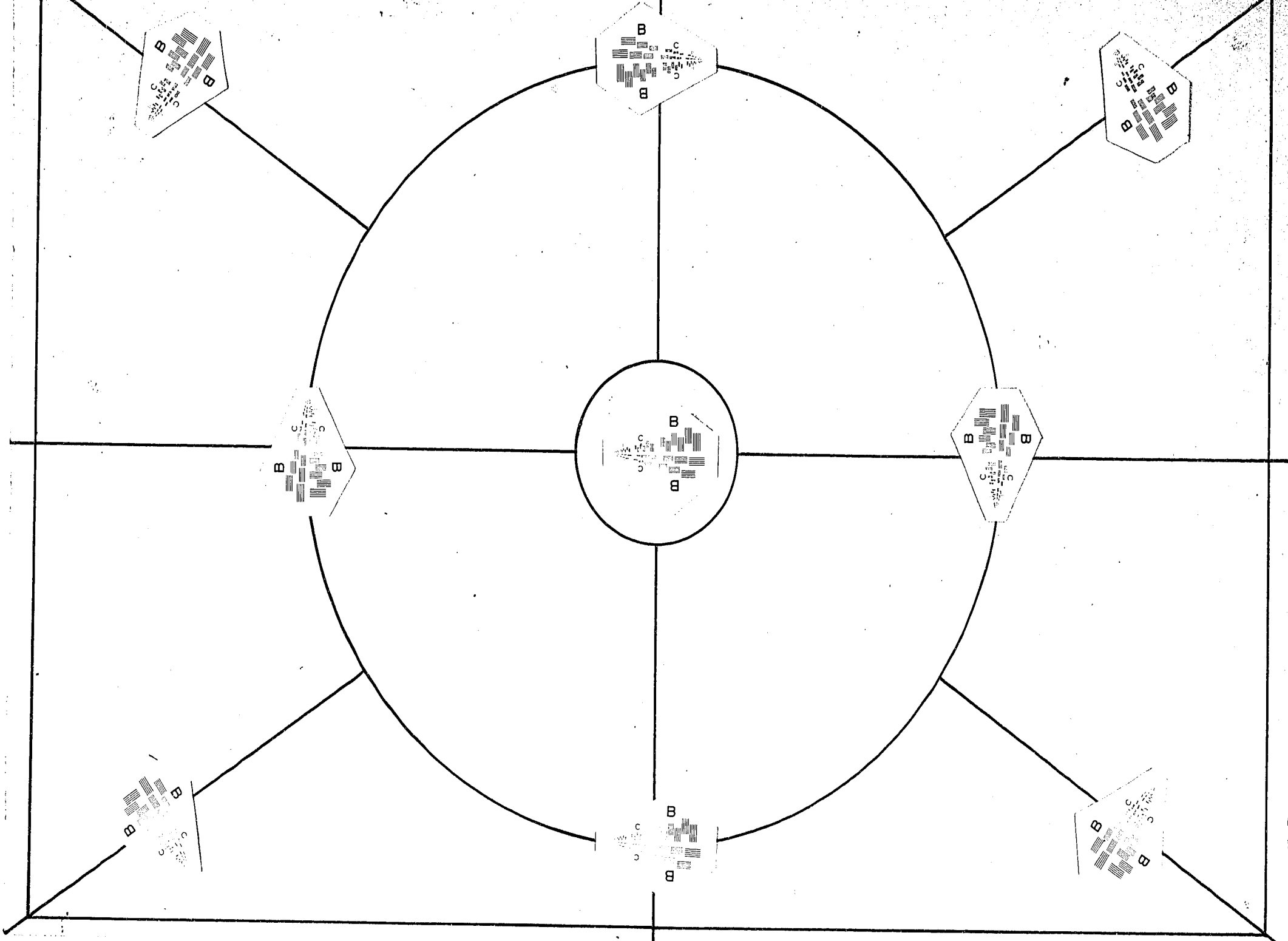


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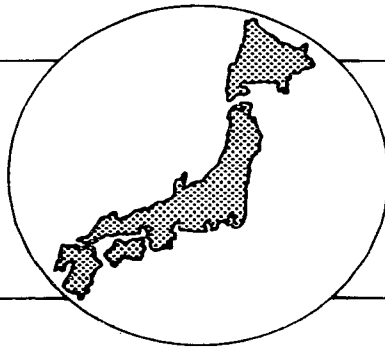
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SUPREME COMMANDER
FOR THE ALLIED POWERS



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SUMMATION

of

Non-Military Activities

in

JAPAN

No 12 September 1946

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日本占領報告

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GENERAL HEADQUARTERS
SUPREME COMMANDER
FOR THE ALLIED POWERS

SUMMATION Nº12

Non-Military Activities
IN
JAPAN

FOR THE MONTH OF
SEPTEMBER 1946

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

Summation No. 12

September 1946

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SUMMATION
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in
JAPAN

Number 12

September 1946

PART I

GENERAL

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SECTION 1
ORGANIZATION UNDER SCAP

1. General Orders No. 35, dated 7 September 1946, General Headquarters, SCAP, established the Civil Transportation Section as a Special Staff Section.

SECTION 2
POLITICAL ACTIVITIES

C O N T E N T S

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THE CONSTITUTION

House of Peers Studies Constitution

1. On 26 August the House of Representatives referred the draft constitution to the House of Peers. Discussion in the House of Peers followed the pattern of debate in the lower House. Much attention was devoted to clauses dealing with the Emperor, national polity, the renunciation of war, elimination of the peerage, sovereignty, guarantees of "human rights," religious freedom, education and the authority of the Prime Minister. The deliberations of the Peers were continuing at the end of the month with final action expected in early October.

POLITICAL PARTIES

Party Reorganization

2. Japan's major political parties prepared for extensive reorganization during September. The Liberals, Progressives and Social Democrats planned to adopt by-laws increasing the power of the Party's rank and file at the expense of Party leaders.

New People's Party

3. The Shinsei-kai independents in the House of Representatives abandoned their role as a bargaining group and became a full-fledged political party under the name New People's Party (Shin Kokumin-to).

THE DIET

4. During the period 25 August to 25 September the Diet enacted legislation covering amendments to temporary taxation measures, the budget, labor relations, emergency food measures, governmental allowances, amendments to existing laws and other miscellaneous measures.

THE PURGE

5. The Cabinet announced that 899 top-ranking government and political leaders had been forced to resign from office under the Purge Directive.

LOCAL GOVERNMENT

Reform Measures

6. Four local government reform bills were passed by the Diet on 20 September. In an attempt to democratize local government the measures provided for:

- (1) Popular election of governors, mayors of cities and chiefs of towns, villages and wards.
- (2) An increase in the powers of popularly elected assemblies.
- (3) Establishment of election administration committees to ensure fair and impartial elections.
- (4) Initiative, referendum and recall.
- (5) Frequent inspections of local affairs by impartial examiners.
- (6) Compensation for local officials.
- (7) Limitations on the right of elected assemblies to hold secret sessions.

Statement of Supreme Commander

7. The Supreme Commander commented, in part, on the passage of these measures as follows:

"The Diet's approval of local government reform legislation strikes the bonds which have prevented full emergence of the nation's democratic forces and prepares the way for eventual full realization of the most lofty ideals of a democratic society."

PUBLIC SAFETY AND INTELLIGENCE

Law and Order

8. Strikes and demonstrations continued during September but were generally orderly.

9. Home Ministry efforts to recover black-market goods increased and a few clashes between black-market operators and the police were reported.

10. Juvenile delinquency increased. The Ministry of Health and Welfare decided to appropriate ¥ 26,000,000 to improve juvenile protection facilities.

Police

11. Prefectural police criminal division chiefs met in Tokyo on 4 September and agreed upon a number of administrative changes.

Fire

12. Fire losses in Japan during July totaled ¥ 294,243,582. There were 881 fires in which nine persons were killed and 138 injured.

13. The Tokyo Metropolitan Fire Department initiated a new system whereby fire companies answer alarms outside their districts without special instructions.

General Civil Intelligence

14. Relations between the Occupation Forces and the civil populace remained good.

LEGAL

15. SCAP directed the Japanese Government to release the property of designated persons who have been tried and acquitted or released unconditionally before trial.

Japanese Judicial Administration

16. Legal and judicial reforms given consideration by the Provisional Legislative Investigation Committee and the Legislative Reform Committee included Court Organization Law, Prosecutor's Organization Law, Criminal Code, Civil Code, Code of Criminal Procedure and regulations concerning administrative litigation.

17. The Ministry of Justice decided to release prisoners convicted for specified acts under the army and navy criminal laws.

Military Occupation Courts

18. Reports from EIGHTH Army and British Commonwealth Occupation Forces show 1,225 cases handled in military occupation courts from 21 July to 20 August. In these cases 1,171 defendants were found guilty and 54 were acquitted.

19. Most offenses involved possession of unauthorized goods.

WAR CRIMES

Apprehension of War Criminals

20. During September the Japanese Government was ordered to apprehend and deliver to Sugamo Prison 165 persons suspected of war crimes.

21. Requests for the apprehension of suspected war criminals were received from the Australian, British and Chinese Divisions.

Investigation of War Criminals

22. Numerous investigations were completed and many were reduced to signed statements.

23. The names of five persons were deleted from previous orders for apprehension and 26 persons were released from Sugamo Prison.

Prosecution of War Criminals

24. Two trials were completed in Japan involving 14 defendants, and five trials were completed in the Philippines involving 15 defendants.

Results of British and Australian War Crimes Trials

25. The Japanese Government was notified of the results of British war crimes trials in Singapore involving 10 defendants and of Australian war crimes trials with 302 defendants. Of the latter, 6 were sentenced to death, 6 to life imprisonment and 191 received sentences ranging from one month to 25 years at hard labor. Ninety-nine were acquitted.

INTERNATIONAL PROSECUTION OF WAR CRIMINALS

Fifth Phase of Prosecution

26. The "Opium and Narcotics" phase of the prosecution's case was introduced to the Tribunal on 3 September. The prosecution depended mainly on documentary evidence gathered by the United States Treasury in China to furnish contrasting pictures of the opium trade in the Orient before and after Japanese occupation.

Sixth Phase of Prosecution

27. The sixth phase of the prosecution, "Economic Aggression in China and Greater East Asia," began on 6 September. Japan's domination of the economy of her occupied areas was accomplished by "development corporations" which invested in and promoted public utilities and various basic industries.

Seventh Phase of Prosecution

28. On 19 September the seventh phase was introduced, showing how first Germany and then Italy joined with Japan to form a tripartite bloc. The influence of Germany was felt heavily by the Japanese as negotiations proceeded from the Anti-Comintern Pact through the agreements supplementary to the Tripartite Treaty.

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ECONOMIC ACTIVITIES

C O N T E N T S

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NATURAL RESOURCES

Agriculture and Fisheries

1. Forecasts of the rice harvest are favorable and potatoes, wheat and barley achieved general increases over last year's crop.
2. August fish landings exceeded July's catch.

The Japanese Government received four amendments to the International Whaling Agreements.

Forestry and Mining

3. August lumber production registered small gains over July.
4. Coal and oil production rose in August despite handicaps. There were general increases in output throughout the mining industry.

COMMERCE AND INDUSTRY

Heavy Industries

5. Metal production in August fluctuated with the supply of fuel available to the individual industry. Production of chemicals remained generally constant while cement production decreased.

Machinery production increased, reflecting increased worker efficiency resulting from the release of American foods.

Manufacturing

6. August production showed seasonal increases in the canning, dairy and processed meat industries. Pulp production increased 11.8 percent and paper output 1.4 percent.

Production of electrical manufactures gained slightly in August. Output of transportation equipment other than vehicle bodies and truck chassis increased.

7. Material shortages continue to limit production of all industries.

Textiles

8. Cotton yarn production increased 50 percent in August. Nineteen shiploads of raw cotton arrived from the United States.

Normal seasonal upswing in raw silk production was broken in August as output fell 187 bales below July.

The uptrend in rayon yarn production continued in August with total output exceeding 1,000,000 pounds.

August woolen yarn production reached the highest level since the end of the war but worsted yarn output continued to decline.

Transportation

9. Total freight tonnage showed a slight increase in August.

Train kilometers operated increased from 15,404,848 during July to 15,458,646 in August.

Public Utilities

10. Electric power generation remained adequate. Seven hydroelectric plants were repaired in August.

11. The coal shortage continues to render a large percent of gas capacity idle.

Communications

12. Postal service between Japan and all other countries except Germany was resumed 10 September.

Repatriation mail service between Japan and Japanese awaiting repatriation in overseas areas was discontinued with the restoration of international mail service.

13. Effective 1 September the annual radio listeners' fee was increased from ¥ 30 to ¥ 60 because of increased costs, and collections were instituted on a bi-monthly basis.

14. Network No. 2 of the Broadcasting Corporation of Japan was expanded in September by the addition of five new stations at Matsuyama, Fukuoka, Niigata, Okayama and Matsue.

Labor

15. The Labor Relations Adjustment Law passed the Diet on 20 September without change.

Public hearings were held on the Labor Standards Bill which is scheduled to be introduced in the next session of the Diet.

16. The number of registered trade unions increased from 7,357 on 1 May to 12,324 on 1 July. Membership increased from 2,691,552 to 3,745,552 between the same dates.

17. Labor union activity in September directed at preventing large scale dismissals resulted in a 10-day maritime strike and a threatened one-day general railway strike.

18. The public works program went into operation with Cabinet adoption of regulations on 3 September and passage of the Budget on 10 September.

Rationing and Price Control

19. Domestic staple food supplies continued critically short in September although special efforts to speed collections of new crops were beginning to relieve the situation. Releases of imported staple foods were necessary in 25 prefectures but the amount released was somewhat less than in August.

20. All major cities except Kobe reported a larger distribution of fresh vegetables in August than in July.

A large sardine catch improved the supply of fresh fish in Tokyo and Yokohama.

21. Prices of furniture and of medicines have risen substantially in the past year.

House rents in 24 cities changed little from July to August. A new ceiling of ¥ 15 per day was placed on hotel rooms effective not later than 20 October.

22. Coal allocations for October are eight percent higher than in September, with greatest increases for electric power, railways and domestic use. A new cost reporting system has been established for coal producers and a cost study is being conducted as a basis for revising the coal price and subsidy program.

23. The price of crude petroleum has been increased from ¥ 421 to ¥ 1,105 per kiloliter. Prices of refined products will be revised upward and both price schedules will be retroactive to 1 July.

24. Violations of price control regulations in August numbered 74,155, a slight increase from July but still below the monthly average for the year.

FINANCE

Money and Banking

25. Note circulation on 30 September reached an all-time high of ¥ 64,435,000,000, an increase of ¥ 6,864,000,000 since 31 August. The average daily rate of increase during September was ¥ 227,000,000.

Public Finance

26. Legislation providing for a 100 percent tax on war indemnities, a capital levy at progressive rates and a reorganization of financial and industrial concerns was submitted to the Diet during September.

27. The national debt of the Japanese Government on 31 August was ¥ 220,874,000,000, an increase of ¥ 842,000,000 since 31 July. Additional loans from banks accounted for the increase.

PROPERTY CONTROL AND REPARATIONS

Property Control

28. Assets of various Japanese firms totaling ¥ 12,960,711 were impounded for safekeeping. Blocked deposits of ¥ 297,366.89 were released for the preservation and maintenance of German assets.

29. Investigation of 2,510 foreign motion pictures in Japan disclosed that 2,224 were stolen or illegally possessed.

Antitrust and Cartels

30. SCAP offered no objection to the dissolution plans of the Kanegafuchi Metal Industry Company, Ltd., and the Japan Gear Manufacturing Company, Ltd.

31. On 9 September the Prime Minister designated Mitsui Honsha, Mitsubishi Honsha, Sumitomo Honsha, Yasuda Hozensha and Fuji Industrial Company for dissolution under the jurisdiction of the Holding Company Liquidation Commission.

32. In compliance with a SCAP directive of 6 August the Japanese Government dissolved 36 national-level control companies and 22 national-level control unions as of 10 September.

Reparations

33. The list of aircraft factories, military and naval arsenals and research laboratories in SCAP custody was revised by deleting 39 installations and adding 10, bringing the total on 23 September to 504.

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PUBLIC HEALTH AND WELFARE

Welfare

1. The Ministry of Health and Welfare reported 2,886,307 persons on relief and expenditures totaling ¥ 101,576,775 in August.
2. The "Daily Life Security Bill" was passed by the Diet in September.
3. SCAP approved a request to continue the limitation of movement of persons from rural to urban areas.

Repatriation

4. Seven repatriation centers were operating during the month with two on a stand-by status.
5. During the month 248,677 Japanese were repatriated and 71,407 foreign nationals left Japan.

Production

6. A trade association was established by the medicine manufacturing industry to assist in expediting the production of important medicines.
7. The production of medicines, sanitary and dental materials during August totaled ¥ 185,847,422.
8. X-ray film production and sales in August exceeded all previous monthly records.
9. SCAP denied a Japanese Government request to export crude medicines and to import roots, herbs and barks.

Narcotics

10. SCAP obtained positive information that the Japanese Government submitted falsified information on narcotics to the

Permanent Central Opium Board of the League of Nations.

11. Narcotics dealers registered under the new narcotic regulations totaled 77,311.

Communicable Diseases

12. Cholera incidence declined during the month while dysentery rate remained high.

EDUCATION

13. The Japanese Educational Reform Committee, established on the Cabinet level to make studies and recommendations for educational rehabilitation, began a series of weekly meetings.

14. A Social Education Committee was organized to advise the Minister of Education on practical problems of adult education.

15. The Ministry of Education requested prefectural governors to organize special classes for factory workers to provide citizenship education and increase the technical skill and knowledge of the workers.

16. Child Protection Units were organized to combat juvenile delinquency. College students, teachers and clergymen will direct instruction groups among homeless and vagrant children.

17. A survey of radio sets in primary schools showed 58.5 percent of sets in schools covered needed repairs. From 1 August to 14 September the Ministry of Education shipped 4,357 sets to schools and 1,200 additional sets were ready for distribution.

18. During August 63,246 teachers and educational officials were screened under provisions of Imperial Ordinance No. 263.

RELIGION

19. The Ministries of Home Affairs and Health and Welfare instructed prefectural governors to administer public cemeteries so that members of all religious faiths could bury their dead in accordance with their religious beliefs.

20. A total of 165 missionaries have been cleared for return to Japan.

ARTS AND MONUMENTS

21. Six Japanese civilian cultural experts were employed to assist Occupation Force units in reporting on the condition of cultural properties.

MEDIA OF EXPRESSION

Information Programs

22. Information programs on Ryukyuan repatriation and the proper use of imported processed foods were instituted.

Information media paid increased attention to the effect proposed changes in the Civil and Criminal Codes will have on the status of Japanese women.

Radio

23. The great popularity of the Radio Forum series, which terminated early in the month, caused the immediate inauguration of a second series.

Press and Publications

24. Tokyo press comment featured the Supreme Commander's statement on the anniversary of the Japanese surrender. Other major topics included the proposal to nationalize the coal industry, the maritime strike and the strike threats of the railway and news service unions.

25. Prefectural papers devoted much comment to SCAP'S warning against sub rosa political activities of purged leaders. Writers criticized government and party leaders for failure to take action prior to the warning.

The press, especially in the coal-mining areas, approved the proposal to nationalize the coal industry.

26. Magazine discussion covered problems of industrial and agricultural reconstruction, suggested improvements in the Civil Code and labor issues in contemporary Japan.

Theater

27. The Ministry of Education sponsored an art festival intended to assist the rehabilitation of Japanese culture and to exhibit Japanese arts to members of foreign nations.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

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GOVERNMENT AND CIVIL ADMINISTRATION

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THE CONSTITUTION

House of Peers Studies Constitution

1. On 26 August the House of Representatives referred the draft constitution to the House of Peers. The upper House devoted six days to public hearings after which the document was submitted to a 45-member constitution committee.

2. The constitution committee began an article by article study of the document on 31 August. Prime Minister Shigeru Yoshida and Minister of State Tokujiro Kanamori explained the Government's general views to the committee, while specific questions on education, legal and judicial procedures were answered by the responsible cabinet ministers.

3. Discussion in the House of Peers followed the pattern of debate in the lower House. Much attention was devoted to clauses dealing with the Emperor, national polity, the renunciation of war, elimination of the peerage, sovereignty, guarantees of "human rights," religious freedom, education and the authority of the Prime Minister.

The committee was still deliberating at the end of the month but final action by the House of Peers was expected in early October.

POLITICAL PARTIES

Party Reorganization

4. During September the major political parties underwent extensive reorganization.

Liberals

5. Under new by-laws the Liberal Party's Diet members gained authority to elect the Party's national committee, formerly appointed by the Party president.

Influential private members began to study means of democratizing local party organizations.

Social Democrats

6. Prior to their three-day national convention which opened on 28 September the Social Democrats announced plans for liberalizing their by-laws. Women Diet members sought wider recognition of the rights of women voters.

New People's Party

7. The Shinsei-kai independents in the House of Representatives abandoned their role as a bargaining group and became a full-fledged political party under the name New People's Party (Shin Kokumin-to). The inaugural meeting was held on 25 September with 34 members attending. The Party's platform follows:

"1. We shall support neither materialism nor spiritualism but maintain a humanistic view of the world, i.e., one which is based upon the precepts of human love.

"2. We shall develop a new nationalism, which shall place a high value on fundamental human rights. We also support the promotion of world peace according to moral principles, transcending the supremacy of any race or class.

"3. We support the abolition of the evil practices of political parties and exclude any violent despotism. We look forward to establishing an ideal parliamentary system governed by the desires of the nation.

"4. We want to reorganize Japanese finances by democratically integrating them with the world's economy. We anticipate the establishment of a new national economic system which will feature neither exploitation nor slavery, and will work for the common weal by combining socialism with liberalism."

Progressives

8. A brawl in which a Progressive Party "ingaidan," or "unofficial Diet attache," assaulted a Diet guard led to a widespread inter-party demand for the abolition of a system whereby ruffians have sometimes been retained as party "clerks" and bodyguards.

The Progressive Party admitted four more independents, increasing its Diet membership to 110. One of the independents, Takashige Ishiguro, was Minister without Portfolio in the Shidehara Cabinet.

Communists

9. Sanzo Nozaka, Communist Party leader, warned labor leaders against involving their unions in political activities. Each union member should have the right to choose his own party affiliations, he said.

This advice was disregarded three days later when the National Congress of Industrial Unions supported a projected railway strike on the ground that a work-stoppage would discredit "capitalism" and "help overthrow the reactionary Yoshida Government." The Communist Party later echoed this statement.

New House Speaker

10. Speaker Takeshi Yamazaki (Liberal) and Vice-Speaker Kozaemon Kimura (Progressive) resigned from their respective

parties in conformity with a 1925 Diet resolution designed to remove the Speaker and the Vice-Speaker from partisan politics.

