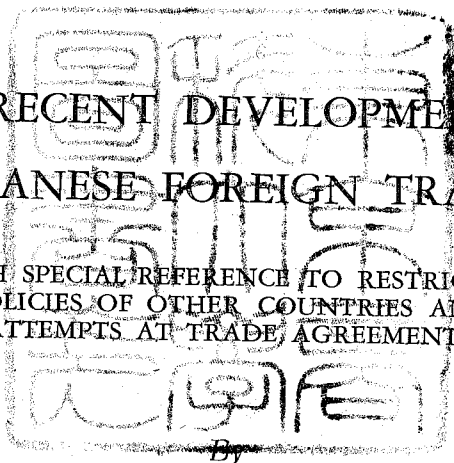


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THE RECENT DEVELOPMENT OF
JAPANESE FOREIGN TRADE

WITH SPECIAL REFERENCE TO RESTRICTIVE
POLICIES OF OTHER COUNTRIES AND
ATTEMPTS AT TRADE AGREEMENTS

By

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PART I

GENERAL SURVEY



CHAPTER I

JAPAN'S FOREIGN TRADE BEFORE AND AFTER THE GREAT WAR

BETWEEN 1868, the first year of Meiji, and 1935, sixty-seven years later, the foreign trade of Japan has increased 250 fold. In 1868, Japan's total foreign trade, imports and exports, amounted to only ¥ 26,000,000. In 1935, it had amounted to ¥ 4,971,000,000. If we add to the latter sum the figures for the colonial trade with Korea and Formosa, the total external trade of Japan proper amounts to ¥ 6,300,000,000.

This colossal expansion did not proceed at an even tempo throughout the whole interval. In general, the annual amount of imports and exports increased regularly from the earliest years down to the outbreak of the Great War. Only a few years between 1868 and 1914 showed a sum which was smaller than that for the year immediately preceding. Then came a sudden boom during the Great War period. In 1920, the value of imports was four times that in 1914, and the value of exports was three times as high. But from then on, the development became less marked. Violent breaks occurred here and there. It was in 1930 and 1931 that the greatest depression was experienced; the value of both imports and exports shrank to less than one-half the value in 1925. As the gold standard was restored in the country just at the moment when the world-wide economic crisis set in, the severity of the depression became all the more severe. The Government was forced into following the British example when both industry and agriculture were driven into difficult straits, and it reversed its policy at the end of 1932. The last four years, 1932-35, following the reimposition of the gold embargo have witnessed trade recovery to a considerable extent.

What is called trade expansion in these years (1932-35), however, would not have appeared so conspicuous to us, were it not for the fact that it took place right in the midst of the hardest time in the world's commercial history. In fact, the value of imports in 1934 was smaller than that in 1920, and the value of

exports were only 11% higher. The fact that Japanese trade to-day is but slightly greater than it was fifteen years ago may appear rather surprising to those who are viewing its expansion with a certain degree of alarm. That, however, is the fact in spite of a 20% increase in the population during that period.

The foregoing statement with reference to Japanese trade in the post-war period refers to its money value only. If the abrupt changes in commodity prices and the physical volume of the trade are taken into consideration, the situation of Japan's foreign trade was not so bad. Taking 1913 as the base year, the volume of exports and imports in 1919 were respectively 131 and 128, or about 30% higher than in the pre-war years. It rose to 233 and 221 in 1929, dropped suddenly to 195 and 189 in 1930, headed upward again in 1932, and in 1934 it stood at 240 and 245, respectively. According to these figures, the physical volume of the foreign trade to-day after several violent fluctuations is about double of what it was in 1919.

It may be worth pointing out here that the increase in Japan's imports more than kept pace with the increase in her exports. While there was a remarkable increase in the volume of exports after 1931 owing to the fall in the exchange value of the yen, imports likewise showed no decrease, increasing instead in both volume and value. This is due to the peculiar position of Japanese industries. Dependant largely on a foreign supply of raw materials, they cannot increase their exports without swelling the volume of imports. Many people abroad who are watching the advance of Japan's exports with some uneasiness are apt to lose sight of the importance of her import trade in getting both an accurate and fair picture of the situation as a whole. While her industries were competing in recent years with some European manufacturers both in their home and neutral markets, they had to buy prodigious quantities of raw cotton and wool, iron and steel, crude rubber and mineral oils, and machinery and motor-car parts from foreign countries. The growing market for these commodities in Japan will be destroyed if foreign countries attempt to curb the development of the Japanese export trade by means of restrictive trade policies.

CHAPTER II

CHANGES IN COMMODITIES OF IMPORT AND EXPORT

While the process of industrialization was continuously going on in Japan, the particular kinds of commodities being imported or exported have changed. A commodity which may have been an important item of import is now an item of export and vice-versa. Towards the end of the 19th century, this country still had to buy large quantities of cotton and woollen piece goods, railway materials, and all sorts of machinery. To-day, however, Japan is exporting these and other finished manufactures in larger quantities than she imports. Cotton goods, once an important item of import, has become a leading export. The import of woollens and worsteds became less and less important until in more recent years, it became almost negligible. Woollen goods instead began to appear on the export side. Similar trends can be marked in a number of other goods, although this country must still continue to import iron and steel products for many years. On the other hand, the import of food stuffs and raw materials expanded enormously. According to the government reports, some forty years ago "finished goods" which constituted 24.5% of the total export rose to 43% just after the Great War, and reached 62% in 1934. The percentage of "raw materials and manufactured foodstuffs" dwindled to only 7% in 1934. The situation of "semi-manufactured articles" remained exceedingly important over a long period, owing to the continuous increase of raw silk which kept pace with the growth of Japanese exports in general. Lately, however, it has suddenly fallen from 50% to 23%, on account of the slump in the silk trade. The recovery in the silk price in 1935 gives a better picture for the "semi-manufactures", that is 26.9%, but that will not change the general tendency.

On the import side, the trend has been just the reverse. Whereas "finished goods" dropped from 19% to 12% since 1920, "raw materials" rose during the same period from 54% to 61%. The import of foodstuffs from foreign countries increased until about 1926, but since then it has declined both relatively and absolutely. The percentage came down from 15% to 8%. It must be noticed, however, that this does not bring

out the fact that this country is becoming self-sufficient with reference to its food supply. The rapidly expanding colonial trade, which is not included in the foreign trade returns, consists in the import of rice, beans, marine products, fertilizers, etc. from Korea, and sugar, rice, fruits, etc. from Formosa. "Outland" rice now occupies more than one sixth of the total rice consumption in Japan proper, and its import is likely to increase in future.

The outstanding feature of the Japanese trade, is the large import of textile raw materials and corresponding export of textile manufactures. The aggregate sum of textile exports of all kinds, including silk, cotton, and rayon, amounted in 1919 to ¥ 347,000,000 or 58.8% of the total exports. By 1929, the corresponding figures had increased to ¥ 1,493,000,000 or 69.4% of her entire export trade.

For many years raw silk used to occupy 30-40% of the export trade of Japan, but the depression in the United States and, to some extent, the phenomenal development of the rayon industry have driven down the price of this commodity to such an extent that its position had fallen to 28.3% in 1930, and to 13.2% in 1934. The quantities exported did not shrink so much, but the severe drop in price reduced its value by well over 50%. This depression in the silk trade hit the farmers' household budgets very hard. The rural standard of living had been raised considerably during the war boom as both rice and cocoons fetched high prices. At the present time, however, many of them have been driven into bankruptcy owing to the competition of colonial rice and to the poor trade in cocoons. This change of situation in the country-side had far-reaching repercussions on the social and political affairs of the nation. In 1935, the recovery of trade activities in the United States was reflected on the price of silk, and accordingly was a good influence on the rural atmosphere of Japan. The exports of this commodity, however, increased only ¥ 30,000,000 in value and the volume exported showed a small decrease. Many people are doubtful of the future of this industry, in view of the technical improvements in rayon production which are making headway in all countries.

The other branches of Japan's textile trade fared much better. Although the price of cotton goods once fell to the low level of ten years ago in 1931, the depreciation in the exchange value of the yen gave this branch of industry an exceptional chance for

expansion. The cotton manufacturing companies had in store a large stock of cheap raw cotton which had been purchased before the country went off the gold standard, and which even if sold abroad at cheap prices, would have given them a good profit in terms of the home currency. Besides, the thorough-going rationalization scheme, which they had been carrying out under the depression was nearly completed at that time. Therefore, the export value of cotton goods, yarn and cloth combined, jumped from ¥ 207,000,000 in 1931 to ¥ 515,000,000 in 1934, an increase of ¥ 300,000,000 in three years. At the same time, the value of raw cotton imported rose from ¥ 296,000,000 in 1931 to ¥ 731,000,000 in 1934. The actual expansion of cotton trade appears to have stopped for the time being, as the export of piece goods in 1935 remained about the same as in 1934, and the import of raw cotton dropped somewhat.

Rayon tissues, which used to appear on the import side until a few years ago, had already begun to be exported in the years of depression, but under the encouraging influence of the falling yen it made even further headway. The export value of this commodity rose from ¥ 34,000,000 in 1930 to ¥ 113,000,000 in 1934, and in 1935 it had reached ¥ 128,000,000. The various phases of the production technique of the large companies which are manufacturing the rayon yarn are said to have been improved to such an extent that the cost of production is now as low as that of similar plants in foreign countries. Rayon weaving is largely done by small weavers in the prefectures of Fukui and Ishikawa, who in times past had been engaged in the weaving of "habutae" silk for export. When the export trade in manufactured silk was totally destroyed by the new American tariff of 1930, these weavers switched over to the weaving of rayon.

Woollen goods, which used to occupy a prominent position on the import list and which once reached over ¥ 100,000,000, yarns and tissues summed up, have now almost ceased to be bought abroad. At the same time, their consumption and production at home have been increasing with leaps and bounds for some years caused by the more general adoption of Western style clothing. Raw wool, consequently, has become an important item of import ranking next to raw cotton. Raw wool imported in 1934 amounted in value to ¥ 186,000,000, in 1935 to ¥ 191,000,000. This means that it is more than ten times its

import value before the war and twice that of its 1929 valuation.

The principal exports, other than the textile group, which expanded during the last four years are comestibles in tins and bottles, iron, iron manufactures, machineries and parts, potteries and glass wares, toys, etc. The increase in the export of comestibles, which amounted to ¥ 57,000,000 in 1935, *i.e.* tenfold its value five years ago, is the result of capitalistic transformations in the Japanese fishing industry. The figures appearing in the trade returns do not show the whole picture, for much of the fishing is done on distant seas, tinned or bottled on the spot, and shipped directly abroad without touching any Japanese port.

The export of iron and iron manufactures increased enormously since 1931, but pig iron appears on the import side and the amount imported is 60% larger than the amount exported. The iron and steel industry of this country was vastly enlarged during the war time under the stimulus of abnormally high prices. It is still very difficult, however, for the home made iron to compete against imports from India and some other countries, in spite of the fall in the value of the yen and the heavy protective measures of the government, the high tariff, and production subsidies. The cause of this situation is none other than the paucity of natural resources at home. It is said that iron ores, which appear on the import list, can be brought to Japan from distant countries very cheaply by the sea route, but other conditions are not favourable, especially the dearth in the supply of coal suitable for this industry. Therefore this country will have to call on foreign supplies of iron for many years to come, if it goes on developing its iron-using industries.

The same thing can be said with regard to the import and export of machineries and parts. Their export has expanded in recent years, but the export is still on a much smaller scale than the import. On the import side, machineries and parts together with automobiles amounted to ¥ 140,000,000 in 1935. The amounts so imported have been rapidly increasing, notwithstanding the low exchange rate of the home currency. But it is not improbable that this country will gradually export more of this kind of commodities than it will import because the manufacture of machine goods is not as directly dependent on natural resources as the making of iron itself.

Sundry manufactures such as pottery, glass-ware, lamps, toys,

etc. made considerable advances as export industries. This is only natural, because they can develop without any special natural resource, if they have an abundant supply of labour and electricity. Although these articles may be insignificant as individual items, in their aggregate they amount to a large sum. Some idea of this fact may be obtained from the following table.

EXPORTS FROM JAPAN

Articles	1935	1934	1931	Difference 1931-35
Plaits for Hat	4,615	8,125	1,821	2,794
Matches	3,209	2,929	1,409	1,800
Silk Handkerchiefs	3,953	4,308	1,631	2,322
Knitted Goods	50,266	47,618	21,176	29,090
Potteries	42,735	41,877	19,307	23,428
Glass and Glass Manufactures	23,337	19,454	6,534	16,803
Rubber Tires and Inner Tubes for Cycles	5,240	5,699	1,901	3,339
Brushes	5,117	5,246	2,279	2,838
Toys	33,852	30,386	9,824	24,028
Lamps & Parts thereof	16,747	15,696	7,784	8,963
Table Cloth	4,078	2,168	751	3,327
Tabi (Japanese socks) with Rubber Soles	1,270	1,146	1,367	(-) 97
Hats, Caps and Bonnets	16,284	17,860	10,531	5,753
Rugs	926	694	24	902
Plaited Cords, Braids (Silk)	584	603	3	581
Enamelled ware	9,419	8,050	2,698	6,721
Hanging-clocks	1,567	1,561	369	1,198
Table Clocks	1,832	1,659	320	1,512
Cycles and Parts thereof (exclud- ing tires)	17,436	18,904	3,297	14,139
Umbrellas and Parasols	2,073	1,365	366	1,707
Umbrella Sticks and Handles	669	997	409	260
Rubber Shoes	2,699	3,332	4,394	(-) 1,695
Rubber Manufactures (excluding tires, toys, shoes)	6,568	5,216	1,045	5,523
TOTAL	254,476	244,893	99,240	155,236

It has been already pointed out that the contemporary import trade of this country consists largely of raw materials and semi-manufactured goods which are used for further manufacturing. They not only occupy a large proportion of the total import figure

but the rate of increase has been very rapid in recent years. Raw cotton and raw wool together amounted to ¥ 900,000,000 in 1935, which is more than double the sum four years ago. Oil yielding materials and iron ores also more than doubled in amount, while crude India rubber tripled. Pig iron and pulp for paper making quadrupled. Hides and skins, aluminum, lead, zinc, tin, etc. also made remarkable advances. A country which is not rich in natural resources must import raw materials in increasing quantities, if it is allowed to industrialize itself.

We have also pointed out already that Japan proper is becoming less self-sufficient in its food supply notwithstanding the fact that imports under the heading "Food and Drinks" in the import list increased very little. The large and growing trade in rice and sugar with the colonies is not mentioned in the foreign trade returns.

But three food products, namely, wheat, beans, and sugar, are imported in large quantities. The cultivation of wheat, which is not the main diet of the people, has developed recently at the expense of our barley production. The domestic production is just about able to cover the demands of domestic consumers. But the Japanese flour mills must depend on foreign wheat as they are doing a large export business in flour. The sugar trade is in a similar situation. The sugar industry of Formosa is now able to cope with the home demand behind the protective tariff, but the raw sugar from Java must be purchased in order to export refined sugar.

One important item for which the country is dependent upon foreign supply in increasing quantity is mineral oil. The value of imported crude and refined mineral oil amounted to ¥143,000,000 in 1935. The figure for crude oil more than doubled in four years. Of the total consumption of the country amounting to ¥ 7,456,000,000 in 1933, only 8.4% is produced from domestic oil fields. As the consumption increased with leaps and bounds, while domestic production remained stationery, the percentage had to drop from 21% in 1927 to the above figure. Unless some other means of obtaining liquid fuel are available, Japan will continue to be a great market for this article.

JAPAN'S PRINCIPAL EXPORTS (1931-1935)

		1931		1934		1935		Increase (1931-35)		Index (1931=100)	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
TOTAL EXPORTS			1,121,580		2,139,196		2,460,313		1,338,733	%	219.4
Food and Drinks	Total		102,297		171,931		197,110		94,813		192.7
	Rice & Paddy	3,171	15,879	1,105	8,420	533	5,225	(-) 2,638	(-)10,654	16.8	32.9
	Beans & Peas		5,080		9,051		6,722		1,642		132.3
	Marine Products		10,177		16,473		20,735		10,558		203.7
	Wheat Flour	2,252	9,517	4,427	28,452	4,820	33,700	2,568	24,183	214.0	354.1
	Tea	192	8,283	240	9,557	281	11,419	89	3,136	146.4	137.9
	Sugar	2,622	14,863	2,020	13,532	2,661	17,577	39	2,714	101.5	118.3
	Comestibles, in tins or bottles		18,948		50,304		57,130		38,182		301.5
Others		19,550		36,142		44,602		26,052		233.3	
Raw Materials	Total		44,802		95,739		110,463		65,661		246.6
	Waste & Floss Silk	10.9	2,393	12.8	1,822	12.8	2,569	1.9	176	117.4	107.4
	Coal *	1,516	15,009	1,070	10,376	1,003	9,721	(-) 513	(-) 5,288	66.2	64.8
	Wood		9,954		23,915		23,182		13,228		232.9
	Others		17,446		59,626		74,991		57,545		429.8
Semi-manufactured Goods	Total		422,844		498,529		672,413		249,569		159.0
	Raw Silk	555.9	355,394	506	286,794	553.2	387,032	(-) 2.7	31,638	99.5	108.9
	Artificial Silk	19	2,245	168	22,400	230	22,853	211	20,618	1,210.5	1,018.4
	Cotton Yarn	95	8,511	195	23,485	290	35,873	195	27,362	305.3	421.5
	Iron	1,230	7,410	5,838	53,029	7,201	65,836	5,980	58,326	586.2	887.2
	Brass	105	3,064	206	7,817	217	8,503	112	5,439	206.7	277.5
	Plaits for Hat-making	7.0	1,821	23.3	8,125	15.0	4,615	8.0	2,794	214.3	253.4
	Camphor	22.6	2,945	28.0	4,603	26.3	5,039	3.7	2,094	116.4	171.1
	Menthol Crystals	4	2,984	5	4,557	5	5,401	1	2,417	125.0	181.0
	Others		38,470		87,719		137,271		98,801		356.8

JAPAN'S PRINCIPAL EXPORTS—*Continued*

		1931		1934		1935		Increase		Index	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wholly Manufactured Goods	Total		532,920		1,345,512		1,451,330		918,410		272.3
	Matches	75	1,409	178	2,929	201	3,209	126	1,800	268.0	227.8
	Silk Tissues †		43,053		77,488		77,444		34,391		179.9
	Artificial Silk Tissues †		39,713		113,484		128,260		88,547		323.0
	Cotton Tissues †	1,414	198,732	2,577	492,351	2,725	496,097	1,311	297,365	192.7	249.6
	Woollen Tissues Δ		1,396		29,849		32,401		31,005		2,321.0
	Silk Handkerchiefs		1,631		4,308		3,953		2,322		242.4
	Cotton Knitted Goods Δ		21,176		47,618		50,266		29,090		237.4
	Paper	1,414	20,995	1,292	20,650	1,500	23,085	86	2,090	106.1	110.0
	Pottery		19,307		41,877		42,735		23,428		221.3
	Glass & Glass Manufactures		6,534		19,454		23,337		16,803		357.2
	Iron Manufactures		10,246		35,277		37,504		27,258		366.0
	Machinery & Machine Parts		13,641		57,777		63,856		50,215		468.1
	Rubber Tires		3,858		9,995		9,946		6,088		257.8
	Lamps & Parts thereof		7,784		15,696		16,747		8,963		215.1
	Brushes		2,279		5,246		5,117		2,838		224.5
	Toys		9,824		30,386		33,852		24,078		345.1
Others		131,242		341,127		403,521		272,279		307.5	
Miscellaneous		18,707		27,485		28,997		10,290		155.0	

Quantity in thousands of piculs, unless otherwise indicated. Value in thousands of yen.

