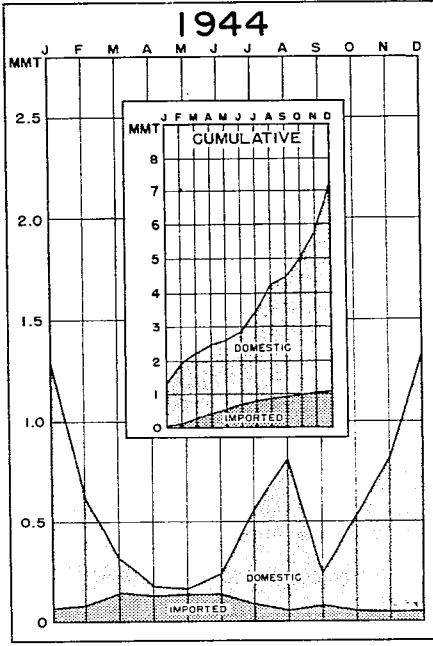
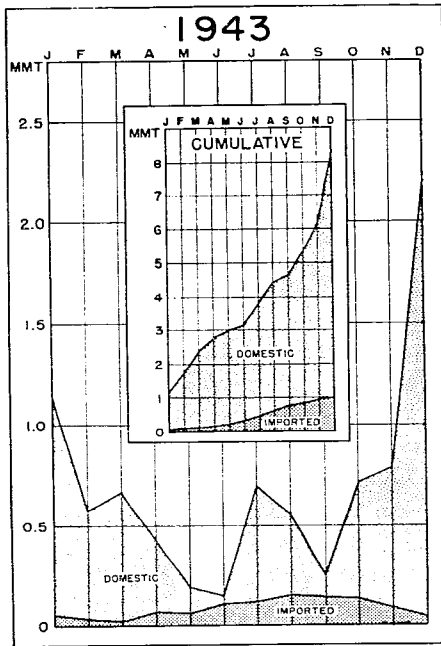


JAPAN TOTAL = 45.3 DAYS' SUPPLY OF GOVERNMENT CONTROLLED STAPLE FOOD STOCKS

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

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NUMBER 68

which averaged 39 percent of normal production were poorest in Japan. Late in May the discontinuance of supplementary rations to miners was reflected in decreased coal production. To meet general and supplementary ration requirements the release of 8,147 long tons of imported wheat flour was authorized 9 June.

Aomori On 10 June an 8.7 days' food supply existed in Aomori. Previous rationing was delayed as much as 33 days. Rice crops averaged 42 percent of 1945 production and fish constituted the major part of the diet. Shortages were supplemented by "deficit transfers" but this source has since been virtually exhausted. The release of 3,500 metric tons of wheat flour and canned foodstuffs equal to 15 days' rationing was authorized 25 June.

Yamanashi Declines in "deficit transfers" of rice intensified the habitual food shortage characteristic of Yamanashi because of its mountainous territory and usual sparse supplies of fish. Release of 3,720 metric tons of imported wheat flour, a 16 days' supply, was authorized 24 June.

Others Daily arrivals of foodstuffs in Kyoto, Osaka and Kobe fell far below minimum requirements and rationing lagged behind schedule in Kyoto and Osaka.

Imports of Foodstuffs

4. The table below itemizes 47,773 long tons of imported and U.S. Army foodstuffs released to the Japanese Government from 26 May to 25 June.

IMPORTED AND U.S. ARMY EXCESS AND SPOILING FOODS DISTRIBUTED

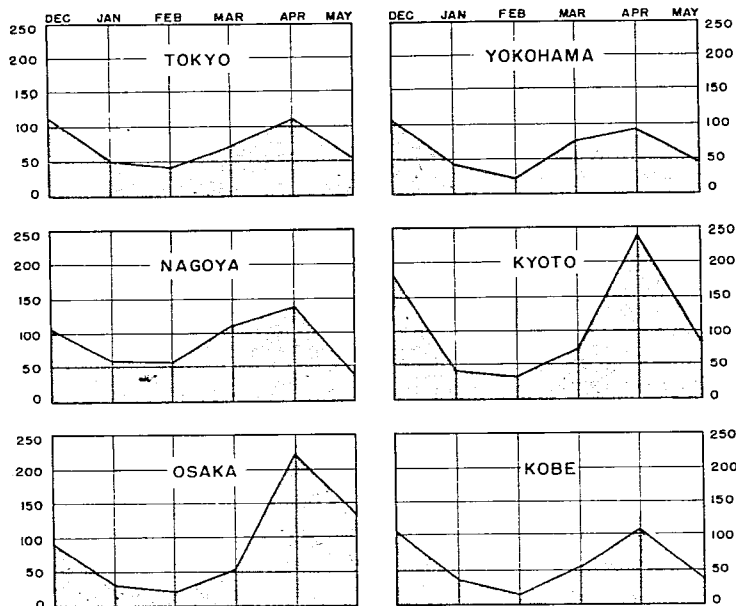
<u>Food</u>	<u>Long Tons</u>	<u>Source</u>	<u>Date Released</u>
Onions	156	US Army	26 May
Wheat flour	18,147	Imports	9 June
(Rice (Wheat flour	22,250	Imports	22 June
(Canned food (Wheat flour	7,220	(Imports (US Army	25 June

On 31 May food reserves totaled 158,052 long tons consisting of 140,938 tons of imports and 17,114 tons of U.S. Army excess foods. Supplies on 21 June amounted to 193,616 long tons of which 172,421 were food imports and 21,195 U.S. Army excess.

Vegetables

5. Abrupt decreases in vegetable supplies to urban areas were directly attributable to the producers' reluctance to make deliveries at reduced official prices. May distribution was 86 percent of the average supply for the previous five months. Daily per capita consumption was 73 grams against the previous average of 87 grams. Chart, page 221 summarizes daily supply per capita in the major cities from December to May.

FRESH VEGETABLES — AVERAGE DAILY SUPPLY PER CAPITA
 MAJOR CITIES—JAPAN—DEC 45 TO APR 46
 (GRAMS PER CAPITA)



SOURCE - MINISTRY OF AGRICULTURE AND FORESTRY

JUNE 46

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NUMBER 69

6. Adhering to the "bargain sale" system the Government continued to encourage distribution through official channels by subsidizing producers during the season of short supply. Although such subsidies provided adequate distribution at low prices in March and April supply lines deteriorated in May.

7. Ceiling prices on vegetables established for both producer and consumer on 1 June eliminated need for a subsidy. The following table compares ceiling prices on representative vegetables for April, May and June in Tokyo with estimated black-market prices.

COMPARISON OF VEGETABLE PRICES
 (yen/kilogram)

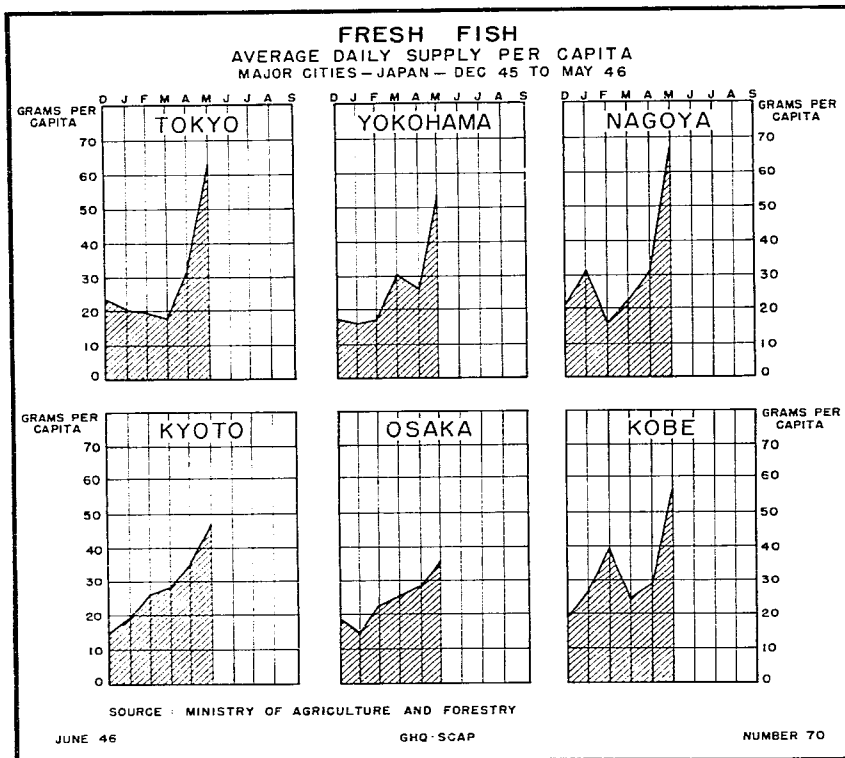
Vegetable	Official Price			Black-Market Price Estimated Average
	April	May	June	
Bamboo sprouts	6.00	2.80	1.87	8.00
Coltsfoot	6.00	2.00	1.33	5.20
Onion	3.20	3.19	2.13	6.30
Turnip	3.20	1.60	1.07	3.75
Cabbage	3.20	1.80	1.20	6.00
Japanese-leek	3.20	2.40	1.60	7.75
Giant radish (daikon)	2.81	1.40	.93	3.30
Greens	2.00	1.40	.93	2.80

SOURCE: Ministry of Agriculture and Forestry.

Fish

8. Distribution of fish in May was 245 percent above the average for the previous five months. The great increase was attributable to both the successful herring season in Hokkaido where over 100,000 tons of fish were landed and the general smoothing out of transportation difficulties.

9. Daily per capita distribution for the six major cities for December-May is indicated in the following chart. The average daily per capita consumption of fish acquired through official channels in May was 52.3 grams, an increase of 30.5 grams over the previous five-month average.