THE DIET

11. From 25 August to 23 September the Diet enacted the following legislation:

Income Tax Law	27 August
Amendments to Temporary Taxation Measure	27 August
Local Tax Law	27 August
Daily Life Security Law	5 September
Chamber of Commercial and Industrial Economy Law	5 September
Industrial Property Law	5 September
Law for Allowances to Speakers, Assistant Speakers and Members of the Imperial Diet	10 September
Law for Amendment of the Pension Law	10 September
General Budget	12 September
Revised Budget	12 September
Imperial Ordinance on Emergency Food Measures	17 September
Law for Restriction of Governmental Assistance to Companies and other Juridical Persons	17 September
Law for Amendment of Law for Organization of Tokyo Metropolis and four other laws	20 September
Labor Relations Adjustment Law	20 September
Horse Race Law	23 September

12. Hideo Yamabana, Social Democrat, was selected by the election committee of the Tokyo Second Election District to succeed Mitsu Kono, barred from public office under the Purge Directive. Yamabana ran second in the run-off election held in the district on 24 June.

THE PURGE

13. The Cabinet announced that 899 top-ranking government and political leaders have been forced to resign from public office under the Purge Directive. Newspapers published the full list of leaders banned as "undesirable."

LOCAL GOVERNMENT

Reform Measures

14. Four local government reform bills were passed by the Diet on 20 September. This action followed nine weeks of deliberation during which more than 40 amendments were made in the Government's original draft.

15. The Supreme Commander commented on the passage of these measures as follows:

"The Diet's approval of local government reform legislation strikes the bonds which have prevented full emergence of the nation's democratic forces and prepares the way for eventual full realization of the most lofty ideals of a democratic society.

"Democracy cannot be imposed upon a nation. It is a thing of the spirit which, to be lasting and durable, must impregnate the very roots of society. It is not to be instilled from above. It must have its origins in the understanding and faith of the common people. It must well up from the people's will to be free, from their desire and determination to govern their own local affairs without domination by individual strong men, by minority pressure groups or by entrenched bureaucracy.

"It is essential therefore that the people in every prefecture, city and village be given complete opportunity to express their will, and by assuming full responsibility to learn procedures of democratic government. Such direct participation in local government will profoundly influence the shaping of national policies-- will provide a check rein against arbitrary governmental controls and a safeguard to individual freedom. While it leaves much yet to be done in the reshaping of Japan to conform to the pattern of a democratic state, it is a further progressive step, by Japanese initiative, toward placing the sovereign power in the hands of the people.

"It is axiomatic that such experience in government will develop the dynamic and enlightened leadership and initiative essential to the vigorous and progressive building of a democratic nation."

Objectives of Measures

16. The objectives of the local government reform bills are:

- (1) Increased local autonomy.
- (2) Popular participation in local political affairs.
- (3) Increased responsibility for local officials.
- (4) Opportunities for citizens of cities, towns and villages to select the form of government they desire in their community.
- (5) Opportunities for local representative bodies and officials to participate in the determination of national policies.

Provisions of Measures

17. To achieve these objectives, the new legislation provides for:

- (1) Popular election of governors, mayors of cities and chiefs of towns, villages and wards. Governors formerly were appointed by the Home Minister and chiefs of cities, towns and villages were selected by local assemblies from a list of candidates nominated by the provincial governor.
- (2) An increase in the powers of popularly elected assemblies. The new legislation terminates the right of the Government to dissolve local assemblies or annul their acts and ensures the right of popularly elected bodies to choose their own officials.
- (3) The establishment of election administration committees to ensure fair and impartial elections. Such elections were formerly supervised directly by incumbent officials.
- (4) The introduction of initiative, referendum and recall to ensure continuing popular control of elected officials and legislatures.
- (5) Frequent inspections of local affairs by impartial examiners. Such inspections can now be requested by the legislature, electors, governors, mayors or chiefs, or made on the initiative of the inspectors themselves.
- (6) Compensation for local officials. In the past most local government officials were unsalaried.
- (7) Limitations on the right of popularly elected bodies to hold secret sessions. In the past closed sessions could be held on the initiative of governors, mayors or chiefs or at the request of three members of an assembly.

STRUCTURAL AND PERSONNEL CHANGES

18. The appointment of three members of the House of Peers reduced the number of vacant seats in the upper House to seven. The appointees are Shin Watabe, former president of the Imperial Museum; Saburo Watanabe, president of the Japan Special Steel Company; and Hanroku Ota, chairman of the Board of Directors of the Tokyo Gas Company.

Reinosuke Suga, president of the Teikoku Mining Company, was appointed director-general of the Coal Board on 14 September. Suga succeeds Daigoro Yasukawa, purged by the 4 January directive.

Tanasho Yamazaki, former cabinet secretary, on 18 September was appointed director of the Third Division of the Price Board, succeeding Toru Shimamoto.

Popularizing Constitution

19. The Diet announced the appointment of a committee headed by Hitoshi Ashida, chairman of the House of Representatives' constitution committee, to "popularize" the constitution during the six-month period between its promulgation and formal enactment.

SECTION 2

PUBLIC SAFETY AND INTELLIGENCE

C O N T E N T S

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LAW AND ORDER

1. Strikes and demonstrations continued during September but were generally orderly. With the continued improvement in the food situation, strike and demonstration objectives centered about labor reforms such as wage increases, collective bargaining, labor benefit guarantees and promises by management to discontinue plans for mass employee discharges.

2. About 400 workers of the Theater Chapter of the Toho Motion Picture Company Employees' Union marched from Hibiya Park to the Toho Office in Tokyo's Ginza in a demonstration on 10 September. The demonstrators demanded a special allowance of ¥ 500 to ¥ 750 to meet increased living cost. Members of the Toho Union's Movie Chapter, Shochiku Theaters Employees' Union and Nippon Motion Picture Company Employees' Union demonstrated in sympathy with the Toho workers.

3. Ten policemen were injured in an altercation with 50 persons at the Sakamachi railroad station in Niigata on 23 September. The fight stemmed from police attempts to confiscate illegally purchased rice from persons boarding an Osaka train. A number of arrests were made.

4. On 15 September one policeman was shot to death and another seriously injured after a raid on a gambling establishment in Tokyo. The shooting occurred while police were conveying 18 arrested persons to a police station for detention.

5. Two persons were convicted on 12 September of violating the Narcotics Control Law. Found guilty of illegally possessing morphine, heroin and opium, they were fined ¥ 50,000 and sentenced to three years' imprisonment.

Black Markets

6. Home Ministry investigation of warehouses and private residences and raids on black-market stalls were responsible for the uncovering of much black-market activity. Twenty-four officials in quasi-governmental and distribution agencies were arrested for alleged black-market activities.

Juvenile Delinquency

7. Tokyo Metropolitan Police Board reported on 17 Sep-

tember that there were 3,384 cases of juvenile delinquency in the metropolitan area during August. This was an increase of 428 cases over July. The majority of offenders ranged from 14 to 20 years of age; 47 percent fell into the 18 to 21 age group.

8. The Ministry of Education instituted a program to combat Japan's growing juvenile delinquency.

The Ministry of Health and Welfare decided to appropriate ¥ 26,000,000 to improve juvenile protection facilities. Juvenile delinquent camps, segregation agencies and protection committees will be established in Tokyo, Kanagawa, Kyoto, Osaka, Hyogo, Aichi and Fukuoka Prefectures. Juvenile vagrants will be sent to segregation agencies for physical, mental and educational tests and then transferred to juvenile protection camps, guidance institutes, orphanages or hospitals.

Traffic Accidents

9. A serious subway accident injured 57 persons in Tokyo on 30 August when one train plowed into the rear of another at Aoyama station.

10. Two persons were severely injured and 21 others slightly injured when two trains collided at Hatsudai Station in Tokyo on 8 September. The accident was caused by poor signal installations.

Poison Liquor

11. The Tokyo Metropolitan Police Board reported 31 deaths from methyl alcohol poisoning in the metropolitan area during August.

POLICE

12. Prefectural police criminal division chiefs met in Tokyo on 4 September. Current problems were discussed and the following points were decided: to make railway police more effective, police authority will be extended to station employees; a juvenile crime prevention division will be established in each prefectural police station; and a central board of criminal identification will be created in the Ministry of Home Affairs in Tokyo.

13. Twenty-five student policewomen witnessed the trial and conviction of two men and one woman in the Kyoto provost court. The trio were charged with illegal possession and sale of United States Army property.

PRISONS

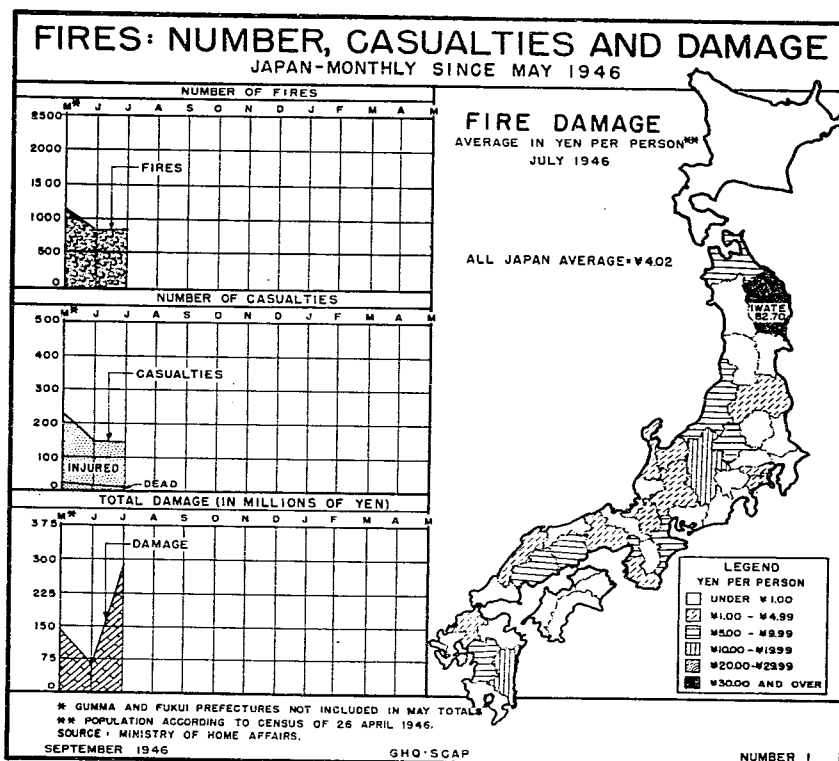
14. A conference of district prison inspectors was held at the Ministry of Justice during September. The need for reducing the current death rate in Japanese prisons was emphasized.

15. In July the Japanese prison population was at its highest point since 1943. Statistics were:

Sentenced prisoners	44,704
Awaiting trial	14,144
Juvenile prisoners	<u>3,295</u>
Total	62,143

FIRE

16. Fire losses in Japan during July totaled ¥ 294,243,582. There were 881 fires in which nine persons were killed and 138 injured. See chart below.



Fire losses were caused principally by sparks and inflammable liquids.

FIRE LOSSES
July

<u>Causes</u>	<u>Value (yen)</u>	<u>Percent</u>
Inflammable liquids	105,657,720	35.9
Sparks	88,349,538	30.0
Electrical	53,507,870	18.2
Careless smoking	20,528,810	7.0
Unknown	16,465,863	5.6
Miscellaneous	8,710,916	2.9
Incendiarism	1,022,865	0.4
Total	294,243,582	100.0

On 11 August a fire destroyed the Himeji, Hyogo, factory of the Mitsubishi Electric Company. Losses were estimated at ¥ 1,228,000.

On 19 August a fire razed 58 houses in Taramura, Saga Prefecture. Three hundred seventy-five persons were made homeless by the fire and damage was estimated at ¥ 3,000,000.

A fire of undetermined origin in Amagasaki, Hyogo, on 15 August demolished the Shiomomi Drug Mfg. Company and the Kimura Lead and Iron Works. Fire damage was ¥ 23,420,000.

17. The Tokyo Metropolitan Fire Department initiated a new system of controls whereby fire companies will answer fire alarms from areas outside their district units without special instructions from the Central Station.

18. A Fire Prevention Section was organized within the Metropolitan Fire Department during September. Officers and firemen are being trained in methods of fire prevention inspections.

GENERAL CIVIL INTELLIGENCE

19. Relations between the Occupation Forces and the civil populace remain good. The release of foodstuffs brought expressions of gratitude to SCAP.

SECTION 3
LEGAL AND WAR CRIMES

C O N T E N T S

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International Prosecution of War Criminals	41

LEGAL AFFAIRS

Release of Blocked or Impounded Property

1. SCAP directed the Japanese Government to release the property of persons tried and acquitted or released unconditionally before trial who had been affected by the 23 April memorandum on "Control, Impounding, and Blocking of Property of Designated Individuals."

JAPANESE JUDICIAL ADMINISTRATION

Legal and Judicial Reforms

2. The Provisional Legislative Investigation Committee and the Legislation Reform Committee of the Ministry of Justice have become almost identical in operation and membership. Preliminary proposals of the Ministry of Justice committee have been tentatively adopted almost without change by the Cabinet committee.

3. By 25 September the committees had completed study of the following subjects: Court Organization Law, Procurator's Organization Law, Criminal Code, Civil Code, Code of Criminal Procedure and regulations concerning administrative litigation.

4. The Criminal Compensation Law, the Amnesty Law and the Court of Impeachment Law are being examined.

5. A number of liberal concepts were incorporated into the Court Organization Law including a completely new pattern of organization for the Supreme Court, a system of unified summary courts and abolition of a separate Court of Administrative Litigation.

Release of Prisoners

6. The Ministry of Justice decided to release persons convicted of desertion and surrendering to the enemy under the army and navy criminal laws. Persons convicted and sentenced for other crimes will not be released until careful investigations of individual cases have been made.

MILITARY OCCUPATION COURTS

7. Reports were received from EIGHTH Army and the British Commonwealth Occupation Forces on the operation of military occupation courts from 21 July to 20 August. In 1,225 cases handled, 1,171 defendants were found guilty and 54 were acquitted.

8. The majority of offenses were illegal possession of unauthorized goods. Acts prejudicial to the security and objectives of the Occupation were principally illegal possession of firearms. There were no cases covering acts of violence toward Occupation Forces personnel. There were a few instances of persons wearing the uniform of Allied military personnel and pretending to be members of the Occupation Forces.

APPREHENSION OF WAR CRIMINALS

Japan

9. Seven directives were issued ordering the Japanese Government to apprehend 165 suspected war criminals and deliver them to Sugamo Prison at the earliest practicable date. Among the suspects were two generals.

10. There are at present 780 persons interned in Sugamo Prison.

11. An additional list of 280 Japanese wanted for war crimes in the Pacific and South East Asia theaters of war was received from Australian Army Headquarters.

12. The apprehension of 118 war crimes suspects was requested by the British Division, making a total of 462 suspected war criminals whose arrest has been requested for the South East Asia Command.

13. During the month 23 suspected war criminals were transported by air to Hongkong and seven others were sent to Singapore. There are now 13 suspected war criminals awaiting transfer to South East Asia Command where they will stand trial.

14. The apprehension of three persons suspected of war crimes committed in China was requested by the Chinese Division.

The Philippines

15. There are 719 Japanese prisoners of war detained in the Philippines in connection with war crimes. Of these 531 are identified war criminals, 171 are suspected war criminals and 17 are being held as witnesses. Of the 531 identified war criminals 130 have been tried and convicted and 401 remain to be tried.

16. Five suspected war criminals were transferred from Sugamo Prison to Manila for trial. Three persons were transferred from Manila to Sugamo Prison to be tried in Japan.

INVESTIGATION OF WAR CRIMINALS

Japan

17. Numerous investigations of war atrocities were completed and many were reduced to signed statements.

18. Cases now on file are classified as follows:

ATROCITY INVESTIGATIONS
Japan

	Cases on Hand <u>25 Aug</u>	Cases Received <u>25 Aug-24 Sep</u>	Cases Completed <u>25 Aug-24 Sep</u>	Cases on Hand <u>24 Sep</u>
POW camp conditions	2	3	-	5
POW camp atrocities	78	8	-	86
B-29 flyers	175	4	1	178
POW ship	47	4	-	51
Kempei-tai (Military Police)	21	1	-	22
Miscellaneous	<u>227</u>	<u>86</u>	<u>4</u>	<u>309</u>
Total	550	106	5	651

Deletion of Names

19. The Government was ordered to delete the names of five persons from previous orders for apprehension.

Release of Internees

20. Seven directives were issued notifying the Japanese Government of the release of 26 persons from Sugamo Prison.

21. The Japanese Government was ordered to release five Chinese nationals to the custody of the Chinese Mission in Japan at the earliest practicable date.

Australian Division

22. The Australian Division completed 24 interrogations involving atrocities against interned Australian officials and against civilians and Allied prisoners of war on Nauru Island, New Guinea, New Britain, the Solomon Islands, Timor, Ambon, Java, Hainan Island and Japan.

Statements and affidavits were obtained from several Japanese civilians and naval personnel who were on Nauru Island from August 1942 to November 1943. The atrocities involved the murder of five Australians who remained on the island to attend to the medical needs of the natives. Also included in the list of atrocities were the beatings, torture, and execution of natives and others on the island.

Sworn statements were obtained from five of those interrogated and 12 investigations were completed.

British Division

23. Thirty-eight interrogations were completed during the month, five by a senior liaison officer of the South East Asia

Command. Evidence from these interrogations resulted in the arrest of Major General Saburo Kawamura, commander of the Singapore garrison in 1942. Kawamura is wanted in connection with the arrest of 7,000 Chinese in Singapore, more than 5,000 of whom were allegedly executed.

24. A further result of the interrogations was the uncovering of a top secret Japanese War Ministry report on Chinese massacres in Singapore and 25 similar documents concerning atrocities committed by the Japanese elsewhere.

25. During the month 103 affidavits were received from England and the South East Asia Command. Twenty-five additional affidavits were requested from former prisoners of war in England and other areas of the United Kingdom.

The Philippines

26. From 20 August to 20 September 11 investigations were completed and forwarded to the Prosecution Division for final action. Three major and several minor cases are under investigation including re-interrogation of some former prisoners of war.

PROSECUTION OF WAR CRIMINALS

Japan

27. Two trials were completed in Japan in late August and September. One involving 13 defendants was the largest common trial since the beginning of the war crimes trials in December 1945.

28. Results of these trials follow:

TRIAL OF WAR ATROCITY CASES Japan

<u>Name</u>	<u>Official Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
MURAKAMI, Takuji	Camp Commander	Capt	21 Jun- 31 Aug	Death by hanging
SAITO, Kyoosuke	Camp Med Off	1st Lt		Death by hanging
TANIMOTO, Shunichi	Supply NCO	Sgt		35 years at hard labor
OKADA, Haruo	Inter- preter	L/Cpl		20 years at hard labor
HARAI, Kenshi	Inter- preter	Pvt		1 year at hard labor
NISHIYAMA, Kiyoshi	Medical orderly	Cpl		20 years at hard labor
OKA, Mashiro	Over- seer	Civ		3 years at hard labor
YAMAMOTO, Tanimori	Over- seer	Civ		15 years at hard labor

<u>Name</u>	<u>Official Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
SUZUKI, Satoji	Over- seer	Civ		15 years at hard labor
KAWABATA, Shinekichi	Over- seer	Civ		5 years at hard labor
BEPPU, Takeshi	Over- seer	Civ		5 years at hard labor
KONDO, Jiro	Over- seer	Civ		5 years at hard labor
SIRASAYA, Kiichi	Over- seer	Civ		6 years at hard labor

SHIZAWA, Mamoru	Guard		28 Aug- 11 Sep	20 years at hard labor

Trial of Murakami

29. In the trial of Murakami and 12 others, the accused were members of the Hiroshima POW camp or overseers employed by the Sumitomo Company. Charges involved failing to provide sufficient food, compelling prisoners to work while they were sick and torture and mistreatment resulting in the death of some of the internees.

Trial of Shizawa

30. Shizawa, a former civilian guard of the Tokyo Area POW branch camp at Kawasaki, was charged with brutality, mistreatment and torture of American and Allied prisoners of war.

Other Cases

31. On 25 September eight cases were being tried, 25 had been forwarded to EIGHTH Army for trial and 241 were in preparation.

The Philippines

32. Approximately 290 cases are awaiting trial in the Philippines. Six new cases were assigned to prosecutors for preparation and two cases were referred to the Commanding General, United States Army Forces, Western Pacific, for trial. Three additional trials were started during the month.

33. Five trials were completed involving 15 defendants. Five defendants were sentenced to death, seven received life imprisonment and three were acquitted.

Results of these trials follow:

TRIAL OF WAR ATROCITY CASES
Philippines

<u>Name</u>	<u>Official Capacity</u>	<u>Rank</u>	<u>Date</u>	<u>Results of Trials</u>
KATO, Minoru	CO Jap Gar Cebu I.	Lt	8 Aug- 21 Aug	Death by hanging
SUE, Tadashi	Member Jap Gar Cebu I.	Sgt Maj		Life imprisonment
GOTO, Satsuki	Member Jap Gar Cebu I.	Sgt		Life imprisonment
KAMEI, Kiyoshi	Member Jap Gar Cebu I.	Sup Pvt		Acquitted

ONISHI, Seiichi	CO 173 Ind Inf	Lt Col	22 Aug- 29 Aug	Life imprisonment
KAWAHARA, Hajime	173 Ind Inf	Lt		Acquitted
OGATA, Taugihara	173 Ind Inf	Lt		Acquitted

YAMAGUCHI, Sentaro	CO Security Police	Lt	5 Sep- 6 Sep	Death by musketry
TASUKI, Kiyoto	Security Police	Ensign		Death by musketry
SUGUWARA, Isaburo	Security Police	SPO		Death by musketry

HIDAKA, Yoshimi	Onishi Unit	Lt	2 Aug- 5 Sep	Life imprisonment
SAWAI, Hideo	Onishi Unit	Sgt		Death by hanging
YAMAMOTO, Kingo	Onishi Unit	Pvt		Life imprisonment
YAMAGUCHI, Toshio	Onishi Unit	Pvt		Life imprisonment

MORITA, Toyozo	Takano Unit	Lt	12 Sep- 14 Sep	Life imprisonment

Trial of Kato

34. In the trial of Kato and three others, the accused were charged with wilfully and unlawfully ordering and participating in the torturing and killing of Filipino civilians at Dumanjug, Cebu Island.

Trial of Onishi

35. Onishi and two others were charged with murdering a civilian at Dumanjug, Cebu Island, and torture and murder of seven others at Toledo, Cebu Island.

A confession by Lieutenant Kawahara was placed in evidence in which he admitted ordering the execution but said he did so on orders from Onishi.

Trial of Yamaguchi

36. Yamaguchi and two others were charged with wilfully and unlawfully killing three members of the United States Army Air Forces.

Trial of Hidaka

37. Hidaka and three others were accused of atrocities and tortures while serving with the Onishi unit.

Trial of Morita

38. Morita, first tried and convicted in May, was given a retrial by direction of the reviewing authority. The accused was again sentenced to life imprisonment.

British War Crimes Trials

39. The Japanese Government was notified of the results of war crimes trials reported by British authorities. Of 10 persons tried one was acquitted and the remainder received sentences ranging from three years to life imprisonment.

Australian War Crimes Trials

40. The Japanese Government was notified of the results of war crimes trials conducted by Australian authorities. Of 302 persons tried, 6 were sentenced to death by shooting, 6 were sentenced to life imprisonment, 191 received sentences ranging from 1 month to 25 years' imprisonment at hard labor and 99 were acquitted.