Total exports exclude re-exports.

† Quantity in thousands of square yards.

Δ Quantity in thousands of dozens.

* Quantity in thousands of long tons.

JAPAN'S PRINCIPAL IMPORTS (1931-1935)

		1931		1934		1935		Increase (1931-35)		Index (1931=100)	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
TOTAL IMPORTS			1,231,735		2,277,113		2,465,640		1,233,905	%	200.2
Food & Drinks	Total		158,612		174,448		192,605		33,993		121.4
	Rice & Paddy	2,097	6,971	116	661	655	3,349	(-) 1,442	(-) 3,622	31.2	48.0
	Wheat	12,040	32,935	8,155	40,749	7,417	43,199	(-) 4,623	10,264	61.6	131.2
	Beans & Peas	11,798	37,349	11,222	51,968	11,455	71,649	(-) 343	34,300	97.1	191.8
	Sugar	3,305	15,603	1,732	9,679	2,342	12,701	(-) 963	(-) 2,902	70.9	81.4
	Fresh Beef	335	8,764	222	6,877	193	6,115	(-) 142	(-) 2,649	57.6	69.8
	Fresh Eggs	138	2,959	—	1	—	—				
	Others		54,031		64,514		55,592		1,561		102.9
Raw Materials	Total		684,338		1,413,856		1,507,620		823,282		220.3
	Oil-yielding Materials	3,128	14,548	3,966	25,257	5,725	43,088	2,597	28,540	183.0	296.2
	Crude India Rubber	737	13,183	1,197	57,338	995	51,636	258	38,453	135.0	391.7
	Sulphate of Ammonia, Crude	3,736	15,861	2,682	13,807	3,977	21,069	241	5,208	106.5	132.8
	Oil Cake	19,650	44,348	13,114	42,052	9,602	38,678	(-)10,048	(-) 5,670	48.9	87.2
	Raw Cotton	11,157	296,273	13,555	731,425	12,284	714,262	1,127	417,989	110.1	241.1
	Raw Wool	1,430	86,145	1,373	186,455	1,841	191,761	411	105,616	128.7	222.6
	Phosphorite	6,867	7,213	11,376	16,677	12,628	20,060	5,761	12,847	183.9	278.1
	Iron Ores	25,832	12,780	35,532	19,421	56,735	34,547	30,903	21,767	219.6	270.3
	Coal [△]	2,650	28,268	3,997	47,193	3,985	48,970	1,335	20,702	150.4	173.2
	Crude & Heavy Oil [‡]	453,608	44,064	743,985	82,483	918,737	106,826	465,129	62,762	202.5	242.4
	Wood		43,379		40,183		49,775		6,396		114.7
	Others		78,276		151,565		186,948		108,672		238.8

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JAPAN'S PRINCIPAL EXPORTS—Continued

		1931		1934		1935		Increase		Index	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Semi-manufactured Goods	Total		181,136		415,842		468,616		287,480		258.7
	Hides & Skins		7,260		16,320		21,356		14,096		294.2
	Leather	23	4,348	14	4,830	15	4,944	(-) 8	596	134.8	113.7
	Caustic Soda & Soda Ash	1,599	8,150	784	4,356	971	5,492	(-) 628	(-) 2,658		60.7
	Woollen & Worsted Yarns	71	12,429	7	1,708	8	1,931	(-) 63	(-)10,498		11.3
	Pulp for Paper-making	1,704	11,840	3,815	44,256	4,569	55,101		2,865	268.1	465.4
	Pig Iron		36,798		26,528		165,979		129,181		451.1
	Aluminium	87	3,312	170	12,576	223	18,362	136	15,050	256.3	554.4
	Synthetic Dyes		7,285		9,147		9,339		2,054		128.2
	Lead	893	8,127	1,576	17,903	1,503	20,292	610	12,165	168.3	249.7
	Zinc	342	3,094	443	7,228	546	8,503	204	5,409	159.6	274.8
	Tin	53	3,528	68	15,317	71	15,581	18	12,053	134.0	441.6
Others		74,965		255,673		141,736		66,771		189.1	
Wholly Manufactured Goods	Total		197,533		262,644		286,292		88,759		144.9
	Mineral Oil †	120,140	35,993	167,342	33,359	183,862	37,185	63,722	1,192	153.0	103.3
	Woollen Tissues †	7,132	9,993		5,199		6,753		(-) 3,240		67.6
	Automobiles & Parts thereof		16,329		32,302		32,589		16,260		199.6
	Machinery & Machine Parts		50,910		98,022		105,008		54,098		206.3
	Printing Paper	684	5,361	763	5,657	1,010	8,212	326	2,851	147.7	153.2
	Cotton Tissues †	11,630	4,375	1,404	952	1,529	1,159	(-)10,101	(-) 3,216	13.1	26.5
	Others		74,572		87,153		95,386		20,814		127.9
Miscellaneous		10,116		10,323		10,507		391		103.9	

Quantity in thousands of piculs, unless otherwise indicated. Value in thousands of yen.

Total imports exclude re-imports.

† Quantity in thousands of square yards.

‡ Quantity in thousands of gallons.

△ Quantity in thousands of long tons.

CHAPTER III

CHANGES IN SHARES OF DIFFERENT COUNTRIES IN JAPANESE TRADE

EXPORT MARKETS

Asia and North America have always absorbed a very large proportion of Japanese exports. Their combined share in 1935 amounted to 74%. The other continents, which are of much less importance as a market, were, in order of magnitude, Europe, Africa, Oceania and South America. From 1922 to 1929, North America stood at the top of the list, but since 1930, Asia has been in the lead with North America following. The expansion of the Asiatic markets in recent years has been so remarkable that the value of exports to Asia in 1934 surpassed even that of the record year of 1926, and went as high as ¥ 1,170,000,000 or 54% of Japan's total exports. North America, on the contrary, showed an abrupt drop both in its actual value and percentage to the whole. In 1929 it was 43%, but in 1934 it was only 20%. In the same year Africa, which ten years previously had been an almost negligible market, took 8%. Exports to Australasia are also on the increase but have not yet reached the African figure. Europe's part as a market for Japanese goods has never been very large, although it used to be very important as countries of import before the War. In 1934 it absorbed 10% of the Japanese exports.

The extraordinary shrinkage of exports to North America, to which we referred above, is of course due to the fall in the price of raw silk, the leading export to the United States of America. Total exports to that country declined in 1934 by ¥ 515,000,000 or 54% as compared with 1929. But the physical quantity of export decreased by only a very small percentage, and even in 1930 and 1931, the worst years, it dropped by only 19% and 3% respectively, as compared with 1929. Notwithstanding this reduction in the value of trade, the United States still remains the greatest single customer of Japan, taking 21% of her total export. Besides raw silk, the United States bought, in 1935, 29.4% of comestibles in tins or bottles, 8.2% of silk tissues, 15.7% of lamps, and 33.9% of toys exported from Japan.

China which used to be the second most important market

seems to have temporarily lost its position. The total amount of exports sent to China stood at round about 20% of the total for many years, but in 1927, it began to decrease until in 1934 it stood at 5%. This decrease is partly due to the change in the statistical basis of the returns, for Manchurian trade is now shown separately. Still, the combined exports to China, Hongkong, the Kwantung Province, and Manchoukuo fell heavily during 1931 and 1932, although they were slightly above the 1929 level. There was an abnormal increase in the exports to Manchoukuo, owing to the construction work which has been undertaken there during the last three years. In 1935, ¥ 426,000,000 of commodities were sold to that country and the Kwantung Province. On the other hand, the great floods, the civil strifes, the Manchurian and Shanghai incidents, and the anti-Japanese boycotts have dealt numerous blows to Japanese trade in China. The continuous fall of silver prices between 1930 and 1934, together with China's imposition of higher tariffs after her recovery of customs autonomy, also helped her industries in their competition against foreign imports. The silver policy of the United States of America not only checked this tendency but led to such a financial confusion in the Chinese market that the rate of exchange was artificially stabilized in October, 1934. Japanese exports to China consist mainly in cotton tissues but include diverse kinds of manufactures.

It is remarkable that Japan's export to Asiatic markets have greatly expanded in spite of this heavy loss in Chinese trade. A few years ago, when the anti-Japanese boycott was being stirred up, it was predicted by some persons that it would be a death blow to the Japanese cotton industry. Actually, however, the shrinkage in the Chinese market was more than compensated for by the advance in other countries of Asia, Africa, Oceania, etc.

British India absorbed 11% of the total Japanese exports in exports in 1935, Dutch East Indies more than 50%, Straits Settlements and the Philippine Islands each about 3%, and East Africa and Siam each about $1\frac{1}{2}\%$.

EXPORTS FROM JAPAN TO PRINCIPAL COUNTRIES

Value in thousands of yen. Percentage of total exports, 1935.

	1931	1934	1935	Difference 1931-1935	Index 1931=100	Percentage 1935
						%
U.S.A.	425,330	398,928	535,389	110,059	125.9	21.42
Kwantung Province	65,542	295,868	300,269	234,727	458.1	12.02
British India	110,367	238,220	275,637	165,270	249.7	11.03
Dutch East Indies	63,450	158,450	143,041	79,591	225.4	5.72
China	155,751	117,063	148,788	(-) 6,963	95.5	5.95
Great Britain	51,831	109,269	119,458	67,627	230.5	4.78
Manchoukuo	—	107,151	126,046	—	—	5.04
Egypt	22,830	72,988	53,800	30,970	235.7	2.15
Australia	18,406	64,462	74,793	56,387	406.4	2.99
Straits Settlements	19,120	63,320	48,536	29,416	253.8	1.94
France	15,775	38,318	42,468	26,693	269.2	1.70
East Africa	10,868	37,455	—	—	—	—
Philippine Islands	20,425	36,460	48,058	27,633	235.3	1.92
Hongkong	36,754	33,497	49,732	12,978	135.3	1.99
South Africa	19,283	29,539	32,769	13,486	175.1	1.31
Siam	4,722	28,048	40,258	35,536	852.5	1.61
Argentina	4,701	20,013	28,603	23,902	608.4	1.14
Germany	8,103	19,677	26,766	18,663	330.3	1.07
Holland	10,097	17,882	18,316	8,219	181.4	0.73
Asiatic Russia	14,941	11,366	26,181	11,240	175.2	1.05
Cuba	641	9,985	5,048	4,407	787.5	0.20
Belgium	2,447	9,675	15,393	12,946	629.1	0.62
Italy	3,204	9,579	6,989	3,785	218.1	0.28
Aden	4,809	9,353	13,208	8,399	274.7	0.53
Canada	13,067	8,666	7,977	(-) 5,090	60.0	0.32
New Zealand	1,967	8,588	11,305	9,338	574.7	0.45
Chile	805	7,439	6,647	5,842	825.7	0.27
Uruguay	1,151	6,964	5,676	4,525	493.1	0.23
Peru	800	6,879	6,961	6,161	870.1	0.28
Sweden	1,240	6,113	6,785	5,545	547.2	0.27
Hawaii	5,625	5,526	7,242	1,617	128.7	0.29
Mexico	666	4,009	5,465	4,799	820.6	0.22
Brazil	642	3,064	5,926	5,284	923.1	0.24
French Indo-China	1,710	2,654	4,021	2,311	235.1	0.16
Norway	309	2,828	4,482	4,173	1,450.5	0.18
Turkey	3,790	2,194	3,241	(-) 549	88.5	0.13
Spain	683	1,747	3,546	2,863	519.2	0.14
U.S.S.R.	2,135	1,638	2,138	3	100.1	0.09
Denmark	1,046	1,262	1,359	313	129.9	0.05
Portugal	59	572	1,062	1,003	1,800.0	0.04
Switzerland	468	307	471	3	100.6	0.02
Poland	16	212	955	939	5,968.8	0.04
Austria	85	198	308	223	362.4	0.01
Others	31,420	—	233,958	202,538	744.6	9.36
TOTAL	1,146,981	2,171,924	2,499,073	1,352,092	217.9	100.00

SOURCES OF IMPORTS

As sources of supply to Japan, Asia and North America are the two most important continents, each sending about 35 % of this country's imports. For a long time, Asia had been the chief supplier of goods, but as the imports from North America grew quickly after the outbreak of the Great War, Asia's part fell in percentage. This change is largely due to the fact that the cotton manufacturers of this country succeeded in spinning finer yarns which required American cotton in increasing quantities. Of the raw cotton purchased by this country in 1935, 52% in the point of view of value came from U.S.A., 36% from India, and 6% from Egypt. Europe's position as a supplier, which used to be very important fell abruptly during the War, and has never recovered its pre-war level. Still, it is not proper to say that the import from Europe is declining in the recent years. The actual figure stood at ¥387,000,000 in 1927, dropped to ¥199,000,000 in 1931, and rebounded to ¥357,000,000 in 1935. The percentage in 1935 was 14 %. North America which used to come next to Europe until 1914 changed places with her, and recently it has even surpassed Asia at times. Although the import of manufactures from Europe has not decreased, the import of raw materials from other continents developed rapidly. While Oceania, Central and South America and Africa are of less importance than the other three continents, the recent growth of our import trade from them has been very remarkable. Their shares in 1935 were respectively 10%, 0.3%, 1.7% and 2.8%. In 1930, Oceania occupied 6.35%, South America 0.4% and Africa 1.5%.

Looking at this trade with respect to individual countries, we find the United States of America at the top of the list. In the last few years she has supplied about one third of the total Japanese imports. Japan has become one of the largest customers of that country, being surpassed only by Great Britain and Canada, and taking 8.4% of her total exports. This development is, as we have seen, chiefly due to the demands of the Japanese cotton industry. But, in addition to cotton, the United States provides 76 % of crude and heavy oil, 31% of hides and skins, 41% of pulp for paper making, 53% of manufactured iron, 95% of automobiles, and 37% of machineries imported into Japan.

The next most important supplier of Japan is British India. Her share is about 12%. Here again cotton is the chief article, representing 86% of her total exports to Japan. Cotton covers 15 to 20% of all Indian exports and Japan's purchases, taking an average of six years from 1927, reached 44% of this important trade. With regard to the Indo-Japanese trade conflict three years ago, we shall elucidate at greater length in later pages, but it should be mentioned here that Japan's purchase of Indian cotton has been increasing with leaps and bounds since that time, i. e. the total amount of our purchases was ¥91,000,000 in 1932, ¥168,000,000 in 1933, and ¥259,000,000 in 1935. The next main import from India is pig iron.

It may surprise many readers, that the third important country in the Japanese import trade is now Australia, if we separate the imports from China, Manchoukuo and the Kwantung Province into individual classifications. Imports of wool, wheat and other commodities from Australia amount to some ¥200,000,000 which is 8.6% of the total amount of imports. Of the aggregate value of wool bought by this country, 94% comes from Australia, 2% from New Zealand, and 1% from South Africa. South America's share is at present still negligible. Although the government is encouraging sheep rearing in Japan Proper and in Korea, it is neither intended nor conceived as possible to increase the domestic wool production to any such amounts as might affect the trade with other countries. On the other hand, the Japanese trade is very important to Australia, as 30% of her exports consists of wool, and this country recently became the second largest buyer of wool in the Australian market. Great Britain is still the first largest buyer, but Japan with her population of 70,000,000 will some day consume as much as, if not more than, Great Britain.

The principal countries from which imports are made, other than the three countries mentioned above, are Manchoukuo and China. These two countries together with the Kwantung Province sell to this country more than ¥300,000,000 worth of commodities and their combined share in the Japanese import reaches 13% or little more than British India. Japan buys a large quantity of bean, bean cake, and oil-yielding materials from the two countries, and also beef, hides, and skins, iron ores and vegetable fibres from China and coal and pig iron from Manchou-

kuo. China, notwithstanding the effects of the anti-Japanese boycott, sends no less than one third of her exports to Japan. Japan is China's largest customer. If China can succeed in improving her agriculture, there is no doubt that she will find a far more expanding market in Japan.