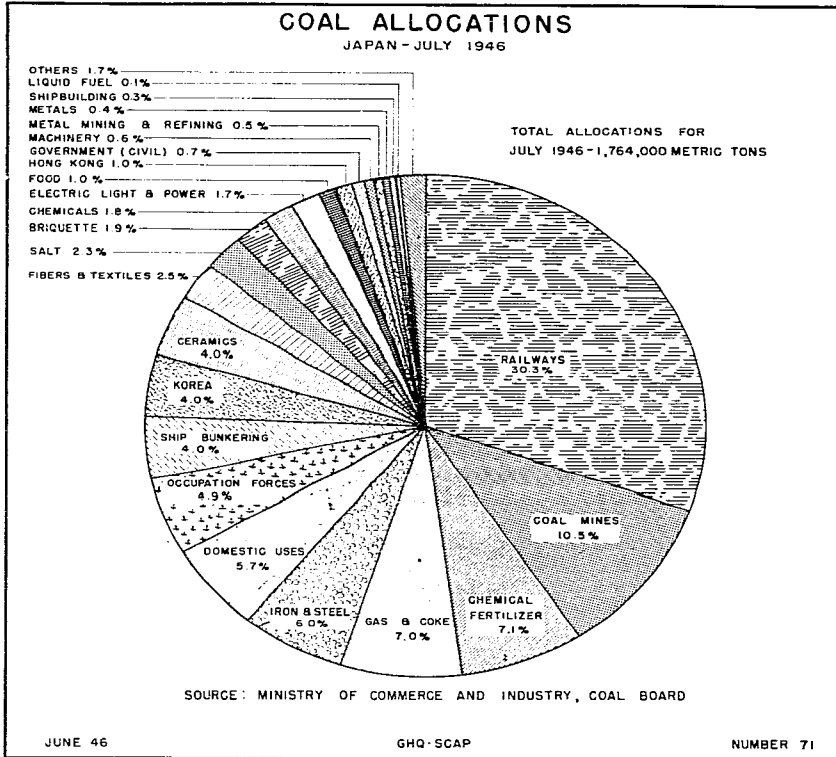


10. Fish prices continued at 10 March levels.

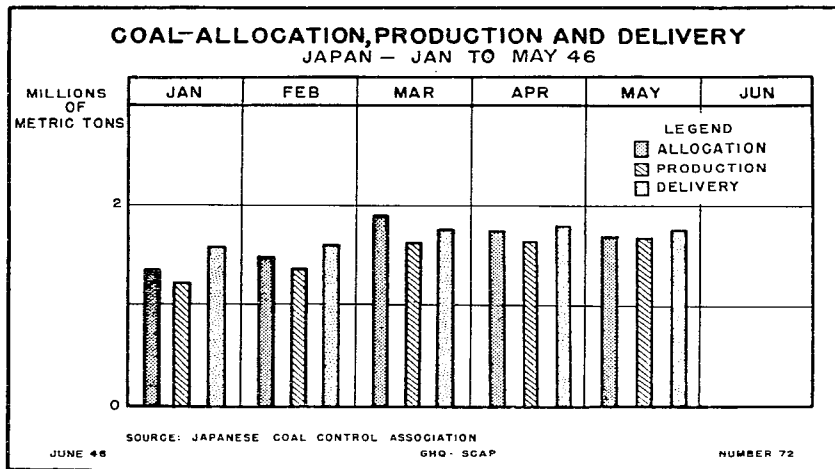
FUEL

Coal

11. Coal allocations throughout Japan for June are shown in the following chart.



12. Comparison of allocations, production and deliveries is shown in the following chart.



COMMERCIAL FERTILIZER

Supply

13. The trend in supply of commercial nitrogenous fertilizers continued upward. May shipments totaled 56,622 metric tons of which 43,256 metric tons were ammonium sulfate and 13,366 metric tons calcium cyanamide. Movement of fertilizers from factories to farm areas kept pace with production increases. Total shipments from January to May approximated 93 percent of planned delivery. This is shown in Heavy Industries Section, page 118.

14. Shipments of phosphatic fertilizers increased nearly 65 percent over April figures with 5,234 metric tons distributed in May.

CEMENT

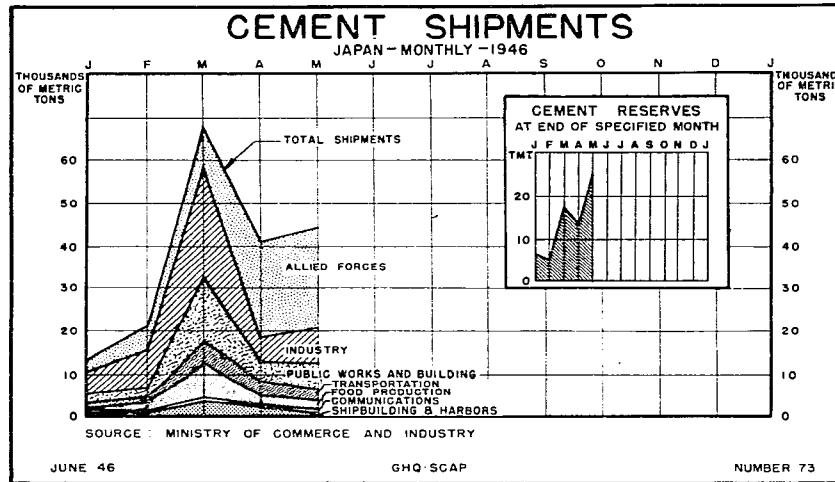
15. In May 44,255 metric tons of cement were shipped leaving a reserve of 24,610 metric tons. Complete shipments were not made to the Occupation Forces primarily because of lack of bags and necessary high grade coal. In some instances the Occupation Forces were not ready for deliveries. The following table indicates shipments made to various industries.

ALLOCATION AND SHIPMENT OF CEMENT
May
(metric tons)

<u>Industry</u>	<u>Allocation</u>	<u>Shipment</u>
Occupation Forces	55,000	23,305
Railways	1,220	2,762
Other transportation	80	38
Shipbuilding and harbors	165	572
Communications	330	869
Food production	650	2,453
Public works and buildings	1,040	5,827
Textile	245	366
Fertilizer	820	1,273
Chemical manufacture	650	2,167
Fuel	2,290	760
Iron and steel	165	191
Mining	210	323
Machinery	85	95
Gas	85	20
Electricity	230	1,089
Forestry	120	49
Salt	250	1,941
Others	55	155
Reserve	<u>5,300</u>	<u>24,610</u>
Total	69,000	68,865

SOURCE: Cement Control Association.

16. Cement shipments throughout Japan from January to May are compared in the accompanying chart.



MISCELLANEOUS GOODS

General

17. A few items were added to the ration list but substantially the same program in effect since 1 January was continued.

Kitchen Utensils

18. Although plans called for allotment of 1,000,000 pots and pans to war sufferers, repatriates, farmers and fishermen from April-June, only 100,000 pieces were distributed to repatriates. Black-market prices dropped almost to ceiling price levels.

Soap

19. Soap supplies continued limited due to diversion of essential edible oils to foodstuffs. The ration for 1 July to 31 December will be three bars per person. If the amount of soap necessary to combat summer diseases were distributed, the supply would be exhausted by the end of September.

Matches

20. Previous daily ration of three matches per person will be increased to four matches per person 1 July. Difficulties in transporting necessary pine from Hokkaido have kept production from reaching anticipated output.

Needles

21. Although the 1 January stockpile of 45,000,000 needles was augmented by increases of 58,000,000 needles from January to June no distribution was reported. The standstill was created by refusal of manufacturers to release stocks at prevailing official prices. On 30 June the Ministry of Finance established new ceiling prices of ¥ 1 per package of 25 needles compared with the previous official price of 14 sen.

Umbrellas (Western Style)

22. Lack of metal for frames restricted production of

western style umbrellas to 20,000 monthly. Present production is expected to double and the entire output will be distributed to war sufferers and repatriates.

Umbrellas (Japanese)

23. Average monthly production of 100,000 Japanese style umbrellas was only half of planned figures. All supplies were distributed to war sufferers in large cities. Paper and paste shortages will prevent increases in production.

Leather Shoes

24. From April through June 500,000 pairs of leather shoes were produced. Total monthly allocation to prefectures varied from 100,000 to 150,000 pairs. Distribution was made through prefectural governments to middle school students, university students, transportation employees, communications employees and policemen.

Artificial Limbs

25. Sufficient leather for 3,000 artificial limbs was distributed in May to the Board of National Hospital Affairs. Since prostheses are made according to individual specifications and relationship between manufacturer and consumer is personal no direct distribution plan was needed. The following table compares prices for artificial limbs for September 1939 and December 1945.

ARTIFICIAL LIMBS (yen/item)							
Year	Artificial		Artificial		Supporting Instrument For		
	Thigh	Leg	Upper Arm	Lower Arm	Thigh	Leg	Corset
Sep 39	400.00	250.00	220.00	170.00	180.00	80.00	100.00
Dec 45	957.18	656.88	559.68	368.70	766.32	453.90	546.00

Rubber Boots

26. Increased official prices and additional allocations of raw material accelerated production of rubber boots from 200,000 pairs to 400,000 pairs a month. Distribution was made to farmers, fishermen, coal miners and persons in essential industries. Although future distribution will be sufficient for workers in essential industries no civilian supplies are anticipated.

Rubber Canvas Shoes

27. Distribution of rubber canvas shoes for the remainder of 1946 will be one pair per primary school student. In Tokyo the supply is adequate for the needs of all primary school students.

Miscellaneous Rubber Goods

28. On 8 May there was a general price increase on all rubber items, the first official price raise since January. The following table shows official prices at the manufacturing, control body and retail level and retail black-market prices in December 1945 and May 1946.