INTERNATIONAL PROSECUTION OF WAR CRIMINALS

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Fifth Phase of Prosecution.	44
Sixth Phase of Prosecution.	53
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SYNOPSIS OF TRIBUNAL PROCEEDINGS

41. On 3 September the prosecution completed the fourth phase of its case bearing on Japanese aggression in China and began the fifth phase, on opium and narcotics.

The sixth phase of the case, dealing with economic aggression in China and Greater East Asia, opened on 6 September and continued until 10 September.

Colonel Cyril Hew Dalrymple Wild's testimony on treatment of prisoners of war in the Singapore area and in the Burma-Siam Railway labor camps was introduced out of turn beginning 10 September. The British Army officer completed his testimony on 19 September.

The seventh phase of the prosecution's case, concerning collaboration among Japan, Germany and Italy was introduced on 19 September.

42. The Tribunal conducted regular court sessions 3-6, 9-13, 16-20, 23-27 and 30 September.

Death of Witness

43. Lieutenant General Tatsumi Kusuba, brought to Tokyo under Soviet Russian escort to testify before the International Military Tribunal, committed suicide on 20 September. His testimony was to have been included in the phase of the trial concerning Japanese-Soviet relations during World War II.

FIFTH PHASE OF PROSECUTION

44. The opium and narcotics phase of the prosecution's case, which began 3 September, told how Japan collected an enormous annual revenue for war expenses from the opium trade.

Japanese occupation authorities in Manchuria permitted and encouraged unrestricted sale of drugs in government-taxed dens and did not obstruct sale of narcotics by Korean and Japanese hoodlums and prostitutes.

The Japanese opium trade included the following features:

- (1) Creation of the Manchukuo Opium Monopoly Administration, an administrative system which included district and provincial offices, laboratories, factories and infirmaries for addicts.
- (2) Reversal of Chinese prohibition laws against drug traffic and sanction of Japanese-controlled opium trade in occupied China.
- (3) Preferential interest rates on loans to Chinese farmers cultivating poppies.
- (4) Prohibition of use of opium and derivatives by Japanese in China.
- (5) Development of a world heroin manufacturing center in the Japanese concession in Tientsin.
- (6) Creation of a buying monopoly combine of Mitsui and Mitsubishi to purchase Iranian opium, with each allotted a distributing area in China.

Documentary Evidence

45. On 3 September the prosecution submitted United States Treasury reports on sale and use of opium and narcotics in Japanese-controlled territory in China and Manchuria, which follow in part:

"Antung had been an important opium center for many years confined to the Japanese concession.

"After the Manchurian Incident, opium dens were opened on all leading streets and most of them employed young girls as waitresses. These houses became social centers for businessmen and officials. . .

"Before the Incident there were 20 dens in the Chinese city and 500 operating in the Japanese concession. By the spring of 1933 the 20 had grown to 145, and the 500 to 684. . . The population of the Antung district is 260,000 with half living in the city. Of those living in the city over 20,000 had become opium and narcotic addicts. Each consumes three tenths of a tael (one and one third ounces avoirdupois) of opium per day. The total amount of opium consumption annually is 2,160,000 tael at a cost of \$ 6,480,000. In the rural districts. . . the use of opium has been introduced in public where there are now 100 opium dens in the villages and the number of addicts has increased to 15 percent of the population. Over 80,000 persons of 900,000 in Antung, Fengcheng, Sin-yen and Chuan-ho are addicted to opium.

". . . In Antung before the Incident use of morphine was on a small scale and it was sold secretly only in the Japanese concession, the Chinese enforcing strict suppression with considerable success. After the Incident Japanese and Korean hoodlums openly imported morphine and narcotics into the district from drug factories on the Yalu River. Japanese and Korean houses of prostitution were distribution centers. All pawn shops sold narcotics as a side-line. Chinese traitors were likewise engaged in this business. By the first part of 1932 the whole district had been menaced by the illicit trade. . . The amount of morphine exported by one Japanese agency to the district to the east of Antung is about 200 pounds a day, exclusive of the amount sold in Antung. The number of people addicted to this in the city are 10,000 and there are at least 5,000 more in the rural district. . . If there was only one injection per day per person the total amount spent for morphine would exceed \$ 1,000,000 per annum.

"The Manchukuo Opium Monopoly Administration organized the opium trade in Manchukuo by establishing district and provincial offices, a laboratory in Harbin and narcotics factories in Mukden and Chengteh on 25 October 1933 and five infirmaries for the care of addicts on 15 January 1933.

"MOMA implemented the opium monopoly policy in Manchukuo and provided the mechanics for revenue collections. The monopoly was not immediately operative however, for private factories already established in the Japanese concession in Mukden and also in the leased territory continued to operate until 1937.

"New laws were passed to assist MOMA in controlling the use of narcotics, but not as a drive against the habit, as claimed by the Premier.

"At the request of the Asia Development Board, two Zaibatsu members, Mitsui and Mitsubishi, established the Iranian Opium Purchasing Association on 30 October 1938 as a single purchasing unit to supply Iranian opium to China, it was reported in the 22nd session of the League of Nations Advisory Committee on Opium Traffic, 12 June 1937. Japan and Manchukuo were allotted to Mitsubishi, and Central and South China to Mitsui, as distribution territories. In 1939 the Mitsubishi Trading Company imported 200 cases to the Kwantung Leased Territory and 2,800 cases to Manchukuo, while Mitsui Bussan imported 1,150 cases to the Restoration Government in China.

Harbin ". . . Since the occupation of Harbin by the Japanese over 500 opium shops have been opened and surpass all other shops in the district in number. Opium was formerly smuggled in from the Sungari and Sui-feng Rivers, but since the occupation it must be imported from Changchun. Japanese soldiers are usually employed to protect its transportation. There are more than 1,000 smoking dens in Harbin, each employing several girls making from eight to twenty yen a day. There are 900 smoking dens in Kirin, over 500 in Heilungkiang and in Anton and Yingkow there are 400 to 500 in each. All are registered with the Manchukuo Opium Monopoly Bureau at a licensed fee of ¥ 500 per shop. All opium is bought from the monopoly at 60 sen per liang (same as tael).

"The waitresses are only prostitutes and as a result of the system young men have become regular customers. The budget of the Manchukuo Government estimates a revenue of ¥ 5,000,000 from the monopoly for the first year.

Chinese Farmers ". . . For (Chinese) farmers who were engaged in production of foodstuffs, a loan of 30¢ per mow (one sixth of acre) of land was made at 7 percent interest per annum, but for those who cultivated the poppy plant a loan of \$ 2 per mow of land was made at 2.3 percent interest per annum. A poppy tax which was assessed at \$ 10 to \$ 20 per mow of opium during General Tang's regime was reduced to \$ 5 per mow. Consequently the farmers resorted to the cultivation of poppy. The total amount of small loans to encourage poppy cultivation is \$ 1,410,000.00. Many farmers found that since they had to sell their opium exclusively to the Japanese Dai-Man Company at a fixed price much below market value that they were unable to show a profit. After the harvest their lands were confiscated by the Japanese because they could not repay their loans. . .

"According to an official report of the Manchukuo Ministry of Interior 9,000,000 of the 30,000,000 people of Manchuria are habitual opium smokers. Thirteen percent are below 15 years of age, 23 percent below 25, and 33 percent below 30. . . Total consumption. . . exceeds \$ 500,000,000 per year."

Witnesses for Fifth Phase

46. Witnesses presented by the prosecution in the fifth phase were:

Genshichi Oikawa: Executive of KO-A-IN (Asia Development Committee), first at Shanghai, and later at headquarters in Tokyo. Arranging for opium distribution in China was one of the functions of this organization.

Kuo Yu-san: Proprietor of a second class opium den in Peiping, May 1944 to January 1945.

Dr. Leo Kandel: Resident of Peiping.

Kumakichi Harada: Liaison officer between KO-A-IN and headquarters of the China Expeditionary Forces.

Hajime Satomi: Engaged in work in connection with opium under China Expeditionary Army in Shanghai.

Susumu Morioka: Formerly 35 years in Japanese army; liaison chief, KO-A-IN Peiping office.

Testimony of Oikawa

47. The purpose of KO-A-IN (Asia Development Committee) was to improve the economic, cultural, political and technical situations in China, according to the affidavit of Oikawa submitted on 3 September. There was a head office in Tokyo and four branch offices in Shanghai, Peiping, Amoy, and Kalgan. The Economics Department of KO-A-IN looked after opium affairs, making a survey of the demand for opium in China and then arranging for its distribution.

Officers of KO-A-IN included the Premier as president and the Ministers of War, Navy, Finance and Foreign Affairs as vice-presidents.

Testimony of Kuo Yu-san

48. "Shortly after the Japanese occupation the sale of opium was legalized, first through the Bureau of Taxation and later through the Board of Opium Suppression," Kuo declared in a statement submitted on 4 September. The Board obtained its supply from the Meng-Kiang Opium Corporation.

There were three classes of dens, Kuo's being second class. At first he had to pay \$ 100 a month, but later \$ 1,200. The first class paid double this, and the third class only half, he said. The Japanese Gendarmerie issued orders that no Japanese were to smoke opium, and from time to time made searches, Kuo's statement said. If Japanese were found in a den they were thrown out and sometimes beaten and the manager was warned.

Before the occupation addicts were few and smoked at home. Under Japanese rule they increased twelvefold until Peiping had 247 opium dens, 23,000 registered opium addicts, 80,000 unregistered and 100,000 casuals, according to Kuo. Prior to the Marco Polo Bridge Incident opium was not sold openly.

Testimony of Kandel

49. During his residence in Peiping since 1 June 1939, "Opium was sold openly there with the consent of the controlled Government, as was heroin," Kandel told the Tribunal. "This trade catered to the Chinese but not to the Japanese so far as the Government could enforce the rule." He said he was advised that the hospitals gave morphine freely to Chinese patients. "It was obvious that the open sale of opium in China was approved and sponsored by the Japanese Government to weaken and undermine the strength of the Chinese."

Testimony of Harada

50. Harada testified on 4 September that in compliance with instructions from the military he established an Opium Suppression Board in Shanghai in order to provide opium.

There was a good opium organization in Manchuria from 1933 to 1935, when he was liaison officer with the Kwantung Army, Harada declared.

Testimony of Satomi

51. At first the opium sold in occupied Shanghai was imported from Persia, but later it came from Manchuria, Satomi declared on 4 September. He sold 4,000 boxes of Persian opium

in two shipments, one in 1938 and the other in 1940.

Satomi could not give an accurate figure on his profits but he estimated that 1,000 chests would bring about \$ 20,000,000. One thousand chests were directly handled by the Special Service and the KO-A-IN and the profits went to these two sources.

Testimony of Morioka

52. On 5 September, under cross examination, Morioka described the suppressive measures promulgated by the North China Political Council in 1940 to control and suppress the use and sale of opium.

The Opium Suppression Board was created, the affidavit declared, as a suppressive measure but there were many secret opium smuggling organizations which were powerful and difficult to break up.

SIXTH PHASE OF PROSECUTION

53. The sixth phase of the prosecution's case, Economic Aggression in China and Greater East Asia, opened on 6 September. The prosecution announced:

"The evidence will show that the Japanese plan, as thus developed and carried out was part of a plan to secure by force of arms the economic domination first of China and then of all East Asia, including:

- "(1) Acquisition of resources for the prosecution of aggressive war.
- "(2) The controlled domination and sovereignty over occupied territories to use them as bases for supplies and munitions for further aggression.
- "(3) The construction of a Greater East Asiatic Co-Prosperity Sphere of which Japan would be the controlling pivot.

"The control of the resources and industries of invaded territories, as Japan moved forward, became spokes in Japan's Greater East Asia Co-Prosperity wheel and a part of Japan's conspiracy to wage aggressive war.

"This plan was in violation of international law, treaties, agreements and assurances and particularly of the Nine-Power Pact and treaty notes and assurances between Japan and the United States."

Documentary Evidence

54. The charter and ordinance of the South Manchuria Railway Joint Stock Company, dated 7 June 1906 and submitted 6 September, contemplated development and operation of eight railroads, mining, water transport services, motor car services, electrical industry, warehousing, management of lands and other business.

Shareholders of the South Manchuria Railway Joint Stock Company were limited to the Japanese and Manchukuo Governments and to their nationals. The president of the company was to supervise its business affairs with final dual authority given the Manchurian Government and the Kwantung Army.

55. Promotion of emigration to develop Manchurian lands was the objective of the Manchurian Development Company, a joint stock company established by Japan and Manchukuo. According to the ordinance and agreement establishing the company, submitted in evidence 6 September, company shares could only be held by the two Governments, their subjects or by designated public organizations.

56. A controlled economy was introduced into Manchukuo in "The Economic Construction Program of Manchukuo" of 1 March 1933, submitted in part on 6 September. The plan laid down four basic principles:

- (1) Promotion of the interests of the whole nation so as to obviate monopoly by one section of the community.
- (2) State control and rationalization of important economic activities in order to open up the natural resources and to promote a co-ordinated development.
- (3) Adherence to the principles of the Open Door and equal opportunity, to seek for capital widely in the world, and above all to import and effectively use the best technique and experience of the more advanced nations.
- (4) Co-ordination and rationalization of East Asian economy, placing emphasis on increasingly close co-operation with Japan.

57. The administration and economy of Manchukuo were reshaped during its first five years under Japanese control, according to a Manchukuo Government report submitted on 6 September. Emphasis was given, during a second five-year plan, to the development of basic heavy industries, to extension of industries vital to national defense and to the securing of more capital needed for an increasing industrial expansion.

58. The declared intention to abide by the principles of the Open Door and equal opportunity in Manchuria was not carried out, as noted by Ambassador Grew in his note of 6 October 1938 to Prime Minister Konoye in which he said, in part: ". . . The principal economic activities (in Manchuria) have been taken over by special companies controlled by Japanese nationals under special charters giving them a preferred or exclusive position. A large part of formerly operated American enterprises has been compelled to withdraw because of such preference. . . Equality of opportunity has virtually ceased to exist in Manchuria despite assurances of Japan."

59. As Japan consolidated her position in Manchuria and China there was an increasing disregard for the interests and rights of Americans in China. Ambassador Grew said in his letter to Konoye:

"The United States finds it difficult to reconcile itself to the situation in which Americans are continually and unwarrantedly interfered with by Japanese authorities in China and Japanese policies in China. American trade and other interests are undergoing severe hardships as a result of controls imposed by Japan incident to military operations."

The Grew note also observed the creation of Japan-controlled governmental monopolies in China: ". . . At Peiping, the New China Telephone and Telegraph Company proposes to control all telecommunications in Central China; the Shanghai Inland Navigation Steamship Company and the wharves at Tsingtao are to be controlled by Japan, and the wool trade in North China is now a Japanese monopoly." Numerous other similar grievances were cited. Ambassador Grew asked Japan to discontinue these monopolistic, preferential and discriminatory acts.

60. Foreign Minister Hachiro Arita replied to Grew that a new order was in the making in China and that formation of new promotion companies and the establishment of new exchange regulations had been accomplished in the interest of developing China's economic position. "Furthermore, the various restrictions on Americans constitute the minimum regulations possible consistent with military necessities," Arita declared.

The promotion companies mentioned by Arita were the North China Development Company and the Central China Company, established to invest in and finance transportation, harbor and port improvements, communications, electric power, mining, salt and other undertakings.

61. The United States again, through Ambassador Grew, reiterated its stand on discriminatory practices in China and declared that ". . . the United States does not admit that any one power may prescribe the terms and conditions for a New Order in areas not under its sovereignty."

Witnesses for Sixth Phase

62. Witnesses introduced by the prosecution in the sixth phase were:

Naoki Hoshino: Chief of General Affairs Board in Manchukuo and Chief of the Planning Board of Japan, 1940-41.

Chen Ta-shou: Mining engineer, Peking.

Testimony of Hoshino

63. From 1932 to 1940, the period in which the witness served in Manchukuo in the General Affairs Bureau and on the General Affairs Board, "the major obstacle to economic development was the lack of good equipment, machinery and machine tools," Hoshino testified on 9 September.

"Japan's policy after the occupation of Manchuria was to build it up, first as a source of raw materials for Japan's industries and second as a place for Japan's expanding population. . . It was profitable so far as raw materials were concerned but Manchurian iron ore was not sufficient to provide Japan's industrial needs. She could supply only one third. There was an ample coal supply but Manchuria was short on oil and aluminum."

Testimony of Chen

64. Chen, a mining engineer, told the Court that the Japanese mined 4,303,000 tons of iron ore in North China, depleting about 40 percent of total reserves. Of this amount mined, 700,000 tons were smelted to produce pig iron, 1,400,000

tons were exported to Manchuria and 1,030,000 tons were shipped to Japan.

Plant furnaces used by the Japanese are now temporarily unusable, he said.

When the witness went to inspect a mine which formerly produced 400 tons of coal per day, he found all buildings demolished and all machinery, rails and equipment had been taken away, he testified.

Testimony of Wild

65. Colonel Wild, British Army, is the War Crimes Liaison Officer with the Allied Land Forces, South East Asia. He studied the language and history of Japan for three years while employed in Japan on the staff of the Rising Sun Petroleum Company, a Shell subsidiary, 1931-1940. His testimony was given out of turn, from 10 to 19 September.

On 15 February 1942 the witness surrendered with Lieutenant General Percival in Singapore. The 3,500 European civilians in the city were locked up in Changi prison and some 50,000 British and Australian military prisoners were incarcerated in Changi camp, largest POW camp in East Asia and a staging camp for the Netherlands East Indies, Borneo and Siam.

Two labor camps in the Singapore area, River Valley and Havelock Road, were commanded by Lieutenant Colonel Heath, British prisoner-officer, to whom the witness acted as Brigade Major, interpreter and liaison officer. Up to December 1942 more than 15,000 POW's passed through the two camps, of whom 3,000 had to be sent to the hospital, 500 were sent overseas to Japan and several thousand more were sent overland to the Burma-Siam Railway.

66. In February 1942 the witness received the following facts from Major James Bull, Royal Army Medical Corps, concerning the massacre at Alexandria Hospital, Singapore:

"More than 200 POW patients were taken from the hospital by the Japanese and confined in a house in small rooms shut up tightly. Five died of suffocation during the night. The next morning the remainder were taken out and bayoneted or machine-gunned. Five escaped. The total number killed were: British medical officers, 20; British medical orderlies, 60; wounded patients, 200."

In September 1942 a POW Administration in Tokyo supplanted local control of Malayan camp POW's by the 25th Army Headquarters. General Fukuye, POW officer, was placed in charge of Malaya and Sumatra. Fukuye has since been tried as a war criminal and sentenced to death.

When Changi prisoners refused to sign a non-escape oath, General Fukuye assembled 15,000 to 16,000 POW's on concrete-paved Selarang Square in Singapore and kept them there four days, Wild said. The POW's had to cut through concrete with picks to provide sanitary facilities. When the POW's continued to refuse to sign the oath, General Fukuye placed infectious sick POW's in their midst.

Rations became steadily worse in all working camps on Singapore Island. Loss of weight, weakness and deficiency diseases were universal.

Starting in August 1942 40,000 men were sent to the Burma-Siam Railway, including a large number from the Dutch East Indies. Other POW's were sent to Formosa and Burma.

The witness accompanied 3,600 Australian and 3,400 British POW's, known as "F force," into the Siam jungle railway territory in April 1943. Thirty-one hundred of this group succumbed to disease and the rigors of being driven with sticks and wire lashes from morning to night on the railway job.

Colonel Wild was familiar with conditions in several camps on the railway. He indicated that the Japanese deliberately placed POW's in situations conducive to disease or gradual deterioration. In one instance POW's were marched into a camp of cholera cases, in other camps sick men were made to lie heaped together, bodies touching, and at a third camp hot water and tree leaves were the only medications available. Of 1,600 men arriving at Songkrai Camp on 1 May, 1,200 had died by November.

Diseases prevalent in this area were cholera, malaria, typhus, wet and dry beriberi, tropical ulcers, smallpox and diphtheria. Both amebic and bacillary dysentery were common. Frequently the men had two or three diseases.

Of the 150,000 Asiatic laborers employed on the railway Wild estimated that 100,000 died although only 60,000 have been proven dead.

During the last six months of the war at Changi each man received about six ounces of rice, two ounces of maize and a small amount of vegetables per day and occasionally a spoonful of dried fish. Beriberi was universal. Other deficiency diseases were blindness, scrotal dermatitis and pellagra.

Fifteen civilian internees died from tortures inflicted by the Kempei-tai in the "Double Tenth Incident." On 10 October 1943 these internees were placed in bamboo cages in Kempei-tai headquarters, about 10 to 12 to each cage. The only sanitation was a latrine in the middle. Men were tortured daily by being made to kneel on sharp wood, by beating and by the water and electric treatments. Among the 15 dead were the Colonial Secretary in Malaya and the Chief Legal Adviser to the Government. The Bishop of Singapore survived.

A report by the Japanese Government on the Burma-Thailand Railway was submitted in evidence by Colonel Wild. The report cites expediency as the main justification for the combination of conditions that produced the exceedingly high mortality rate.

"If anyone was to be called to account for the high death rate," the report states, "responsibility ought to be placed on General Sugiyama, Chief of General Staff, who ordered the construction, War Minister Tojo, who sanctioned the employment of POW's, and General Terauchi, Commander of the South Area Corps, who was in charge of construction."

The explanations given in the report frequently do not agree with the facts as observed by Colonel Wild.

The railway was begun in June 1942 for use as a ground supply route and a trade and traffic route connecting Bangkok, Siam, with Moulmein, Burma. It was finished 17 October 1943.

SEVENTH PHASE OF PROSECUTION

67. The phase of the prosecution's case bearing on collaboration between Japan, Germany and Italy was introduced 19 September.

68. The opening statement traced the collaboration between the three nations from the signing of the Anti-Comintern Pact by Japan and Germany on 25 November 1936 through the conclusion of the Tri-partite Pact on 27 September 1940 and up to the execution of the trilateral military agreement on 18 January 1942 in which operational co-ordination is promised in three designated zones of the world.

Witness for Seventh Phase

69. Testimony from the following witness in the form of interrogation reports was presented in the seventh phase of the prosecution:

Hiroshi Oshima: General, Japanese Army, and Military Attache and later Ambassador to Germany.

Testimony of Oshima

70. Conversations concerning a proposed alliance of Japan and Germany against Russia began in the spring of 1935, Oshima declared in an interrogation.

Joachim von Ribbentrop met Oshima first in October 1935, suggested such an alliance and asked Oshima to get the feeling of the Japanese military on the subject. In these preliminary conversations Ribbentrop was acting unofficially.

After receiving Oshima's telegraphic query, Japanese GHQ sent Lieutenant Colonel Wakamatsu to Berlin. He reported to Ribbentrop and General Blomberg that GHQ in Tokyo favored a general treaty and asked how the German Government felt about it.

Oshima, then Military Attache, dealt independently with staff headquarters in Tokyo. Ostensibly under the Ambassador in Berlin, he worked under his military superiors in Tokyo in strictly military matters.