Among the other countries selling commodities to Japan, Germany occupies about 5%, Great Britain and the Dutch East Indies each little over 3%, the Straits Settlements, Canada, and Egypt each around 2% of the total imports. The Straits Settlements and Egypt only recently entered the list of principal countries; the former owing to the new trade of crude rubber and the latter to

IMPORTS INTO JAPAN FROM PRINCIPAL
COUNTRIES, 1931-1935

Value in thousands of yen. Percentage of total imports, 1935

	1931	1934	1935	Difference (1931-1935)	Index 1931=100	Percentage 1935
U.S.A.	342,290	769,359	809,665	467,375	236.5	32.75
British India	133,165	291,960	308,425	175,260	231.6	12.48
Australia	113,337	197,758	235,128	121,791	207.5	9.51
Manchoukuo	—	164,211	191,005	—	—	7.73
China	145,697	119,573	133,818	11,879	91.8	5.41
Germany	73,251	109,584	120,818	47,567	164.9	4.93
Great Britain	63,335	70,037	82,160	18,825	129.7	3.32
Dutch East India . . .	46,081	63,464	78,187	32,106	169.7	3.16
Straits Settlements . .	21,858	63,320	40,648	18,790	186.0	1.64
Canada	35,673	54,094	52,531	16,858	147.3	2.12
Egypt	13,568	46,259	51,305	37,738	378.1	2.08
Asiatic Russia	30,881	32,753	3,401	27,480	11.0	0.14
Kwantung Province . .	90,165	27,280	25,517	64,648	28.3	1.03
Sweden	8,581	21,140	23,074	14,493	268.9	0.93
Philippine Islands . .	8,988	18,891	23,949	14,961	266.5	0.97
France	12,399	18,300	19,809	7,410	159.8	0.80
Argentina	2,901	12,178	16,371	13,470	564.3	0.66
New Zealand	1,440	11,594	6,364	4,924	441.9	0.26
Union of South Africa .	—	8,234	4,762	—	—	0.19
Holland	2,885	3,652	5,873	2,988	203.6	0.24
Hongkong	499	1,481	2,836	2,337	568.3	0.11
Siam	6,792	1,540	5,458	1,334	80.4	0.22
French Indo-China . . .	6,381	10,621	15,011	8,630	235.2	0.61
Others	75,506	165,369	216,121	140,615	286.2	8.74
TOTAL	1,235,673	2,282,602	2,472,236	1,236,563	200.1	100.00

the development of cotton exports. On the other hand, the import from the Dutch East Indies declined for a time, as the country's demand for sugar has been met by Formosa in increasing quantities. But it is now regaining its former position by sending other kinds of tropical products.

JAPAN'S PRINCIPAL EXPORTS TO
PRINCIPAL COUNTRIES

(Quantity in thousands of piculs, unless otherwise
indicated.
Value in thousands of yen. Percentage of total
exports. Index: 1931=100.)

COMESTIBLES, IN TINS OR BOTTLES

Year	Great Britain		U. S. A.		Belgium		France		Kwantung Province		China		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		845		4,298						582		585		1,339	
1921		928		2,795						448		546		1,199	
1922		726		3,852						433		493		1,103	
1923		123		3,169						466		570		1,799	
1924		989		3,980						924		821		1,284	
1925		1,883		7,855						706		1,283		1,914	
1926		3,541		8,550						771		787		2,289	
1927		6,200		8,824						762		570		3,153	
1928	98	6,562	151	11,285					20	880	1.2	587	75	3,717	
1929	115	5,523	144	11,385					20	932	9	715	172	7,126	
1930	91	4,875	125	9,966	7	225	102	2,936	16	632	9	351	77	3,478	
1931	85	4,636	119	7,811	9	307	140	3,313	16	468	5	165	60	2,248	
1932	115	6,157	144	8,053	33	891	115	3,178	39	943	9	214	268	7,407	
1933	200	13,136	268	17,838	28	1,135	211	7,309	53	1,447	7	205	21	5,914	
1934	435	24,712	161	11,182	34	1,272	26	1,806	46	1,198	10	463	393	9,671	
1935	410	20,488	244	16,813	79	2,509	60	2,202	60	1,528	9	639	564	12,951	
Percentage Index	1935	482.4	441.9	205.0	215.2	877.8	817.3	42.9	66.5	375.0	326.5	100.0	387.3	940.0	576.1
	1931	19.8	24.5	27.6	41.2	2.3	1.6	32.5	17.5	3.7	2.5	1.2	0.9	13.8	11.9
	1935	28.8	35.9	17.2	29.4	5.6	4.4	4.3	3.9	4.3	2.7	0.7	1.1	39.6	22.7

RAW SILK

Year	U. S. A.		France		Great Britain		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		341,599		37,036		3,173		909	
1921		394,453		21,446		849		376	
1922		610,844		55,191		2,887		1,126	
1923		442,199		7,229		329		116,414	
1924		622,223		59,415		1,932		1,796	
1925		849,486		26,206		1,667		2,298	
1926	428	709,379	12	19,453	1	2,068	2	3,152	
1927	491	698,883	24	34,618	2	3,218	5	5,815	
1928	514	687,464	26	34,983	3	3,717	5	6,533	
1929	556	755,378	10	13,253	3	4,121	6	8,288	
1930	449	398,715	10	8,040	3	2,912	8	6,980	
1931	537	342,479	3	1,879	9	6,161	7	4,872	
1932	513	360,149	12	7,107	13	9,257	9	5,859	
1933	437	355,806	21	15,378	18	14,655	7	5,052	
1934	426	239,568	37	20,334	23	14,237	20	12,655	
1935	466	328,911	35	23,765	28	21,451	24	12,905	
Index	1935	86.8	96.0	1,166.7	1,264.8	311.1	348.2	342.8	264.9
Percentage	1931	96.8	96.4	0.7	0.5	1.8	1.7	1.4	1.4
	1935	84.2	85.0	6.3	6.1	5.1	5.5	4.3	3.3

ARTIFICIAL SILK

Year	British India		Kwantung Province		China		Mexico		Australia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920													
1921													
1922													
1923													
1924													
1925													
1926													
1927													
1928													
1929													
1930													
1931	1		0.3		14		—				4		
1932	16		3		26		0.7				10		
1933	10	1,355	43	6,476	4	442	2	250	3	314	5	646	
1934	64	8,367	62	8,581	7	905	12	1,563	0.4	45	22	3,039	
1935	77	7,593	54	5,626	24	2,293	18	1,686	12	1,181	45	4,474	
Index	1935	770.0	—	1,800.0	—	171.4	—	—	—	—	—	1,125.0	—
Percentage	1931	5.3	—	—	—	73.7	—	—	—	—	—	26.1	—
	1935	33.5	33.2	23.5	24.6	10.4	10.0	7.8	7.4	5.2	5.2	19.6	19.6

SILK TISSUES

Year	British India		Great Britain		U. S. A.		Australia		Union of South Africa		Kwantung Province		Straits Settlements		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		12,469		29,616		41,818		19,707		6,344					
1921		6,033		13,213		33,527		10,904		2,695					
1922		9,558		20,368		26,634		17,823		3,247					
1923		6,806		12,900		21,253		14,198		2,678					
1924		12,539		25,872		23,635		23,283		4,962					
1925		12,656		16,479		21,037		24,659		6,040					
1926		11,986		16,952		26,264		30,436		5,874	428		2,325		
1927		15,846		16,912		18,189		32,578		6,167	668		2,091		
1928		17,074		9,730		15,407		28,314		6,303	2,241		2,506		
1929		24,717		10,327		14,703		26,271		5,915	2,792		6,068		
1930		16,782		6,263		6,527		14,797		5,313	704		4,492		
		Δ 4,990		—		Δ 4,520		Δ 8,733		Δ 4,016	—		—		
1931		21,525		4,213		4,626		9,330		6,955	590		2,654		
		Δ 10,403		Δ 4,642		Δ 3,810		Δ 13,724		Δ 2,531	—		—		
1932		32,957		4,762		4,244		16,623		5,657	1,170		2,928		
		Δ 15,259		Δ 7,619		Δ 5,563		Δ 10,799		Δ 4,738	1,202		1,129		
1933		Δ 20,087		Δ 10,588		Δ 5,258		Δ 8,840		Δ 4,651	3,575		4,426		
1934		Δ 29,178		Δ 18,158		Δ 12,063		Δ 6,691		Δ 4,008	Δ 1,678		Δ 3,396		
1935	Δ 29,178	Δ 18,074	Δ 18,158	Δ 12,063	Δ 17,071	Δ 6,778	Δ 10,202	Δ 6,691	Δ 6,443	Δ 4,008	Δ 3,730	Δ 3,327	Δ 4,829	Δ 3,105	
Percentage Index		—	Δ 362.2	—	286.3	—	177.9	—	Δ 76.6	—	Δ 99.8	—	563.9	—	117.0
	1931	—	26.0	—	5.1	—	5.6	—	11.3	—	8.4	—	0.7	—	3.2
	1935	22.3	11.6	—	—	—	10.5	—	20.3	—	9.3	—	—	—	—
		22.3	2.33	13.9	15.6	13.0	8.8	7.8	8.6	4.9	5.2	2.8	4.3	3.7	4.0

Quantity in thousands of sq. yards. Including Artificial Silk Tissues except figures marked Δ.

SILK TISSUES—Continued

Year	Egypt		France		Holland		Dutch East-Indies		Argentina		Canada		China		Others	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1920				9,753				1,768		* 16,248		9,482				11,211
1921				4,638				1,836		* 1,427		6,942				8,721
1922				8,390				1,276		* 4,998		6,804				8,830
1923				5,777				622		2,525		4,486				21,074
1924				10,076				1,561		3,159		7,541				13,212
1925				6,946				2,033		2,562		10,059				14,514
1926		751		6,376				2,259		1,523		14,049		2,173		11,677
1927		1,442		8,290				2,486		1,601		15,037		1,447		15,861
1928		1,447		10,041				3,392		2,138		12,589		3,529		19,348
1929		2,193		10,745				6,402		1,870		9,488		2,438		26,026
1930		2,966		4,403				8,883		1,457		5,314		2,111		21,698
1931		3,954		1,966				8,910		1,907		3,531		840		△ 20,994
1932		9,184		2,064				14,366		2,170		548		149		△ 15,177
		△ 3,387		△ 3,277		△ 322		△ 916		△ 2,503		△ 120		△ 64		14,005
1933		7,705		3,525		—		15,989		2,538		268		—		△ 6,647
1934		△ 3,601		△ 2,373		△ 687		△ 1,014		△ 1,360		△ 143		△ 71		△ 13,732
1935	△ 5,250	△ 2,559	△ 3,698	△ 1,666	△ 2,321	△ 1,447	△ 3,053	△ 1,362	△ 1,429	△ 1,310	△ 373	△ 227	△ 71	△ 57	△ 25,171	△ 14,770
Percentage Index	1935	—	64.7	—	84.7	—	—	—	15.3	—	68.7	—	64.3	—	38.3	—△ 70.4
	1931	—	4.8	—	2.4	—	—	—	10.8	—	2.3	—	4.3	—	1.0	—△ 48.3
	1935	4.0	3.3	2.8	2.2	1.8	1.9	2.3	1.8	1.1	1.7	0.3	0.3	0.1	0.1	19.2

* Including whole South America.

COTTON TISSUES

Year	British ^Δ India		Dutch East-Indies		Manchoukuo		Egypt *		Argentina		Australia		Kwantung Province		Philippine Islands		Iraq		
	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	Quan- tity	Value	
1920		67,289		60,466				3,537				10,833		26,593		6,552			
1921		30,466		25,572				2,069				2,858		15,537		3,779			
1922		33,567		24,938				1,509				6,291		18,494		3,453			
1923		36,551		22,535				12,481				5,964		14,618		5,399			
1924		47,114		37,153				17,257				7,746		15,700		7,190			
1925		70,394		49,373				14,131				8,297		19,502		10,889			
1926		70,347		44,520				18,243	2,163			6,948		16,042		9,580			
1927		86,127		49,247				28,289	4,738			4,818		13,119		11,342			
1928	358	70,185	173	39,275			78	17,638	9	2,175	12	2,392	54	15,074	31	6,797			
1929	581	109,139	193	42,283			107	24,410	18	4,164	14	2,927	56	15,358	27	5,629			
1930	404	61,216	183	28,284			109	20,526	7	1,442	14	2,442	45	9,187	35	5,438			
1931	404	49,866	212	28,279	21	3,544	104	14,957	11	1,407	21	2,857	38	6,173	33	4,162			
1932	645	80,654	352	50,229	15	3,263	195	27,069	22	3,300	36	4,875	89	16,108	21	2,769			
1933	452	71,163	423	78,373	92	21,626	210	38,351	35	6,616	55	10,030	86	18,822	35	5,780			
1934	452	74,133	441	82,829	170	40,238	234	46,833	66	13,956	74	14,784	84	19,232	76	13,206	57	11,432	
1935	561	85,182	370	66,578	161	35,733	164	31,683	103	20,126	87	17,176	67	15,211	87	14,492	72	13,610	
Percentage Index	1935	138.9	170.8	174.5	235.4	766.7	100.8	157.7	211.8	936.4	143.0	414.3	601.2	176.3	246.4	263.6	348.2	—	—
	1931	28.6	25.1	15.1	14.2	1.6	1.8	7.5	7.5	0.8	0.7	1.6	1.4	2.8	3.1	2.4	2.1	—	—
	1935	20.6	17.2	13.6	13.4	5.9	7.2	6.1	6.4	3.8	4.1	3.2	3.5	2.5	3.1	3.2	2.9	2.7	2.7

Quantity in millions of sq. yards

Δ Including Ceylon. * Prior to 1923 showing whole Africa.

COTTON TISSUES—Continued

	Siam		China		French Morocco		Aden		Hongkong		Straits Settlements		U. S. A.		Union of South Africa		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920				130,516						9,347								19,833	
1921				100,988						12,307								10,097	
1922				108,758						10,213								15,779	
1923				100,293						11,625		5,958				188		19,142	
1924				137,721						19,369		7,061				262		30,014	
1925				194,013						20,577		15,252				943		29,479	
1926		3,311		180,077						24,723		12,352		600		2,038		25,311	
1927		4,088		123,492						29,583		10,042		429		3,634		19,889	
1928	6	1,359	531	158,498					69	17,464	16	3,520	1	249	10	2,096	71	15,496	
1929	18	3,815	531	150,116					85	20,785	29	5,798	0.6	125	14	3,056	120	25,102	
1930	16	2,581	436	86,915					106	18,252	45	6,284	0.4	64	24	3,754	357	24,035	
1931	9	796	218	39,530					63	9,765	41	5,213	0.5	64	39	5,451	199	26,668	
1932	24	3,339	187	37,159					23	3,755	82	11,229	1.6	264	36	5,339	303	39,360	
1933	40	6,778	113	25,605					29	5,675	96	17,608	7	1,299	26	5,912	391	69,677	
1934	61	11,318	59	13,029	63	12,045	45	7,524	36	7,311	91	17,395	17	2,763	16	4,458	535	99,865	
1935	70	13,227	56	11,912	57	10,316	60	10,100	49	9,802	45	8,494	48	8,184	26	6,337	642	117,934	
Percentage Index	1935	777.8	166.2	25.7	30.1	—	—	—	—	77.8	100.4	109.8	162.9	9600.0	12,787.5	66.7	116.3	322.6	442.2
	1931	0.7	0.4	15.5	19.9	—	—	—	—	4.5	4.9	3.0	2.6	0	0.0	2.8	2.7	14.1	13.1
	1935	2.6	2.7	2.1	2.4	2.1	2.1	2.2	2.0	1.8	2.0	1.7	1.7	1.8	1.6	1.0	1.3	23.6	23.8

WOOLLEN TISSUES

Year	Kwantung Province		British India		China		Egypt		Manchoukuo		Dutch East-Indies		Hawaii		Asiatic Russia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920																			
1921																			
1922																			
1923																			
1924																			
1925																			
1926		515		1,707		519									—	18		372	
1927		807		1,199		324									—	53		280	
1928		1,409		154		1,559							37		—	—		182	
1929		2,059		376		1,431							33		—	—		254	
1930		1,183		188		1,150		1			19		27		—	—		190	
1931		737		63		258		1	21		23		27		—	—		266	
1932		2,926		592		431		6	172		83		24		—	—		247	
1933		5,944		1,647		1,687		284	1,361		568		35		—	—		851	
1934		8,281		8,219		2,975		2,835	1,540		1,586		42		—	—		4,371	
1935	7,229	8,729	5,031	4,921	2,530	3,043	1,763	2,278	1,281	1,397	1,069	1,213	55	33	—	—	9,912	10,787	
Percentage Index	1935	—	1,184.4	—	7,811.1	—	1,179.5	—	2,278.0	—	6,652.4	—	5,273.9	—	122.2	—	—	—	4,055.2
	1931	—	52.8	—	4.5	—	18.5	—	0.1	—	1.5	3.7	1.6	—	1.9	—	—	—	19.1
	1935	25.0	26.9	17.4	15.2	8.8	9.4	6.1	7.0	4.4	4.3	3.7	3.7	0.2	0.1	—	—	34.3	33.3

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Quantity in thousands of sq. yards Prior to 1930 Manchoukuo is included in China.

ARTIFICIAL SILK TISSUES

Year	Australia		British India		Dutch East-Indies		Kwantung Province		Egypt		Union of South Africa		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920													
1921													
1922													
1923													
1924													
1925													
1926													
1927													
1928													
1929													
1930													
1931	1,258	513	61,354	16,530		7,970	△ 396	△ 192		862		2,912	
1932	8,317	2,899	92,572	22,554		13,644	△ 1,193	△ 621	19,725	5,726		3,126	
1933	22,746	9,136	62,007	17,654		14,973	△ 6,135	2,373	16,206	4,328		3,873	
1934	46,462	16,937	76,283	22,422		13,068	△ 16,344	7,532	26,612	8,076		6,250	
1935	65,801	22,806	75,142	22,455	49,987	12,684	26,540	11,158	20,209	5,449	12,751	5,149	
Percentage Index	1935	5,230.6	444.6	122.5	135.8	—	159.1	6,702.5	581.1	—	632.1	—	176.8
	1931	—	1.3	—	41.6	—	20.1	—	0.5	—	2.2	—	7.3
	1935	15.5	17.8	17.7	17.5	11.8	9.9	6.3	8.7	4.8	4.2	3.0	4.0

Quantity in thousands of sq. yards.