PRICES OF MISCELLANEOUS RUBBER PRODUCTS
(yen/item)

Item	December 1945				May 1946			
	Official Prices			Black-	Official Prices			Black-
	Control			Market	Control			Market
	Mfr	Body	Retail	Retail	Mfr	Body	Retail	Retail
Auto tires	275.0	285.0	313.5	2,000.0	700.0	724.5	876.0	2,000.0
Auto tubes	25.0	26.0	29.0	300.0	76.0	79.0	94.0	200.0
Bicycle tires	12.0	12.4	15.4	1,000.0	30.0	31.1	38.6	1,000.0
Bicycle tubes	5.5	5.7	7.1	180.0	14.0	14.5	18.1	200.0
Belting	180.0	186.0	223.0	4,500.0	397.0	411.0	504.0	4,500.0
Hose, water	2.7	2.8	3.3	21.0	6.3	6.5	7.9	30.0
Rubber-soled socks	8.0	7.9	9.2	180.0	16.0	16.5	18.5	150.0
Rubber-soled canvas shoes	4.2	4.4	5.0	80.0	9.5	9.8	11.2	90.0
Rubber shoes and boots	18.0	18.6	21.5	40.0	40.0	41.4	46.7	450.0
Raincoats (for marine use)	35.0	36.2	40.0	400.0	75.0	77.6	87.1	450.0

SOURCE: Ministry of Commerce and Industry, Rubber Control Union.

29. From October 1945 to April 1946 2,736 metric tons of miscellaneous rubber goods were distributed. This was 84 percent of planned production. Distribution was often delayed because of inadequate transportation and shortages of packing materials. The table below shows total production, percent licensed, amount shipped and the ratio of shipment to amount licensed.

RUBBER GOODS DELIVERED
21 October 1945 - 20 April 1946
(metric tons)

<u>Item</u>	<u>Produced</u>	<u>Licensed</u>	<u>Shipped</u>	<u>Percent Shipped/Licensed</u>
Auto tires, tubes	1,297	1,169	514	44
Bicycle tires, tubes	900	689	414	60
Rubber soled socks	1,049	975	649	67
Rubber shoes, boots	947	811	524	65
Rubber canvas shoes	232	173	107	62
Rubber soles, heels	393	203	90	44
Belting	365	322	41	13
Hose	265	145	78	54
Rubber cloth	655	622	-	-
Medical goods	191	133	40	30
Rice thresher roll	351	245	209	85
Rubber industrial goods	1,326	1,061	-	-
Latex goods	33	26	18	69
Repair sheet for auto tires and tubes	135	91	52	57
Total	8,139	6,655	2,736	41

HOUSING

Houses

30. The housing shortage is estimated at 4,500,000 dwelling units. Of these 670,000 are needed for repatriated Japanese families, 2,650,000 to replace those destroyed during the war and 1,180,000 to compensate for reduced normal construction in 1938-1945.

31. The trend in rent rates in representative cities from December 1944 to May 1946, based on information from both landlord and tenant, is shown in the following index.

RENT INDEX
December 1944 - May 1946
(July 1937 = 100)

<u>City</u>	<u>December 1944</u>	<u>June 1945</u>	<u>January 1946</u>	<u>May 1946</u>
Sapporo	95.1	117.5	117.5	-
Sendai	98.3	136.3	132.4	143.2
Yamagata	103.1	207.9	216.1	216.1
Koriyama	100.0	98.8	99.2	-
Maebashi	100.0	151.4	136.4	148.1
Tokyo	100.3	101.9	140.1	139.6
Yokohama	102.5	-	251.2	251.2
Niigata	99.2	133.0	155.9	-
Kanazawa	101.4	121.0	129.6	139.0
Matsumoto	100.0	121.3	121.3	230.7
Hamamatsu	101.9	-	125.6	202.4
Nagoya	100.2	112.0	120.7	153.4
Kyoto	100.3	102.6	102.6	116.6
Osaka	100.7	111.7	127.3	117.5
Kobe	100.0	0	136.6	111.8
Tottori	108.3	218.7	219.0	224.9
Okayama	99.7	-	108.7	249.3

<u>City</u>	<u>December 1944</u>	<u>June 1945</u>	<u>January 1946</u>	<u>May 1946</u>
Hiroshima	101.6	165.4	-	134.4
Tokushima	97.9	117.2	112.3	112.0
Imabaru	101.7	120.3	146.6	260.7
Yawata	100.2	130.2	140.7	140.3
Nagasaki	101.9	-	-	164.1
Kumamoto	100.0	112.3	110.1	133.2
Nobeoka	95.7	116.2	128.9	128.9

SOURCE: Cabinet Bureau of Statistics.

Hotels

32. In accordance with the 1 December 1945 law governors are empowered to set hotel rates within their prefectures. Maximum prices have been established for the different classes of hotels and various grades of rooms within each class. In the following table maximum hotel rates in first and second class hotels from 1942-1946 include room, breakfast and dinner.

MAXIMUM HOTEL RATES
January 1942 - June 1946
(yen/day)

<u>City</u>	<u>First Class Hotels</u>			<u>Second Class Hotels</u>		
	<u>Jan 42-Jan 45</u>	<u>Jun 45</u>	<u>Jun 46</u>	<u>Jan 42-Jan 45</u>	<u>Jun 45</u>	<u>Jun 46</u>
Sapporo	8.00	9.50	14.50	7.00	8.50	12.50
Sendai	8.00	8.00	8.00	7.00	7.00	7.00
Yanagata	8.00	10.00	25.00	7.00	8.00	20.00
Koriyama	8.00	10.00	25.00	7.00	9.00	20.00
Maebashi	8.00	8.00	16.00	7.00	7.00	14.00
Tokyo	8.00	10.00	25.00	7.00	8.00	18.00
Yokohama	8.00	10.00	10.00	7.00	8.00	8.00
Niigata	8.00	10.00	19.00	7.00	8.00	16.00
Matsumoto	8.00	10.00	10.00	7.00	8.00	8.00
Hamamatsu	8.00	10.00	50.00	7.00	9.50	40.00
Nagoya	8.00	10.00	27.00	7.00	9.00	24.00
Kyoto	8.00	10.00	25.00	7.00	9.00	23.00
Osaka	8.00	10.00	80.00	7.00	9.00	30.00
Kobe	8.00	8.00	30.00	7.00	7.00	15.00
Tottori	8.00	10.00	10.00	7.00	8.00	8.00
Okayama	8.00	10.00	10.00	7.00	8.00	8.00
Hiroshima	8.00	10.00	10.00	7.00	9.00	9.00
Imabaru	8.00	10.00	15.00	7.00	8.00	13.00
Tokushima	8.00	-	10.00	7.00	-	8.00
Yawata	8.00	10.00	20.00	7.00	9.00	17.00
Nagasaki	8.00	10.00	10.00	7.00	8.00	8.00
Kumamoto	8.00	10.00	10.00	7.00	8.00	8.00
Nobeoka	8.00	10.00	18.00	7.00	8.00	15.50
Kanazawa	8.00	10.00	14.00	7.00	8.00	12.60

SOURCE: Ministry of Commerce and Industry.

ENFORCEMENT

Black Markets

33. The concerted campaign to stamp out black markets and uncover hoarded supplies continued in June. On 4 June, at a conference of Public Procurators in Tokyo, instructions were issued to mete out severe punishments to violators. However, despite vigorous precautionary measures, black-market violations mounted. The 144,353 cases recorded in May, were 24,580 more than the total for the previous month.

34. To prevent diversion of emergency imported food into black-market channels the Ministry of Transportation established definite handling responsibilities at all levels. Warnings against resale printed in English and Japanese were tagged to all imported foodstuffs. The tags also listed prefectural, city and neighborhood distribution points. The enforcement campaign received wide publicity throughout Japan.

Hoarded Stocks

35. Increasing amounts of hoarded stocks of rice, grain and wheat were uncovered due to the persistent efforts of the Government. The following table itemizes hoarded goods recovered by the economic police from February through April.

HOARDED GOODS RECOVERED BY THE ECONOMIC POLICE 1 February - 30 April

<u>Item</u>	<u>Unit</u>	<u>February</u>	<u>March</u>	<u>April</u>
Foodstuffs				
Rice	liter	5,990,616	1,415,502	2,012,994
Grains (wheat, rye, barley)	liter	8,811,180	886,716	970,272
Wheat flour	kg	165,610	8,850	17,150
Starch	kg	93,270	6,480	10,000
Hard biscuits	case	10,411	2,412	301
Dried macaroni	box	3,197	241	35
Edible oil	can	19,815	7,568	86
Canned foods	can	732,978	195,171	50,978
Salt	kg	110,260	37,620	45,690
Sugar	kg		422,535	144,776
Fuel				
Charcoal	kg	360,660	106,470	97,950
Kindling wood	kg	466,756	8,887	265,218
Coal	ton	6,612	2,108	320
Briquet	box	7,521	435	92
Small briquet	kg	21,650	1,260	8,380
Gasoline and oil	liter	3,025,119	12,244,457	743,833
Industrial alcohol	liter	258,843	148,619	38,542
Textile goods				
Cloth	yard	22,055,684	890,899	284,786
Sewing thread	ounce	923,997	350,066	1,969
Clothing (coats, shirts, trousers, underwear)	piece	641,675	584,017	165,340
Rubber shoes	pair	78,700	77,568	47,076
Iron and steel	ton	-	1,115	1,471

SOURCE: Ministry of Home Affairs.

SECTION 11

FINANCE

C O N T E N T S

	Paragraph
Money and Banking	3
Public Finance.	19

1. The continued increase in note issue appears to be due primarily to governmental expenditures and the failure of new money to return to the banks as deposits.