Documentary Evidence

71. Japan and Germany agreed in the Anti-Comintern Pact to inform each other of Communist activities and to discuss necessary measures for defense through co-operation. The parties were to invite a third nation whose peace is menaced by the Comintern to take defense measures in the spirit of the pact or to participate in it. The pact was effective for five years. Mushakoji signed for Japan and Ribbentrop for Germany on 25 November 1936.

72. In a secret agreement supplementary to the Anti-Comintern Pact the two signatories agreed that in case of attack or threat by the U. S. S. R. the other party would not carry out any measure to relieve the position of the U. S. S. R. but would consult immediately on measures to preserve their common interests.

73. The German Foreign Ministry informed the German Embassy in Tokyo on 28 July 1937 that "Japan's action (in China) may be considered as contrary to the Anti-Comintern Agreement since it obstructs the consolidation of China and thus promotes the spread of Communism and drives the Chinese into the arms of Russia."

Japan's peace overtures to China, which began in the fall of 1937 and were made through Germany, elicited at first only requests for more details, according to the correspondence records submitted on 20 September.

Japan made a second effort to negotiate peace terms with China but was again rebuffed by non-committal replies.

74. Meanwhile on 17 January 1938 Ambassador Dirksen in Tokyo expressed anxiety to the Reich Minister that "the continuance of the (China) war would have a bad effect on German-Japan relations. . . in that there would be a danger that English-Japanese relations would become more strained, which Germany does not want, and there would be a Bolshevization of China and that Japan would be weakened as against Russia."

75. In a long report dated 26 January 1938, Ambassador Dirksen pointed out to his home office that the unsuccessful conclusion of Germany's attempts at mediation marked a change in Germany's attitude toward Japan. "Changing events call for a number of definite measures," he said, urging:

- (1) Immediate recall of all military advisers from China.
- (2) Suspension of shipments of war material supplies to China.
- (3) Recognition of Manchukuo.
- (4) Placing more economic and political accent on North China and establishing closer connections with Japanese authorities there.

76. The Tribunal observed judicially that on 4 February 1938, Ribbentrop replaced Neurath as Foreign Minister, major changes were made in the German Army and Hitler assumed supreme command.

On 20 February 1938 Hitler recognized Manchukuo and expressed preference for a Japanese victory.

77. From the date of Hitler's recognition of Manchukuo a closer German-Japanese relationship gradually developed, interrogation of Oshima revealed. Oshima called on Ribbentrop early in January 1938 to pay his New Year's respects and was asked if there was not some way in which Germany and Japan could be brought closer together. The story was passed on to the General Staff in Tokyo and the Shuninbu Division of the General Staff, speaking for itself, approved further German-Japanese co-operation.

In July 1938 Ribbentrop and Oshima met again and Oshima broached the idea of an agreement promising to consult before any action was taken in case of an attack by U. S. S. R. Ribbentrop saw Oshima again and suggested a mutual aid treaty aimed not only at Russia but at all countries. Ribbentrop, by this time Foreign Minister, asked Oshima to ascertain the Japanese Army's feeling on such a treaty.

General Kasahara went to Tokyo and obtained agreement by the General Staff and the Five Cabinet Member Committee, then handling particularly important matters.

Oshima now carried on the negotiations in his new capacity as Ambassador.

78. In September 1938 Germany approached Italy to join in the pact but Italy delayed such action until January 1939.

In May 1939 Ribbentrop told Oshima that Italy and Germany had agreed to continue the political line they had followed up to now with Japan. This action, Ribbentrop said, would not prejudice trilateral negotiations.

79. The court observed judicially the signing of the German-Russian non-aggression treaty on 23 August 1939, and consummation of the formal treaty of military alliance between Germany and Italy on 22 May 1939.

80. Ribbentrop, in a telegram dated 9 September 1939 to Ambassador to Japan Eugen Ott defined his new concept of relations among Germany, Japan and Russia:

"Since Germany's present position depends upon an agreement with Russia, . . . this approach is in the interests of Japan. Germany is ready to mediate for a settlement between Japan and Russia, which if successful would permit Japan to freely extend in East Asia towards the south which is where, in Germany's conviction, Japan's vital interests lie. Germany had emphasized that Russia intended to foster its relations with Japan. The idea of close co-operation between Germany, Italy and Japan is not dead and combined with a German-Russian understanding would direct itself against England, bringing the policy of all four powers into a uniform line. It is in complete agreement between the Fuehrer and the Duce."

81. The prosecution's opening statement observed that the inception of a new cabinet in July 1940 with Yosuke Matsuoka as Foreign Minister, Hideki Tojo as War Minister and Prince Konoye as Prime Minister marked the strengthening of Japan's foreign policy in regard to Japanese-German coalition.

82. The Tri-partite Pact was concluded on 27 September 1940. "By its provisions Japan, Germany and Italy attempted to apportion the world by establishing areas in which the leadership of the respective powers was recognized," the prosecution charged.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

SUMMATION
of
NON-MILITARY ACTIVITIES
in
JAPAN

Number 12

September 1946

PART III

ECONOMIC

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SECTION 1
AGRICULTURE AND FISHERIES

C O N T E N T S

	Paragraph
Agriculture.	5
Fisheries.	15

1. The rice, wheat, barley and potato crops through 31 August gave prospects of marked increases over last year's harvests.
2. Favorable conditions have advanced harvesting of early varieties of rice by one week to 10 days with some varieties already delivered. Quantity deliveries are due in early October.
3. The fish catch reached 79,368 metric tons, topping July landings and pointing to an expected catch doubling last year's.
4. Four amendments to the whaling agreements were delivered by SCAP to the Japanese Government.

AGRICULTURE

	Paragraph
Rice Collections.	5
Crop Forecasts.	6
Fruit Production.	11
Agricultural Credit	12
Reconnaissance Soil Survey.	14

RICE COLLECTIONS

5. Rice collections through 31 August from the 1945 crop totaled 2,919,000 metric tons or 87 percent of the quota of 3,356,000 tons. In the same period last year 5,589,000 tons were collected.

Only 141,000 tons in rice equivalents, or 22 percent of the quota, were collected through 31 August.

CROP FORECASTS

Rice

6. The Ministry of Agriculture and Forestry estimates the rice crop at 8,123,000 metric tons. This figure is believed to be about 10 percent low since farmers underestimate their crops so as to keep down collection quotas.

With the 10 percent added, this year's yield would surpass the 1945 crop by 40 percent and approach the 1940-44 average.

Wheat and Barley

7. The anticipated wheat and barley yields are 599,000 metric

tons and 404,000 metric tons respectively. The naked barley yield is estimated at 339,000 metric tons.

Sweet Potatoes

8. The first estimate of the 1946 sweet potato crop is 4,512,000 metric tons—659,000 tons over the 1945 harvest and 549,000 tons over the average 1940-44 production.

Irish Potatoes

9. The Irish potato crop has been set at 1,522,000 metric tons or 232,000 metric tons less than in 1945.

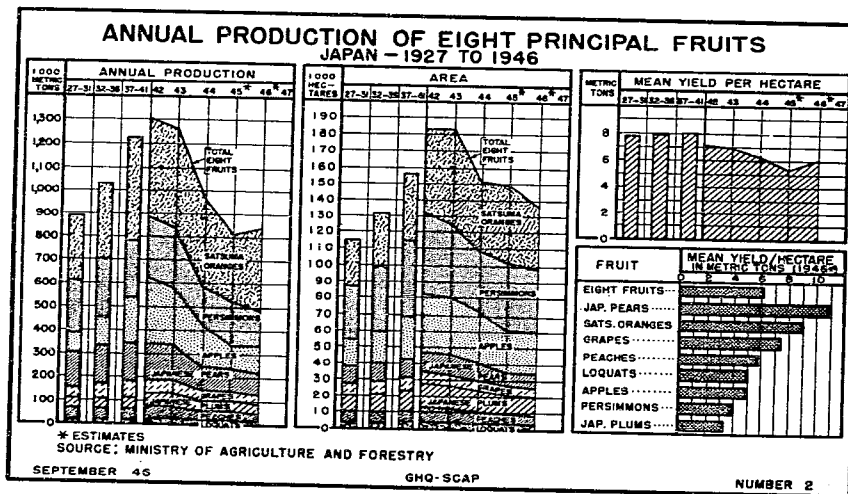
Other Staple Foods

10. Soy beans are developing well between paddy fields and in upland areas except on the Kanto Plain, where beetles have done considerable damage.

A large area of grain sorghums has been planted as space filler in upland fields.

FRUIT PRODUCTION

11. The estimated 1946 fruit yield totaled 838,584 metric tons, 25,573 metric tons over 1945 but still lower than the peak yields of war years. Principal crops are apples, grapes, loquats, Satsuma oranges, peaches, Japanese pears, persimmons and Japanese plums. The following chart shows annual production from 1927 to 1946.



AGRICULTURAL CREDIT

Interest Rates

12. SCAP investigators found that farmers borrowing from farm co-operatives, banks and private individuals normally pay rates of interest ranging up to five, seven and 15 percent respectively. The interest sometimes extends beyond 15 percent, imposing an excessive burden on farmers.

Financial Gains

13. Studies showed that from 1937 to 1946 the number of farmers engaged in industry more than doubled. Wages increased during the same period.

Food sales have now placed the farmers in a favorable financial position. Wartime savings and current income enable them to pay their debts.

RECONNAISSANCE SOIL SURVEY

14. SCAP technicians have completed a reconnaissance soil survey of about 6,500 square miles of Hokkaido alone.

By 15 September Shiga, Kyoto and part of Tottori Prefectures in southern Honshu had been surveyed. Schedules call for completion of all survey field work by 1 October 1947.

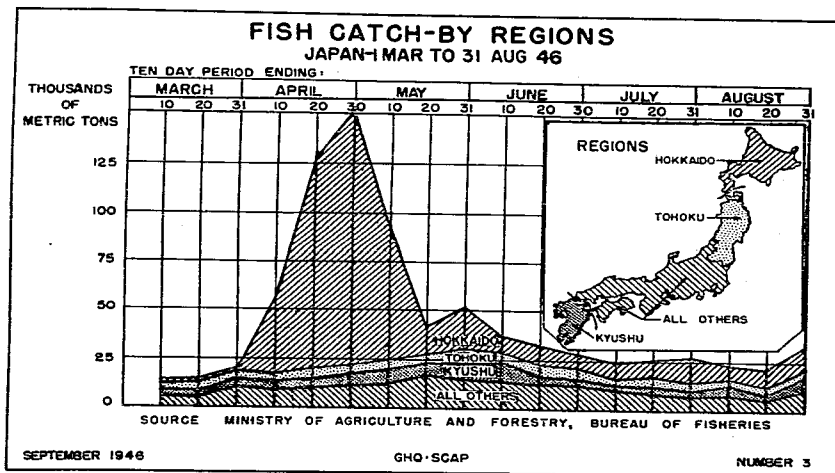
FISHERIES

	Paragraph
Fish Production.	15
Antarctic Whaling.	21
Pearl Culture.	26

FISH PRODUCTION

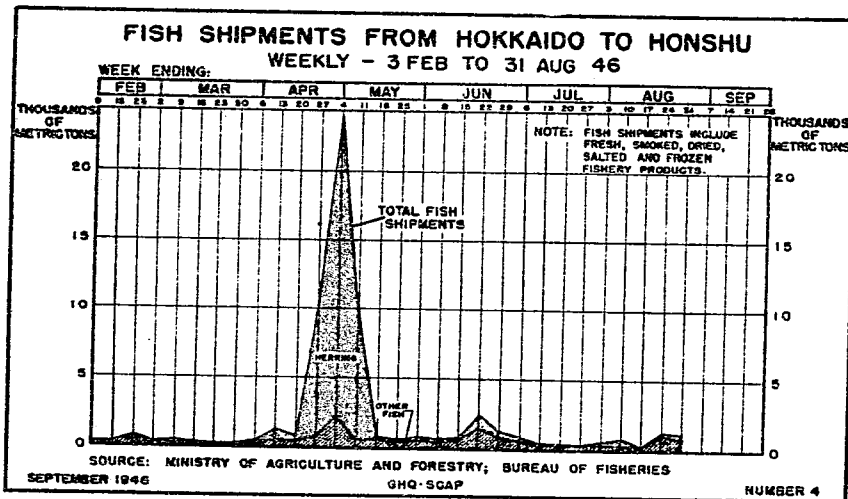
15. The 1946 catch is expected to reach 2,400,000 metric tons, nearly twice the 1945 catch.

16. Nine fishing areas yielded 79,367 metric tons in August, as shown in the following chart. In recently authorized fishing zones 2,070 tons were landed.



17. From 11 to 20 August landings declined 885 metric tons because of a typhoon in the southern regions and an outbreak of cholera in Kinki.

18. Fish shipments from Hokkaido to Honshu are shown in the following chart.



Minnow Netting

19. The Nippon Seimo Zeki Company at Fukuyama and the Tsugawa Sanji Factory in Ono, Hiroshima Prefecture, are manufacturing 20-inch minnow netting.

20. Present production for domestic use is 50 bales of finished netting up to 30 September. The annual domestic requirement is 2,050 bales of finished netting.

ANTARCTIC WHALING

Amendments Announced

21. SCAP on 24 August advised the Japanese Government that four protocols had been added to the International Agreement for the Regulation of Whaling. The Government was directed to submit to SCAP all notices and reports required under the whaling agreements.

22. One copy of all existing whaling protocols and agreements binding the Japanese whaling industry has been transmitted to the Government for information and guidance.

Tankers Converted

23. SCAP on 23 August permitted the Government to convert three 10,000-ton oil tankers into whale processing factory ships. Two of these are under conversion.

24. The following is a revised schedule of petroleum products required for 1946-47 Antarctic whaling:

REVISED PETROLEUM NEEDS
(kiloliters)

Diesel or special navy oil	40,518
Lubricating oils	290
Kerosene	103
Gas oil	16
Gasoline	<u>8</u>
Total	40,935
Grease (metric tons)	4

SOURCE: Petroleum Distribution Control Company.

25. All these products except the diesel oil are available from stocks in Japan.

PEARL CULTURE

26. More than 1,000,000 naturally-grown Japanese pearl oysters were harvested at Ago Bay, Mie Prefecture, on 8-9 September. Three thousand persons including about 1,000 women divers were employed. The oysters were collected for pearl culture in 1947.

SECTION 2
FORESTRY AND MINING

C O N T E N T S

	Paragraph
Forestry.	4
Mining.	12

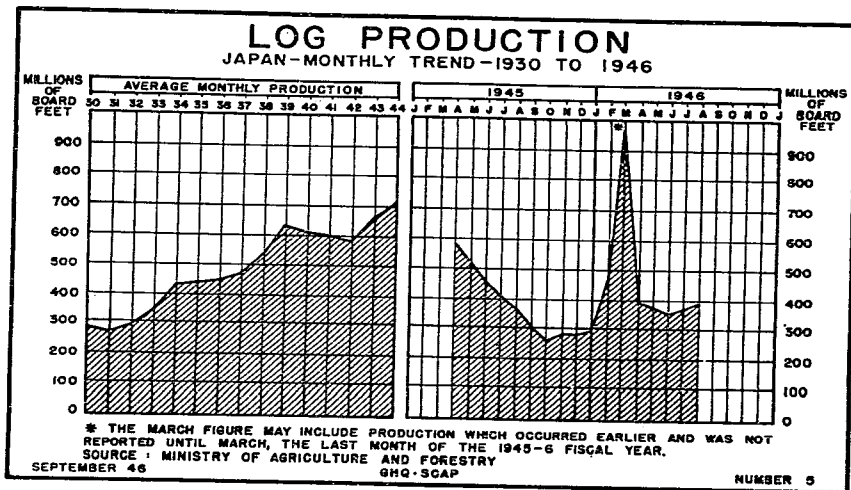
1. Lumber production gained slightly in August. There was a small decrease in stockpiles.
2. Coal production increased despite shortages and financial difficulties.
3. The increase in oil production continued, reaching the highest level since August 1945 during the week of 11 August.

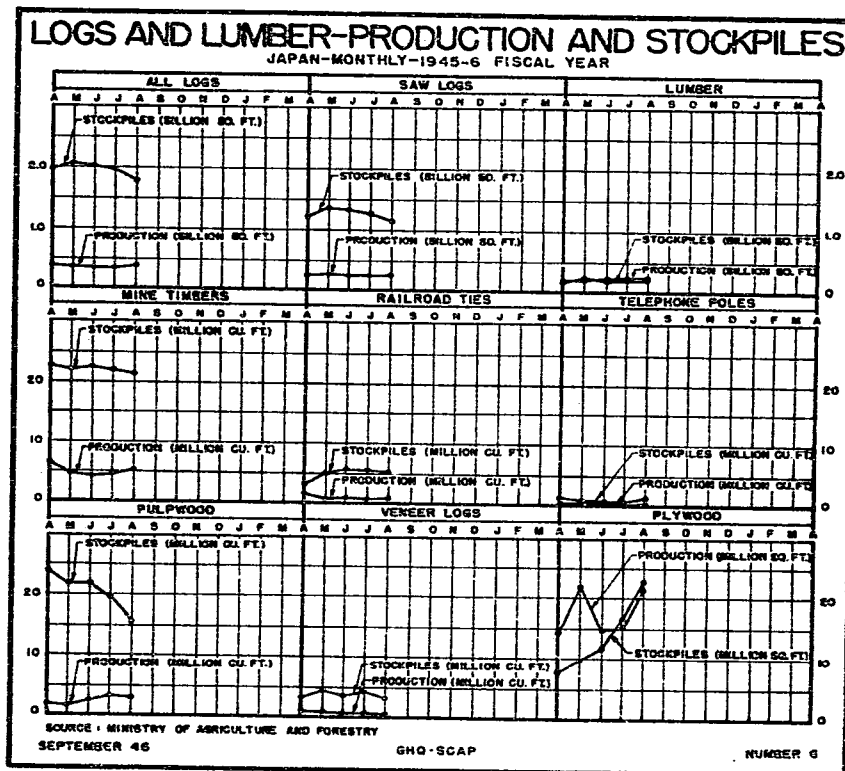
FORESTRY

	Paragraph
Logs and Lumber Production.	4
Veneer and Plywood.	5
Charcoal.	7
Pulp and Paper.	9

LOGS AND LUMBER PRODUCTION

4. The following charts show log and lumber production and stockpiles for August. Production of all logs was 390,808,000 board feet, a gain of 23,648,000 from July. Stockpiles of all logs declined 115,608 board feet to a total 1,785,488,000 board feet.





Accompanying chart No. 7 shows timber production for August.

VENEER AND PLYWOOD

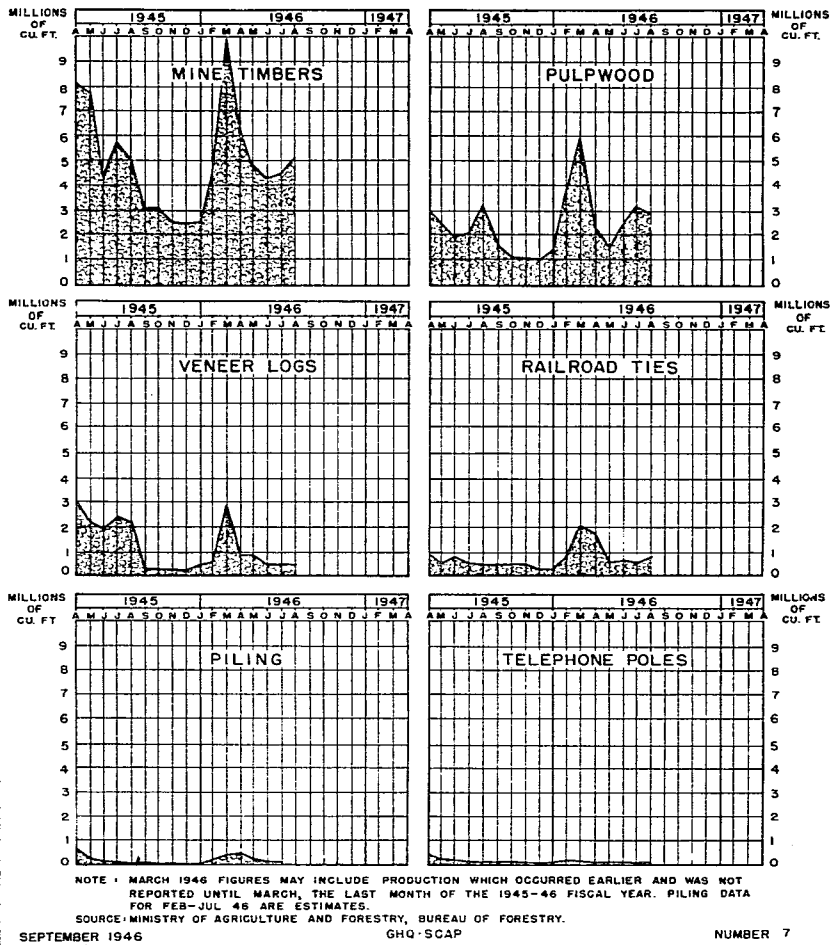
5. Two hundred tons of soybean-casein glue arrived at Yokohama during September from the United States. These shipments supplement local glue production, which remains low despite an increase from about 34 percent of rated capacity in 1945 to nearly 80 percent in August 1946.

Encourage Plywood

6. Production of plywood is encouraged because wood converted to plywood furnishes greater area coverage than if used as lumber. The accompanying chart shows plywood production for August.

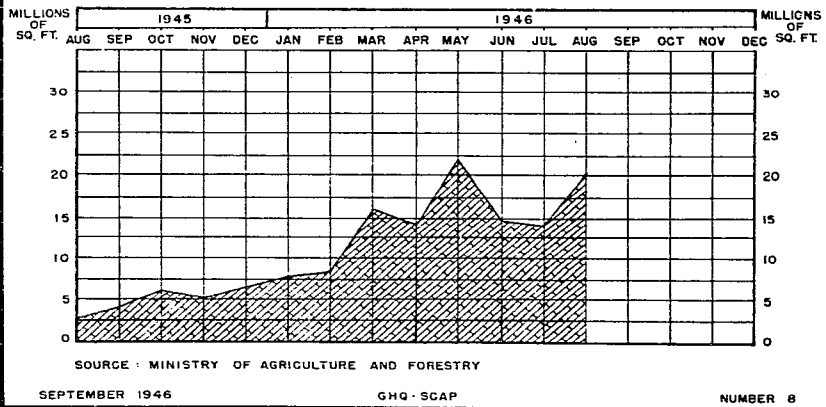
TIMBER PRODUCTS

MONTHLY PRODUCTION SINCE APRIL 1945



PLYWOOD PRODUCTION

JAPAN-MONTHLY SINCE AUG 45



CHARCOAL

7. Charcoal production is still hindered by low official prices and a scarcity of food, shoes, straw ropes and straw bales.

8. Workers earn ¥ 31.70 a day for an average of 2.35 hyo of charcoal produced (a hyo is a bale of 33 pounds) but must pay ¥ 20 a day for essential wood, bales, rope and other items. For this reason the Bureau of Forestry is seeking an 80 percent increase in the sale price for the producer.