△ Including Manchoukuo.

ARTIFICIAL SILK TISSUES—Continued

Year	Philippines		Hongkong		Uruguay		Siam		Straits Settlements		Others	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1920												
1921												
1922												
1923												
1924												
1925												
1926												
1927												
1928												
1929												
1930												
1931												
1932										2,053		8,681
1933		971		441		917		850		2,143		9,786
1934		1,956		930		3,688		2,339		3,294		18,572
1935	18,720	4,951	12,893	4,339	17,534	3,909	12,276	3,768	5,542	3,542	106,798	26,744
Percentage Index												
1935	—	—	—	—	—	—	—	—	—	89.8	—	342.7
1931	—	—	—	—	—	—	—	—	—	5.2	—	21.9
1935	4.4	3.9	3.0	3.4	4.1	3.0	2.9	2.9	1.3	1.4	25.2	23.2

Quantity figures until 1934 are calculated from the reports by the Federation of Artificial Silk Tissues Manufacturers' Associations.

KNITTED GOODS

Year	British India		Great Britain		Philippines		Dutch East-Indies		U. S. A.		Union of South Africa		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		11,192		3,975		3,180		1,323				Δ 5,312	
1921		2,753		292		2,371		1,513				Δ 1,629	
1922		3,849		2,284		2,801		897				Δ 2,742	
1923		5,069		3,954		2,701		1,081				Δ 3,400	
1924		5,730		2,335		4,455		1,233				Δ 3,345	
1925		9,496		4,997		3,801		1,740				Δ 3,990	
1926	2,472	8,878	608	3,108	1,173	3,380	618	1,862	169	599	262	993	
1927	2,787	8,449	1,330	4,660	1,505	4,576	707	2,204	240	641	337	1,001	
1928	3,733	10,642	2,139	6,425	1,513	3,582	592	1,737	144	426	386	1,343	
1929	3,381	9,928	2,161	7,082	1,415	3,349	947	2,699	180	613	425	1,395	
1930	3,204	7,949	2,705	6,921	1,575	3,097	755	1,720	228	517	529	1,444	
1931	1,884	3,901	2,596	5,489	1,228	1,959	771	1,570	301	450	525	1,293	
1932	3,511	6,699	1,998	3,837	1,867	3,745	1,283	2,525	336	510	558	1,314	
1933	4,389	9,628	2,353	6,561	1,125	2,671	1,716	4,235	440	879	871	2,566	
1934	3,398	8,350	2,471	7,672	1,502	3,432	1,786	4,339	821	1,541	526	1,884	
1935	3,193	7,510	2,665	7,345	1,947	4,733	1,826	4,118	1,755	3,871	565	1,710	
Percentage Index	1935	169.5	192.5	102.7	133.8	158.6	241.6	236.8	262.3	583.1	860.2	107.6	131.6
	1931	17.8	18.4	24.5	25.9	11.6	9.3	7.3	7.4	2.8	2.1	5.0	6.1
	1935	16.2	14.9	13.5	14.6	9.9	9.4	9.2	8.2	8.9	7.7	2.9	3.4

Quantity in thousands of dozens.
 Δ Including whole Africa.

KNITTED GOODS—Continued

Year	Egypt		Straits Settlements		Kwantung Province		China		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920								2,177		8,885	
1921								1,243		3,091	
1922								1,167		3,927	
1923								855		4,146	
1924								1,045		3,877	
1925								1,374		5,581	
1926	421	1,181	207	584	156	719	473	1,789	1,022	2,916	
1927	599	1,498	211	619	164	680	346	1,225	1,348	1,504	
1928	743	2,112	120	321	198	911	375	1,573	1,457	4,229	
1929	847	2,392	158	434	215	979	429	1,757	2,170	6,083	
1930	436	1,183	86	209	112	350	602	1,635	2,680	5,437	
1931	583	1,305	39	86	106	325	341	810	2,201	3,988	
1932	1,042	1,818	94	233	203	548	93	240	2,736	5,966	
1933	1,357	3,370	244	771	258	842	71	194	3,474	10,330	
1934	1,228	3,030	443	1,321	301	1,014	61	166	5,480	13,869	
1935	777	1,698	533	1,441	378	1,300	51	155	6,073	16,394	
Percentage Index	1935	133.3	130.1	1,366.7	1,675.6	35.0	400.0	15.0	191.4	275.9	411.1
	1931	5.5	6.2	0.4	0.4	1.0	1.5	3.2	3.8	20.8	18.8
	1935	3.9	3.4	2.7	2.9	1.9	2.6	0.3	0.3	30.7	32.6

Prior to 1930 Manchoukuo is included in China.

POTTERIES

Year	U. S. A.		British India		Australia		Dutch East-Indies		Kwantung Province		Canada		China		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920	—	9,450	—	1,462	—	2,995	—	3,298	—	1,044			—	2,074	—	11,129	
1921	—	8,545	—	833	—	938	—	3,776	—	964			—	1,326	—	4,410	
1922	—	6,817	—	1,607	—	1,438	—	3,319	—	858			—	1,615	—	5,557	
1923	—	9,134	—	1,776	—	1,104	—	3,187	—	954			—	1,357	—	5,948	
1924	—	9,593	—	2,349	—	1,031	—	3,569	—	754			—	1,855	—	6,286	
1925	—	12,022	—	3,476	—	1,032	—	5,829	—	1,312			—	2,165	—	9,437	
1926	—	13,948	—	2,934	—	1,111	—	3,260	—	1,233	—	1,228	—	2,382	—	7,086	
1927	—	12,244	—	2,526	—	972	—	4,254	—	1,189	—	1,225	—	1,596	—	6,485	
1928	—	13,793	—	2,456	—	1,172	—	4,823	—	1,477	—	1,420	—	2,068	—	7,434	
1929	—	14,501	—	2,559	—	1,159	—	4,928	—	1,601	—	1,650	—	2,301	—	8,264	
1930	—	10,821	—	1,867	—	770	—	2,266	—	841	—	1,392	—	1,697	—	7,517	
1931	—	6,634	—	1,391	—	666	—	1,712	—	560	—	1,139	—	604	—	6,601	
1932	—	6,441	—	3,464	—	1,768	—	2,414	—	757	—	1,317	—	539	—	6,037	
1933	—	10,180	—	3,965	—	2,207	—	3,729	—	1,193	—	1,399	—	992	—	11,969	
1934	—	14,314	—	3,200	—	2,331	—	3,169	—	1,768	—	2,331	—	1,388	—	13,376	
1935	—	15,776	—	3,529	—	2,805	—	2,120	—	1,794	—	2,805	—	1,209	—	12,697	
Percentage Index	1935	—	237.8	—	253.7	—	421.2	—	123.8	—	320.4	—	246.3	—	200.2	—	192.3
	1931	—	34.4	—	7.2	—	3.4	—	8.9	—	2.9	—	5.9	—	3.1	—	34.2
	1935	—	36.9	—	8.3	—	6.6	—	5.0	—	4.2	—	6.6	—	2.8	—	29.7

Prior to 1930 China includes Manchoukuo.

GLASS & GLASS MANUFACTURES

Year	British India		U. S. A.		Dutch East-Indies		China		Philippines		Australia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920	—	4,999			—	1,369	—	3,092			—	2,893	—	10,886	
1921	—	2,321			—	1,379	—	2,448			—	594	—	3,255	
1922	—	2,218				976	—	2,609				928	—	3,578	
1923	—	2,548				878	—	2,132				851	—	3,710	
1924	—	2,982				939	—	3,141				704	—	4,970	
1925	—	3,322				1,758	—	3,290				1,020	—	7,939	
1926	—	3,515	—	1,016	—	1,594	—	3,212	—	809	—	844	—	3,318	
1927	—	3,607	—	2,461	—	1,826	—	2,638	—	1,019	—	771	—	4,309	
1928	—	3,834	—	187	—	1,697	—	2,690	—	1,155	—	625	—	2,754	
1929	—	4,086	—	280	—	1,932	—	2,548	—	833	—	615	—	2,917	
1930	—	2,888	—	137	—	1,095	—	1,959	—	691	—	304	—	2,487	
1931	—	2,239	—	100	—	1,149	—	1,023	—	520	—	81	—	1,422	
1932	—	4,106	—	491	—	1,070	—	809	—	504	—	358	—	1,943	
1933	—	5,507	—	803	—	2,069	—	1,047	—	809	—	756	—	4,336	
1934	—	5,474	—	1,816	—	1,932	—	1,191	—	881	—	832	—	7,328	
1935	—	6,226	—	2,309	—	1,983	—	1,389	—	1,060	—	1,048	—	9,322	
Index	1935	—	278.1	—	230.9	—	172.6	—	135.8	—	203.8	—	129.4	—	877.0
Percentage	1931	—	34.3	—	1.5	—	17.6	—	15.7	—	8.0	—	1.2	—	21.8
	1935	—	26.7	—	9.9	—	8.5	—	6.0	—	4.5	—	4.5	—	39.9

Prior to 1930 China includes Manchoukuo.

MACHINERY & MACHINE PARTS*

Year	Kwantung Province		China		Manchoukuo		British India		Asiatic Russia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920	—	4,397	—	7,373							—	4,940	
1921	—	2,723	—	7,620							—	2,540	
1922	—	2,999	—	9,637							—	1,791	
1923	—	2,165	—	5,418							—	1,679	
1924	—	3,680	—	4,612							—	1,340	
1925	—	3,454	—	4,852							—	1,380	
1926	—	3,613	—	4,015			—	277	—	187	—	670	
1927	—	4,721	—	5,180			—	350	—	386	—	390	
1928	—	4,964	—	3,924			—	485	—	596	—	636	
1929	—	5,672	—	5,336			—	582	—	1,196	—	830	
1930	—	5,080	—	5,365			—	729	—	1,811	—	971	
1931	—	4,230	—	6,731	—	150	—	471	—	1,365	—	694	
1932	—	3,954	—	3,849	—	394	—	900	—	1,180	—	666	
1933	—	14,197	—	4,951	—	1,938	—	2,105	—	1,329	—	1,337	
1934	—	39,429	—	9,691	—	3,337	—	2,273	—	1,129	—	1,918	
1935	—	34,779	—	15,310	—	5,607	—	3,071	—	1,106	—	3,983	
Percentage Index	1935	—	822.2	—	227.5	—	373.8	—	652.0	—	81.0	—	573.9
	1931	—	31.0	—	49.3	—	1.1	—	3.5	—	10.0	—	5.1
	1935	—	54.5	—	24.0	—	8.8	—	4.8	—	1.7	—	6.2

Prior to 1930 Manchoukuo is included in China
 *Prior to 1927, includes Telephonic Instruments.

RUBBER TYRES

Year	Dutch East-Indies		China		Kwantung Province		British India		Straits Settlements		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		3,374		1,678								2,966	
1921		2,021		1,544								913	
1922		2,342		2,312								1,345	
1923		1,667		1,069								1,164	
1924		1,088		1,294								857	
1925		3,770		3,261								2,439	
1926	14	1,953	12	1,558	2	225			6	909	1	91	
1927	12	1,600	15	1,657	3	331			9	1,130	2	224	
1928	13	1,582	22	2,341	6	473			9	934	2	395	
1929	21	2,422	18	2,031	5	418			9	1,046	3	384	
1930	18	1,980	19	1,895	2	175			7	757	4	467	
1931	16	1,266	17	1,319	2	160	1	87	6	526	6	500	
1932	18	1,224	21	1,360	6	437	7	596	4	233	8	527	
1933	40	2,498	27	1,727	14	1,066	20	1,477	11	684	20	1,387	
1934	51	3,323	28	1,876	13	1,024	14	1,048	20	1,202	22	1,022	
1935	45	2,980	23	1,739	12	1,060	14	1,033	15	955	29	2,179	
Index	1935	281.3	235.4	135.3	131.8	600.0	662.5	1,400.0	118.7	250.0	181.6	483.3	413.5
Percentage	1931	33.3	32.8	35.4	34.2	4.2	4.1	2.1	2.3	12.5	13.6	12.5	13.0
	1935	32.6	30.0	16.7	17.5	8.7	10.7	10.1	10.4	10.9	9.6	21.0	21.9

RUBBER SHOES & BOOTS

Year	British India		China		French Morocco		Kwantung Province		Dutch East-Indies		Manchoukuo		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920															
1921															
1922															
1923															
1924															
1925															
1926															
1927															
1928	37	137	228	2,337			26	236	42	83			114	1,091	
1929	229	901	597	4,700			47	421	114	448			172	975	
1930	519	2,060	483	2,632			31	210	142	583			248	1,108	
1931	369	1,209	182	664			36	238	109	327			344	1,956	
1932	145	604	38	143			52	216	104	276	4	17	650	3,644	
1933	85	655	103	472			110	649	99	790	89	513	527	5,134	
1934	77	411	102	362	49	332	51	311	67	282	59	265	171	1,370	
1935															
Percentage Index	1934	20.8	33.9	56.5	54.5	—	—	141.6	130.6	61.4	86.2	—	—	49.7	70.0
	1931	35.5	27.5	17.5	15.1	—	—	3.5	5.4	10.5	7.4	—	—	33.1	44.5
	1934	13.4	12.3	17.7	10.9	8.5	10.0	8.9	9.3	11.6	8.5	10.2	8.0	29.7	41.1

Quantity in thousands of dozen pairs. Prior to 1931 Manchoukuo is included in China.

CANVAS SHOES WITH RUBBER SOLE

Year	Kwantung Province		British India		The Straits Settlements		Dutch East-Indies		Belgium		Siam		New Zealand		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920																	
1921																	
1922																	
1923																	
1924																	
1925																	
1926																	
1927																	
1928																	
1929																	
1930																	
1931																	
1932																	
1933																	
1934	540	2,817	214	1,472	174	861	170	797	77	473	103	454	77	473	1,087	6,184	
1935																	
Percentage	1934	22.3	21.0	8.7	10.9	7.0	6.3	6.9	5.8	3.0	2.4	4.1	3.2	3.0	3.4	44.9	46.1

Quantity in thousands of dozen pairs. Prior to 1933, is included in "Boots, Shoes, Clogs, Sandal, etc. (others)"

LAMPS & PARTS THEREOF

Year	U. S. A.		Kwantung Province		British India		Great Britain		Dutch East-Indies		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920													
1921													
1922													
1923													
1924													
1925													
1926		1,667		1,743		360				507		2,653	
1927		1,765		1,152		365				752		2,847	
1928		2,616		1,407		517				901		2,930	
1929	(2,846)	3,113	(456)	1,166	(269)	560	(413)	448	(87)	1,107	(1,329)	3,092	
1930	(2,620)	2,785	492	852	(276)	481	(544)	610	(102)	650	(1,282)	3,359	
1931	(2,911)	3,009	(474)	721	(183)	309	(719)	760	(118)	590	(1,470)	2,395	
1932	(4,470)	4,668	(235)	568	(33)	909	(1,734)	1,800	(189)	767	(3,526)	4,041	
1933	(3,066)	3,273	(284)	1,024	(456)	1,234	(1,967)	2,362	(386)	1,707	(4,008)	6,268	
1934	(2,964)	3,160	(303)	1,154	(443)	1,292	(1,621)	2,131	(186)	1,337	(3,425)	7,622	
1935		2,631		1,622		1,448		1,441		1,191		8,414	
Percentage Index	1935	(101.8)	87.4	(63.9)	224.9	(242.1)	468.6	(225.5)	189.6	(157.6)	201.9	(233.0)	351.3
	1931	(49.5)	38.6	(8.1)	9.3	(3.1)	4.0	(12.2)	9.8	(2.0)	7.6	(25.0)	30.7
	1935	(33.1)	15.7	(3.4)	9.7	(5.0)	8.6	(18.1)	8.6	(2.1)	7.1	(38.3)	50.2

Parenteses show the value of electric lamps exported, whose index is of 1934.

TOYS

Year	U. S. A.		Great Britain		British India		Australia		Holland		Dutch East-Indies		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920	—	10,813	—	2,389	—	1,483	—	1,242					—	5,262	
1921	—	3,064	—	713	—	444	—	350					—	2,433	
1922	—	1,694	—	1,399	—	552	—	1,014					—	2,755	
1923	—	1,842	—	940	—	505	—	584					—	3,269	
1924	—	2,528	—	865	—	1,042	—	509					—	3,356	
1925	—	3,335	—	1,422	—	981	—	662					—	4,389	
1926	—	3,823	—	1,335	—	993	—	474	—	47	—	302	—	3,917	
1927	—	3,417	—	1,412	—	998	—	403	—	81	—	507	—	3,703	
1928	—	3,671	—	935	—	1,277	—	460	—	127	—	569	—	4,062	
1929	—	4,632	—	1,364	—	1,413	—	474	—	155	—	754	—	4,663	
1930	—	3,470	—	1,678	—	1,069	—	350	—	163	—	665	—	4,304	
1931	—	2,922	—	2,100	—	711	—	208	—	313	—	594	—	2,976	
1932	—	4,987	—	2,288	—	1,466	—	861	—	598	—	803	—	4,115	
1933	—	6,976	—	4,054	—	3,809	—	1,812	—	1,212	—	1,924	—	6,588	
1934	—	9,604	—	4,605	—	3,063	—	1,766	—	1,184	—	1,046	—	9,118	
1935	—	11,494	—	4,877	—	2,751	—	2,010	—	1,018	—	851	—	10,801	
Index	1935	—	393.4	—	232.2	—	386.9	—	966.3	—	325.2	—	143.3	—	362.9
Percentage	1931	—	29.7	—	21.4	—	7.2	—	2.1	—	3.2	—	6.0	—	30.3
	1935	—	34.0	—	14.4	—	8.1	—	5.9	—	3.0	—	2.5	—	31.9

JAPAN'S PRINCIPAL IMPORTS FROM
PRINCIPAL COUNTRIES

(Quantity in thousands of piculs, unless otherwise
indicated.
Value in thousands of yen. Percentage of total
imports. Index: 1931=100.)