2. The Japanese Government was allowed to make two temporary loans in anticipation of taxes. More short-term credit may be necessary since most tax receipts are not expected until autumn.

MONEY AND BANKING

Foreign Exchange

3. The Japanese Government was authorized to permit unobjectionable persons regardless of nationality going from Japan to the United States to take with them \$250 or its equivalent in foreign currency and certain nonnegotiable financial instruments such as bank passbooks and insurance policies.

4. The Japanese Government was allowed to pay the yen equivalent of U.S. dollar amounts due Japanese prisoners of war repatriated from Guam. These amounts represent accumulated earnings of prisoners during internment.

5. Japanese nationals repatriated from Canada have arrived in Japan. In accordance with previous arrangements between the United States and Canada financial processing was effected prior to departure from Canada. Each repatriate was issued a receipt in Canadian dollars for the value of property taken from him and these funds were deposited in the accounts for SCAP with the U. S. Treasury. The yen equivalent was paid by the Bank of Japan on arrival of the repatriates in Japan.

Currency Circulation

6. On 20 June the amount of Bank of Japan notes in circulation was ¥ 40,644,000,000, an increase of ¥ 4,329,000,000 since 31 May. The average daily increase continued to decline, being ¥ 216,000,000 per day for the first 20 days of June compared with ¥ 242,000,000 per day for May, ¥ 311,000,000 for April and ¥ 370,000,000 for the period 9 March through 31 March.

An important cause of the continued increase in note issue was the failure of the new money to return to the banks as deposits. The tendency for new money to return to the banks is increasing as shown by the fact that total unrestricted deposits increased from ¥ 2,958,000,000 on 30 April to ¥ 4,956,000,000 on 20 May.

7. The Bank of Japan's estimates as to the purposes for which deposit withdrawals in cash or unrestricted checks were made follow:

DEPOSIT WITHDRAWALS
(percent)

	<u>March</u>	<u>April</u>	<u>1-20 May</u>
Living expenses	37.3	29.0	37.4
Wages and salaries	26.8	44.2	38.6
Business expenses	11.6	13.5	10.5
Emergencies	1.4	1.5	1.5
Others	22.9	11.8	12.0

SOURCE: Bank of Japan.

Bank of Japan

8. The Bank of Japan statement continues to reflect the steady increase of currency in circulation. The increase in note issue, viewed through the accounts of the Bank of Japan, is due primarily to governmental disbursements. Purchase of government bonds and an increase in loans to banks are also contributing factors.

BANK OF JAPAN
Condensed Statement
(millions of yen)

<u>Assets</u>	<u>20 May</u>	<u>20 June</u>
Cash and bullion	680	714
Government bonds and securities	5,248	7,279
Advances to Government	11,809	13,086
Loans	29,567	31,038
Agencies accounts	24,623	22,470
Miscellaneous accounts	2,121	1,825
Interoffice items on government account	1,606	108
Interoffice account	842	73
Total	76,496	76,593
<u>Liabilities</u>		
Notes issued	23,141	40,644
Government deposits	30,323	24,193
Other deposits	7,414	7,813
Miscellaneous accounts	5,204	3,537
Net profit for current period	181	159
Capital and reserves	233	247
Total	76,496	76,593

SOURCE: Bank of Japan.

Ordinary Banks

9. Aggregate deposits in all ordinary banks reversed the trend of preceding months and declined ¥ 1,654,000,000 during April. Borrowings from the Bank of Japan increased, loans continued to expand and security holdings decreased.

ALL ORDINARY BANKS
(millions of yen)

<u>Item</u>	<u>30 April</u>	<u>Net Change from 31 March</u>
Deposits	115,327	- 1,654
Loans	80,649	+ 1,118
Securities	47,818	- 302
Borrowed money (Bank of Japan)	16,370	+ 394

SOURCE: Bank of Japan.

Special Banks

10. In April deposits in special banks increased but at a slower rate than in March. Money borrowed from the Bank of Japan increased ¥ 1,152,000,000 contrasted with a decrease of ¥ 1,954,000,000 in the previous month.

NINE SPECIAL BANKS
(millions of yen)

<u>Item</u>	<u>30 April</u>	<u>Net Change from 31 March</u>
Deposits	34,326	+ 1,033
Loans	26,750	+ 420
Securities	21,457	+ 1,418
Borrowed money (Bank of Japan)	5,516	+ 1,152

SOURCE: Bank of Japan.

Savings Banks

11. The April report of savings banks showed a continued decline in the volume of total business transacted.

ALL SAVINGS BANKS
(millions of yen)

<u>Item</u>	<u>30 April</u>	<u>Net Change from 31 March</u>
Deposits	7,821	- 86
Loans	781	- 37
Securities	8,477	- 4
Borrowed money (Bank of Japan)	1,557	+ 52

SOURCE: Bank of Japan.

Deposit Funds Management Bureau

12. Postal savings deposits dropped sharply during May and at the end of the month totaled ¥ 51,800,000,000, a decrease of ¥ 2,100,000,000 from the preceding month. This decrease resulted mainly from the withdrawal of funds for living expenses.

Investment in government bonds increased ¥ 4,700,000,000, totaling ¥ 51,800,000,000 at the end of May. Cash and deposits were ¥ 425,000,000 on 31 May, a decline of ¥ 5,959,000,000 during the month. This marked decrease is attributed to the withdrawal of deposits and the purchase of government bonds.

War Damage Claims

13. The Japanese Government was directed to permit the transfer from blocked accounts to restricted accounts of war-claim balances in an amount not to exceed ¥ 10,000 per person, including amounts previously released. Transfers will be made only to pay for restoration of facilities destroyed as a result of the war which are essential for civilian production or personal housing.

The blocked funds in question must be the proceeds of war indemnity claims arising from damage caused by war, from the production or supply of war materials or from the construction or conversion of war plants.

Security Markets

14. The Ministry of Finance issued a regulation requiring that special permission be obtained for use of restricted checks in the purchase of securities. This was done to prevent persons able to use restricted funds in business operations from purchasing securities at a discount for cash and selling them for restricted checks at a substantial profit.

15. Plans are being made to liquidate securities to be distributed by the Holding Company Liquidation Commission, the Conservators of Closed Institutions and similar organizations.

Liquidation

16. Tentative statements of condition submitted to date bring the currently ascertained assets of closed institutions under the jurisdiction of SCAP to approximately ¥ 188,400,000,000 of which ¥ 8,900,000,000 is in Japanese Government bonds and ¥ 6,300,000,000 in overseas and domestic stock holdings.

Books and records of the closed institutions are being brought up to date and external assets are being determined and confirmed.

17. As the examination and investigation program progresses the control exercised by closed institutions over the monetary and industrial economy of the country is increasingly manifest. The liquidation policy pursued will have a pronounced bearing on the fiscal and economic reconstruction of Japan.

18. The work of reducing assets to cash is progressing slowly. To attempt wholesale liquidation of the assets of closed institutions would have a disastrous effect upon the industrial and financial economy of the country.

PUBLIC FINANCE

National Budget

19. Action by the Diet on the 1946-47 budget could not be completed in time to cover operations in July. It was necessary to permit government operation under a temporary budget for July with the understanding that it will become inoperative with the adoption of the budget for the entire fiscal year.

20. To finance operations in the first four months of the fiscal year permission was granted for two temporary loans of ¥ 3,500,000,000 and ¥ 3,100,000,000 in anticipation of taxes. During the next three months a considerable extension of short-term credit probably will be required as the expenditure program is proceeding rapidly in summer but substantial tax receipts are not expected until fall.

21. The Japanese Government was directed to incorporate the remaining balances of the National Defense Contribution Fund into the general revenue account of the Government. This action provides full budgetary control and Diet approval on any use of the fund.

22. The National Defense Contribution Fund consists of money donated voluntarily by the Japanese people during the war for armaments, war research and servicemen's relief and welfare. It was suggested to the Japanese Government that the use of these funds for general relief and welfare would be appropriate and in keeping with the present wishes of the Japanese people.

Local Government Finance

23. The Japanese Government inaugurated a temporary tax plan that will provide an estimated increase in local government tax revenue of ¥ 3,327,000,000 with the understanding that when national taxes are revised local taxes will be changed to co-ordinate the two programs.

The loss of revenue resulting from war damage and increases in salaries of local officials necessitates raising additional funds. Since further borrowing by either national or local governments will have an inflationary effect upon the Japanese economy, increased tax revenues are preferable.

TAX RETURNS
(millions of yen)

<u>Classification</u>	<u>1945-46</u>	<u>1946-47 a/</u>
Restitution tax		
Land	31	38
House	35	42
Business	130	119
Surtax on national tax		
Land	106	232
House	91	210
Business	382	595
Mine lot	2	2
Independent tax of		
Prefectures	42	99
Surtax on independent tax of prefectures	45	111
Residence tax	112	1,467
Other independent taxes of city, town and village	31	104
Distribution tax	896	2,204
Tax for special purposes	69	76
Total	1,972	5,299

a/ Estimated.

SOURCE Ministry of Home Affairs.

Special Accounts

24. The 1946-47 budgets for the special accounts were drafted. The largest single budget is that of the Foodstuff Control Account with estimated expenditures of approximately ¥ 15,600,000,000, of which about ¥ 13,400,000,000 will be financed by food sales and the remainder by governmental subsidy. Next in size is the Imperial Railways budget with planned expenditures of approximately ¥ 9,500,000,000.

Other major accounts are the Communication Enterprise, the Monopoly Bureau and the Adjustment in Demand and Supply of Charcoal account. The expenditures for these exceed ¥ 10,000,000,000.

25. Because of high material costs and wages it is difficult for most government enterprises to cover operating costs with current receipts without raising prices. The only account which anticipates a sizable profit for the 1946-47 fiscal year is the Monopoly Bureau. This profit, estimated at more than ¥ 6,000,000,000, will be derived principally from tobacco sales.