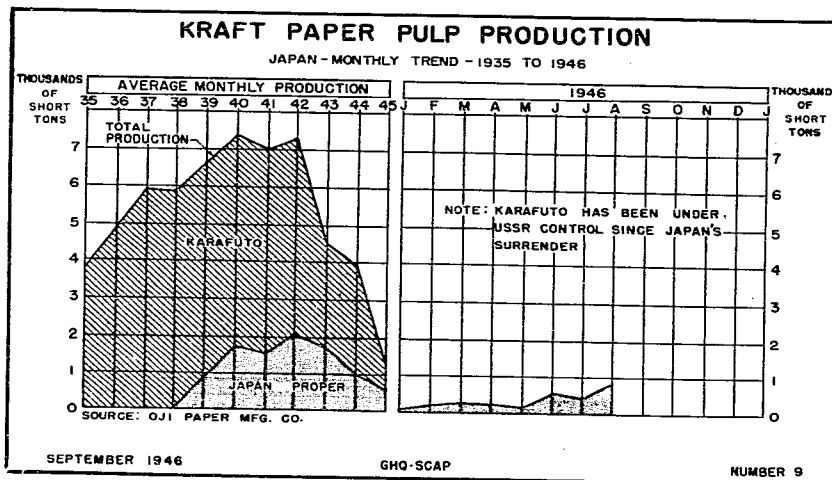
PULP AND PAPER

9. Except for rayon pulp, production increased over July. A shortage of sodium hydroxide and chlorine restricted rayon pulp production. This will permit some re-allocation of pulpwood and coal to the production of kraft pulp for manufacturing quality kraft paper for cement bags.

Stockpiles of rayon pulp are large enough to permit curtailment of production without affecting the rayon yarn and rayon staple fiber industries.

Kraft Pulp Production

10. Kraft pulp production, shown on the chart below, increased 443 short tons over July but quality of the paper is poor and production is restricted by process difficulties. The advisability of adopting a more orthodox chemical process is being studied by the Textile Bureau of the Ministry of Commerce and Industry and by representatives of the Japanese pulp and paper industry.



11. Sixty-five percent of the kraft pulp restored was converted into wrapping paper, mostly of cement-bag quality, as compared with only 45 percent for July. The rest was made into insulating paper.

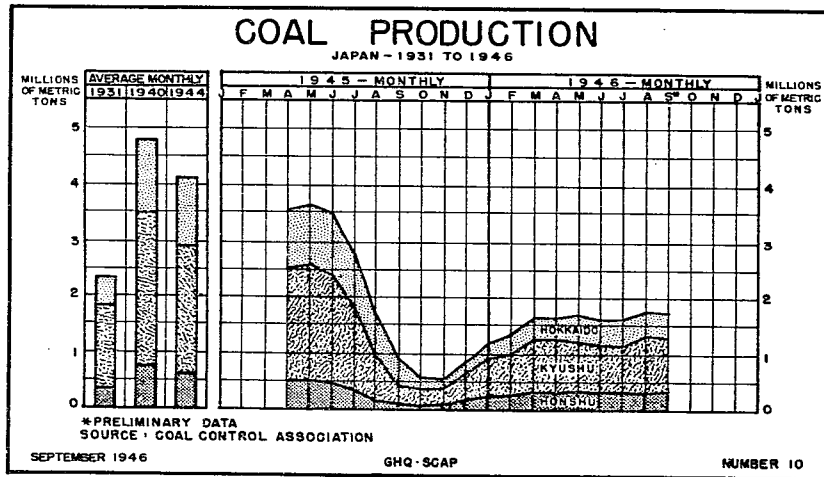
MINING

	Paragraph
Coal	12
Petroleum	21
Mining Industry	26

COAL

Production

12. Total coal production during August, as shown in the accompanying chart, reached 1,770,200 metric tons, eight percent over July and seven percent over planned production. The increase resulted from a special food release by SCAP and educational campaigns.



Kyushu miners received an average bonus of ¥ 5 a day for exceeding production quotas.

13. Coal produced 1-20 September totaled 1,118,900 metric tons, an average production per working day of 65,800 metric tons. As a result the Coal Board of the Ministry of Commerce and Industry lowered the September quota 30,000 tons to 1,700,000 metric tons.

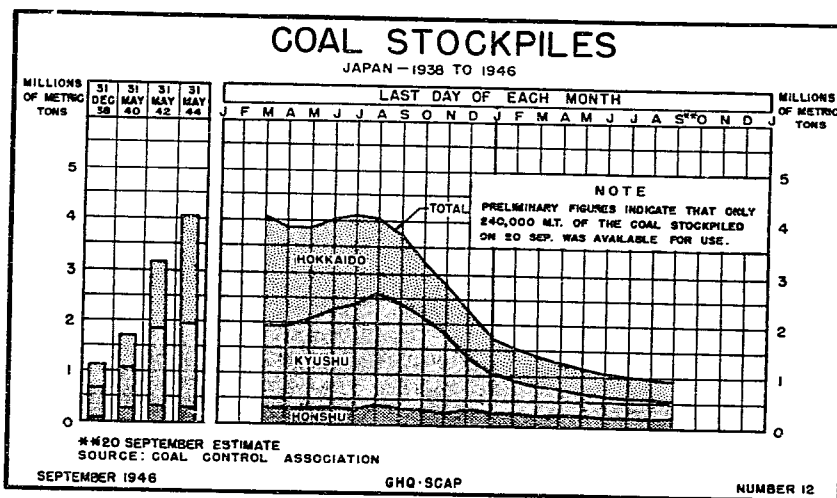
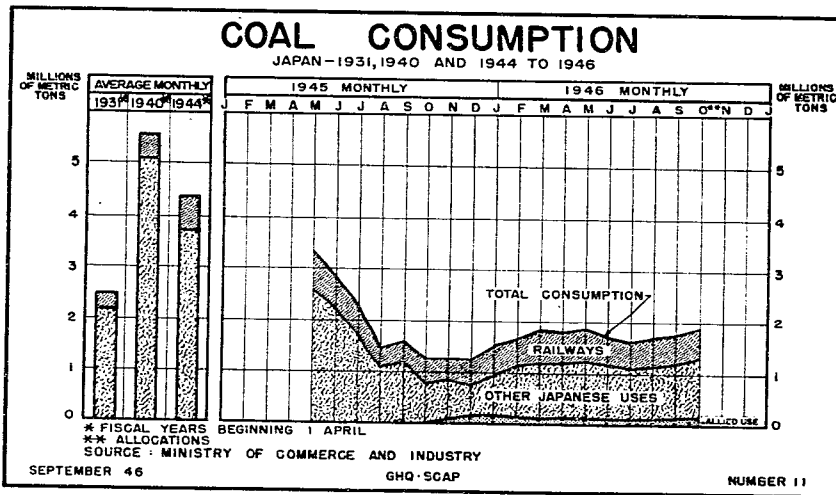
Consumption

14. Total coal consumed during July was 1,667,000 metric tons, less than one percent over the July figure and six percent below the July allocation figure as shown in the coal consumption chart on page 60.

15. In August 1,725,000 metric tons were used. The August allocation was 1,726,000 metric tons. Coal consumption by industries is shown in the charts on pages 62 and 63.

Stockpiles

16. Stockpiles were reduced from 1,010,000 metric tons on hand 31 July (of which 21 percent was available) to 978,000 metric tons as of 31 August (of which 25 percent was available). Stockpiles continued to decline to 960,000 metric tons on 20 September, as shown in chart, page 60.



Lignite

17. August lignite production totaled 202,378 metric tons as shown in the accompanying chart. Stockpiles reached 353,521 metric tons, sales 212,057.

Production Problems

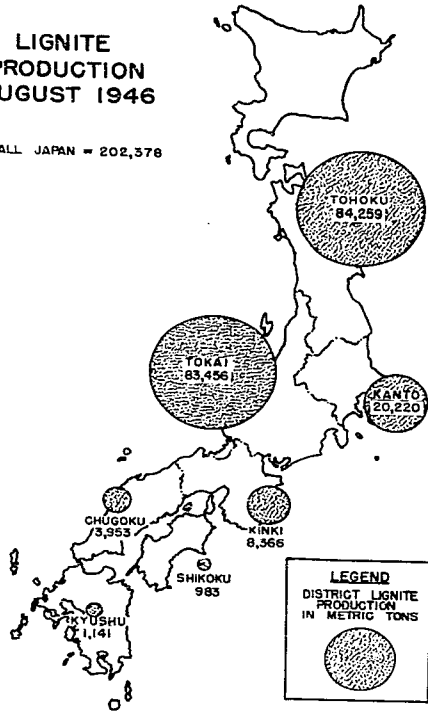
18. The estimated cost of production from 1 April to 30 September was approximately ¥ 360 per ton of coal. Of this the Government has paid ¥ 220 pending adjustment of the subsidy promised the coal operators. Coal mines, anticipating subsidies for the differential between production cost and consumer price, have borrowed ¥ 850,000,000.

LIGNITE PRODUCTION, SALES AND STOCKPILES

DISTRICTS — JAPAN

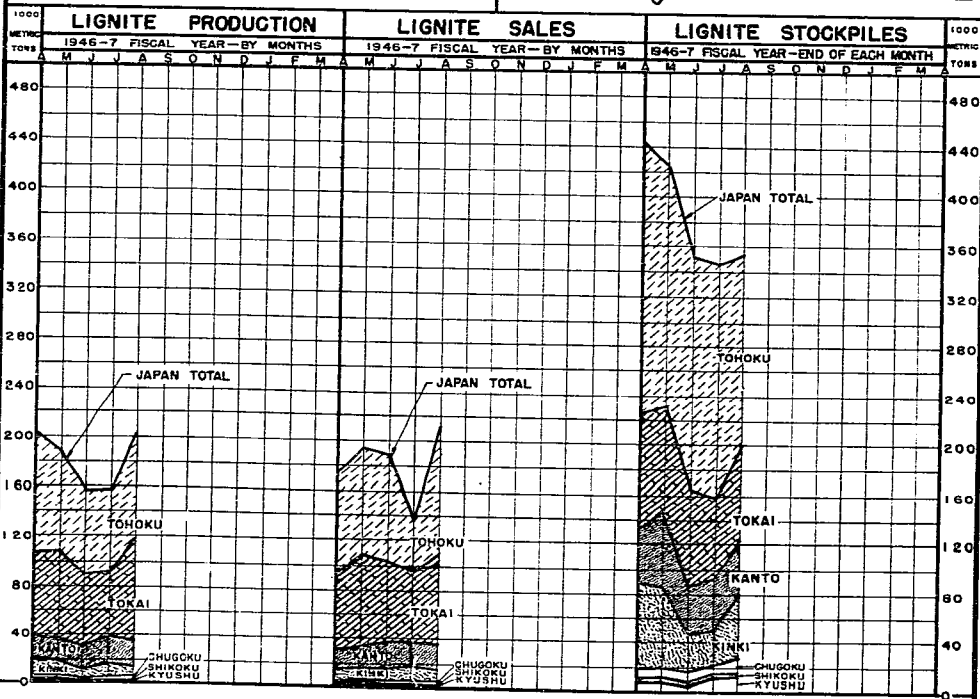
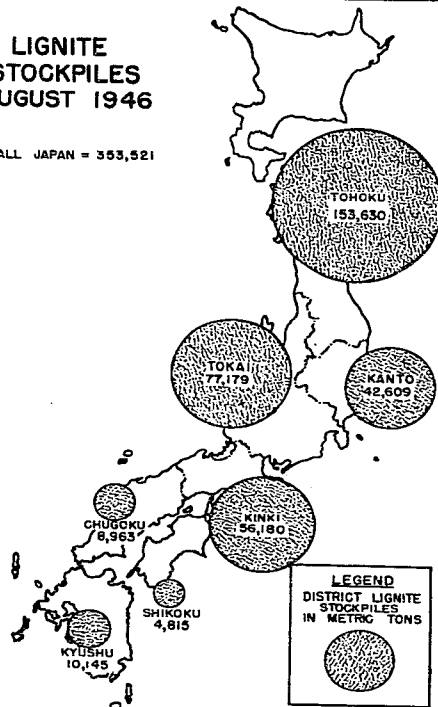
LIGNITE PRODUCTION AUGUST 1946

ALL JAPAN = 202,378



LIGNITE STOCKPILES AUGUST 1946

ALL JAPAN = 353,521



SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, COAL BOARD

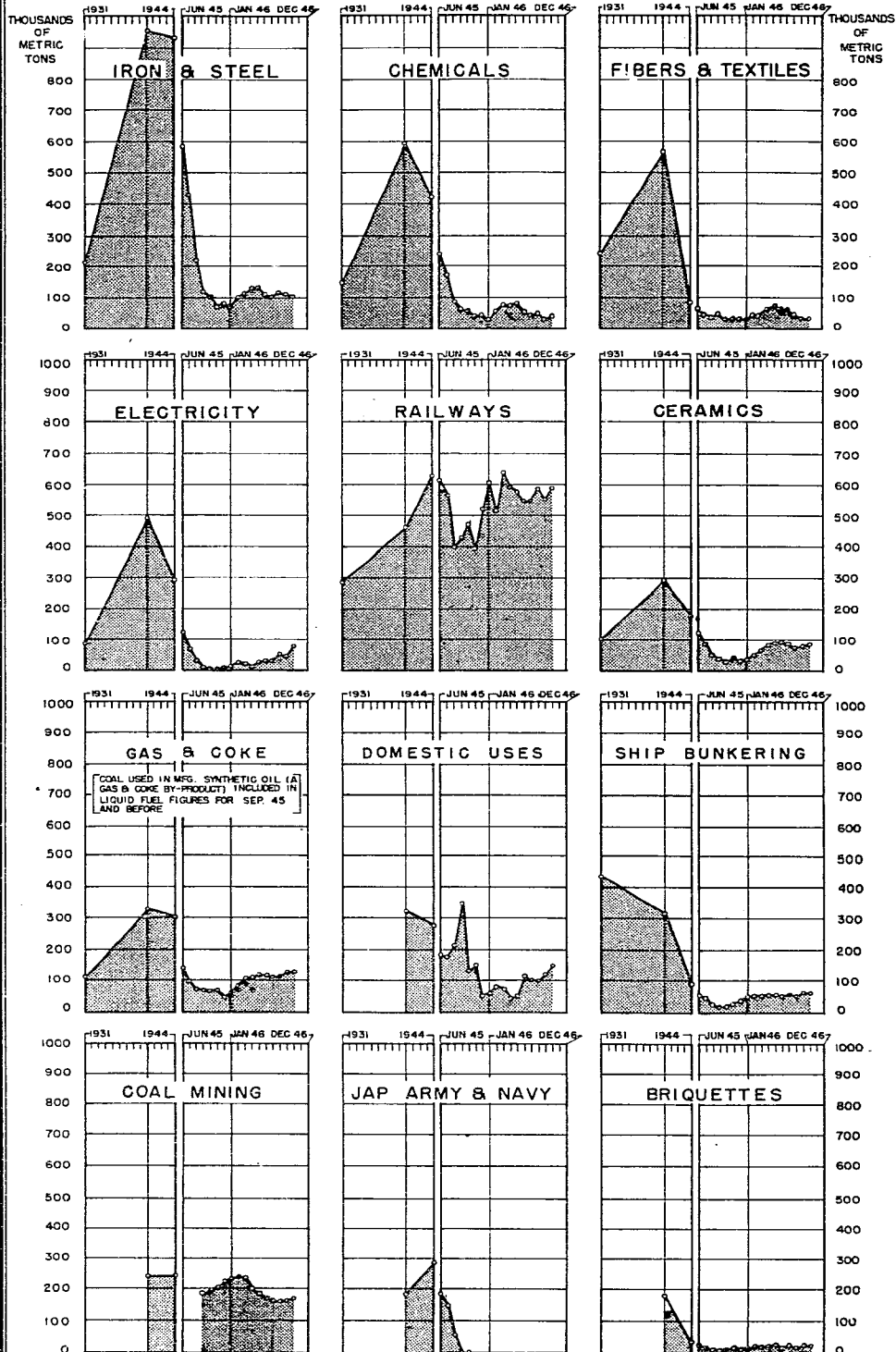
SEPTEMBER 1946

GHQ-SCAP

NUMBER 13

COAL CONSUMPTION BY INDUSTRIES

JAPAN-MONTHLY TREND 1931 TO 1946



NOTES: 1931 DATA ARE MONTHLY AVERAGES. 1940 AND 1944 DATA ARE MONTHLY AVERAGES FOR 1 APRIL TO 31 MARCH FISCAL YEARS. SEPT AND OCT 1946 DATA ARE ALLOCATIONS.
 SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, COAL CONTROL ASSN.

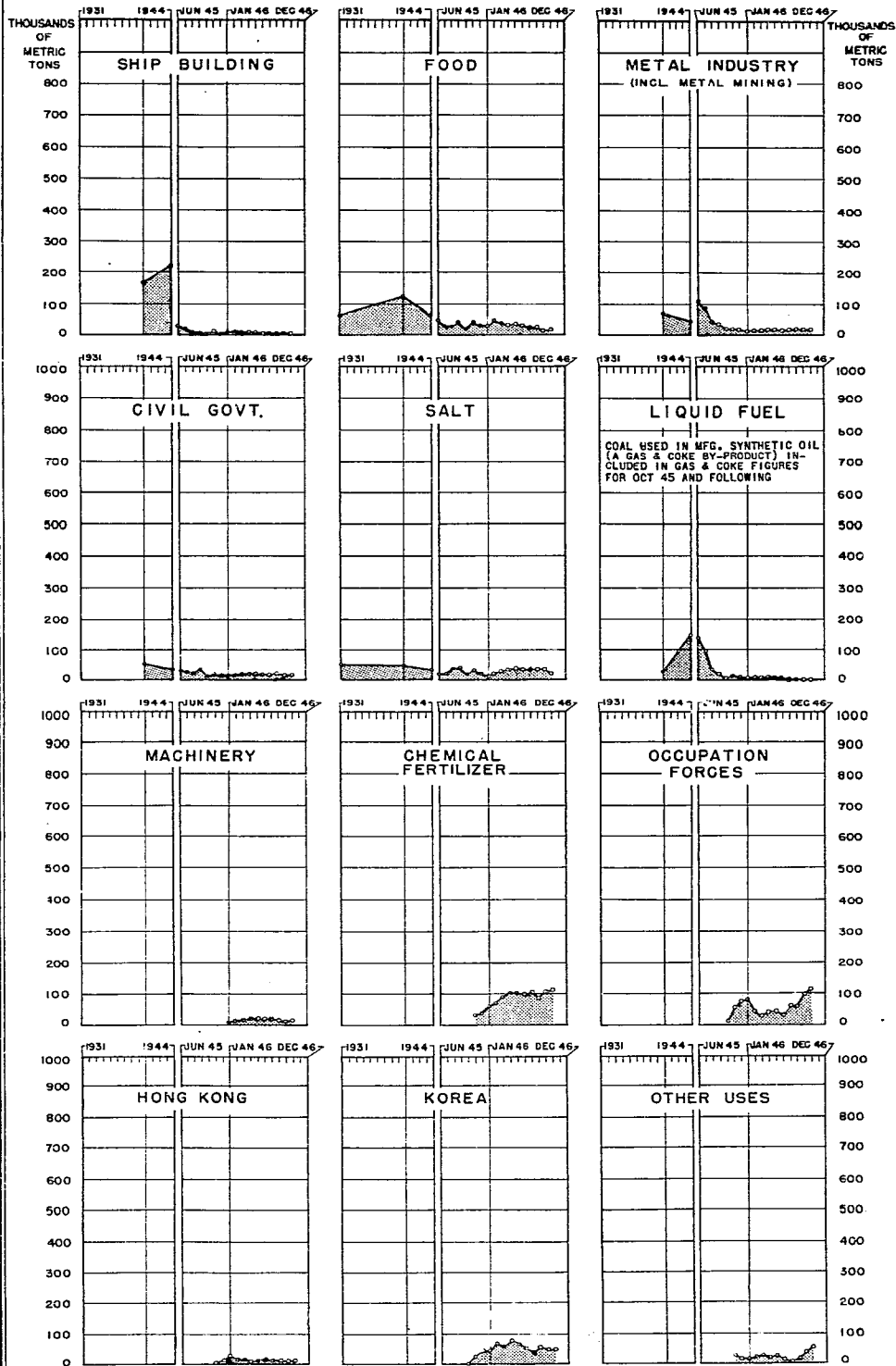
SEPTEMBER 1946

BHQ · SCAP

NUMBER 14A

COAL CONSUMPTION BY INDUSTRIES

JAPAN-MONTHLY TREND 1931 TO 1946



NOTES: 1931 DATA ARE MONTHLY AVERAGES. 1940 AND 1944 DATA ARE MONTHLY AVERAGES FOR 1 APRIL TO 31 MARCH FISCAL YEARS. SEPT AND OCT 1946 DATA ARE ALLOCATIONS.
 SOURCE: MINISTRY OF COMMERCE AND INDUSTRY, COAL CONTROL ASSN.
 QHQ-SCAP

NUMBER 14B

Production Goals

19. The following production goal has been set by the Coal Board for the next five years:

COAL PRODUCTION GOAL
1946-1950
(metric tons)

<u>Fiscal Year</u>	<u>Estimated Production</u>
1946	23,000,000
1947	25,000,000
1948	27,000,000
1949	30,000,000
1950	30,000,000

Thirty million metric tons is regarded as the minimum requirement for the essential needs of Japan's peacetime economy.

20. To achieve the production sought for the current year, the Coal Board and the Coal Association have listed the following requirements:

MATERIAL REQUIREMENTS FOR COAL MINES
(metric tons)

Rolled steel	84,250
Wire rope	12,000
Pig iron	16,000
Copper	1,295
Cement	78,000
Timber (koku) ^{a/}	6,807,000
Lumber (koku)	1,310,000
Ball bearings (units)	442,424
Explosives (cases)	
Gelatine dynamite	46,800
Ammonium nitrate	252,000

^{a/} One koku equals 120 board feet.

SOURCE: Coal Board and Coal Association.

PETROLEUM

Production Trends

21. Oil production continued to increase through August as shown in the accompanying chart, due to further exploitation of Hachmori field, Akita, and Shibata field, Niigata.

22. Weekly production was highest since August 1945 with an output of 4,833 kiloliters (30,400 barrels) for the week beginning 11 August. Production in the last week of August dropped to 4,665 kiloliters.

Iron Ore and Sulfur

29. Iron production appears to have leveled off at about 65,000 metric tons of concentrate per month.

Refined sulfur output maintained its monthly increase of about 400 tons.

Pyrite production has reached about 40,000 tons per month. The Matsuo mine, Iwata, produced the most pyrite in July.

Gold and Silver

30. Gold and silver production is constant at about 120 to 125 kilograms of gold and 3,500 to 4,000 kilograms of silver per month.

SECTION 3
HEAVY INDUSTRIES

C O N T E N T S

	Paragraph
Coke	1
Metal Industries	2
Rubber	11
Petroleum	12
Cement	13
Construction	14
Shipbuilding	16
Chemical Industries	18
Machinery	27

COKE

1. August coke production declined to 112,000 metric tons due to the shortage of coking coal. Coal stockpiles total 40,000 metric tons and coke stocks 52,000 tons. Estimated production for September is 105,000 tons.