RICE & PADDY

Year	Siam		British India		French Indo-China		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		1,550		311		14,438		1,760	
1921		9,815		2,011		13,781		3,206	
1922		21,498		13,785		12,276		13,717	
1923		10,523		7,090		5,902		7,203	
1924		16,744		33,260		13,470		7,392	
1925		22,442		48,624		43,743		5,690	
1926	1,598	12,385	1,752	15,795	2,126	19,331	283	3,183	
1927	3,014	20,487	2,544	20,367	3,044	25,159	1,145	12,893	
1928	2,519	16,241	263	2,046	1,522	11,618	419	3,767	
1929	2,609	18,611	0.4	3	3	20	454	4,148	
1930	2,725	17,240	0.2	2	0.2	2	278	2,337	
1931	1,820	5,695	—	0.3	—	—	277	1,276	
1932	2,228	10,128	47	283	3	20	268	1,734	
1933	2,278	10,882	—	0.5	9	57	88	581	
1934	—	—	50	328	65	333	—	0.3	
1935	586	2,986	41	200	28	162	0.1	1	
Index	1935	32.2	52.4	—	66,666.7	—	—	0.003	0.05
	1931	86.8	81.7	0	0	0	—	13.2	18.3
Percentage	1935	89.5	89.2	6.3	6.0	4.3	4.8	0	0

WHEAT

Year	Australia		Canada		Argentina		U. S. A.		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		10,103		—				208		18,194	
1921		810		399				16,765		13,577	
1922		8,185		2,415				14,695		33,606	
1923		16,405		6,283				23,516		1,230	
1924		30,150		14,703				28,820		224	
1925		31,243		13,508				25,581		191	
1926	4,270	35,103	4,177	32,834			3,258	25,293	12	116	
1927	1,954	13,982	2,880	19,273			2,609	18,366	332	2,358	
1928	1,373	9,710	5,592	31,740			2,457	15,916	1,536	10,421	
1929	2,430	15,408	6,650	35,273			2,440	15,045	739	5,130	
1930	1,706	8,690	2,958	14,857	—	—	3,399	17,962	0.3	1	
1931	8,554	22,466	2,598	7,938	3	7	884	2,523	1	2	
1932	10,265	40,058	1,983	8,762	—	—	196	751	—	0.4	
1933	6,593	33,887	1,875	10,243	2	8	49	238	3	15	
1934	4,455	22,033	1,326	8,120	135	626	2,220	9,869	19	100	
1935	5,558	30,936	882	6,258	478	2,574	46	284	453	3,148	
Percentage Index	1935	65.0	137.7	33.9	78.8	15,933.3	36,771.4	5.2	11.3	45,300.0	147,500.0
	1931	71.0	68.2	21.6	24.1	0	0	7.4	7.7	0	0
	1935	74.9	71.6	11.9	14.5	6.4	6.0	0.6	0.7	6.1	7.3

BEANS & PEAS

Year	* Manchoukuo		China		British India		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		35,771		11,613				270	
1921		13,948		9,525				1,218	
1922		25,612		11,970				2,025	
1923		33,056		12,011				6,097	
1924		45,427		12,112				3,351	
1925		48,532		15,104				6,757	
1926	4,507	30,180	2,393	17,852	330	1,926	1,672	11,435	
1927	4,560	27,155	2,679	16,903	399	2,085	1,009	6,807	
1928	7,117	46,572	2,605	17,303	571	3,530	77	452	
1929	9,787	63,512	1,731	12,078	330	2,455	121	701	
1930	6,694	35,100	2,539	12,897	273	1,336	120	451	
1931	10,949	33,870	490	2,429	272	811	87	239	
1932	9,062	37,540	413	2,904	360	1,301	75	324	
1933	8,508	45,444	430	2,992	319	1,434	107	474	
1934	10,488	47,735	408	2,644	281	1,371	45	218	
1935	10,404	64,378	596	4,429	363	2,295	92	547	
Index	1935	95.0	190.1	121.6	182.3	133.5	283.0	1.0	2.1
	Percentage	1931	92.8	90.7	4.2	6.5	2.3	2.2	0.7
		1935	90.8	89.9	5.2	6.2	3.2	3.2	0.8

* Prior to 1931, shows the Kwantung Province, since 1931 also including the Kwantung Province.

SUGAR

Year	Dutch East-Indies		Cuba		Philippines		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		50,336				7,535		2,341	
1921		49,119				10,467		10,229	
1922		48,668				7,565		7,711	
1923		47,195				3,114		2,323	
1924		59,501				3,931		418	
1925		69,754				2,523		2,812	
1926	6,268	69,317	946	10,554	291	3,038	64	763	
1927	5,880	63,307	937	10,310	134	1,319	72	868	
1928	6,230	63,702	89	943	21	200	11	112	
1929	3,674	30,355	113	736	7	41	2	28	
1930	4,072	25,932	0.6	4	3	18	1	19	
1931	3,304	15,588	—	—	—	—	1	15	
1932	645	3,134	25	185	—	—	1	13	
1933	2,210	12,787	35	166	—	—	0.3	7	
1934	1,728	9,658	—	—	4	13	0.3	7	
1935	2,332	12,576	17	102	—	—	2	23	
Index	1935	70.3	80.7	—	—	—	—	200.0	153.3
	1931	100.0	0	0	0	0	0	0	0
Percentage	1935	99.2	99.0	0.7	0.8	0	0	0.1	0.2

OIL-YIELDING MATERIALS

Year	* Manchoukuo		China		Dutch East-Indies		Argentina		Kwantung Province		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920				6,699						8,500		1,365	
1921				12,321						3,322		1,610	
1922				9,061						3,622		1,345	
1923				8,642						4,627		3,622	
1924				8,611						7,344		3,044	
1925				14,390						7,491		923	
1926			2,884	22,184	1	5			672	6,296	98	1,000	
1927			2,042	14,404	59	560			301	2,585	140	1,304	
1928			1,898	13,172	28	266			580	4,989	326	3,395	
1929			2,013	19,951	75	817			777	6,703	305	3,307	
1930			2,478	13,059	160	937	—	—	622	4,794	108	1,178	
1931	248	1,060	1,850	8,454	374	1,406	—	—	469	2,541	187	1,087	
1932	220	1,492	1,196	6,873	489	2,327	2	9	426	2,773	213	1,298	
1933	1,141	9,294	1,668	9,478	371	2,249	96	867	16	96	169	1,309	
1934	1,389	10,456	1,890	11,215	441	2,075	21	186	3	27	222	1,298	
1935	2,280	18,709	2,535	17,631	538	3,685	174	1,652	2	14	196	1,411	
Index													
Percentage													
Index	1935	919.4	1,765.0	137.0	208.6	143.9	262.1	—	—	0.4	0.6	108.3	129.8
	1931	7.9	7.3	59.1	58.1	12.0	9.7	0	0	15.0	17.5	6.0	7.5
	1935	39.8	43.4	44.3	40.9	9.4	8.6	3.0	3.8	0.1	0.1	3.4	3.3

* Prior to 1931, is included in China and the Kwantung Province.

CRUDE INDIA-RUBBER

Year	Straits Settlements		Dutch East-Indies		French Indo-China		British India		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		8,853						2,960		1,609	
1921		14,137						1,420		167	
1922		10,566						338		411	
1923		16,991						446		1,369	
1924		19,712						1,400		2,230	
1925		26,773						5,922		916	
1926	210	28,132	2	214			90	10,870	5	794	
1927	228	21,888	6	594			116	11,606	2	311	
1928	310	19,565	19	1,220			98	6,578	7	533	
1929	394	22,802	30	1,881			151	8,792	7	411	
1930	369	11,615	70	2,174	2	73	111	3,757	5	311	
1931	521	9,273	183	3,207	11	193	19	343	3	167	
1932	607	10,060	304	4,996	19	273	18	294	5	363	
1933	836	20,499	269	7,269	41	1,043	14	365	6	499	
1934	809	37,818	281	14,384	23	1,080	13	479	71	3,577	
1935	461	24,125	220	11,661	34	1,771	4	187	276	13,892	
Index	1935	88.5	260.2	120.2	363.6	309.1	917.6	21.1	54.5	9,200.0	8,318.6
	1931	70.7	70.3	24.8	24.3	1.5	1.5	2.6	2.6	0.4	1.3
Percentage	1935	46.4	46.7	22.1	22.6	3.4	3.4	0.4	0.4	27.7	26.9
	1931										

RAW COTTON

Year	U. S. A.		British India		Egypt		China		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		339,164		357,582		7,612		12,722		4,357	
1921		217,436		181,707		11,746		24,130		3,154	
1922		178,809		209,897		8,465		28,521		2,149	
1923		177,551		263,027		19,541		39,221		13,832	
1924		204,918		310,944		16,426		71,151		1,836	
1925		360,167		475,633		35,710		49,975		1,870	
1926	4,522	317,428	5,865	327,521	334	34,471	869	45,134	55	1,377	
1927	6,360	343,563	4,992	202,282	238	21,798	1,048	49,259	162	7,728	
1928	3,872	245,926	4,604	232,267	177	17,722	1,032	49,599	73	4,428	
1929	4,485	276,358	5,136	231,108	234	22,171	779	33,629	156	9,750	
1930	3,883	176,801	4,725	147,688	183	12,592	703	21,985	79	2,980	
1931	5,321	153,701	4,808	113,262	287	11,619	713	17,366	27	325	
1932	9,102	320,752	2,740	91,747	330	15,301	532	18,886	37	715	
1933	7,435	381,656	3,977	168,797	280	19,085	569	24,348	227	10,962	
1934	6,487	400,919	5,792	252,435	550	39,787	331	15,693	395	22,591	
1935	5,758	371,952	5,211	259,037	537	43,009	427	20,705	351	19,559	
Index	1935	108.2	242.0	108.4	228.7	187.1	370.2	59.9	119.2	1,300.0	6,018.2
Percentage	1931	47.7	51.9	43.1	38.2	2.6	3.9	6.4	5.9	0.2	0.1
	1935	46.9	52.1	42.4	36.3	4.4	6.0	3.5	2.9	2.9	2.7

RAW WOOL

Year	Australia		New Zealand		Union of South Africa		Chile		Great Britain		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		* 31,820				Δ 72,975				7,131		9,703	
1921		26,567				Δ 1,759				3,189		688	
1922		45,673				Δ 3,060				5,561		1,073	
1923		45,673				Δ 28				12,637		6,674	
1924		66,149				Δ 309				20,009		1,574	
1925		96,826				Δ 536				20,560		3,152	
1926	554	74,151			2	163			33	9,324	23	2,386	
1927	744	94,601			2	244	11	1,130	17	4,488	15	1,214	
1928	827	105,295			0.1	23	4	373	6	1,447	43	4,774	
1929	793	99,059			0.1	22	6	568	4	862	12	1,305	
1930	848	72,336	0.6	37	0.2	19	5	194	3	340	10	683	
1931	1,373	83,295	19	1,067	1	65	8	230	2	157	27	1,331	
1932	1,488	84,246	22	1,189	17	1,032	1	22	4	376	12	694	
1933	1,706	156,514	14	792	29	2,529	12	465	9	1,051	36	2,841	
1934	1,165	159,241	76	9,904	39	5,781	8	934	6	905	79	9,690	
1935	1,727	182,007	55	4,007	19	1,872	11	875	6	756	23	2,244	
Percentage Index	1935	125.8	218.5	289.5	375.5	1,900.0	2,880.0	1,100.0	380.4	300.0	481.5	85.2	168.6
	1931	96.0	96.7	1.3	1.2	0.1	0.1	0.6	0.3	0.1	0.2	1.9	1.5
	1935	93.8	94.9	3.0	2.1	1.0	1.0	0.6	0.5	0.3	0.4	1.2	1.2

* Prior to 1927, includes the whole Oceania.

Δ includes the whole Africa.

HIDES & SKINS

Year	U. S. A.		China		Australia		* Manchoukuo		Argentina		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920													
1921													
1922													
1923													
1924													
1925													
1926	95	4,325	162	7,874	9	318					44	1,868	
1927	71	3,133	119	5,302	3	128					29	1,071	
1928	48	3,184	131	5,989	3	165					31	1,139	
1929	77	3,728	144	6,391	6	348					51	2,347	
1930	60	2,472	113	3,655	7	302			11	478	46	1,808	
1931	88	2,218	106	3,037	12	319	0.6	24	4	125	57	1,537	
1932	120	3,396	79	2,351	7	193	6	182	10	333	44	1,442	
1933	108	4,320	136	4,901	14	558	22	799	13	643	54	2,324	
1934	158	6,280	145	5,472	25	907	17	705	9	364	60	2,592	
1935	143	6,696	141	5,126	56	2,295	21	1,041	22	1,036	124	5,162	
Percentage Index	1935	162.5	301.9	133.0	168.8	466.7	719.4	3,500.0	4,337.5	551.0	828.8	217.5	270.8
	1931	32.8	30.6	39.6	41.8	4.4	4.4	0.3	0.3	1.5	1.7	21.3	21.2
	1935	28.2	31.4	27.8	24.0	11.0	10.7	4.1	4.9	4.3	4.9	24.5	24.1

* Prior to 1931, is included in China and others.

PULP FOR PAPER MAKING

Year	U. S. A.		Norway		Sweden		Canada		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		2,407		196		6,575		3,431		581	
1921		700		383		1,950		5,128		668	
1922		1,412		1,092		4,097		2,891		2,263	
1923		430		698		1,308		2,652		1,246	
1924		856		941		2,382		5,072		1,373	
1925		2,513		1,095		3,987		5,771		1,559	
1926	73	793	92	1,170	228	2,477	527	4,946	149	6,578	
1927	54	593	129	1,805	162	1,761	716	6,080	146	1,691	
1928	114	1,290	118	1,518	110	1,157	792	6,251	104	1,239	
1929	244	2,318	242	3,287	157	1,482	588	4,626	130	1,772	
1930	94	833	283	3,609	103	921	739	5,460	120	1,261	
1931	340	2,419	174	2,014	230	1,220	829	5,200	131	987	
1932	374	3,952	366	4,115	273	1,792	456	3,144	244	2,325	
1933	755	7,802	527	7,578	440	3,572	788	6,043	198	2,071	
1934	1,415	16,321	669	10,464	801	7,438	680	7,245	250	2,788	
1935	1,846	22,812	821	13,201	856	7,735	582	5,991	464	5,362	
Index	1935	542.9	943.5	471.8	655.5	372.2	634.0	70.2	115.2	354.2	543.3
	1931	20.0	20.4	10.2	17.0	13.5	10.3	48.7	43.9	7.7	8.3
Percentage	1935	40.4	41.4	18.0	24.0	18.7	14.0	12.7	10.9	10.2	9.7

PIG IRON *

Year	△ Manchoukuo		British India		Great Britain		Kwantung Province		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920											
1921											
1922											
1923											
1924											
1925											
1926											
1927			4,352	11,040	112	341	3,219	8,928	199	666	
1928			5,175	12,930	140	450	3,040	8,546	1,132	3,328	
1929			6,858	16,950	152	497	2,340	6,515	1,551	4,473	
1930			3,573	7,667	67	214	2,399	5,928	725	2,037	
1931	1,296	2,357	2,508	3,626	61	148	2,740	4,924	52	174	
1932	2,344	4,176	1,964	3,028	49	167	1,241	2,242	1,809	2,561	
1933	7,567	18,101	2,868	5,803	47	216	23	61	176	1,071	
1934	6,816	18,961	3,369	7,292	22	110	8	20	25	145	
1935	6,379	18,812	5,639	12,728	42	195	4	13	3,968	9,432	
Percentage Index	1935	492.2	798.1	224.8	351.0	68.9	131.8	0.1	0.3	7,630.8	5,420.7
	1931	19.5	21.0	37.7	32.3	0.9	1.3	41.2	43.9	0.8	1.5
	1935	39.8	45.7	35.2	30.9	0.3	0.5	0	0	24.7	22.9

* Prior to 1927, is included in "Iron." See—"Iron (excluding Pig Iron)".

△ Prior to 1931, included in Kwantung Province & Others.

IRON (excluding Pig Iron)*

Year	U. S. A		Germany		Belgium		Great Britain		Sweden		British India		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920								8,483				5,410		28,103	
1921								3,794				2,746		12,628	
1922								1,113				5,620		12,795	
1923								702				7,700		10,698	
1924								1,177				8,448		15,658	
1925								764				8,618		8,947	
1926	2	15	158	643			192	1,108	18	253	3,803	9,634	3,114	9,177	
1927	4,144	35,203	5,095	27,689	1,865	8,190	2,926	24,399	164	2,053	—	—	2,982	9,358	
1928	5,778	36,973	4,795	27,073	1,567	7,718	3,746	32,181	120	2,144	—	—	4,299	14,005	
1929	6,424	37,150	5,956	34,590	1,927	9,629	2,896	23,743	119	2,326	—	—	6,109	20,858	
1930	5,996	28,334	3,213	17,781	871	3,889	1,756	12,614	105	1,648	1,600	3,498	2,751	8,847	
1931	1,392	8,172	2,041	9,718	689	2,143	1,504	7,790	56	975	1,815	2,673	2,383	5,327	
1932	3,139	11,240	1,528	11,228	869	3,021	2,478	13,220	79	1,830	2,111	3,436	3,211	8,052	
1933	8,354	27,396	3,388	24,885	2,069	10,444	2,929	17,299	132	3,897	3,462	8,852	4,885	18,270	
1934	17,675	67,467	2,836	23,593	1,808	11,940	2,108	11,491	142	4,702	1,724	4,761	4,768	20,659	
1935	24,170	87,901	2,397	18,692	2,856	16,903	1,239	11,535	184	5,411	1,656	4,859	4,424	19,502	
Percentage Index	1935	1,736.4	1,075.6	117.4	192.3	414.5	788.8	82.4	148.1	328.6	555.0	91.2	181.8	185.6	407.0
	1931	14.1	22.2	20.7	26.4	7.0	5.8	15.2	21.2	0.6	2.6	18.4	7.3	24.1	14.5
	1935	65.5	53.0	6.5	11.3	7.7	10.2	3.4	6.9	0.5	3.3	4.5	2.9	12.0	11.8

* Prior to 1927, shows "Iron (ingots & slabs)" including Pig iron; since 1927, includes the whole Iron except Rail & Fish-plate and Pig Iron. Both exclude Iron Ores.