National Debt

26. A summary of the national debt of the Japanese Government follows:

NATIONAL DEBT	
31 May	
(millions of yen)	
Government bonds, domestic	144,589
Government bonds, external	886
Bank loans	50,939
Expenditures in occupied areas	43,834
Overdraft on Bank of Japan	5,300
Navy arsenal loan (short-term)	40
Other loans	1,765
Rice bills and food certificates	4,650
Treasury bills	<u>2,000</u>
Total	203,064

SOURCE: Ministry of Finance.

Government bonds issued during May amounted to ¥ 1,813,000,000.

Imperial Household

27. The Imperial Household was instructed to submit a plan for consolidation of the Forestry Fund with the Negotiable Property Capital Account in order to simplify the Imperial Household accounts.

28. The Imperial Household was informed that no endowment funds should be established at the present time.

SECTION 12

PROPERTY CONTROL AND REPARATIONS

C O N T E N T S

	Paragraph
Property Control	1
Antitrust and Cartels.	10
Reparations.	22

PROPERTY CONTROL

United Nations Property

1. Additional reports on property formerly owned in Japan by Allied nationals were submitted by the Japanese Government. Property reported and under SCAP control and custody on 25 June is shown below:

ALLIED PROPERTIES SEIZED BY JAPANESE GOVERNMENT DURING THE WAR
25 June
(yen)

	<u>United States</u>	<u>Great Britain</u>	<u>Netherlands</u>	<u>Total</u>
Number of properties	538	620	103	1,261
Original value of properties (land, buildings and movables) a/	29,261,504.17	32,396,516.84	3,155,873.55	65,243,894.56
Securities a/	37,814,706.30	41,111,116.05	482,164.00	79,406,006.35
Gross proceeds from sale of properties and securities	5,004,337.79	73,021,779.68	3,473,662.12	81,499,799.59
Value of unsold property a/	34,009,217.25	13,803,101.88	399,973.29	48,172,292.42
Present bank balances b/	53,059,782.32	46,807,587.66	3,270,982.60	103,136,352.78

a/ Based on Japanese appraisals which vary from values reported by the property owners.

b/ Represents bank balances of individuals and firms on 7 December 1941 plus net proceeds from sales of property by Japanese administrators.

SOURCE: Ministry of Finance.

Individual demands for restitution are being filed. At present three demands are being considered by SCAP.

2. Reports were received from the Japanese Government in compliance with the directive which requires impounding and reporting of all looted properties in Japan. They total approximately 10,000 separate items including more than 536 radios, 1,079 machine tools (lathes, milling machines, electric generators and welders), 201 typewriters, 93 usable motor cars and trucks and miscellaneous items (watches, jewelry, coins and ivory).

3. Ten boxes of rare Chinese classics which were a portion of a large library looted in Hongkong were returned to the Chinese Government. The remaining volumes are being catalogued and packed for shipment. Arrangements for the return of the Chinese dredge Chien Sho were completed.

In addition to the above items looted property restored to date consists of radium to Czechoslovakia, the sacred Buddhist Relic to Siam, two fire engines to Hongkong and prehistoric archeological specimens to China.

German Property

4. The Japanese Government submitted reports on 62 German firms formerly doing business in Japan. While these reports presumably include all such firms this figure is being checked by SCAP. Cash in banks represents approximately 90 percent of all assets reported.

ASSETS OF GERMAN FIRMS a/
(yen)

<u>Item</u>	<u>Amount</u>
Real estate	3,627,581.39
Cash in banks	318,138,657.34
Accounts receivable	83,434,409.14
Inventories (movables)	16,203,904.31
Other assets	<u>8,464,260.68</u>
Total assets	429,868,812.86
Accounts payable	<u>72,992,112.56</u>
Total net assets	356,876,700.30

a/ The Japanese Government has not converted these figures to a yen value of a certain date. Many amounts represent original cost price of 10 years ago while others represent assets acquired since 1941 at an inflated yen price.

SOURCE: Ministry of Finance.

SCAP Custody Account

5. The following collections in Japanese yen have been made from 1 March to 25 June from sources indicated:

German Government and Nazi Party	¥ 48,403,131.67
Deposit of Japanese yen received in exchange for Bank of Chosen notes given to Koreans at seaports when repatriated	28,541,382.44
Back wages, bonuses and death benefits due repatriated Koreans and collected from various Japanese coal companies	2,377,179.34
Mikuni Coal Company, Korea (funds stolen by and confiscated from Seichi Doi and other persons)	2,834,354.26
Collections held in trust for British nationals	38,043.05
Collections of fines from Japanese criminals held in trust for Military Government of Korea	152,020.96
American Red Cross unexpended POW funds	3,990.85
Confiscated from	
Japanese Government and civilians	4,296,429.50
Japanese puppet governments	941,369.61
Japanese-Korean war aid societies	1,603,177.60
Illegal collections for Korean aid	43,865.60
Enemy nationals in Sugamo prison	867,746.05
American Army personnel	<u>37,799.60</u>
Total	¥ 90,140,390.53

Precious Metals

6. The Ministry of Finance reported the blocked and controlled precious metals owned or possessed by the Government and its instrumentalities, private organizations and persons as of 1 May.

PRECIOUS METALS NOT IN SCAP CUSTODY
1 May
(grams)

	<u>Gold</u>	<u>Silver</u>	<u>Platinum</u>
Government offices and local governments	18,571	12,933,049	323,228
Financial institutions and juridical persons	999,740	96,748,677	894,158
Private persons and others	<u>830,239</u>	<u>158,681</u>	<u>24,386</u>
Total	1,848,550	109,840,407	1,241,772
Dollar valuations a/	\$ 2,080,173	\$ 247,141	\$ 1,397,366

a/ Based on \$ 35.00 per ounce for gold and platinum and \$ 0.70 per ounce for silver.

SOURCE: Ministry of Finance.

Arrested Persons

7. Reports were received by SCAP showing the amounts and kinds of property over which the Japanese Government has taken custody for 644 persons arrested as suspected war criminals. The following table lists separately property of each individual with assets in excess of ¥ 500,000:

PROPERTY OF PERSONS ARRESTED AS SUSPECTED WAR CRIMINALS a/
25 June
(yen)

<u>Name</u>	<u>Cash, Bank & Savings Deposits</u>	<u>Land & Build- ings</u>	<u>Personal Property</u>	<u>Investments, Securities & Insurance</u>	<u>Total</u>
Ishihara, Koichiro	229,062	297,338	121,275	14,986,367	15,634,042
Kodama, Yoshio	0	880,222	0	8,479,690	9,359,912
Shoriki, Hatsutarō	250,913	62,534	41,480	5,140,350	5,495,277
Arima, Yoziyasu	243,219	1,736,345	554,285	490,929	3,024,778
Ayukawa, Gisuke	420,520	736,627	335,200	631,877	2,174,224
Hiranuma, Kiichiro	864,770	277,798	520,705	346,182	2,009,455
Sasagawa, Eyoichi	98,490	842,388	6,100	481,518	1,428,496
Okabe, Chokei	535,177	384,375	170,320	303,601	1,393,473
Kido, Koichi	93,686	428,753	235,000	533,987	1,291,426
Kikuchi, Takeo	393,586	85,207	0	375,610	854,403
Konoe, Fumimaro	350,000	370,150	82,280	0	802,430
Okura, Kunihiko	44,698	58,355	56,208	625,305	784,566
Goto, Takuo	633,894	64,153	0	21,695	719,742
Suzuki, Hideo	116,316	11,236	0	590,025	717,577
Ota, Kozo	347,470	364,770	0	0	712,240
Koyama, Seiichi	125,236	433,870	62,153	90,520	711,779
628 others	<u>7,141,973</u>	<u>5,505,032</u>	<u>947,029</u>	<u>2,326,503</u>	<u>15,920,527</u>
Total	1,889,010	12,589,153	3,132,035	35,424,159	63,034,347

a/ Property in the custody of the Japanese Government. Some discrepancies exist because of lack of uniformity in evaluating assets and because of clerical errors by the Japanese.

SOURCE: Ministry of Finance.

8. Controlled assets of 23 of the 27 defendants now being tried by the International Military Tribunal for the Far East follow:

PROPERTY OF INDIVIDUALS BEING TRIED BY IMTFF ^{a/}
25 June
(yen)

<u>Name</u>	<u>Cash, Bank & Savings Deposits</u>	<u>Lands & Build- ings</u>	<u>Personal Property</u>	<u>Investments, Securities & Insurance</u>	<u>Total</u>
Hiranuma, Kiichiro	864,770	277,798	520,705	346,182	2,009,455
Kido, Koichi	93,686	428,753	235,000	533,987	1,291,426
Shigenitau, Mamoru	327,354	101,270	0	20,875	449,499
Oshima, Hiroshi	53,644	28,450	0	254,200	336,294
Hoshino, Naoki	62,451	65,462	0	195,741	323,654
Oka, Takasumi	38,951	153,527	86,300	1,600	280,378
Koiso, Kuniaki	250,537	23,009	0	0	273,546
Togo, Shigenori	80,341	105,490	2,200	8,600	196,631
Tojo, Hideki	124	49,860	60,200	57,140	167,324
Nagano, Osami	75,440	70,695	0	0	146,135
Okawa, Shumei	27,155	110,572	800	0	138,527
Matsui, Iwane	29,313	70,149	5,300	27,529	132,291
Umezū, Yoshijiro	93,009	0	0	9,800	102,809
Shiratori, Toshio	94,835	0	0	0	94,835
Hata, Shunroku	15,287	64,217	0	13,000	92,504
Shimada, Shigetaro	57,189	10,177	1,120	0	68,486
Minami, Jiro	32,661	0	23,400	12,200	68,261
Kaya, Okinobu	0	56,350	0	0	56,350
Kimura, Heitaro	28,270	0	0	13,545	41,815
Doihara, Kenji	31,344	2,006	0	6,750	40,100
Suzuki, Teiichi	0	37,438	0	0	37,438
Araki, Sadao	9,179	0	0	8,000	17,179
Sato, Kenryo	6,411	0	0	0	6,411
Total	2,271,951	1,655,223	935,025	1,509,149	6,371,348

^{a/} Included in totals of the previous table. Property in the custody of the Japanese Government.