AUGUST COKE ALLOCATION AND DISTRIBUTION
(metric tons)

<u>Industry</u>	<u>Allocation</u>	<u>Distribution</u>
Consumed by producers		
Gas		
Iron and steel		
Chemical	70,770	56,710
Metal mining and refining	1,500	2,780
Metal industry	3,150	4,860
Shipbuilding and machinery manufacturing	14,180	26,550
Ceramics (including cement)	1,640	2,330
Chemical fertilizer	40,000	30,040
Chemical industry	4,190	2,800
Maintenance and repair of coal mines	720	640
Others	350	3,130
Reserve	<u>1,500</u>	
Total	138,000	129,840

SOURCE: Ministry of Commerce and Industry.

METAL INDUSTRIES

Iron and Steel

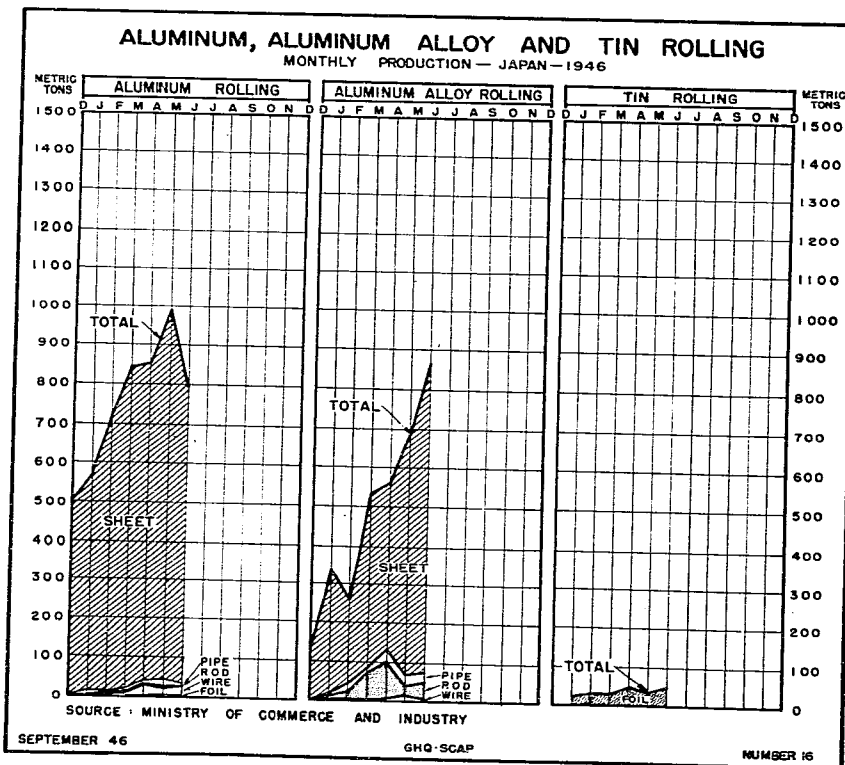
2. The accompanying charts show production of iron and steel declined slightly in August due to a reduced supply of coal.

Light Metals

3. August aluminum production increased from 750 to 762 metric tons. Of this 407 tons were reduced from alumina in six plants and 355 tons were reclaimed from scrap in seven plants. Nippon Deikinzoku K. K. produced 160 tons of alumina and Showa Kenko K. K. 481 tons, all by caustic digestion of scrap.

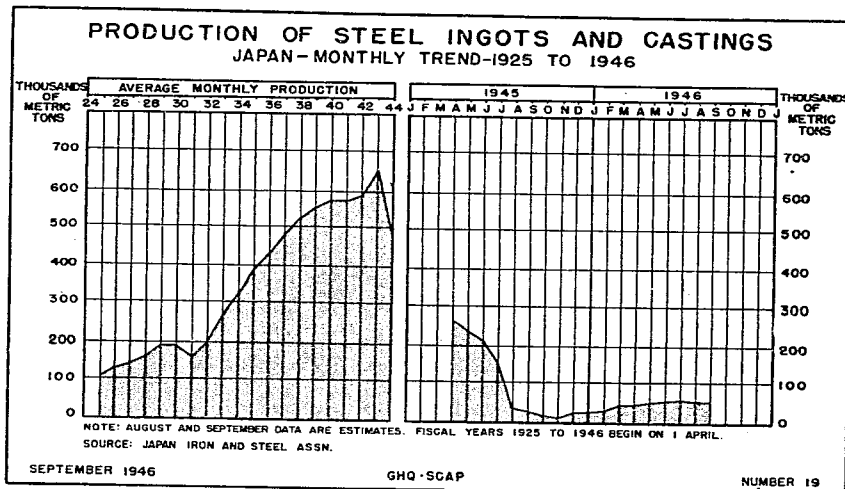
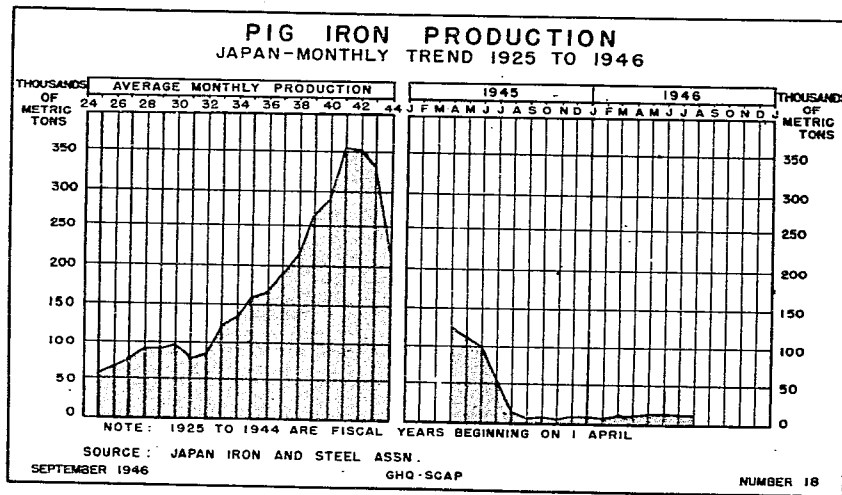
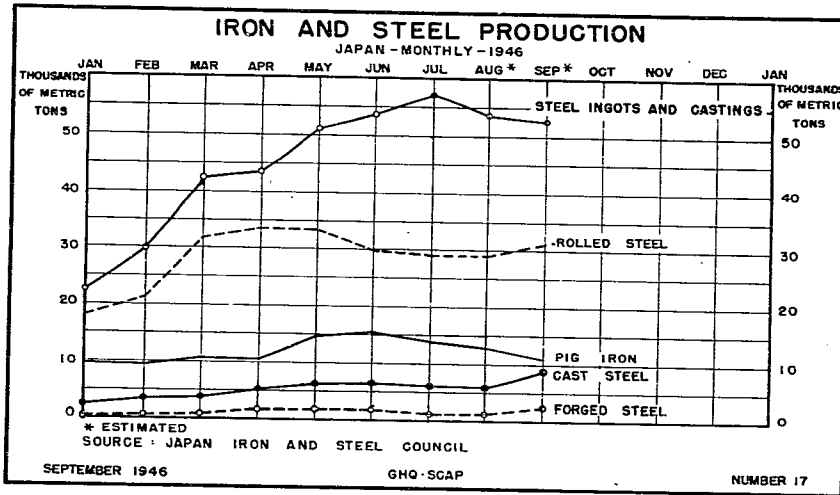
Rolling Industry

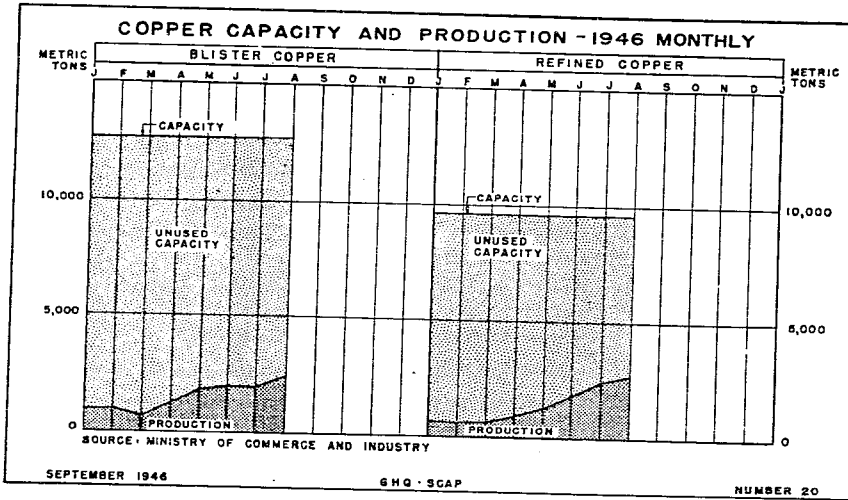
4. Production figures for 58 operating plants are shown in the following chart. Estimated September tonnage is 2,185 tons.



Copper

5. August production of blister copper and refined copper increased as depicted in chart, page 70.





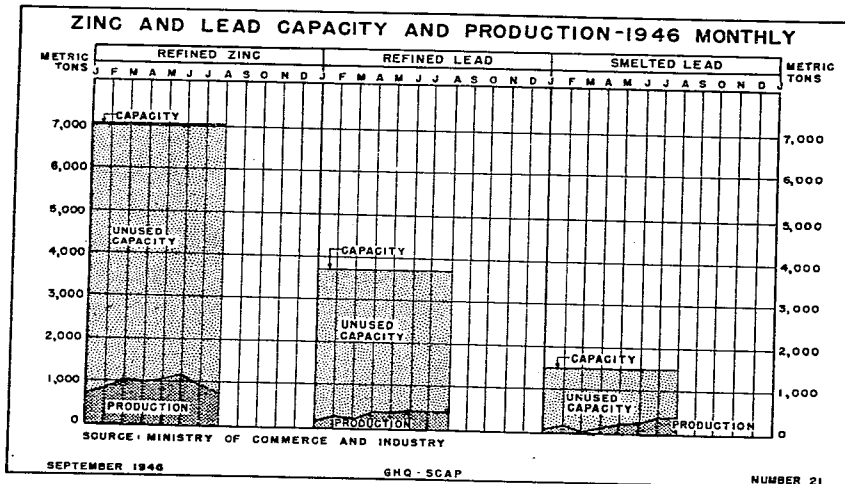
Rolling Industry, Copper and Copper Alloys

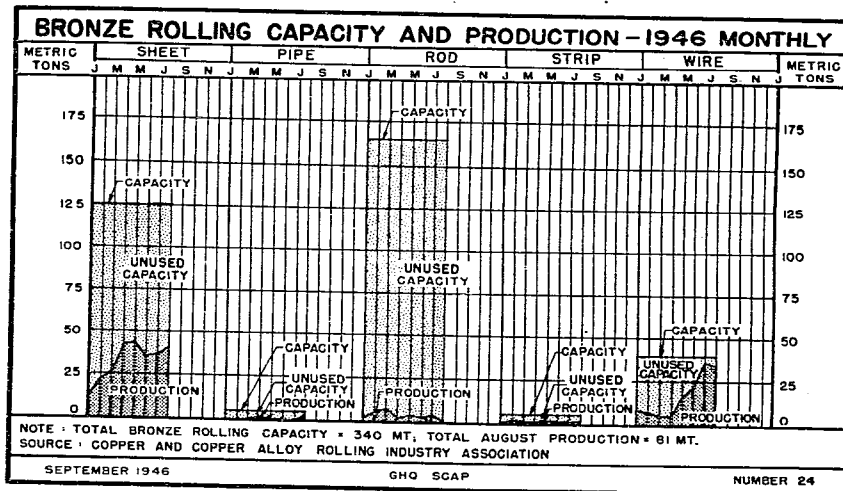
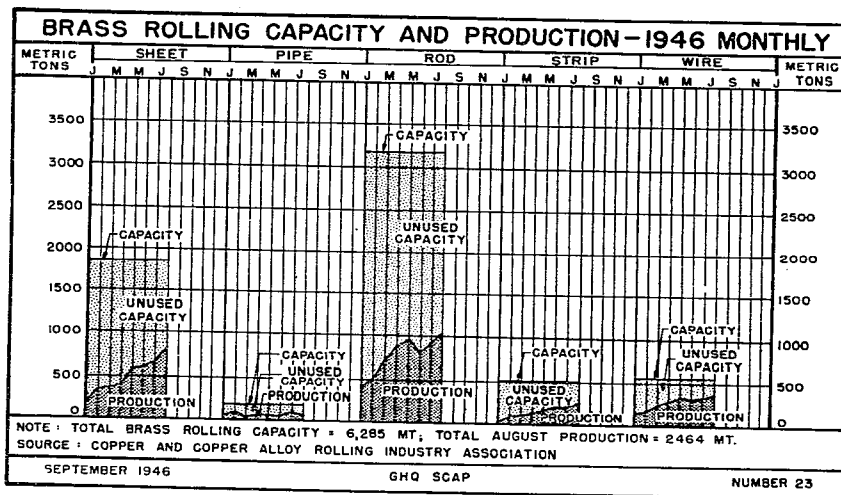
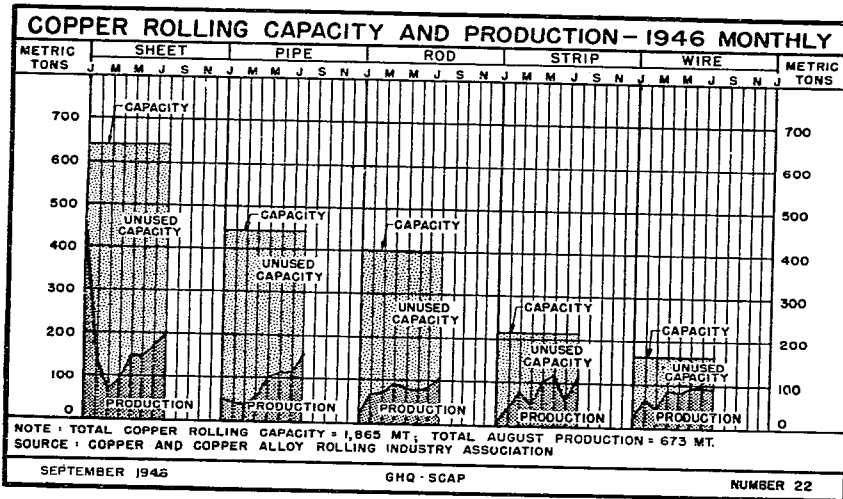
6. Rolled copper and copper alloy production was 3,218 metric tons for August, an increase of 351 metric tons over July. See the accompanying charts.

Zinc and Lead

7. Limited demand caused August zinc production to fall to 789 metric tons, a decrease of 170 metric tons. Zinc plate production was 183 metric tons, a decrease of 12 tons from July.

8. Lead smelting production was 401 metric tons and lead refining 409 metric tons.



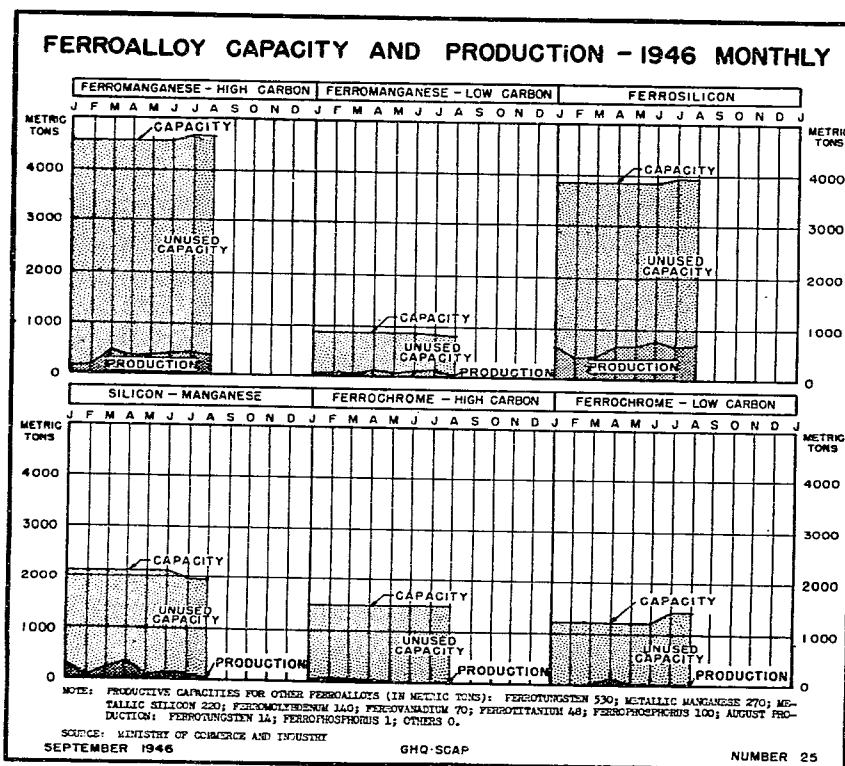


Other Nonferrous Metals

9. All tin, nickel and antimony plants remained inactive in August for want of fuel.

Ferroalloy Production

10. Production of ferroalloys is shown on the accompanying chart. The August decline in production was caused by a limited demand and shortages of coke and electrodes.



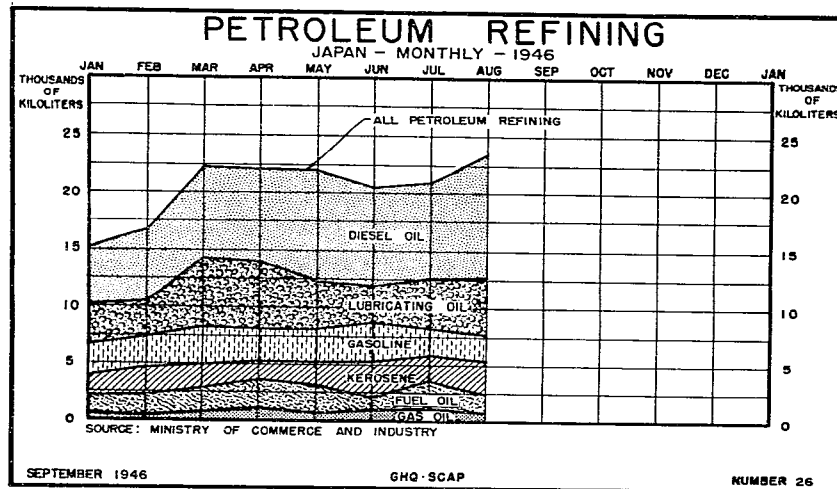
RUBBER

11. Production of rubber goods in August consumed 1,504 metric tons of crude rubber.

PETROLEUM

12. Refined petroleum production from 3 August to 31 August totaled 21,990 kiloliters.

Seven refineries in the indigenous crude areas are in operation. Six refineries in Japan's Pacific coast areas processing the remaining stocks of imported crude oil were directed to complete the processing of such imported stocks and cease operations not later than 30 November.



CEMENT

13. Thirty-four operating plants produced 90,870 metric tons of cement in August, an 18 percent decrease from July. Shortages of bags, steel balls and coal were responsible for the decline.

CONSTRUCTION

Japanese Housing

14. Covering all but Akita and Miyazaki Prefectures, the Board of Reconstruction reported 2,119 special building permits issued in August. Of this 1,139 were for dwelling houses, 388 dwellings with shops and 592 were for casinos, theaters, offices and other miscellaneous structures.

Railroads

15. Additional railway construction in August for the Occupation Forces is shown below:

ADDITIONS TO RAILWAY FACILITIES (yen)

	<u>Labor Cost</u>	<u>Materials Cost</u>	<u>Total Cost</u>
Track construction (370.64 feet)	116,331	305,649	421,980
Buildings, platform extensions, revisions	985,340	2,097,409	3,082,749
Crossings (30 locations)	<u>24,388</u>	<u>32,950</u>	<u>57,338</u>
Total	1,126,059	2,436,008	3,562,067

SOURCE: Third Military Railway Service.

SHIPBUILDING

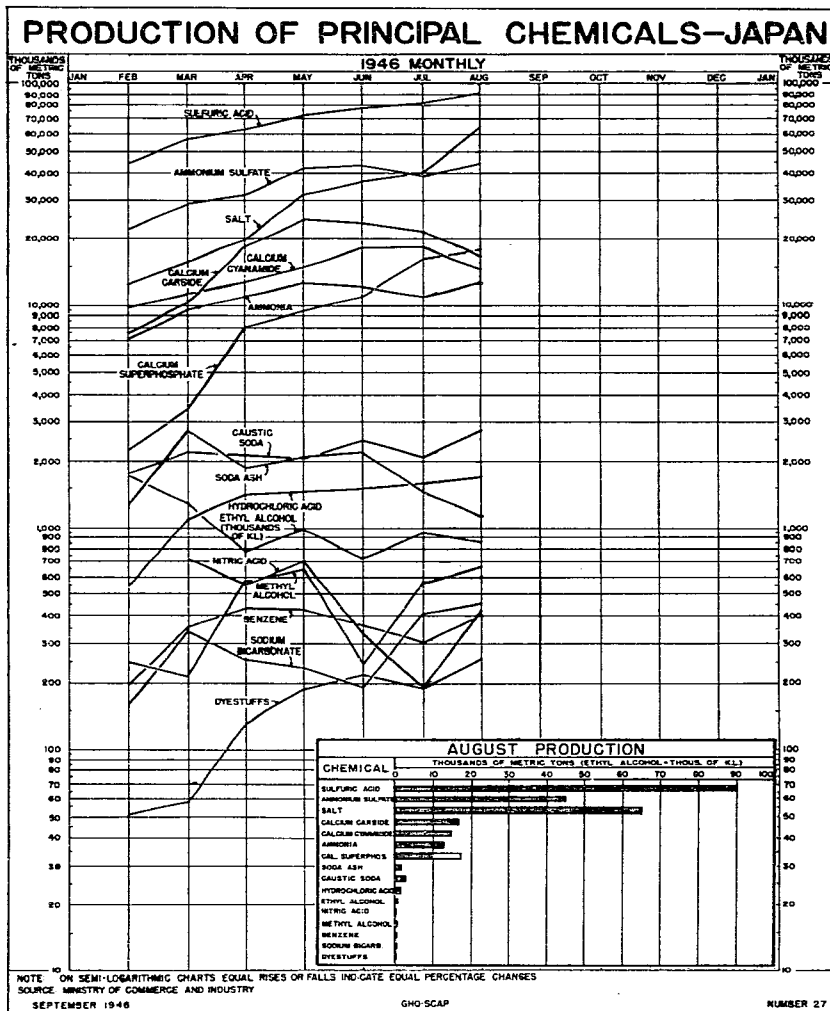
16. From 10 August to 10 September civilian shipyards completed repairs on 247 merchant vessels totaling 802,817 gross tons.

17. From 20 August to 20 September two steel ships totaling 12,300 gross tons were launched and three steel ships totaling 14,020 gross tons were completed. In the same period two wooden ships totaling 350 gross tons were launched and 19 wooden ships totaling 4,050 gross tons were completed.