ALUMINIUM (Ingots, slabs & grains)

Year	Canada		Norway		Switzerland		France		U. S. A.		Others			
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value		
1920														
1921														
1922														
1923														
1924														
1925														
1926														
1927					22	1,435	11	209	25	1,500	39	2,860		
1928					24	1,514	16	1,022	60	3,524	53	3,170		
1929					33	1,992	22	1,194	109	5,881	34	2,034		
1930	66	3,220	7	398	36	2,074	9	500	41	1,956	24	1,411		
1931	15	668	—	—	13	720	1	64	2	107	15	622		
1932	41	2,547	1.9	153	8	589	4	269	11	676	14	810		
1933	27	2,483	2.2	219	10	1,027	3	355	1	90	17	1,633		
1934	53	4,026	8	861	6	555	8	776	—	0.1	14	1,213		
1935	74	6,030	30	3,005	28	2,565	5	510	—	0.1	26	2,213		
Index	1935	493.3	902.7	—	—	215.4	356.3	500.0	796.9	—	0.09	173.3	355.8	
	Percentage	1931	32.6	30.6	0	0	28.3	33.0	2.2	2.9	4.3	4.9	32.6	28.5
		1935	45.4	42.1	18.4	21.0	17.2	17.9	3.1	3.6	0	0	16.0	15.5

LEAD (Ingots & Slabs)

Year	Canada		U. S. A.		British India		Australia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		—		1,346		706		3,029		2,034	
1921		2.5		2,073		2,666		1,318		1,906	
1922		1,097		1,275		2,466		4,403		295	
1923		2,153		1,326		2,276		3,923		984	
1924		3,889		2,073		3,128		5,056		341	
1925		6,545		1,330		4,140		3,840		514	
1926	471	9,984	208	3,882	142	2,978	85	1,823	6	108	
1927	450	7,529	334	5,361	62	992	70	1,173	9	156	
1928	488	7,106	437	6,108	41	546	61	844	8	119	
1929	536	8,179	311	4,475	68	1,026	92	1,343	3	42	
1930	408	5,049	455	4,112	110	1,280	52	582	8	93	
1931	431	4,241	282	2,511	147	1,132	28	195	6	48	
1932	384	4,298	305	3,275	183	1,867	31	323	18	210	
1933	530	5,542	369	4,012	179	2,012	24	250	8	86	
1934	633	7,406	591	6,823	266	3,049	52	580	3	46	
1935	525	6,929	390	4,815	339	4,635	32	461	216	3,453	
Percentage Index	1935	121.8	163.4	138.3	191.8	230.6	409.5	114.3	236.4	3,600.0	7,193.8
	1931	48.3	52.2	31.7	30.9	16.5	13.9	3.1	2.4	0.6	0.6
	1935	34.9	34.1	25.9	23.7	22.6	22.8	2.1	2.3	14.4	17.0

ZINC (Ingots, Slabs & Grains)

Year	Canada		Australia		U. S. A.		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920		19		16		1,755		255	
1921		307		31		2,570		1,879	
1922		2,233		1,813		922		4,573	
1923		3,120		5,915		559		127	
1924		3,567		6,141		1,471		276	
1925		2,475		6,586	149	1,002		334	
1926	235	5,708	196	4,544	121	3,236	25	550	
1927	150	3,188	158	3,212	148	2,559	21	376	
1928	202	3,725	200	3,654	38	2,915	46	744	
1929	192	3,555	176	3,219	40	667	46	753	
1930	148	2,011	150	1,983		576	37	426	
1931	153	1,506	143	1,199	18	148	28	241	
1932	187	2,618	125	1,595	34	388	2	23	
1933	242	3,957	120	2,103	53	825	36	577	
1934	206	3,420	137	2,293	90	1,352	10	162	
1935	179	2,814	167	2,729	128	1,848	72	1,112	
Index	1935	117.0	186.9	116.8	227.6	711.1	1,248.6	257.1	461.4
	1931	44.7	48.7	41.8	38.8	5.3	4.8	8.2	7.8
Percentage	1935	32.8	33.1	30.6	32.1	23.4	21.7	13.2	13.1

TIN (Ingots & Slabs)

Year	Straits Settlements		China		Hongkong		Dutch East-Indies		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920											
1921											
1922											
1923											
1924											
1925											
1926	23	4,130	22	3,833	2	301	9	1,638	4	776	
1927	27	4,805	24	4,121	4	650	4	763	4	650	
1928	39	5,333	22	3,156	0.4	62	2	260	5	750	
1929	32	4,333	27	3,657	0.3	44	5	648	4	521	
1930	29	2,728	20	1,701	3	211	2	142	0.6	64	
1931	31	2,085	12	788	4	259	6	392	—	4	
1932	36	3,794	9	908	6	674	2	287	3	273	
1933	29	5,330	10	1,777	10	1,739	8	1,702	0.8	119	
1934	46	10,613	13	2,731	6	1,281	1	218	2	474	
1935	44	9,895	15	3,194	11	2,395	0.3	78	0.1	19	
Index	1935	141.9	474.6	125.0	405.3	275.0	924.7	5.0	19.9	—	475.0
Percentage	1931	58.5	59.1	22.6	22.3	7.5	7.3	11.3	11.1	0	0.1
	1935	62.0	63.6	21.1	20.5	15.5	15.4	0.6	0.5	0.1	0.1

CRUDE & HEAVY OIL

Year	U. S. A.		Dutch East-Indies		British Borneo		* Manchoukuo		Asiatic Russia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920													
1921													
1922													
1923													
1924													
1925													
1926													
1927													
1928													
1929													
1930	256	25,369	60	6,328	25	2,787	5	530	55	6,371	25	3,410	
1931	264	24,972	42	3,740	18	1,925	10	1,068	79	8,033	41	4,325	
1932	324	32,146	55	4,386	27	2,397	3	346	88	8,488	78	7,124	
1933	338	39,784	63	5,989	42	4,154	15	1,729	87	9,412	69	7,278	
1934	490	54,475	71	7,537	39	4,446	13	1,355	71	8,079	60	6,592	
1935	690	81,336	107	11,864	49	5,465	14	1,311	0.6	68	58	6,782	
Percentage Index	1935	261.1	325.7	267.6	317.2	276.4	283.9	148.4	122.8	0.8	0.8	140.5	156.8
	1931	58.1	56.7	9.3	8.5	4.0	4.4	2.2	2.4	17.4	18.2	9.0	8.8
	1935	75.1	76.1	11.6	11.1	5.3	5.1	1.5	1.2	0.1	0.1	6.3	6.3

Quantity in millions of gallons. * Prior to 1932, shows the Kwantung Province.

MINERAL OIL *

Year	Dutch East-Indies		U. S. A.		Asiatic Russia		Others		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
1920									
1921									
1922									
1923									
1924									
1925									
1926	98	3,980	217	12,191			14	835	
1927	229	11,221	230	11,448			24	1,572	
1928	259	13,489	392	14,965			34	2,232	
1929	398	14,728	449	16,622			57	3,332	
1930	433	12,645	573	21,206	—	—	102	4,016	
1931	539	12,636	548	19,522	—	4	115	3,832	
1932	689	14,512	547	18,703	0.1	23	98	3,296	
1933	645	15,789	566	14,568	14	571	148	3,845	
1934	870	18,400	565	10,099	0.3	7	238	4,853	
1935	1,217	24,575	291	6,267	46	820	285	5,235	
Percentage Index	1935	225.8	194.5	53.1	32.1	—	20,500.0	247.8	144.1
	1931	44.9	35.1	45.6	54.2	0	0	9.5	10.7
	1935	66.2	66.1	15.8	16.9	2.5	2.2	15.5	14.8

Quantity in hundrees of thousand gallons.

* Under 0.8762 S.G., excluding Heavy & Crude Oil.

AUTOMOBILES & PARTS THEREOF

Year	U. S. A.	Great Britain	Germany	France	Others	
	Value	Value	Value	Value	Value	
1920	10,060	226		88	105	
1921	6,201	914		492	261	
1922	5,572	513		43	733	
1923	9,744	339		635	2,764	
1924	18,446	980		735	1,025	
1925	9,227	434		784	1,247	
1926	13,105	306	351	816	1,144	
1927	16,023	454	216	599	990	
1928	29,354	465	59	420	1,948	
1929	31,047	527	75	468	1,492	
1930	19,868	251	67	246	343	
1931	15,817	162	74	210	67	
1932	13,838	470	394	56	63	
1933	13,288	453	93	27	11	
1934	31,554	402	105	4	238	
1935	31,255	406	270	27	630	
Index	1935	197.6	250.6	364.9	12.9	940.3
Percentage	1931	96.8	1.0	0.5	1.3	0.4
	1935	95.9	1.3	0.8	0.1	1.9

MACHINERY & MACHINE PARTS *

Year	U. S. A.	Germany	Great Britain	Sweden	France	Switzerland	Others	
	Value	Value	Value	Value	Value	Value	Value	
1920	73,536	688	31,565		1,203	565	3,014	
1921	63,612	5,893	43,983		1,527	1,656	3,211	
1922	57,311	7,892	42,203		2,679	2,101	2,184	
1923	41,936	9,872	36,241		2,534	4,803	6,855	
1924	64,683	16,249	35,736		2,884	4,883	4,013	
1925	37,762	12,759	25,278		4,884	6,321	1,991	
1926	42,074	11,822	25,411	1,199	2,399	4,869	2,696	
1927	27,156	16,513	19,465	696	2,080	4,028	1,644	
1928	30,046	13,148	25,104	1,528	1,985	4,090	8,872	
1929	37,887	19,573	33,136	2,156	4,178	3,463	13,216	
1930	24,479	15,653	22,947	1,650	3,518	3,694	9,879	
1931	15,486	10,416	11,662	1,249	1,663	1,568	6,704	
1932	17,176	9,700	12,419	1,862	4,448	2,140	11,073	
1933	21,870	15,979	12,205	3,722	3,423	2,006	11,656	
1934	35,134	24,361	15,797	5,244	3,282	3,499	9,396	
1935	38,389	28,225	21,779	5,919	2,974	2,699	2,690	
Percentage Index	1935	247.9	271.0	186.8	473.9	178.8	172.1	40.1
	1931	31.8	21.4	23.9	2.6	3.4	3.2	13.7
	1935	37.4	27.5	21.2	5.8	2.9	2.6	2.6

* Prior to 1927, includes "Dynamos & Transformers."

PART II

TRADE NEGOTIATIONS

CHAPTER I

INCREASE OF TRADE BARRIERS AND JAPANESE ATTITUDE

It has been a misfortune not only to Japan but to the world as a whole that the policy of free-trade which was recommended by the International Economic Conference held at Geneva in 1927 should have scarcely been observed in practice. Following this Conference, a number of movements for tariff reductions including the Tariff Truce Conference of 1930 in particular, have been sponsored by the League of Nations, but, owing to the economic nationalism rampant among nations, all such efforts have failed to achieve any satisfactory result. Every country seems now to have abandoned all hope of a multilateral trade agreement, thus concentrating on the effort to secure markets for its products or manufactures by means of bilateral agreements with individual foreign countries.

Under the pressure of the recent world depression, the structure of world commerce has fallen to pieces. The financial crisis which started in the summer of 1931 has led to the collapse of the world monetary system. Most countries have been forced to abandon the gold standard and the world is now facing the task of reconstructing the monetary system from the very foundation. The effect of this financial catastrophe on international merchandise trade has been tantalizing, for every country has come to adopt a restrictive trade policy of an extreme measure in an emergency effort to improve its financial conditions. But the situation has only become worse in an ever growing vicious circle of high tariff barriers and low trade volumes. Inasmuch as it became increasingly difficult to strike a sound balance of import and export solely by means of a tariff action, steps were taken directly to reduce imports, by means of new devices such as quotas, import prohibitions, import licensing systems, linked-purchase regulations, and a host of other obstacles.

Among the tariff actions adopted by various countries to meet particular cases are, exchange compensation duties as imposed on

goods coming from countries whose currencies had been depreciated (adopted by French Indo-China, the Union of South Africa, Canada, the Philippines, Italy, Cuba, etc.), dumping duties as levied on imports which sold at abnormally low prices (adopted by the Philippines, the U.S.A., Syria, the Union of South Africa, Canada, etc.), discriminating duties (as in the case of British Commonwealth preferential duties), legislative steps vesting the administration with a wide discretionary power of revising tariffs (as taken by the U.S.A., France, Italy, Great Britain, Germany, British Columbia, Japan, etc.), etc.

As regards the direct devices of restricting imports, the import-quota system adopted by France in August, 1931 was the first of its kind. Since then, these have rapidly spread all over the world. Hence, barriers over such a wide range of area and upon such a multitude of commodities, with an all paralyzing effect on world trade.

Since about 1934, reciprocal trade agreements through bilateral government negotiations have come into vogue among an increasing number of countries, as, to mention some well-known cases only, between Great Britain and the Scandinavian countries, the Argentine, the U.S.S.R., and Italy; between the United States and Columbia, Cuba, Brazil, Haiti, Belgium, Czechoslovakia, Germany, and the U.S.S.R.; and between France and Canada, France and Chile; the Netherlands and Uruguay; Sweden and the Argentine; Germany and Canada, Sweden and Belgium, Sweden and France, etc. Reciprocal trade agreements serve the purpose of stabilizing the trade relations between the particular pair of countries, but such agreements result in discrimination against third countries in doing away with the benefit of the most-favoured-nation clause.

Reciprocal trade agreements, in most cases, are based upon barter arrangements—that is to say, the country proposing such agreements intends to balance each pair of exports and imports in relation to the individual foreign countries. In the case of most rigid arrangements, the value of exports from the country to each other country sets the limit for its imports from the latter; in less rigid cases, agreements are sought for mutual exports on the basis of the trade records in past years.

The United States has lately attempted to adjust her overseas trade on this reciprocity principle, as exemplified by her trade agreements with Cuba and Brazil which were negotiated during the

period of August, 1934 to February, 1935. Another example is the proposals recently put forward by some of the Latin American and the African countries to Japan to open trade negotiations with a view to adjusting the unbalanced trade relations between Japan and these countries.

At this turning point in world trade policy, as we might call it, what is Japan's position in the international trade of the world and what trade problems are facing Japan?

While Japan has achieved a remarkable trade expansion in the dwindling world markets, since the reimposition of gold embargo at the close of 1931, she has had to encounter, on the other hand, many kinds of stringent trade barriers in a large number of countries. The development of foreign trade is an essential requisite to Japan when she seeks, as she does, to solve the population problem by the industrialization of the country, and yet just at the time when Japan sought to expand her trade overseas, the financial and industrial structure of the world had been seriously undermined and all the rest of the countries erected various barriers against Japanese manufactures. If world economy had been in a more normal state, Japan, with other industrial countries, would not have been grudged a share in an expanding world market. As it was, however, Japan's expansion even though it is not really big has attracted special attention; it has even given rise to the accusation of "exchange dumping" or "social dumping." In consequence thereof, steps have been freely and openly taken by foreign countries to exclude imports of Japanese goods.

But at the same time, Japan is not in a position to establish a bloc economy within the territory of her own empire so as to be free from the insecurity of foreign markets. Even if Manchoukuo were to be brought within such bloc economy, Japan would hardly be able to satisfy her economic demands unless the markets of other countries are accessible to her.

The trade barriers in the main markets for Japanese goods before 1932 or so were not specifically designed to check Japan's advance, but merely consisted either of the general tariff increases of protectionist character due to the world depression or of the control of foreign exchange as attempted by countries like Turkey, Iran, or the Latin American countries in order to restrict imports from foreign countries as a whole. But after 1933, especially in 1934 and 1935, one country after another resorted to high tariffs,

import-quotas or import-licensing regulations, or exchange-control with the specific objective of excluding imports from Japan.

Among the discriminating tariffs against Japanese goods, the most notable are the exchange compensation duties and dumping duties as erected against the depreciated yen and low wages in Japan, respectively. The former have been adopted since 1932 by the Philippine Islands, French Indo-China, South Africa, Canada, France, Italy, etc.; especially in South Africa, the extent to which such duty was applied had gradually been widened, and in Canada, for some time until the conclusion of the new trade agreement between Canada and Japan in June, 1936, the basis of duty was computed at mint par, practically resulting in an exceptional increase in the rate of duty. The chief examples of the dumping duties are the South African duty on Japanese cement and United States duties on Japanese rubber boots and shoes and electric lamps, etc. Further, there have been the Canadian surtax of $33\frac{1}{3}\%$ on all imports from Japan, emerging after the breakdown of the governmental negotiations between the two countries, and the additional exchange compensation duty imposed by the Egyptian Government on Japanese goods soon after their notification of the abrogation of the Trade Convention. In view of the fact that the countries constituting the British Empire have become important markets for Japan's exports, the growing tendency throughout the empire to apply a preferential duty in favour of British goods has proved a particularly big blow to Japan. Lastly, one of the characteristic tendencies of the last few years has been the spread of the double tariff system, a weapon used by a country against another from which it buys more than it sells as a means of adjusting the "unfavourable" trade balance. Since 1934, this system has become popular among countries like Haiti, Cuba, Ecuador, the Argentine, the Union of South Africa, etc., and all of them have applied the highest rates to imports from Japan.