SOURCE: Ministry of Finance.

9. SCAP received 92 reports on dissolved organizations whose assets were taken into custody by the Japanese Government.

ASSETS OF CERTAIN DISSOLVED ORGANIZATIONS a/
25 June
(yen)

<u>Associations</u>	<u>No. of Branches</u>	<u>Cash on Hand or in Bank</u>	<u>Land and Buildings</u>	<u>Supplies, Fixtures and Equipment</u>	<u>Bonds and Securities</u>	<u>Other</u>	<u>Total</u>
Dojin Kai (Universal Kindness Society)	8	2,997,548	3,597,117	2,375,000	0	35,488	9,005,553
Kinkai Gakuin (Golden Pheasant Institute)	2	44,176	530,000	30,000	0	5,000	609,176
Onyosha (Dark Ocean Society)	2	47,330	48,184	0	54,245	0	149,759
East Asia Federation Fellow Thinkers' Society	16	6,826	0	1,811	130	0	8,767
Toa Renmei (East Asia Association)	13	970	0	737	7	0	1,714
Toa Renmei Doshikai (East Asia Comrade's Association)	7	422	0	2,100	0	0	2,522
Dai Nippon Isshinkai (Great Japan Renovation Society)	4	8	0	0	0	0	8
Einno Makoto Kusubi (Loyalist True Solidarity Office)	4	0	0	0	0	0	0
Dai Nippon Sekiseikai (Great Japan True Hearted Society)	4	0	0	0	0	0	0
Misc. organizations	<u>32</u>	<u>725</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>725</u>
Total	92	3,098,405	4,175,301	2,409,648	54,382	40,488	9,778,224

a/ Assets are in the custody of the Japanese Government.

SOURCE: Ministry of Finance.

ANTITRUST AND CARTELS

Holding Companies

10. SCAP directives added holding companies and their subsidiaries to the Schedule of Restricted Concerns as shown in the table, pages 246 and 247.

11. A SCAP directive of 8 June placed the following second-line holding companies and their subsidiaries under surveillance. These firms were directed to furnish reports which are required of firms on the Schedule of Restricted Concerns for study by SCAP to determine their ownership and monopolistic control over industry.

<u>Subsidiary Holding Company</u>	<u>Number Affected</u>
Daiwa Industrial Company, Ltd.	10
Imperial Textile Company, Ltd.	15
Toyo Cotton Company, Ltd.	39
Toyo Rayon Company, Ltd.	5

Daiwa Industrial Company, a subsidiary of Fuji Industrial Company Ltd., with assets of ¥ 194,297,401, is Japan's fifth largest producer of rayon. This company controls 10 subsidiaries, five of which are located outside of Japan.

Imperial Textile Company, a subsidiary of Yasuda Hozensha, with assets of ¥ 191,497,000, is one of Japan's largest producers of staple fiber. This company controls 15 subsidiaries, six of which are located outside of Japan.

Toyo Cotton Company, a subsidiary of Mitsui Honsha, with assets of ¥ 1,649,394, is Japan's tenth largest producer of cotton cloth. This company controls 39 subsidiaries, 26 of which are located outside of Japan.

Toyo Rayon Company, a subsidiary of Mitsui Honsha, with assets of ¥ 127,948,000, is Japan's sixth largest producer of rayon. It controls five subsidiaries, one of which is located outside of Japan.

12. A SCAP directive of 3 June prohibited the sale, gift, assignment or transfer of movable or immovable property of the Aikawa, Asano, Furukawa, Kawasaki, Matsushita, Nakajima, Nomura, Okochi, Okura and Shibusawa families.

The directive required these families to submit reports of all their movable and immovable property, cash on hand or deposit, real estate and government bonds as of 1 January 1945 and 1 May 1946.

The Japanese Government was permitted to authorize such living expenses as are just and reasonable for these families and maintain an accurate record of each authorization granted.

Zaibatsu War Profits and Expansion

13. The profits earned by 13 holding companies during the last 16 years are reflected in charts, 248. The charts indicate that these holding companies profited immensely during the war years and were able to set aside large amounts of reserves which were used to expand further their monopolistic control over various industries.

They also reflect the wartime growth of these 13 holding companies. This expansion was accomplished without materially increasing their capital investments by obtaining preferential treatment from the Government on loans, grants, taxation and forced mergers.

Control Associations

14. SCAP officials conferred with the Japanese Government to initiate a program for financing the Emergency Housing Program to be conducted by the Housing Corporation (Jutaku Eidan).

15. SCAP instructed the Japanese Government to expedite the dissolution of the Japanese Export Corporation and to present definite plans for the transfer of its functions to other public agencies.

16. Conferences were held between officials of SCAP and the Japanese Government to organize a board of art inspectors under the jurisdiction of The Japanese Board of Trade to establish standards for art goods to be exported. These standards will be used by the Nippon Fine Arts Association in the allocation of materials for the manufacture of art goods for export.

17. A SCAP directive ordered that the Japan Lumber Company and local lumber companies be dissolved and all laws and regulations giving them legal existence repealed. Necessary control functions will revert to governmental agencies assisted by voluntary public democratic associations already in existence but long suppressed.

The Japan Lumber Company, Ltd., was a monopoly created in 1941 by imperial ordinance as a wartime measure to control the distribution of all timber sold in interprefectural commerce. Its paid-up capital totals ¥ 50,000,000, contributed principally by Oji Paper Manufacturing Company, Imperial Household, Mitsui Honsha, Mitsubishi Honsha, Nissan Company, Sumitomo Honsha, Kawasaki Heavy Industry Company and local lumber companies.

COMPANIES ADDED TO SCHEDULE OF RESTRICTED CONCERNS
June

<u>Holding Company</u>	<u>Number of Subsidiaries</u>	
	<u>In Japan</u>	<u>Outside Japan</u>
Dai Nippon Cotton Spinning Co, Ltd.	16	11
Daiken Industrial Co, Ltd.	30	17
Fuji Casu Spinning Co, Ltd.	7	6
Gunze Industrial Co, Ltd.	7	3
Japan Wool Cloth Co, Ltd.	12	4
Kanegafuchi Industrial Co, Ltd.	55	27
Katakura Industrial Co, Ltd.	11	2
Kurashiki Industrial Co, Ltd.	12	2
Naigai Cotton Co, Ltd.	5	7
Nisshin Cotton Spinning Co, Ltd.	7	4
Oriental Cotton Spinning Co, Ltd.	41	23
Shikishima Spinning Co, Ltd.	15	3
Teikoku Artificial Silk Co, Ltd.	3	1
Nippon Mail Steamship Co, Ltd.	22	8
Osaka Commercial Steamship Co, Ltd.	24	8
Yamashita Steamship Co, Ltd.	19	4
Imperial Mining Development Co, Ltd.	21	0
Mitsubishi Honsha	6 <u>a/</u>	0
Okura Mining Co, Ltd.	3 <u>a/</u>	1 <u>a/</u>

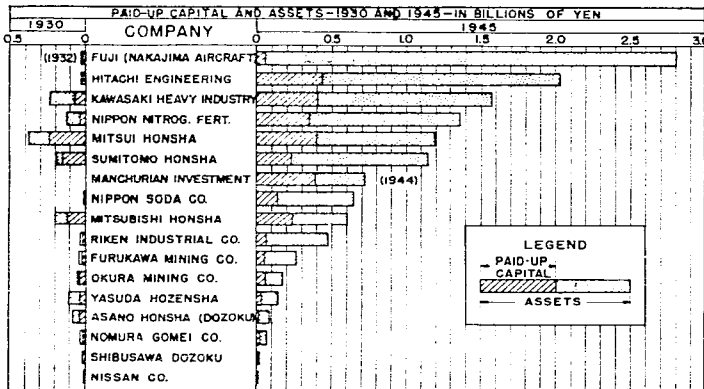
a/ Additional subsidiaries of holding companies already on the Schedule of Restricted Concerns.