CHEMICAL INDUSTRIES

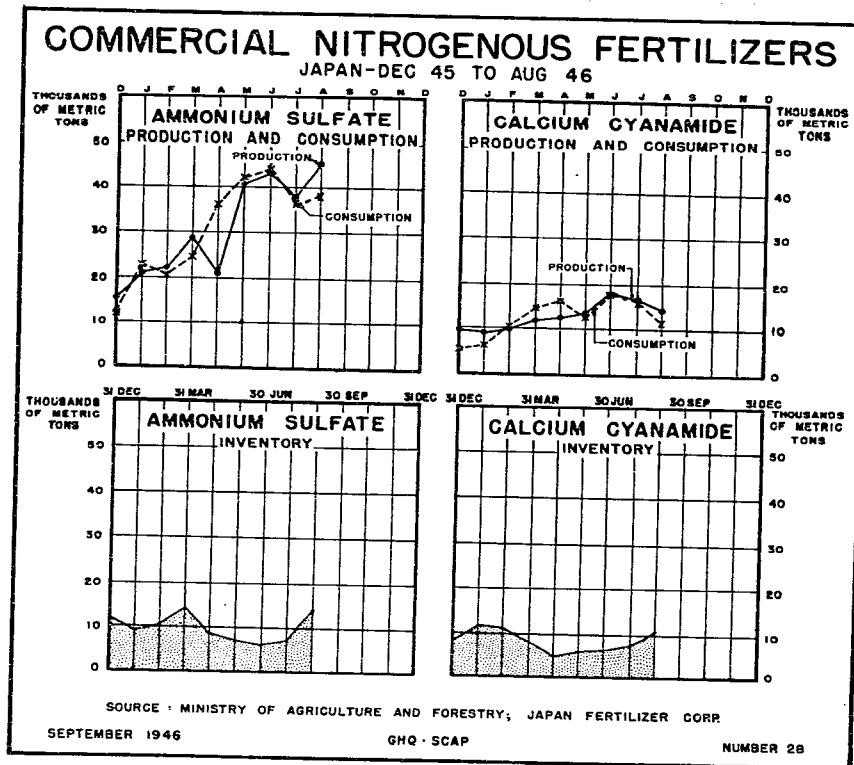
General

18. Chemical production is far below minimum requirements due to shortages of coal and construction materials for reconversion. August production is shown on the following chart.



Fertilizer

19. With conversion and expansion programs in progress production gains are expected. August ammonium sulfate production increased. Calcium cyanamide production dropped sharply because of the failure of air separation equipment. Nitrogenous fertilizer production is shown in the accompanying chart.



Sulfuric Acid

20. Sulfuric acid production was up 12 percent in August. Repairs on existing facilities are continuing steadily. The fertilizer industry's needs are being met in full.

Salt

21. August salt production of 65,000 metric tons showed a large seasonal increase. A further increase is expected in September.

Soda and Soda Products

22. Soda production has remained approximately constant for the past six months due to the continued salt shortage. With larger allocations of salt, soda production will increase.

Alcohol

23. Alcohol production remains low because of critical shortages of fuel and food.

Coal Tar Products

24. Production of coal tar products increased in August. A shortage of coking coal continues to restrict output.

Dyes and Drugs

25. Production of dyestuffs increased in August, reaching 39 percent of minimum requirements. This increase resulted from a larger coal allocation for making drug intermediates. The supply of intermediates is now almost sufficient for minimum drug requirements.

Paints

26. The shortage of fats and oils is reflected in the low output of the paint industry. Drying oils, essential in the manufacture of paints, are not available in Japan. Paint production since the end of the war has utilized practically all existing stocks.

August production of paint was 1,630 metric tons; this was completely used as were 1,200 metric tons from stock, leaving only 800 metric tons on hand at the end of August.

MACHINERY

27. Production decreased slightly in August due to shortages of raw materials and high costs.

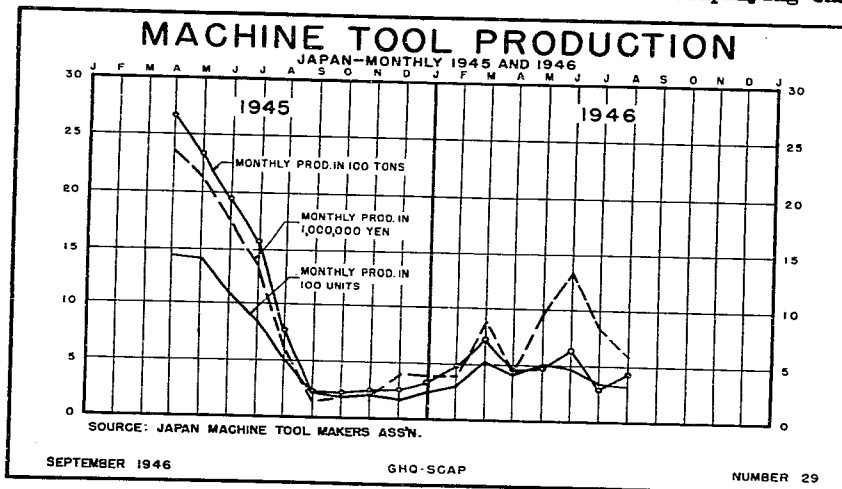
A total of 398 plants in the machine tool, precision bearing and munition industries were selected for reparations.

Machine Tools

28. Production of machine tools continued its decline. Material shortages and financial difficulties cause the low production.

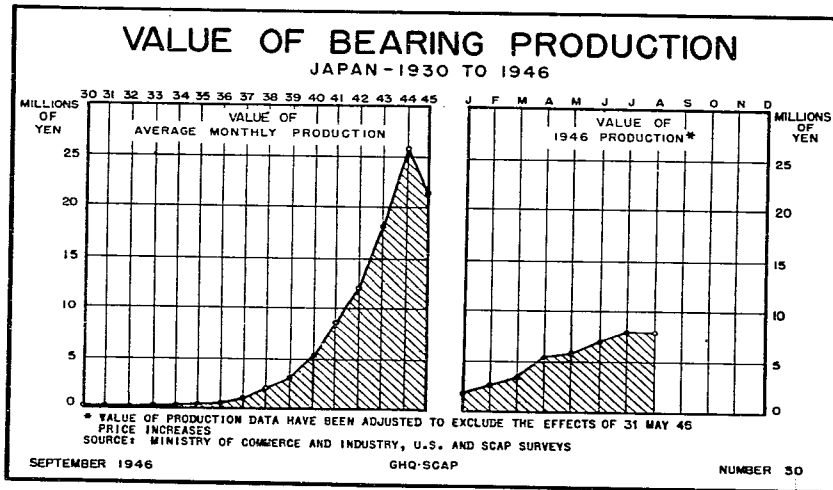
29. In August 57,753 workers were employed in machine tool plants. Only 18 percent were actually engaged in manufacturing machine tools, the rest producing a wide variety of consumer goods within the same factories.

Machine tool production is shown in the accompanying chart.



Precision Bearings

30. With 90 percent of bearing capacity designated for reparations, production for August decreased slightly. The Tamagawa and Fujisawa factories of Nippon Seiko, the only company not listed for interim reparations, produced 19 percent of the August output.



Industrial Machinery

31. August production of industrial machinery as compared with the previous month is shown below.

INDUSTRIAL MACHINERY PRODUCTION
(thousands of yen)

<u>Group Description</u>	<u>July</u>	<u>August</u>
Mining machinery	17,108	10,647
Chemical manufacturing machinery	38,555	46,918
Printing and bookbinding machinery	13,377 a/	12,982
Rubber manufacturing machinery	5,692	3,890
Pulp and paper making machinery	2,734	2,382
Food products machinery	30,717	10,627
Pumps	24,159	27,757
Crushers, mixers, pulverizers	8,728	9,208
Power transmission equipment	5,132	4,774
Foundry equipment machinery	4,441	2,705
Conveyors	3,718	4,309
Iron and steel equipment	7,200	5,253
Prime movers	14,948	28,115
Fans, blowers, compressors	14,513	15,582
Metal forming equipment	25,779	30,756
Cranes and derricks	21,893	27,673
Woodworking machinery	22,292	25,181
Miscellaneous	2,733	7,462
Total	263,719	276,221

a/ Revised.

SOURCE: Industrial Machinery Association, Woodworking Machinery Association, Printing and Bookbinding Association.

32. Value of production in the industrial machinery industry amounted to ¥ 276,221,000 in August. Of this total, 79 percent was for new units, 14 percent for parts and accessories, and seven percent for repair work.

33. Raw materials, fuels and electric power used are shown below.

RAW MATERIAL AND POWER CONSUMPTION a/
(metric tons)

<u>Month</u>	<u>Steel</u>	<u>Iron</u>	<u>Coal</u>	<u>Coke</u>	<u>Power b/</u>
June	10,103	9,268	5,962	5,615	6,608,715
July	13,100	14,020	9,850	6,860	11,508,193
August	11,570	9,400	7,090	6,746	11,787,252

a/ Compiled from reports of 1,279 factories.

b/ Kilowatt hours.

SOURCE: Industrial Machinery Association.

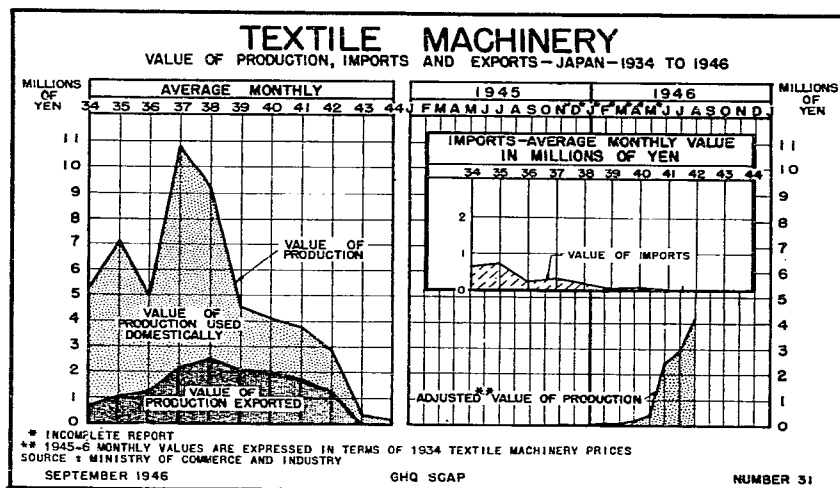
34. Production of textile machinery and accessories increased 40 percent over July. Rehabilitation of damaged spinning and weaving equipment remains the principal effort of the industry.

TEXTILE MACHINERY PRODUCTION
(thousands of yen)

<u>Machinery Description</u>	<u>July a/</u>	<u>August</u>
Cotton ginning	257.7	73.9
Flax scotching	9	18.4
Cleaning and opening	32.3	769.8
Carding	1,336	2,391.9
Combing	360	179.2
Drawing and roving	813	918.7
Spinning	3,359	3,170.4
Synthetic fibre spinning	4.6	321.7
Twisting frames	837	1,031.8
Yarn preparing	1,190	1,896.6
Looms	10,519	11,420.4
Knitting	1,853	2,606.6
Braiding	338.9	242.5
Dyeing	119	106.2
Dry finishing	34.8	102.6
Wet finishing	89.9	224
Cordage and rope	130	230.3
Miscellaneous	486	789.3
Accessories	<u>3,650</u>	<u>9,338.8</u>
Total	25,419.2	35,833.0

a/ Revised.

SOURCE: Textile Machinery Association.



35. Total August production value of silk manufacturing machinery adjusted for a price index of 850 was ¥ 1,717,300, a decrease of over 50 percent from July output. Principal manufacture was 2,964 new reeling machines urgently needed to process raw silk for export.

SECTION 4
MANUFACTURING

C O N T E N T S

	Paragraph
Food Processing	1
Pulp and Paper.	4
Glass Industry.	5
Optical Instruments	6
Medical Supplies.	7
Refractory Industry	9
Abrasive Industry	10
Structural Clay Products.	11
Asbestos Cement Products.	12
Vitreous Enamel Ware.	14
Pottery and Porcelain	15
Electrical Manufacturing.	16
Transportation Equipment.	17
Rubber Manufacturing.	26
Leather	27
Agricultural Equipment.	30
Miscellaneous Manufacturing	31

FOOD PROCESSING

1. August production showed seasonal increases in the canning, dairy and processed meat industries. Shortages of raw materials and containers continued to limit production.

FOOD PROCESSING INDUSTRIES
(metric tons)

	<u>Production</u>	
	<u>July</u>	<u>August</u>
Canned foods	894	1,155
Flour milling	64,969 a/	60,250
Bean paste	19,988	17,758
Soy sauce	38,918	40,816
Synthetic soy sauce	1,125	1,475
Meat	66	74

	Production	
	July	August
Vegetable oils and fats		
Edible oil and fat	532	516
Drying oil	125	51
Others	175	102
Milk processing		
Condensed	418	495
Powdered	396	436
Butter	175	174
Confectionery	2,346	2,272

a/ Revised.

SOURCE: Ministry of Agriculture and Forestry.

Brewing and Distilling

2. Sake production ended in northern Japan. With the ban on the use of edible foodstuffs for distilling production of synthetic and blended beverages increased in August.

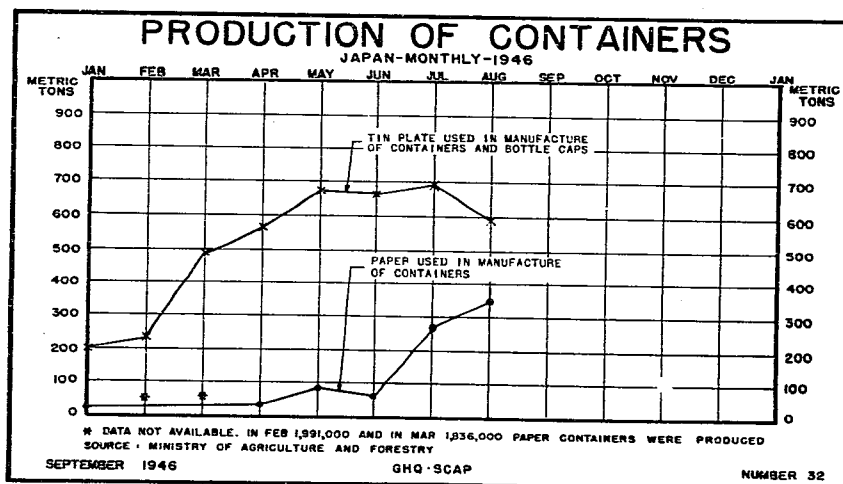
BREWING AND DISTILLING INDUSTRY (hectoliters)

	Production	
	July	August
Beer	62,981	65,194
Sake	1,465	428
Imitation sake	17,417	20,126
Shochu	24,160	15,052
Liquor and wine	7,281	14,197

SOURCE: Ministry of Finance, Tax Bureau.

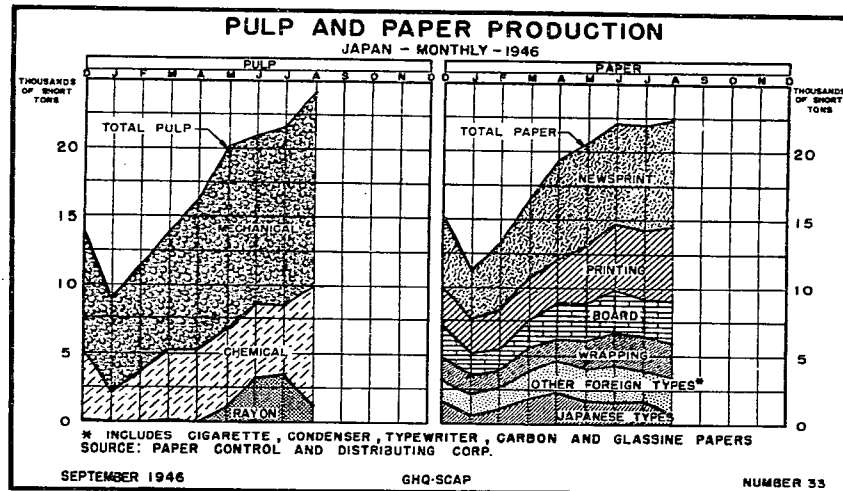
Containers

3. A shortage of tin plate suitable for food packing decreased production. The following chart shows monthly production of tin and paper containers.



PULP AND PAPER

4. Pulp production in August was 11.8 percent greater than in July and paper output increased 1.4 percent as shown in the following chart.



The Oji Paper Company manufactured 59 percent of all pulp produced in August and 75 percent of all paper compared with 62 percent for pulp and 70 percent for paper in July.

GLASS INDUSTRY

5. During August production of plate glass and glassware decreased 14 and 9.4 percent respectively. The coal shortage and labor unrest remain critical.

GLASS INDUSTRY

	Unit	Production	
		July	August
Window glass	case ^{a/}	65,429	66,706
Polished plate glass	case	1,136	982
Optical glass	kilogram	150	200
Fibre glass	kilogram	9,603	7,397
Glass wool	kilogram	25,300	15,000
Glassware	metric ton		
Beverage bottles		41	0
Food containers		1,298	490
Medical containers		864	1,242
Technical and scientific ware		140	110
Electrical products		243	321
Table and kitchenware		260	255
Other		481	596

^{a/} 100 square feet of 2-millimeter glass.

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

OPTICAL INSTRUMENTS

6. Production of optical instruments increased during August. Since export demand for binoculars is small future production emphasis will be on microscopes, surveying instruments and projectors.

INSTRUMENT PRODUCTION (units)

<u>Instruments</u>	<u>July</u>	<u>August</u>
Cameras	1,974	2,711
Projectors	46	66
Binoculars	2,910	3,660
Microscopes	298	257
Transits	74	101
Engineers' levels	75	368
Hand levels	100	50
Sextants	50	30
Alidades	100	110
Gas indicators	258	258
Toolmakers' microscopes	12	8
Interferometer gas indicators	0	100

SOURCE: Ministry of Commerce and Industry.

MEDICAL SUPPLIES

7. Production of medical supplies is hampered by a shortage of raw materials and deteriorated plant equipment. Value of production increased from ¥ 3,594,674 in July to ¥ 4,955,096 in August.

MEDICAL SUPPLY PRODUCTION (units)

	<u>July</u>	<u>August</u>
Ampoule cleaning apparatus	13	25
Basins, wash	100	247
Basins, sterilizing	100	6,508
Cotton wool carriers	846	6,000
Dressing drums	1,570	1,345
Distilling apparatus	33	66
Electric drying ovens	47	17
Electric incubators	45	72
Forceps	14,157	15,757
Illuminating lamps	100	350
Surgical needles	464,859	320,949
Injection needle mounts	70,000	0

	<u>July</u>	<u>August</u>
Ice pillow buckles	33,000	71,000
Ligature carriers	30	40
Needles, suture	18,000	30,000
Operating tables	-	19
Percussion hammers	1,000	200
Pneumothorax apparatus	100	50
Spatulas	200	200
Sphygmomanometers	750	760
Speculums	4,224	1,122
Steam inhalers	100	-
Sterilizers	749	1,576
Stethoscopes	422	800
Sun lamps	1	-
Surgical scissors	10,571	11,174
Surgical knives	4,877	9,751
Tongue depressors	2,000	840
Ultra shortwave therapeutic apparatus	2	-
X-ray apparatus	80	87
Vaporizers	310	300
Vaccinating lancets	517	1,000

SOURCE: Japan Medical Instrument Control Association.

Hypodermic Syringes

8. Production of hypodermic syringes decreased from 202,775 in July to 174,784 in August. Domestic requirements are being met in full.

REFRACTORY INDUSTRY

9. August production of refractories remained at approximately the July level. The shortage of coal continued to hamper production. Graphite crucible production increased seven percent in August.

REFRACTORY BRICK PRODUCTION
(metric tons)

<u>Type</u>	<u>July</u>	<u>August</u>
Fire clay	11,957	12,290
Silica	3,483	2,987
Chrome	237	156
Magnesia	0	57
Corhart	103	70
High alumina	105	166
Total	15,885	15,726

SOURCE: Ministry of Commerce and Industry.

ABRASIVE INDUSTRY

10. August production of grinding wheels with elastic bonds increased 138 percent over July as 14 factories resumed production. Output of abrasive cloth and paper increased while production of abrasive grains decreased. The resin shortage prevented the manufacture of waterproof abrasive paper.

ABRASIVE INDUSTRY
(metric tons)

	<u>Production</u>	
	<u>July</u>	<u>August</u>
Grinding wheels and stones		
Vitreous bond	341	286
Elastic bond	34	81
Abrasive paper and cloth (ren) <u>a/</u>		
Cloth	3,745	4,621
Ordinary paper	6,894	7,066
Waterproof paper	253	0
Abrasive grain		
Aluminum oxide, regular	224	169
Silicon carbide, regular	50	28

a/ One ren equals 480 sheets or their equivalent.

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

STRUCTURAL CLAY PRODUCTS

11. Approximately 9,000,000 building bricks and 7,500,000 pieces of roofing tile were produced in August, a small increase over July output.

ASBESTOS CEMENT PRODUCTS

12. August production of high pressure pipe and slates increased 35 and 100 percent respectively. Manufacture of other asbestos cement products showed little change. Shortage of high quality imported asbestos is limiting production.

ASBESTOS CEMENT PRODUCTS
August

<u>Item</u>	<u>Unit</u>	<u>Production</u>
Asbestos cement high pressure pipe	metric ton	638
Concrete pipe	metric ton	6,118
Corrugated sheets	tsubo ^{a/}	84,840
Slates	tsubo	23,700
Wall board	tsubo	65,000

^{a/} One tsubo equals 36 square feet.

SOURCE: Japan Asbestos Cement Products Association.

Marble and Stone Products

13. Production figures on marble and stone products were reported for the first time. Six firms were producing during August. Five were manufacturing small art objects and one was cutting and polishing artificial and natural marble for industrial and office building construction. Fifteen thousand square feet of construction marble were produced.

VITREOUS ENAMEL WARE

14. August production of vitreous enamel ware amounted to 25,576 pieces weighing 190 metric tons.

POTTERY AND PORCELAIN

15. August reports were received from 79 factories covering approximately 90 percent of present production.

POTTERY AND PORCELAIN PRODUCTION
August

<u>Type of Ware</u>	<u>Number of Pieces</u>	<u>Weight (kilograms)</u>
Electrical porcelain insulators	11,295,223	1,397,495
Industrial ware	5,746,851	6,479,366
Laboratory ware	278,753	75,266
Domestic potteries	7,379,418	4,382,719
Sanitary ware	58,872	280,851

SOURCE: Porcelain and China Ware Control Association.

ELECTRICAL MANUFACTURING

16. Production of electrical manufactures increased slightly in August. Shortages of insulation materials, silicon steel, coal and gas continue to retard the industry.