Import-quotas, import-licensing systems and other new devices of import restrictions are now such universal phenomena that countries not adopting one or the other of these measures constitute exceptions. Particularly, as regards the import restrictions on Japanese goods, the number both of the countries which have adopted these restrictions and of the items of goods on which these restrictions have been imposed has increased considerably. As notable examples, we might mention the import-quota as

applied to Japanese cotton piece-goods which is contained in the Indo-Japanese Trade Convention of 1934, and a series of the Emergency Ordinances for Restriction of Import Limitation Orders in the Netherlands Indies, which have been applied after 1933 to almost all of Japan's main exports to that country, including textiles, miscellaneous goods, metal ware, and other items, 40 in all. Exports of Japanese cotton piece-goods to the Philippines, too, have been restricted. Certainly some of the import restrictions resorted to by the Latin American and African countries have been intended to check Japan's expansion. Lastly, but far from the least, there is the quota regulation which has been applied to cotton and rayon tissues by the British colonies after the failure of the Anglo-Japanese trade talks in 1934. At present this quota is in practice in all the British colonies in Asia, the Mediterranean, Africa, West Indies, and America.

A general idea as to how Japanese goods are being shut out in world markets, may be obtained from the following list, current as at January, 1936, of the countries in which import quotas of one kind or another were in existence and of the countries in which tariffs have been increased since 1934.

I. COTTON TISSUES

Import quotas : British India, the Netherlands Indies, Turkey, Iran, French Indo-China, the Philippines, Holland, Sweden, Italy, Poland, Rumania, Czechoslovakia, Austria, Lithuania, Greece, Dutch Angola, Portuguese Mozambique, French West Africa, British Malay, British Guinea, Trinidad, Malta, British Sierra and Leone in West Africa, Barbados, Peru, Ecuador, Uruguay, Colombia, Cyprus, Jamaica.

Tariff increases : The Netherlands Indies, Syria, Turkey, Czechoslovakia, Finland, Dutch Mozambique, Morocco, the Union of South Africa, Egypt, East Africa, Chile, Argentina, Salvador, Canada, Cuba, Australia.

II. SILK TISSUES

Import quotas : The Netherlands Indies, Belgium, Poland, Italy, France, Lithuania, Sweden, Holland, Portuguese Angola, French West Africa, Ecuador, Cyprus, Uruguay, Colombia.

Tariff increases : British India, East Africa, Sudan, West Africa, the Union of South Africa, Great Britain, France, Australia, Canada, Argentina, Salvador, Cuba.

III. RAYON TISSUES

Import quotas : The Netherlands Indies, Belgium, Holland, Germany, Sweden, Italy, France, Rumania, British Malay, British Guinea, Trinidad, Barbados, Malta, Equador, Uruguay, Colombia, Cyprus.

Tariff increases : British India, France, Sudan, Egypt, the Union of South Africa, Australia, Canada, Argentina, Cuba, Salvador.

IV. KNIT GOODS

Import quotas : France, Holland, Belgium, Lithuania, Italy, French West Africa, Equador, Uruguay, Colombia, Perur

Tariff increases : British India, Egypt, Sudan, the Union of South Africa, West Africa, Canada, Argentina, Salvador.

V. RUBBER BOOTS AND SHOES

Import quotas : Turkey, Belgium, Holland, Poland, Italy, Denmark, Uruguay, Colombia.

Tariff increases : Italy, Belgium, Lithuania, Norway, West Africa, Canada, Argentina, Salvador.

VI. CHINA AND EARTHENWARE

Import quotas : Turkey, Iran, Dutch India, Afghanistan, Hungary, Poland, Rumania, Greece, Holland, Belgium, France, Italy, Bulgaria, Austria, Denmark, Uruguay, Colombia.

Tariff increases : British India, French Indo-China, Holland, Finland, Sweden, Germany, Norway, the Union of South Africa, Argentina, Salvador, Canada.

VII. PAPER

Import quotas : Dutch India, Turkey, Iran, Hungary, Poland, Holland, Italy, Czechoslovakia, Latvia, Uruguay, Colombia.

Tariff increases : Belgium, Lithuania, New Zealand, Canada, Argentina, Salvador.

VIII. TOYS

Import quotas : Turkey, Rumania, Greece, Italy, Austria, Uruguay, Colombia, Mexico.

Tariff increases : France, Great Britain, Canada, Argentina, Salvador.

IX. CANNED FOOD STUFFS

Import quotas : Turkey, Greece, Austria, France, Poland, Italy, Denmark, Portuguese Angola, Uruguay, Colombia.

Tariff increases : The United States, Canada, Argentina, Salvador.

The outlook for the future is even more serious. For not only the existing barriers as listed above are likely to be intensified still further, but also the universal adoption of the foreign trade policy based upon the reciprocity principle promises a host of new trade barriers to be added to the existing ones. As a means of improving its own trade balance, one country after another has come to ask Japan for reciprocity in trade, or, for an increase in Japan's purchases of its products, and in order to attain this purpose, it has sometimes abrogated the treaty of commerce with Japan, or erected discriminating tariffs specifically on Japanese imports. This tendency was started when in 1933 British India denounced the Indo-Japanese Trade Convention and raised the duty on cotton piece-goods. Lately, Salvador, Cuba, the Union of South Africa, and Egypt have all raised tariffs or abrogated treaties, and then proposed to negotiate reciprocal agreements with Japan.

Generally speaking, the reciprocity policy is very hard to be universally adopted. For, although exports and imports of a country, taken as a whole, may ultimately be brought into equilibrium, it is nevertheless inevitable that, in its trade relations with individual foreign countries, a country should have debit balances as well as credit balances. As against individual foreign countries, Japan's trade balances are as shown in the next page.

As is clear from the above, Japan's exports exceed imports in her relations with 31 countries, while Japan's imports exceed exports as against only 15 countries. In other words, she buys from a few countries while selling to a great many countries. It is no doubt that this country is in a weak bargaining position.

Naturally, Japan has not once taken the initiative in proposing a reciprocal trade agreement of this kind, because her social and economic situation today requires that foreign trade should be

JAPAN'S TRADE BALANCES WITH PRINCIPAL COUNTRIES
(Value in millions of yen)

	Country	1931	1932	1933	1934	1935
Credit Balance	Manchoukuo*	— 54.7	18.2	135.1	211.5	209.8
	Dutch East-Indies	17.4	59.8	101.8	95.0	64.9
	Hongkong	36.3	17.1	21.3	32.0	46.9
	Great Britain	— 10.2	— 16.2	5.3	39.2	38.1
	Siam	— 2.1	— 2.6	5.9	26.5	34.8
	Union of South Africa	18.0	13.8	22.4	21.3	28.0
	Philippine Islands	11.4	12.6	9.9	17.6	24.1
	France	3.7	0.5	17.0	20.0	22.7
	Iraq				17.1	20.8
	French Morocco				18.6	19.2
	China	40.1	52.3	— 5.1	— 2.5	15.0
	Aden	4.8	7.5	7.2	9.3	12.8
	Syria				11.6	12.5
	Holland	7.3	8.6	8.6	14.2	12.4
	Argentina	1.8	4.8	5.5	7.9	12.2
	Russia	— 15.9	— 18.0	— 23.1	— 27.8	10.4
	Iran					8.9
	Palestine				4.6	8.4
	Straits Settlements	— 2.7	0.2	7.4	— 0.0	7.9
	Colombia				9.0	7.8
	Hawaii	5.4	6.1	6.3	5.4	7.0
	Panama				4.2	6.1
	New Zealand	0.5	1.5	4.1	— 3.0	4.9
	Cuba	0.6	0.8	3.1	10.0	4.6
	Arabia					4.1
	Egypt	9.3	22.1	29.2	26.7	2.5
Turkey	3.4	5.8	1.5	0.2	2.2	
Chili	— 2.1	— 0.5	— 1.5	4.0	2.2	
Brazil	0.2	0.6	1.8	— 0.2	1.9	
Uruguay	0.5	0.2	2.1	4.3	1.2	
Italy	— 1.0	1.7	0.1	6.1	1.2	
Debt Balance	U. S. A.	83.0	64.7	129.6	370.4	274.3
	Australia	94.9	102.4	153.2	133.3	160.3
	Germany	64.8	62.3	83.4	89.9	94.1
	Canada	22.6	30.9	40.3	45.4	44.6
	British India**	22.8	71.6	0.4	33.9	20.9
	Sweden	7.3	8.2	12.6	15.0	16.3
	Norway	3.0	5.5	10.0	11.5	15.5
	Switzerland	9.9	11.8	8.9	10.6	13.0
	French Indo-China	4.7	3.3	6.2	8.0	11.0
	British Borneo	3.0	3.6	5.6	7.0	9.3
	Belgium	2.3	2.0	7.0	7.6	9.2
	Peru	0.8	0.8	2.3	5.1	4.5
	Austria	0.9	1.5	2.4	3.3	4.1
	Czechoslovakia	2.9	1.4	1.7	1.7	2.3
Mexico	0.6	0.3	1.3	3.8	1.0	

* Including the Kwantung Province.

** Including British Ceylon.

improved by increasing exports rather than by reducing imports. To Japan, the problem is not how to propose reciprocity in trade, but how to deal with such proposals when proposed by other countries.

Japan's answer to the restrictive policies of foreign countries against Japanese goods has been either conciliation or retaliation. When Japan responded with a conciliatory policy, she chose one or the other of the following two attitudes: first, she attempted to reach some agreement with the particular country for mutual concession. The Indo-Japanese Trade Convention of 1934 furnishes one case in which she succeeded in this attempt, for, under that convention, while Japan consented both to restrict exports of cotton piece-goods to India and to buy a large amount of raw cotton from India, India agreed to reduce the duty on cotton (*cf.* Chapter 5). Second, Japan undertook voluntarily to control exports with regard to price and quantity, and accordingly attempted to induce the foreign countries either to stop erecting a new trade barrier or to abolish an existing one. This was the case with exports of electric lamps to England and exports of cotton tissues, cotton rugs, pencils, potteries, plaited goods, and matches to the United States (*cf.* Chapter 5). The export control in these cases was undertaken both by the "Exporters' Association" (Yushutsu Kumiai) and "Manufacturers' Association" (Kogyo Kumiai) established for each branch of trade under specific Acts of the country.

The object of the exporters' associations was originally to give exporters an opportunity of voluntary combination so that they shall have common facilities for the conduct of business. Formerly their activities consisted mainly in the technical inspection of the exports. Since about 1933, however, as the expansion of Japan's export trade occasioned wide-spread alarm abroad and barriers have come to be erected against Japanese goods on an increasingly large scale, their efforts have been shifted to the control of export, *i.e.* control of export quantity and export prices. At present the number of the Associations which are carrying out such regulative functions is over thirty and the area in which such control is effected is also steadily being enlarged.

Execution of the schemes for export-control which were agreed upon under the Indo-Japanese Trade Convention, the American-Japanese agreements for pencils, cotton piece-goods, matches, etc.,

the American-Japanese Conversation on cotton piece-goods for exportation to the Philippines, or the Anglo-Japanese agreement for electric lamps were all undertaken voluntarily by the exporters' associations. Where the total volume of exports is to be controlled, the associations must, of course, undertake to decide the shares to be given to each member which often becomes a very complicated problem.

The "manufacturers' associations" serve the purposes of "cartels" for small industrialists. The main functions of these associations lie in the control of the production and prices of the manufactures and the furnishing of common business facilities.

Particularly important is the former function, which is now universally spread in almost every branch of industry. Today there are over 600 unit associations and 35 federations of such associations. Most of these are industries manufacturing staple exports as defined under a Japanese law.

As the control by exporters' associations and control by manufacturers' associations are applied to the same product, a conflict of interest between the two kinds of unions sometimes occurs, but they usually manage to find some way of co-operation.

It a foreign country should resort to import restrictions of extreme measures, a policy of retaliation may be pursued either by the Government or by private organizations, but, actually, this policy has been put into effect only in exceptional cases. For instance, exporters or manufacturers might organize a boycott, either not to buy goods from a certain foreign country or not to sell Japanese goods to that country. One example of the former case was the boycott resolved upon by the industrialists' and merchants' associations in Osaka against Indian raw cotton in retaliation to the drastic steps taken by the Indian Government to restrict imports of Japanese cotton piece-goods. As an example of the boycott not to sell Japanese goods, we may mention a temporary measure taken by industrialists and merchants at the time of the trade parley between Japan and the Netherlands Indies, against the Dutch Emergency Ordinance for Restriction of Import and Industrial Regulation Ordinance. At that time, exports of potteries and salong, the two necessities of the native Dutch Indians, were temporarily suspended.

There is a provision for an anti-dumping duties in the Customs Tariff Act of Japan, but this has never been put into effect. In

view of the recent tendency of the world trade, however, Japan, in April, 1934, enacted a "Trade Adjustment and Safeguarding Law." This law, as is clear from the text given below, is designed to adjust and safeguard the country's trade interests in response to such restrictive steps as any foreign country may either have already taken or be taking against Japan, to vest the Government with a power to prohibit or restrict imports of any specific goods, or to levy additional duties. It is obvious that, unless the Government consider retaliation particularly necessary and take administrative steps, this law exists only on paper. This law, again, being an emergency legislation, is designed to be effective for three years only.

It was the intention of the Japanese Government when promulgating this law to refrain from resorting to it as far as possible. So far, it has been brought into effect only once: the Government took steps to use it against Canada in retaliation to the Canadian exchange compensation duty. On that occasion, the Japanese Government imposed additional import duties of 50% *ad valorem*, to be effective for one year, on eight items of imports from Canada, including timber and wheat, but left imports of aluminium, lead and zinc free from such imposition.

The text of the Law reads as follows:

LAW CONCERNING ADJUSTMENT OF TRADE AND SAFEGUARDING OF COMMERCE

(Law No. 45, Promulgated on April 7th, 1934.)

ART. 1. The Government, whenever they consider it specially necessary so to do for the purpose of adjusting trade or safeguarding commerce in answer to the measures that have been, or are to be, taken by foreign countries, may, in accordance with the provisions of Imperial Ordinance and with the approval of the Tariff Investigation Committee, in respect of specified articles and during a specified period of time, impose on such articles, in addition to the import duties numerated in the Import Tariff annexed to the Customs Tariff Law, import duties not exceeding in amount their value; or reduce, or exempt them from, import duties; or prohibit or restrict the exportation or importation thereof.

ART. 2. The Government may, as laid down by Imperial Ordinance, in respect of matters relating to the prohibitions or restrictions enforced in accordance with the provisions the preceding Article, require reports or inspect books and other materials concerned.

ART. 3. Any person who exports or imports, or attempts to export or import, in contravention of the prohibitions or restrictions enforced in

accordance with the provisions of Article 1, shall be liable to penal servitude or imprisonment for a period not exceeding two years or to a fine not exceeding ¥ 7,000 ; provided, however, that, in case an amount corresponding to three times the value of the articles in connection with which the aforesaid offence is committed exceeds ¥ 7,000, the fine shall not exceed three times the value in question.

Any person who, in contravention of Imperial Ordinance issued under the provisions of the preceding Article, fails to make reports, makes false reports, refuses to yield to the inspection of books and other materials or who obstructs the inspection by concealing books or documents, making untrue statements or in any other manner shall be liable to imprisonment for a period not exceeding six months or to a fine not exceeding ¥3,000; the same shall apply as regards any person who makes any false entry in applications for permits or in other documents submitted to the Government in accordance with Imperial Ordinance issued under this Law.

ART. 4. In case a representative of a juridical person, or an agent, employee or other person connected with the business of a juridical or natural person commits, in connection with the business of such juridical or natural person, an act in contravention of the preceding Article, the offender shall be punished, and the fine mentioned in the preceding Article shall be imposed on such juridical or natural person.

ART. 5. The penal provisions of this Law shall apply also in respect of such acts as are committed outside the territory in which this Law is in force by a representative, agent, employee or other person connected with the business of a juridical person having its head office or principal place of business within the territory in which this Law is in force ; the same shall apply in respect of such acts as are committed outside the territory in which this Law is in force by a natural person having his residence within the territory in which this Law is in force, or by his agent, employee or other person connected with his business.

SUPPLEMENTARY PROVISIONS

The date from which this Law shall come into force shall be determined by Imperial Ordinance.

This Law shall remain in force not longer than three years after its coming into force.

The penal provisions of this Law shall apply, notwithstanding the expiration of the period prescribed in the preceding Paragraph, in respect of acts committed within the said period and punishable under this Law.

CHAPTER II

TRADE NEGOTIATIONS WITH INDIVIDUAL COUNTRIES

1. ANGLO-JAPANESE TRADE NEGOTIATIONS

Negotiations Between the Japanese and the British Governments Preceding the Conference of Industrialists

In his memorandum to Mr. Matsudaira, Japanese Ambassador in London, dated April 25, 1935, the President of the Board of Trade of Great Britain stated that "Having had under consideration the question of increasing exports of Japanese goods, especially cotton textiles, to the markets of the world at a level of prices far below that which it is possible for United Kingdom manufacturers in the economic conditions of this country to meet, it is the view of His Majesty's Government that a correct approach to the problem in the interests both of the United Kingdom and the Japanese industries is that these industries should arrive at agreements for a fair distribution between themselves of the markets available both in British and foreign territories;" and proposed that "the British Government would welcome discussions to be opened in London between the two industries."