COMPANIES ADDED TO SCHEDULE OF RESTRICTED CONCERNS
June

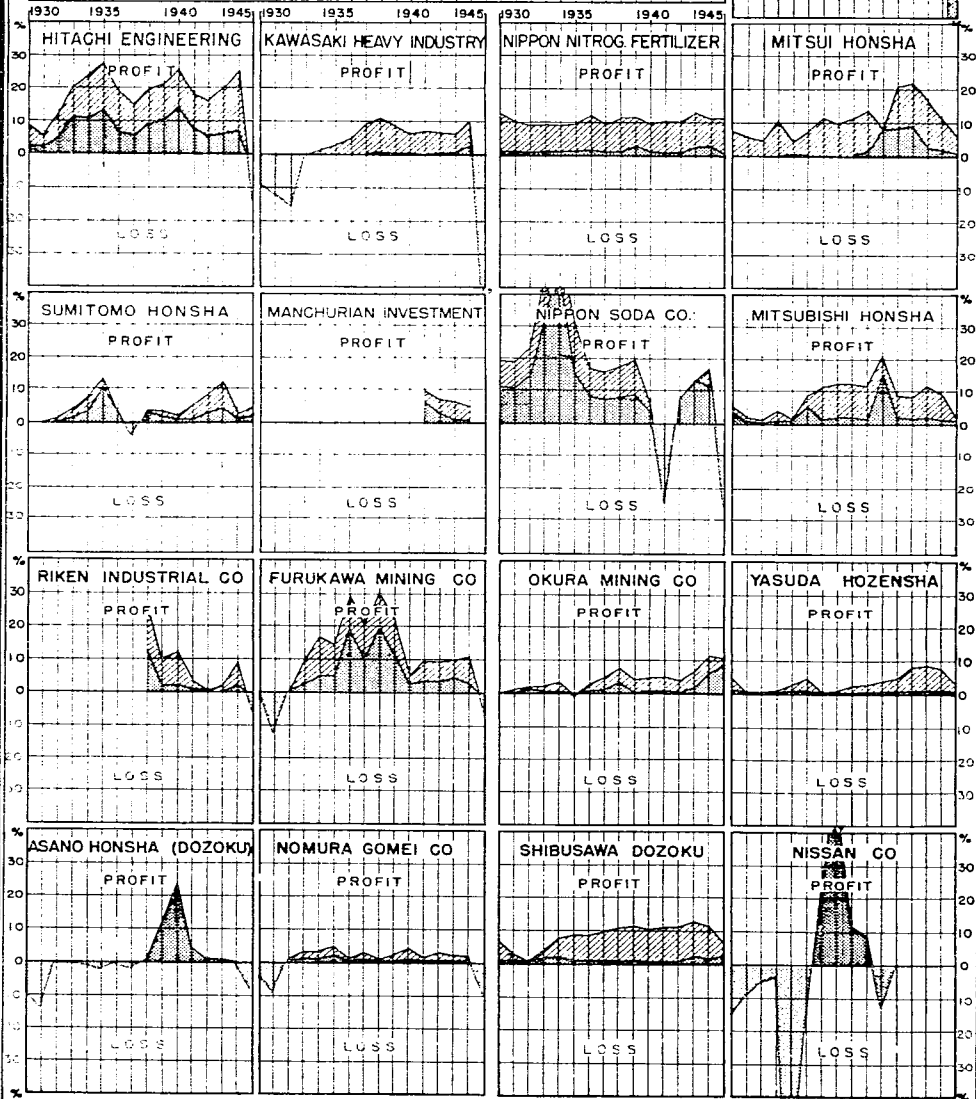
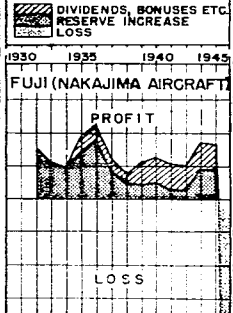
<u>Assets of Holding Company</u>	<u>Remarks</u>
¥ 508,352,720	Japan's second largest producer of cotton cloth.
2,435,243,000	Japan's ninth largest producer of cotton cloth. Also engaged in timber, chemical and heavy industry production.
156,141,000	Japan's fifth largest producer of cotton cloth.
115,603,000	Japan's third largest producer of spun silk, accounting for 14 percent of Japan's spun silk output.
155,441,498	Largest producer of woven wool in Japan, accounting for 11 percent of the wool production.
1,260,066,000	Japan's third largest producer of cotton cloth and second largest producer of spun silk. Also engaged in agriculture, forestry and production of timber, chemicals and heavy industry goods.
153,227,000	Largest producer of spun silk, accounting for 22 percent of all production.
319,566,090	Japan's second largest rayon producer.
167,519,918	Japan's fourth largest producer of cotton cloth.
128,254,117	Japan's sixth largest producer of cotton cloth.
539,797,430	Japan's largest producer of cotton cloth.
107,026,942	Japan's seventh largest cotton goods producer.
119,433,188	Japan's largest producer of rayon fabrics, accounting for 12 percent of Japan's rayon products.
480,445,138	Largest steamship company in Japan. Operates and builds vessels for shipping cargo and transporting passengers.
581,226,086	Second largest steamship company in Japan. Operates vessels for shipping cargo and transporting passengers. Also engaged in stevedoring, warehousing, manufacturing, real estate and the operation of office buildings and hotels.
186,484,657	Japan's third largest steamship company. Operates cargo vessels.
b/	In 1941 merged with Japan Gold Mineral Development Company to become the fourth largest company in the mining industry. Also engaged in ore mining and importing, machine manufacturing, shipping, lumber distribution and cable construction. Zaibatsu firms already restricted own 27 percent of its capital stock.

b/ Over ¥ 1,000,000,000.

FINANCIAL POSITION OF 17 HOLDING COMPANIES - JAPAN



RELATION OF PROFIT OR LOSS TO PAID-UP CAPITAL - 1930 TO 1945



SOURCE: RESPECTIVE HOLDING COS.
 JUNE 46

GHQ-SCAP

NUMBER 74

18. The Japanese Government's proposed Commercial and Industrial Co-operative Union Bill is being studied by SCAP. This legislation is designed to democratize and regulate the various types of unincorporated associations and co-operatives in commerce, industry and mining which had functioned in the past as semi-co-operatives. It is also designed to give legal status to the industrial and reconstruction co-operatives.

REPARATIONS

19. The list of aircraft factories, military arsenals, naval arsenals and research laboratories taken into custody under the directive of 13 January was revised. Thirty-eight installations were removed from the list and 228 added, bringing the present total to 594 establishments under SCAP custody and control.

20. Buildings and other facilities which house equipment under SCAP custody and control may be turned over to the Japanese if their release does not affect the reparations program. This will allow their use in the civilian economy.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

Number 9

June 1946

PART IV

SOCIAL

T A B L E O F C O N T E N T S

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SECTION 1
PUBLIC HEALTH AND WELFARE

C O N T E N T S

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Hospital Administration	12
Veterinary Affairs.	14
Dental Affairs.	22
Nursing Affairs	24
Supply.	26
Preventive Medicine	37

PUBLIC WELFARE

Public Assistance

1. Welfare payments in May totaled ¥ 40,977,662.16 percent less than April's ¥ 49,010,423. Individuals receiving aid in May were 2,182,493, while in April 2,691,527 received aid, a decrease of 19 percent. Average payments per individual equalled ¥ 19 in May, compared with ¥ 18 in April.

2. Field inspections made by representatives of SCAP in Kyushu and Honshu to observe public assistance activity revealed improvement in relief administration. The greatest deficiency is in the lack of an accurate and uniform system of compiling and reporting statistics.

A comparison between the relief data reported by the Ministry of Health and Welfare and by Occupation Forces units showed great dissimilarity in many prefectures, as did Japanese reports for March compared with April. These were largely due to changes in reporting procedure.

The importance of accurate reports by prefectural governments has been stressed to the Japanese Government, which has organized 10 teams to audit the accounts of all prefectures. These teams are at present in the field.

Organization under the various national relief laws is shown in chart, page 254.

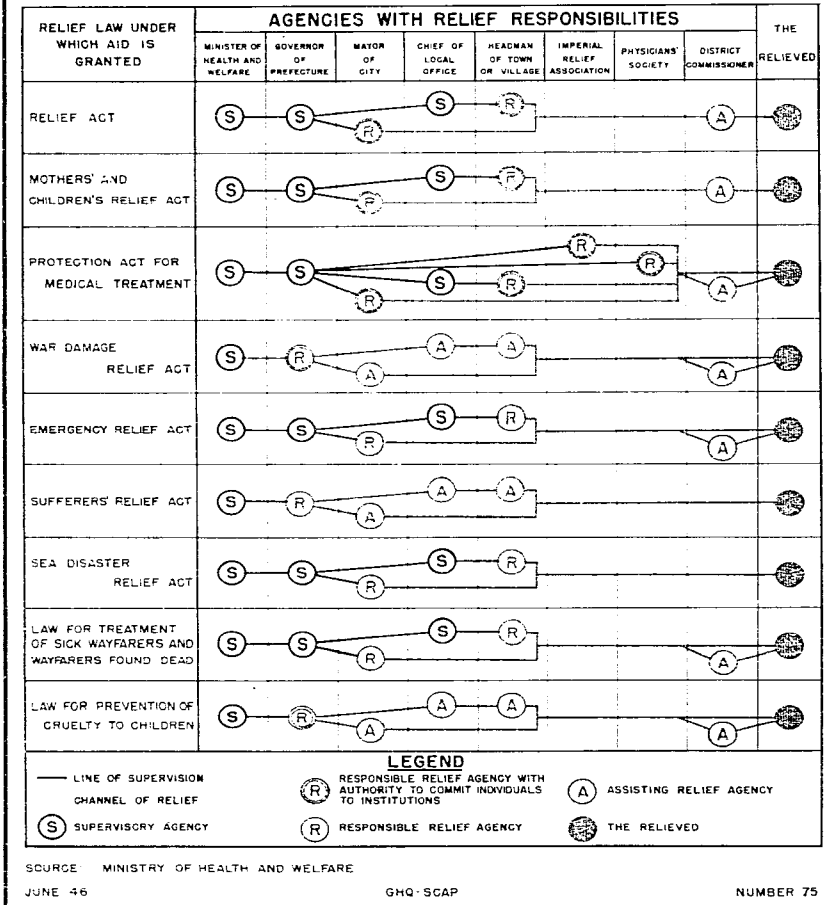
3. The nonshipment of rural surplus foodstocks to urban areas, as well as transportation difficulties, necessitated the gratuitous release of 420,000 kilograms of Japanese Army-Navy reserve food stocks for immediate relief distribution in Kanagawa Prefecture and Tokyo.

A disaster relief operation necessitated by a fire in Tajima, Fukushima-ken, involved the release of 4,342 kilograms of biscuits and canned goods.