ELECTRICAL MANUFACTURING INDUSTRY

Product	Production a	
	July	August
Motors		
Fractional HP	880	1,469
Standard stock		
1-15 HP	599	1,389
16-100 HP	320	367
Over 100 HP	53	40
Portable tools	1,572	1,592
Other motors	1,220	1,400
Generators, converters and M-G sets, except turbogenerators		
DC generators	384	344
AC generators	13	75
Others	362	718
Transformers		
Distribution, 100 KVA and under	509	567
Power, over 100 KVA	91	73
Instrument	641	603
Others	234	953
Rectifiers		
Hot cathode	30	0
Steel tank	1	1
Mercury vapor	22	116
Selenium and others	1,380	678
Power condensers	3,750	2,369
Furnaces		
Arc	3	0
Low frequency induction	5	3
Resistance	71	109
Others	151	0
Welding apparatus		
AC arc	145	50
Resistance	0	1
Control apparatus		
Hand control		
Starters	195	66
Controllers	76	156
Others	780	1,057
Remote control		
Contactors	562	873
Contactor panels	28	27
Resistors	367	109
Lifting devices	116	30
Others	69	564
Switchboard apparatus		
For standard motors	3,123	2,619
3300 volts and under	3,852	1,291
Over 3300 volts	411	545

Product	Production a/	
	July	August
Meters		
Watt-hour	9,460	10,100
Pyrometers	983	821
Others	12,708	20,241
Household appliances		
Flatirons	5,025	4,009
Toasters	1,596	2,648
Cooking ranges	396	367
Other cooking equipment	31,481	16,077
Heating devices	8,275	5,644
Fans	6,114	3,599
Refrigerators	1,071	23
Washing machines	159	1
Others	2,594	4,094
Fuses (kilograms)		
Wire	2,669	20,718
Tape	15,866	9,270
Link	133,990	56,830
Hard	1,010,180	345,870
Enclosed	11,338	14,787
Knife switches	36,054	24,603
Cutouts	88,236	80,734
Receptacles	153,982	169,652
Plugs	448,066	440,050
Line materials (kilograms)	390,220	420,000
Cable hangers	500,000	645,000
Railway equipment		
Main motors	71	82
M-G sets	24	33
Blower motors	2	6
Locomotives		
Railway	1	3
Mining and industrial	5	0
Control apparatus	14	17
Battery locomotives	16	7
Other battery vehicles	52	38
Railway signal equipment		
Signal mechanisms	0	159
Electric levers	41	104
Interlocking relays	0	1
Switch machines	42	46
Electric locks	113	125
Circuit controllers	125	60
Line transformers	58	0
Signal transformers	82	90
Rectifiers	31	387
Impedance bonds	10	33
Block instruments	35	288
Signal relays	480	473
Others	0	76,714
Other electrical machines	189	544

Product	Production a/	
	July	August
Insulation materials		
Mica (kilograms)		
Moulding plate	5,798	4,732
Commutator segment	1,442	3,343
Heat resisting plate	63	90
Flexible plate	342	1,250
Paper		
Paper (roll)	8,408	6,259
Varnished cloth (square meters)	4,364	3,539
Varnished tubes (meters)	67,815	81,623
Friction tape (rolls)	446,235	238,704
Rubber tape (rolls)	66,980	111,723
Varnished cambric (rolls)	1,000	2,100
	9,814	28,343
Illuminating equipment		
Fixtures	490,579	402,725
Light bulbs		
General use b/	2,974,003	3,710,535
Special c/	268,852	251,698
Flashlight d/	681,852	416,172
Wire and cable		
Bare copper (metric tons)	1,416	1,327
Rubber insulated (kilometers)	15,051	15,051
Weatherproofed (kilometers)	3,334	4,759
Cotton and silk covered (metric tons)	373	433
Enameled (metric tons)	108	123
Power cable (kilometers)	115	153
Others (metric tons)	112	112
Electromedical apparatus		
X-ray	83	0
Others	17	45
Batteries		
Dry cells		
Flashlight	4,300,000	3,058,212
Others	160,000	379,850
Storage		
Motor vehicle	14,488	14,265
Others	28,318	34,009
Turbo-generators		
Generators for steam turbines		
for power stations	1	0
Steam turbines for ships	1	0
Other steam turbines	114	124

a/ All production stated in pieces unless otherwise indicated.

b/ Includes bulbs of 15 to 300 candlepower.

c/ Includes bulbs over 300 candlepower and special applications for railroads.

d/ Motor vehicle, flashlight and Christmas tree bulbs.

SOURCE: Ministry of Commerce and Industry.

TRANSPORTATION EQUIPMENT

17. Over-all production of transportation equipment increased except for truck chassis and vehicle bodies. Production is limited by shortages of critical materials and working capital.

SUMMARY OF MANUFACTURE OF TRANSPORTATION EQUIPMENT

Item	Production		Employment August
	July	August	
Truck chassis	1,463	1,264	23,781
Vehicle bodies	1,609	1,277	11,806
Electric autos	25	26	1,102
Three-wheeled cars	213	283	5,979
Small cars	14	35	290
Motorcycles	17	28	380
Tractors	102 ^{a/}	102	15,821
Bicycles	9,108	10,851	19,541

^{a/} Revised.

SOURCE: Bicycle Association and Automobile Association.

Automotive Equipment

18. August production of truck chassis was 86.4 percent of the July output. The four truck chassis firms operated at 43.5 percent of estimated maximum capacity.

PRODUCTION AND DISTRIBUTION OF TRUCK CHASSIS

Company	Stock	August	Total	Distributed	Stock on Hand
	31 July	Production	Available		31 August
Toyota	544	505	1,049	526	523
Nissan	513	502	1,015	412	603
Diesel	356	250	606	244	362
Mitsubishi Juko Q		7	7	7	0
Total	1,413	1,264	2,677	1,189	1,488

SOURCE: Automobile Association.

19. Two of four electrical automobile plants were operating in August. The output of 26 electric cars was 14.4 percent of the estimated maximum capacity of the industry.

20. During August one small-car factory produced 35 cars. Estimated maximum capacity of the industry is 100 small cars a month.

21. One motorcycle manufacturer produced 28 motorcycles during August. This is a seven percent of estimated total capacity and 165 percent of July's output.

22. During August 95 plants produced 1,277 truck and automobile bodies, 62.4 percent of estimated total capacity.

Tractors

23. Ten plants produced 102 tractors during August and two tractor plants produced nine trailers.

Automobile and Tractor Parts

24. During August automotive and tractor parts were produced in 154 plants. Production was 9.5 percent above July output.

AUTOMOTIVE AND TRACTOR SPARE PARTS PRODUCTION a/

	<u>July</u>	<u>August</u>
Truck	359	310
Tractor	10	6
Electric car	9	10
Small and three-wheel car	55	148

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

SOURCE: Automobile Association.

Bicycles

25. During August 148 factories produced 10,851 bicycles and 1,510 rear cars. Production is limited by a shortage of tires, tubes and raw materials.

RUBBER MANUFACTURING

26. August output of rubber products decreased because of the critical shortages of crude rubber, coal, textiles and petroleum products.

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

<u>Product</u>	<u>July b/</u>	<u>August</u>
Auto tires and tubes	385,026	279,590
Bicycle tires and tubes	181,736	146,574
Rubber soled socks	269,823	219,564
Rubber shoes and boots	217,066	174,577
Rubber soled canvas shoes	100,714	97,931
Rubber soles and heels	48,251	18,265
Belting	92,284	68,993
Hose	88,536	80,098
Rubber cloth	102,955	73,589
Tire repair sheets	12,653	42,799
Medical goods	27,375	25,614
Latex goods	4,798	- <u>c/</u>
Rice thresher rolls	53,006	49,625
Mechanical goods	345,752	226,844
Total	1,929,975	1,504,063

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

b/ Revised.

c/ Included in medical goods.

SOURCE: Rubber Control Union.

LEATHER

27. Shipments of hides to tanneries fell almost 65 percent in August. Slaughterhouses are holding back large stocks in anticipation of a rise in the ceiling prices.

28. Tanned leather production increased 50 percent over July as a result of the larger hide receipts in previous months. There was little change in total production of finished leather goods.

29. The inflated prices paid for leather bags of various sorts caused production to increase from none in July to almost 8,000 pounds in August. No further allocations of leather will be made for this purpose.

HIDES RECEIVED BY TANNERIES
(thousands of pounds)

	<u>July</u>	<u>August</u>
Cattle	917	281
Horse	322	163
Pig	107	30
Sheep and goat	<u>3</u>	<u>0</u>
Total	1,349	474

SOURCE: Hide and Leather Association of Japan.

TANNED LEATHER PRODUCTION
(thousands of pounds)

	<u>July</u>	<u>August</u>
Cattle		
Sole	177	345
Harness	24	28
Case	79	108
Upper	45	23
Belting	105	79
Packing	5	4
White	2	3
Horse		
Case	33	28
Upper	34	23
White	1	1
Pig		
Sole	16	15
Case	17	75
Upper	8	13
Kid		
Upper	11	2
Buffalo		
Sole	73	164
Harness	9	18
Belting	11	22
Sheep and goat	<u>4</u>	<u>3</u>
Total	654	954

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

LEATHER GOODS PRODUCTION
(thousands of pounds)

	<u>July</u>	<u>August</u>
Belting	113	71
Packing	37	66
Textile	2	12
Artificial limbs	8	28
Harness	408 <u>a/</u>	530
Footwear (handmade)	87	23
Footwear (semimachine-made)	67	67
Footwear (machine-made)		
Men's	257	222
Women's	3	5
Children's	42	3
Gloves (industrial)	1	3
Bags		
Handbags	0	3
Purses	0	5
Dustkeepers	<u>7</u>	<u>1</u>
Total	1,032 <u>a/</u>	1,039

a/ Revised.

SOURCE: Ministry of Commerce and Industry, Textile Bureau.

AGRICULTURAL EQUIPMENT

30. Agricultural equipment was produced during August in 202 factories employing 14,674 people. Responding to seasonal demands for harvesting equipment the output of threshing machines, sickles, forks and straw cutters increased. Shortages of bar steel, steel plate, galvanized plate, pig iron, coal, sail cloth, sieve cloth, rubber belting, rubber hose, rubber rolls, grease and all types of oils hinder production.

AGRICULTURAL IMPLEMENT PRODUCTION

<u>Product</u>	<u>July</u>	<u>August</u>	<u>On Hand 31 August</u>
Plow	12,583	18,435	30,778
Hoe	123,321	106,685	498,593
Horse stump cutter	106	106	0
Power cultivator	14	0	14
Harrow	3,927	6,573	4,855
Ridge scoop	1,370	1,588	1,564

<u>Product</u>	<u>July</u>	<u>August</u>	<u>On Hand 31 August</u>
Sowing machine	400	510	1,080
Scattering scoop	12,250	7,900	19,432
Simple weeder	15,821	2,700	3,400
Weeder	18,262	12,076	13,763
Fork	15,746	39,290	14,751
Sprayer	16,620	13,950	9,130
Cultivating hoe	1,370	1,417	1,469
Vertical pump	100	200	640
Sickle	564,483	750,385	2,074,268
Threshing machine	6,131	17,274	6,936
Rice huller	400	473	0
Winnower	2,510	2,557	1,592
Grain screen	-	200	155
Grain dryer	-	146	145
Straw softener	360	343	339
Straw rope maker	3,629	4,164	2,066
Straw rope finisher	15	3	0
Straw mat machine	609	674	1,464
Pruning shears	550	700	700
Tea-leaf shears	1,257	1,006	4,100
Tea-leaf finisher	25	102	47
Potato cutter	1,383	1,670	83,537
Radish grater	600	600	3,000
Tobacco dryer	60	10	20
Straw cutter	1,520	2,155	3,604
Straw cutter with feeder	1,372	4,143	3,604
Rice cleaner	312	792	305
Barley cleaner	430	697	74
Barley press roller	20	318	185
Flour milling machine	115	408	46
Vermicelli maker	950	0	0
Stump puller	-	50	50
Fertilizer grinder	20	20	68
Farm cart	155	489	260

SOURCE: Japan Agricultural Implement Control Union.

MISCELLANEOUS MANUFACTURING

Business Machines

31. During August 18 plants employing 2,636 persons produced business machines and parts. Plant reconstruction and machine repairs are slow and production is below capacity. Type production for Japanese typewriters increased to 2,876,040 pieces. Production of cash registers, mimeograph machines and files for mimeograph machines has been resumed.

BUSINESS MACHINE PRODUCTION

<u>Product</u>	<u>July</u>	<u>August</u>
Japanese typewriters	103	123
Teletypewriters	51	5
Calculating machines	174	215
Mimeograph machines	-	1,600
Files for mimeograph machines	-	3,000

<u>Product</u>	<u>July</u>	<u>August</u>
Blue printing machines	8	7
Cash registers	-	20
Time recorders	41	58
Time stamps	7	8

SOURCE: Business Management Machine Association.

Cosmetics and Dentifrices

32. Cosmetics production in 168 factories employing 6,047 workers decreased four percent in August. Manufacture of tooth powder, the only dentifrice now produced, increased 14 percent during August.

Watches and Clocks

33. Watch and clock production increased 48 percent in August. Twenty of a total of 43 factories were operating.

WATCH AND CLOCK PRODUCTION

<u>Item</u>	<u>July</u>	<u>August</u>
Wrist watches	7,057	10,382
Pocket watches	2,600	3,000
Alarm clocks	15,093	45,195
Table clocks	32,334	25,775
Wall clocks	<u>9,861</u>	<u>14,965</u>
Total	66,945	99,317

SOURCE: Nippon Watch and Clock Industry Association.

Sewing Machines

34. During August 26 factories producing sewing machines employed 4,949 people.

SEWING MACHINES, PARTS AND NEEDLES PRODUCTION

<u>Type</u>	<u>July</u>	<u>August</u>	<u>Stock</u>
Home type, Singer 15-83	1,089	1,673	335
Parts	19,814	27,150	4,380
Needles	304,416	270,230	120,402

SOURCE: Nippon Sewing Machine Manufacturing Association.

Light Metal Casting and Forging Industry

35. There were 9,204 people employed in 214 casting plants and 11,460 employees in 47 forging and stamping plants in August. Four forging plants and 17 casting plants were idle.

PRODUCTION OF CAST AND FORGED PRODUCTS
(metric tons)

<u>Item</u>	<u>July</u>	<u>August</u>
Cast household utensils	827	882.8
Other cast products	<u>230</u>	<u>385.0</u>
Total	1,057	1,267.8
Utensils forged from plate	259	260
Other forged products	<u>169</u>	<u>198</u>
Total	428	458

SOURCE: Ministry of Commerce and Industry.

Musical Instruments

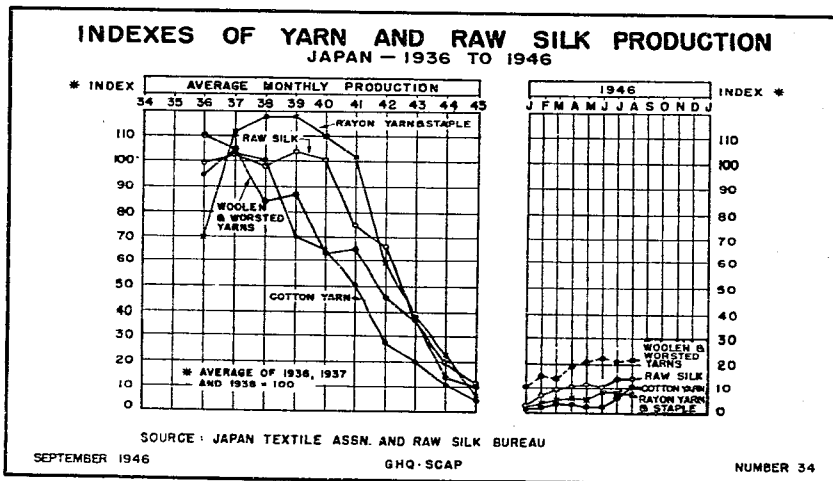
36. Nineteen plants produced musical instruments during August. Eleven plants were idle due to shortages of raw materials and working capital.

SECTION 5
TEXTILE INDUSTRIES

C O N T E N T S

	Paragraph
Cotton.	2
Silk.	11
Rayon	19
Wool.	24
Hard and Bast Fibers.	28
Miscellaneous	31
Knit Goods.	32
Sewing Goods.	34
Sundry Goods.	35
Dyeing and Finishing.	39

1. The following indexes compare current monthly trends in raw silk and yarn production with average 1936-45 monthly production:



COTTON

Yarn

2. August production of cotton yarn was 50 percent greater than July output. The flow of imported cotton to Japanese mills was maintained and additional stocks of raw staple were released to the mills for processing.

Despite the sharp increase production was only 67 percent of the quantity scheduled. The Big Ten companies' output ranged from 51 percent to 89 percent of planned totals. Chart, page 103, compares actual monthly production with average 1926-45 monthly production.

3. Failure of the mills to meet their August production quotas was ascribed to the rapid turnover of labor and the continued inability of individual mills to obtain the proper proportions of grades and staples for blending into uniform mixes to produce the desired types of yarn.

The influx of school girl labor in April was actually a drag on the efficiency of the mills during the training period. In recent months many of these newly trained workers have quit due principally to the failure of the mills to obtain food rations in adequate volume.

4. Reflecting the loss of labor by the mills, fewer than half of the installed and operable spindles were actually in operation in August. The efficiency of the operating spindles showed a marked improvement over July with output raised to almost 12 pounds per spindle compared with 10 pounds in July and a normal rate of approximately 18 pounds.

5. Japanese yarn production plans were revised to cover receipts and releases of cotton over longer periods of time. The unbalanced grades and staples of cotton made the previous month-to-month basis unsatisfactory.

Weaving

6. August production of cotton cloth increased approximately 35 percent over July. Mills were proceeding with the weaving of a list of standard cloth constructions approved and accepted by the United States Commercial Company for export.

Cotton Shipments

7. Eight shiploads of cotton left American ports for Japan during August. This brings total shipments to 28, aggregating 552,732 bales. Nineteen ships had arrived in Japan through 1 September with cargoes totaling 351,224 bales. On that date there were 4,937 bales not yet discharged, 139,583 bales in transit to mills, 124,595 bales of unreleased cotton, 81,822 bales of released cotton in stock in the mills and 247 bales listed as short landed.

8. The first 28 cargoes are broken down as follows:

Rain-grown white	303,035
Rain-grown spotted	184,902
Irrigated white	34,273
Irrigated spotted	4,051
SXP	10,627
Egyptian	14,393
Unidentified	<u>1,451</u>
Total	552,732

9. Approximately 62 percent of the American-type cotton in the 28 cargoes consists of grades below middling and staples shorter than one inch. The quantities included are as follows:

Rain-grown white	252,410
Rain-grown spotted	65,269
Irrigated white	6,452
Irrigated spotted	<u>3,818</u>

Total 327,949

10. Following is a detailed breakdown of the American-type cotton in the 23 cargoes:

RAIN-GROWN WHITE
(bales)

Staple	Grade							Total
	GM	SM	M	SIM	LM	SGO	GO	
13/16	4	1,088	9,761	6,703	6,123	19,966	3,346	46,991
7/8	0	46	951	17,232	33,218	26,412	9,325	87,184
29/32	0	0	74	4,497	22,506	8,947	167	36,191
15/16	0	0	0	811	29,342	38,990	15,003	84,146
31/32	0	57	2	921	0	3,621	5,280	9,881
1	0	0	0	1	1,037	9,512	20,747	31,297
1 1/32	0	0	543	0	30	46	4	623
1 1/16	0	0	8	19	45	22	60	154
1 3/32	0	403	2,896	192	24	4	21	3,540
1 1/8	0	558	1,492	941	10	26	1	3,028
Total	4	2,152	15,727	31,317	92,335	107,546	53,954	303,035

RAIN-GROWN SPOTTED
(bales)

Staple	Grade					Total
	GM	SM	M	SIM	LM	
13/16	0	11,750	53,714	16,296	19,412	101,172
7/8	0	0	54,008	12,015	16,952	82,975
29/32	0	1	0	0	529	530
15/16	0	3	83	0	0	86
31/32	0	10	13	0	65	88
1 1/32	0	0	0	0	17	17
1 1/16	0	5	0	8	2	15
1 3/32	1	3	5	2	0	11
1 1/8	1	6	1	0	0	8
Total	2	11,778	107,824	28,321	36,977	184,902

IRRIGATED WHITE
(bales)

Staple	Grade							Total
	GM	SM	M	SLM	LM	SGO	GO	
13/16	0	0	0	7	5	167	166	345
7/8	0	0	32	5	214	1,295	1,501	3,047
29/32	0	0	C	0	23	84	0	107
15/16	0	86	0	0	451	890	276	1,703
31/32	0	0	0	0	262	926	180	1,368
1	0	0	0	0	0	2,607	1,425	4,032
1 1/32	0	0	0	0	0	26	0	26
1 1/16	0	C	5,203	153	0	24	0	5,380
1 3/32	0	2,554	5,917	2,833	39	6	1	11,350
1 1/8	3	3,747	2,013	1,138	13	0	1	6,915
Total	3	6,387	13,165	4,136	1,007	6,025	3,550	34,273

IRRIGATED SPOTTED
(bales)

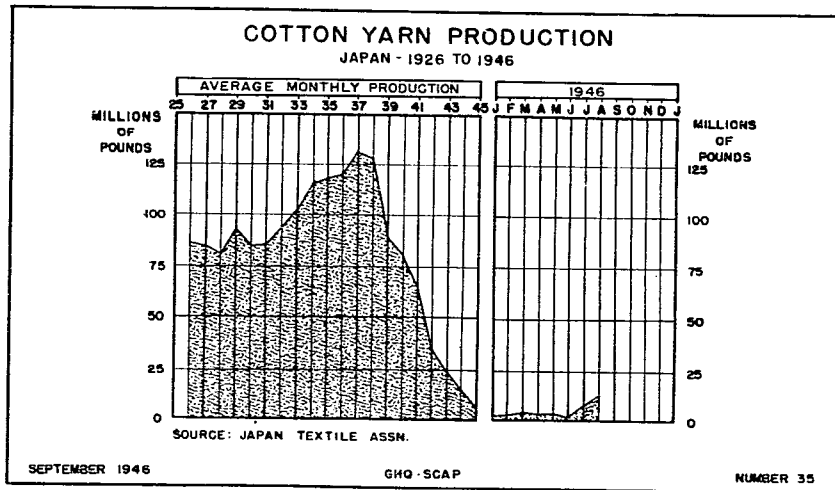
Staple	Grade					Total
	GM	SM	M	SLM	LM	
13/16	0	29	40	193	183	445
7/8	0	0	65	228	3,213	3,506
29/32	0	0	0	0	1	1
1 1/16	0	0	0	9	1	10
1 3/32	3	63	10	1	0	77
1 1/8	1	10	1	0	0	12
Total	4	102	116	431	3,398	4,051

RAW COTTON IN MILLS
(thousands of pounds)

	July	August
Receipts		
Imported cotton	66,269 <u>a/</u>	56,402
Home Ministry	78	15
Consumption	9,573	14,637
Month-end stocks	71,868	113,648

a/ Revised by Japanese.

SOURCE: Japan Textile Association.



YARN PRODUCTION
(thousands of pounds)

	<u>July</u>	<u>August</u>
Pure cotton	8,196	13,550
Mixed 1/3 rayon staple	3	12
Mixed 1/2 rayon staple	3	4
Other mixtures <u>a/</u>	88	21

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>July</u>	<u>August</u>
Pure cotton		
Spinners	8,207	13,131
Independent cotton weavers	2,020	3,032
Knit goods manufacturers	331	212
Thread manufacturers	1,577	1,302
Sundry goods manufacturers	190	106
Fish net manufacturers	773	1,297
Net and rope manufacturers	45	73
In dealers' hands	<u>1,419</u>	<u>1,334</u>
Total	14,562	20,487