RELIEF ORGANIZATION

UNDER EXISTING RELIEF LAWS

JAPAN - MAY 1946



Voluntary Relief Imports

4. In response to invitation from SCAP two representatives of Licensed Agencies for Relief in Asia arrived in Tokyo on 22 June.

Child Welfare

5. The deplorable conditions under which delinquent children are kept in institutions throughout Japan, as well as the aimless wandering of waifs about the streets of Tokyo were pointed out to the Ministries of Home Affairs and Health and Welfare.

The Japanese Government was instructed to investigate these conditions, institute corrective measures and report progress and action taken by 30 June.

Japanese Red Cross Society

6. The plan of reorganization and services of the Japanese Red Cross Society as proposed by the executive staff of national headquarters was approved by a meeting of the managing directors and representatives of all chapters of the Society on 24 June.

7. Valuable information was given the Society by the League of Red Cross Societies on charters and statutes of other national Red Cross societies. Much of this material was incorporated into the revised Japanese Red Cross statutes, which are now ready for review and ratification.

8. For the first time in history the organization held a general assembly of the National Headquarters Staff at which the President presented the problems facing the Society and outlined the proposed reorganization plan.

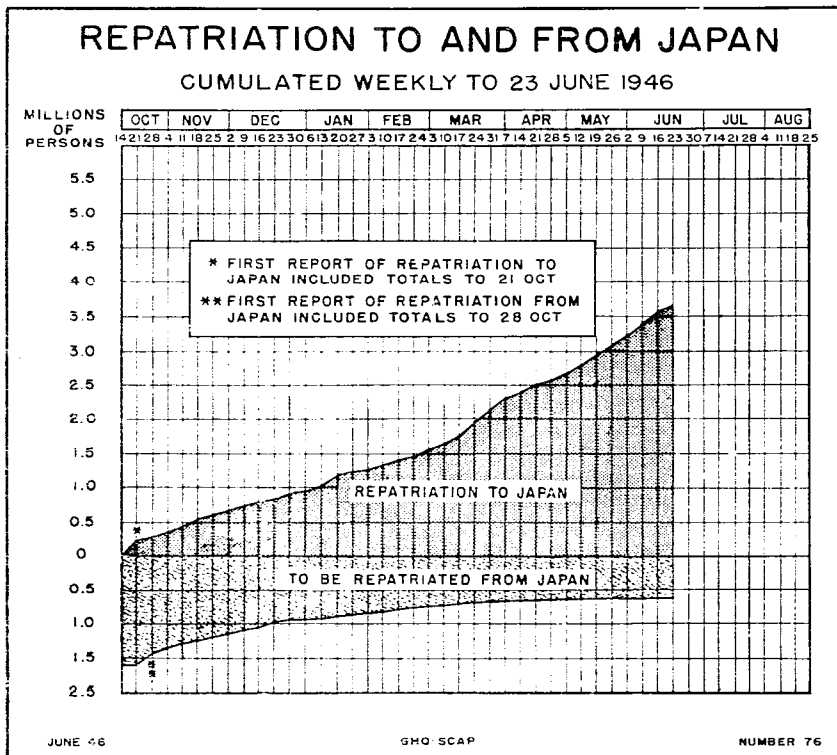
9. The Ministry of Health and Welfare agreed to refund all expenses incurred by the Japanese Red Cross in connection with repatriation activities since 1 December 1945 and to continue paying the costs of maintaining Red Cross nursing units in repatriation activity. The Japanese Red Cross will continue to provide nursing units as needed.

10. Two general field representatives have been employed by national headquarters to assist in chapter reorganization. Visits were made to two prefectures in the interest of reorganization of branch chapters.

Repatriation

11. Japanese repatriated to the Home Islands totaled 3,685,375 by 23 June. By the same date 977,907 foreign nationals had left Japan. The majority of these, 897,601, were Koreans.

The chart, page 256, shows repatriation to and from Japan cumulated by weeks since the beginning of the Occupation.



33

HOSPITAL ADMINISTRATION

12. Weekly Japanese civilian hospital strength reports show no substantial change in the number of beds occupied in any prefecture.

13. Ex-military medical personnel still staff and operate national hospitals to a large extent but are being replaced by civilians, particularly as hospital managers and superintendents. The Ministry of Health and Welfare reported a replacement of 25 percent of ex-military personnel.

VETERINARY AFFAIRS

14. A survey of slaughter houses in Hachioji and Fussa revealed that ante and post mortem inspection is satisfactory but sanitation is deficient. The Japanese Government was directed to institute corrective measures.

15. The Veterinary Hygiene Section of Tokyo Prefecture reports that the present dog population is 3,858, and that 91 percent have been immunized against rabies.

Research Activities

16. The Veterinary Laboratory Section of the Ministry of Agriculture and Forestry is conducting research on the following subjects:

Fowl pox vaccine
 Fowl pest virus
 Bovine tuberculosis, serum diagnosis, chemical analysis
 of bacillus tuberculosis
 Cattle plague antigen for complement fixation test
 Bovine abortion

- (1) Brucella abortus immunization
- (2) Vibrio fetus, diagnosis and immunization
- (3) Trichomonas

Swine cholera, virus studies
 Equine contagious abortion, vaccine and serum
 Equine infectious anemia, diagnosis
 Equine paralysis studies
 Bovine piroplasmosis, curatives.

17. The Veterinary Laboratory, Institute for Infectious Diseases, is conducting research on the following subjects:

The phosphatase test for efficiency of pasteurization
 Methods of detection of added water in milk
 The score card system for sanitary inspection of dairy farms and plants

Bacteriological meat inspection standards
 The salmonella group of organisms in slaughtered animals
 Disinfection of infected meat

The utilization of sour milk
 Standardization of bacteriological examination of milk
 Bacteriological grading of milk.

Meat and Dairy Inspection

18. A four-day meat and dairy inspection school was held at the Ministry of Health and Welfare with chief inspectors from all prefectures in northern Japan attending.

19. Following is a summary of meat and dairy inspection reports for April:

MEAT INSPECTION
 April

	<u>Cattle</u>	<u>Calves</u>	<u>Sheep and Goats</u>	<u>Swine</u>	<u>Horses</u>
Number slaughtered	12,472	1,200	39	4,207	3,338
Condemned ante mortem	0	1	0	0	0
Condemned post mortem					
Total	13	0	0	1	8
Partial	154	3	0	32	301
Viscera	2,066	67	0	1,151	386

SOURCE: Ministry of Health and Welfare.

MILK INSPECTION
April

Special Milk

Farm inspections	19
Samples examined	15
Over bacterial maximum (50,000 per cc)	0
Under butterfat minimum (3.3 percent)	0
Fluid milk plant inspections	17
Over bacterial maximum (50,000 per cc)	0
Under butterfat minimum (3.3 percent)	0

Ordinary Milk

Farm inspections	8,695
Samples examined	9,235
Over bacterial maximum (2,000,000 per cc)	437
Under butterfat minimum (3.0 percent)	2,749
Fluid milk plant inspections	3,176
Over bacterial maximum (2,000,000 per cc)	306
Under butterfat minimum (3.0 percent)	596

Goat Milk

Farm inspections	38
Samples examined	30
Over bacterial maximum (2,000,000 per cc)	2
Under butterfat minimum (3.0 percent)	1

SOURCE: Ministry of Health and Welfare.

Animal Diseases

20. Chick pullorum incidence dropped during May while equine infectious anemia increased.

ANIMAL DISEASE REPORT
May

<u>Disease</u>	<u>Number of Cases</u>
Anthrax	2
Blackleg	1
Brucellosis	3
Trichomoniasis	61
Texas fever	51
Swine cholera	2
Swine erysipelas	2
Babies	2
Strangles	140
Equine infectious anemia	331
Equine infectious abortion	21
Chick pullorum	579

SOURCE: Ministry of Agriculture and Forestry.

21. Equine infectious anemia is enzootic in Kumamoto Prefecture. During May and June 283 cases were reported there of which 93 were fatal. Control measures are inspection, slaughter, indemnity payments, quarantine and disinfection.

DENTAL AFFAIRS

Rehabilitation

22. During the month ending 15 May 109 dentists were rehabilitated.

Shortage of funds to purchase expensive equipment, lack of suitable office space, the handicap of frozen checks and the inclination of manufacturers to sell in the black market are delaying the rehabilitation program.

Education

23. The Council on Dental Education recommended to the Japanese Government:

- (1) Establishment of a National Board of Dental Examiners.
- (2) Three years' pre-dental training.
- (3) Coeducational dental schools.

NURSING AFFAIRS

Council on Nursing Education

24. The subcommittee on licensure formulated requirements for a national examination for nurses and midwives. These requirements have been approved by the Council.

25. Permission was received from the National Tuberculosis Association in America to translate and print tuberculosis material to be used in Japanese schools of nursing. The first booklet, "Home Care of Tuberculosis--Pointers for Nurses," has been completed.

SUPPLY

Production

26. Production of medicines and patent medicines continued to increase during May, as shown in chart, page 260.

27. Production of necessary supplies for the mosquito and fly control program progressed satisfactorily during June. Six manufacturers were selected to produce pyrethrum emulsion, and the Japanese Government was directed to furnish these companies 300 tons of dried pyrethrum flowers each month during June, July and August. This quantity will not interfere with insecticide production for agricultural use. Approximately 1,100,000 gallons of No. 2 fuel oil and 60,000 gallons of gasoline were allocated to the program from U.S. stocks.

Production of an emulsion containing orthodichlorobenzene, cresol and soap has been accomplished and distributed to all prefectures. This emulsion is used principally as a disinfectant in the home.

A schedule for production of necessary spraying equipment was established including 10,000 knapsack sprayers, three-gallon capacity, and 5,000 pump type suitable for spraying rice paddies and fields, for completion by the end of July; and 10,000 two-quart continuous sprayers, for production at the earliest possible date.