The Japanese Government, after consulting the cotton industrialists in the country, sent their reply to the British Government on May 24, 1933, to the following effect :

1. The Japanese Government would accept the proposal for a conference between the Japanese and the British industrialists, but they considered that the assistance of the two Governments would be necessary for such a conference.
2. Discussions should be limited to cotton textiles.
3. The markets of third countries should be excluded from discussion.
4. The British Government should undertake, upon the conclusion of the proposed agreement, to take effective steps to prevent the Dominions from resorting to restrictive measures, such as tariff actions, against Japanese goods, or else the Dominions should be excluded from the discussions.
5. In view of the fact that the question of the Indian market

was to be the central subject of discussions, the conference should be held in India.

(Note :—This was before the Indo-Japanese Conference which was held in Simla in September, 1933.)

The two Governments exchanged views several times since then on the problems of (a) Commodities and (b) Areas to be included in the agreement.

As regards the commodities to be discussed, the British Government suggested that, in view of the close relation between the cotton and the rayon industries and the increasing production of rayon goods as substitutes of cotton goods, it would be desirable to discuss *en bloc* both rayon fabrics and cotton-rayon mixtures together with cotton textiles.

The Japanese Government at first opposed this view on the ground that the rayon and the cotton industries in Japan could not be treated in the same way, because the former, unlike the latter, was still of a recent growth and consisted of small-scale units—an industry in which there was no control obtaining nor was there any organization to represent the interest of the industry as a whole. However, in their desire for a satisfactory agreement to be reached, the Japanese Government finally yielded, though reluctantly and on condition that the conference begin with discussions on cotton textiles and, if considered necessary and to the necessary extent only, proceed to discuss the problems of rayon.

With reference to the extent of the markets to be included in the agreement, the British Government insisted upon the inclusion of the Dominions and third countries, while referring to the Japanese request for the guaranty of the British Government against any restrictive measures on the part of the Dominions against Japanese imports, they maintained that they could not give such guaranty because of the autonomous status of the Dominions, and merely stated that it would be unlikely for the Dominions to disregard the consequences of the conference.

The Japanese proposal to exclude the markets of third countries from discussion was based upon the contention that such discussion would not only be unduly complicated, but be of little avail, because, even with Anglo-Japanese agreements for the markets of third countries, neither Great Britain nor Japan would be able to

stop competitions of other countries in these markets, or to prevent the particular third countries from resorting to whatever restrictive measures against British or Japanese goods that they should see fit to adopt. The British Government, however, holding a widely different view, argued that to leave out third countries would not be the way to solve the difficulty facing the two countries, and invited Japan to send her delegates to London.

Conference Between the Japanese and the British Industrialists

The Japanese Government decided to accept the invitation in the hope that the industrialists of the two countries, meeting and conversing together, might understand each other's contention more easily; besides, there was the fear that an indefinite postponement of the conference might needlessly irritate the feelings on both sides. It was thought advisable to send the trade representatives in any case, if only for the purpose of preparing grounds for the formal conference to follow. Thus, the Japanese Government, after consultation with the industrialists, sent four delegates, including Mr. Okada, representing the Japan Cotton Mill Owners' Association. The Japanese delegates arrived in London on September 6, 1933 and lost no time in opening informal conversations with the British representatives.

Following the settlement of the major questions at the Indo-Japanese Conference early in the following year, the Japanese rayon representatives joined the four cotton delegates and, on January 14, 1934, the formal conference was opened in London.

From the beginning of the Conference, the two sides never came to an agreement as to the treatment of the markets of foreign countries, the British, as during the Government negotiations, adhering to their original view that not only the Dominions but all the markets of the world should be included, while Japan, on her part, showed no signs of giving way to such inclusion. It now looked palpable that the Conference would break down, if this particular question was to be settled first at all costs. In an effort to break the seeming deadlock, the Japanese delegates asked the British if the latter could not show concrete and detailed proposals to be discussed, thus leaving aside the question of third countries. The new British plan then put forward was to attempt some kind of division of world markets into several groups, each group to be discussed one by one, instead of taking up all the

markets as a whole. The main points of this new proposal were: first, agreements should be reached for all the markets of the world, including those foreign countries' entirely beyond the jurisdiction of either Japan or Great Britain; and, second, the agreements should be based upon the conditions of foreign trade prior to 1927-31 when the expansion of Japan's export trade had not been marked. The Japanese representatives refused to continue discussions on this plan and, on March 14, 1934, the Conference was brought to an end.

Subsequent Negotiations Between the Japanese and the British Governments

Upon the breakdown of the Conference, the British Government on March 16, 1934 requested the Japanese Government for whatever steps the latter would propose to cope with the situation as left by the failure of the proposed agreement. The Japanese Government stated in reply that they were prepared to consider any such "fair and reasonable" proposals as the British Government might see fit to submit. On May 3, 1934, the British Ambassador to Japan notified the Foreign Office in Tokyo that Great Britain, seeing that the reply of the Japanese Government contained no proposal for the solution of the problem, was obliged to take such steps as were considered necessary to safeguard the industries of the country and would resort to measures of a general character in the British Commonwealth. On May 7, 1934, the President of the Board of Trade of Great Britain made an important statement in Parliament, the gist of which is as follows:

"For United Kingdom markets steps will be taken to raise duties on silk, while in the case of the colonial markets, the colonies and protectorates (excepting West Africa) will be asked to apply import quotas to all foreign imports of cotton and rayon goods. The basis for apportioning these quotas as between the foreign countries is to be the average of their imports in the years 1927-1931. The quota regulation will be put into force retrospectively as from May 7. In the case of the West African colonies, as the result of the abrogation of the commercial treaty, restrictions will be applied only to Japanese goods. As regards goods other than cotton and rayon textiles, the British Government are considering what tariff action in the colonial markets is

called for, while regarding the home market, the matter can be dealt with by means of the ordinary procedure of the Import Duties Act."

It is perhaps still too early to make a survey of the effect of the British policy on the Japanese exports. But, as the five years, 1927-1931, which were taken as the basis of the quota, include some of the worst years of the export business of Japan, it is generally expected that her trade will be, on the whole, curbed to a great extent. It fact, the export to the Straits Settlements, which sank to ¥ 19,000,000 in 1931 and rose to ¥ 63,000,000 in 1934, dropped to ¥ 48,000,000 in 1935. However, in the case of Hongkong, another important market, an opposite movement was shown. The export to Hongkong which counted ¥ 36,000,000 in 1931 and ¥ 33,000,000 in 1934, rose in 1935 to ¥ 48,000,000. Therefore, the amount lost in the former country was more than compensated by the gain in the latter. Besides, it is also probable that much of the transit trade, which used to be made through Singapore, changed its route and direct dealings are now developing. The export to Siam, for example, increased by ¥ 12,000,000 in 1935, as compared with 1934. Under such conditions, the import transit trade may also have been shifted to direct trading. On the other hand, it may be possible that Japanese exports to other British colonies could not increase as much as they would have without the quota. It would be interesting to examine whether or not British exports to these markets increased in place of those from other countries, in the near future.

2. ANGLO-JAPANESE AGREEMENT FOR ELECTRIC LAMPS

In November, 1933, Sir Horace Wilson, of the Board of Trade of Great Britain, sent a note to Mr. Matsuyama, Japanese Commercial Chancellor in London, asking whether, in view of the general desire among the manufacturers of electric lamps in England for a tariff increase against Japanese competition, Japan would not undertake to control exports of low-priced electric lamps to that country. Conforming to this notification, a Japan Federation of Electric Lamps Manufacturers' Associations was established on November 30, 1933, with the object of effecting a voluntary control of the industry, and steps were taken, in

accordance with the constitution of this organization, to enforce a compulsory examination of export goods together with an agreement among the manufacturers to fix the export prices of lamps above a certain level, an agreement which would result in a substantial increase in their selling prices. Sir Horace Wilson, however, when informed of the above arrangements, further notified the Japanese Government that since a mere raising of price by 30% to 50% could not possibly check the Japanese imports to any substantial measure that would satisfy the British manufacturers, far more extensive steps would be necessary to settle the question.

On January 16, 1934, Sir Horace Wilson proposed to Mr. Matsuyama the following import quotas for 1934 to be applied to Japanese electric lamps :

Lamps for household purposes	2,500,000 Pieces
Lamps for motor cars	2,500,000 „
Miniature lamps	13,500,000 „
Lamps of other kinds	800,000 „
Total	19,300,000 Pieces.

These figures were based upon the averages of the Japanese imports in the years 1930-32, or equivalent to 50% of these averages.

Japan, however, counter-proposed, first, 44,000,000 pieces in all, and later, 42,340,000 pieces, on the average of the 1931-32 imports. Thereupon, the British Government showed what was said to be their final proposal, that is :

Lamps for household purposes	4,300,000 Pieces
Lamps for motor cars	5,600,000 „
Miniature lamps	22,800,000 „
Lamps of other kinds	1,100,000 „
Total	33,800,000 Pieces.

These figures were based upon the averages of the Japanese imports in the three years from July 1, 1930 to June 30, 1933. The Japanese side was by no means pleased with these quotas, especially with that of lamps for household purposes, but, at the Executive Committee meeting of the Federation held on May 7, 1934, it was decided to accept the British proposal because it was realized

that an even more disadvantageous situation would ensue in case the negotiation failed, and, on May 27, 1934, the Anglo-Japanese agreement was formally concluded.

3. INDO-JAPANESE TRADE CONVENTION

Abrogation of the Indo-Japanese Trade Convention

The Indo-Japanese Trade Convention according mutual most-favoured-nation treatment with respect to customs duties was concluded between the Japanese and the British Governments on August 29, 1904. In 1927, the Indian Government placed a customs tariff on cotton yarns; in 1933, they granted, in accordance with the Cotton Textile Industry (Protection) Act of 1930, a special rate of duty for British goods. The Japanese Government protested to the British Government against these actions which they considered contrary to the terms of the Convention, but, on this point, the Governments of Great Britain and India interpreted the Convention differently than the Japanese Government and consequently the repeated protests by the latter were to little avail.

Since that time, the discrepancy between the special rate of duty in favour of British cotton goods and the ordinary rate on Japanese cotton imports had steadily become bigger, until, as of the end of August, 1931, it was; the special rate: 25% *ad valorem*, or 4.375 annas per pound; the ordinary rate: 50% *ad valorem*, or 5.25 annas per pound. It was chiefly intended by this means to stem the flood of Japanese cotton goods which was alleged to be due to the depreciation of the yen. But Japan's exports to India went on unabated. An outcry for some steps to protect home industries was now widely spreading in India; business associations, especially cotton industrialists, were incessantly appealing to the Government to terminate the Indo-Japanese Trade Convention. Finally, on April 10, 1933, the British Government, on behalf of the Indian Government, notified Mr. Matsudaira, Japanese Ambassador in London, that they would abrogate the Convention, such abrogation to take effect six months later in accordance with Article IV of the said Convention, that is on October 10, 1933.

No sooner had it been decided to terminate the Convention, Sir Joseph Bhore, Commerce Member of the Viceroy's Executive

Council, on April 8, 1933, presented a Safeguarding of Industries in India Bill to the diet and this was passed on April 15, 1933. The main point of the bill was: when foreign commodities were sold in or imported to India at such an abnormally low level of prices as might endanger India's industries, the Governor General be empowered, after necessary investigations, to impose on these commodities customs tariffs at such rates as deemed necessary in order to protect the interests of the home industries affected.

From the Abrogation of the Indo-Japanese Trade Convention Till the Opening of the Indo-Japanese Conference

After receiving the notification of the British Government concerning the abrogation of the Convention, the Japanese Government promptly commenced diplomatic negotiations with the British and the Indian Governments through Mr. Matsudaira and Mr. Miyake, Japanese Consul General in Calcutta, respectively. On June 6, 1933, the British Government informed the Japanese Government that the Indian Government wished to receive the representatives of the Japanese Government in India to discuss the problem of customs tariff in connection with the trade between the two countries and, in that case, to have concrete proposals of the Japanese Government presented in advance so that they might be able to study the matter before the conference. Meanwhile, Sir Joseph Bhore and Mr. Miyake were conversing in India, and it was finally determined that the agenda of the conference should not necessarily be limited to the problem of tariff, but be made to include any outstanding questions pertaining to the Indo-Japanese trade relations and also that the time of the conference should be, in accordance with an Indian suggestion, after the close of the summer session of the Indian Diet (September 21).

While governmental negotiations were thus in progress, however, the Government of India on June 7, 1933, suddenly raised the duty on cotton piece-goods to a prohibitive rate of 75% and, in retaliation, the Japan Cotton Mill Owners's Association, the Japan Raw Cotton Trade Association and other business associations in Osaka resolved upon boy-cotting Indian raw cotton. The prospect of the conference had by no means been bright.

In the meantime, the Japanese delegation headed by Mr. Sawada sailed on August 24 and arrived in Simla on September 23. The

opportunity was also taken, by the Governments of Japan, Great Britain, and India, to arrange for Anglo-Japanese, and Indo-Japanese, conferences of industrialists to be held in Simula alongside of the Government conference. So, both Lancashire and Osaka sent their delegations to India.

Indo-Japanese Conference

The three conferences were held side by side ; the Government officials of India and Japan meeting as often as fifteen times since they first met on September 25 ; the trade representatives of India and Japan, and also of Great Britain and Japan, meeting first respectively on October 3 and October 4, and meeting subsequently four times each. Meanwhile, the Sawada-Bhore private conversations were also held more than ten times. It was after such efforts had been made on each side that the Indo-Japanese Agreement was finally reached on January 5, 1934, at the fifteenth official meeting. Incidentally, the British and Indian industrialists themselves held meetings of their own and made an agreement for co-operation between the cotton industries of the two countries.

At the outset of the official conference, the prolongation of the Indo-Japanese Trade Convention was discussed lest both Japan and India should suffer from the expiry of the Convention while the talks were in progress, and as the result of Anglo-Indo-Japanese negotiations, the Indian Government consented to extend the Convention by one month after October 10 when the expiry would have taken effect and, in case no agreement had been reached by November 10, to prolong it still longer.

The main topics of the Indo-Japanese Conference were : (a) the customs duty to be imposed upon, and (b) the quota to be applied to, imports of Japanese cotton piece-goods, (c) measures to correct the effects of exchange fluctuation, and (d) most-favoured-nation treatment to be reciprocally accorded to Japanese and Indian goods other than cotton piece-goods.

Japan proposed that India should lower the duty on cotton cloth from the new rate of 75% which was imposed on June 7, 1933 to its previous rate of 50%, in return for Japan's undertaking to control exports on a voluntary basis. India put forward its own proposals for Japan's consideration with reference to such problems as the linkage between the quota to be applied to Japanese cotton piece-goods and the minimum quantity of Indian

raw cotton to be imported by Japan, the application of quotas to Japanese goods other than cotton piece goods, the possibility of future fluctuation of the Indo-Japanese exchange-rate and the corrective measures to be adopted in case any such fluctuation affected the proposed agreement.

The basic points of the Indian proposals were that (a) the basic quota of Japanese cotton goods should be the average of imports in the ten years immediately preceding Japan's gold embargo of 1931, (b) the quota of Japanese cotton piece-goods should be linked with the export of Indian raw cotton to Japan, varying the quota by means of a sliding scale, in proportion to a variation in the quantity of Indian raw cotton purchased by Japan, and (c) if Japan would accept these proposals, India would lower the tariff rate and accord most-favoured-nation treatment. Japan, on her part, demanded (a) lowering the duty to below 50%, taking into consideration the preferential rate under the Ottawa agreement and (b) the determination of an import quota of Japanese cotton piece-goods on the basis of the 1932-33 figures. A compromise between these two opposing viewpoints looked hopeless at one time and, in order to avoid the complete breakdown of the conference, it was found necessary to end the Simla talks and to start anew at New Delhi after some interval. In the meantime, arrangements were made for private conversations between Mr. Sawada and Sir Joseph Bhore with a view to breaking the seeming deadlock.

Concerning the problems of import quotas to be applied to Japanese goods other than cotton cloth and corrective measures of exchange fluctuation, it was agreed to leave these for study and discussion by the experts in both the Japanese and the Indian delegations, so as to enable the conference to concentrate on the two main problems: the import quota of Japanese cotton cloth and the linkage between such quota and Japan's purchases of Indian raw cotton.

After a series of conversations in which both exchanged modified proposals, Sir Joseph Bhore and Mr. Sawada came to an agreement as to the fundamental principle with which to link the quota of Japanese cotton piece-goods and India's export of raw cotton to Japan, but as regards such questions in detail as the actual figure of such quota, the quantity of Indian raw cotton to be imported by Japan, division into quarter-yearly periods of the

cotton import-quota and its transferability as between the four periods, classification of the quota into different categories (Indian proposal), and transferability of the quota from one cotton year to the next (Japan's proposal), it did not seem that both sides would come to any compromise. Finally, however, on December 31, 1933, India accepted what was regarded as the largest concession Japan would make and thus, as mentioned already, at the fifteenth official meeting of January 5, 1934, the two countries came to a formal agreement. On July 12, 1934, the Indo-Japanese Agreement was signed. Its details follow :

I. MOST FAVOURED NATION TREATMENT

In respect of customs duties, Japan and India shall reciprocally accord most favoured nation treatment to any articles, produce or manufacture of other country.

II. NEGOTIATIONS TO BE HELD CONCERNING THE MODIFICATION OF CUSTOMS TARIFF

Subject to reservation by both countries of right to make such changes in their customs tariffs as may be necessary for protection of their own interests Japan and India agree that, should any modification of customs tariff by either country result in trade interests of other being adversely affected in any appreciable measure they shall upon request of country so affected enter into negotiations with object of reconciling as far as possible trade interests of two countries.

III. MEASURES TO CORRECT EFFECTS OF EXCHANGE FLUCTUATION

Nothing in this agreement shall be held to prohibit the imposition or the variation from time to time by the Government of India of special rates of customs duty on articles, the produce or manufacture of Japan, other or higher than those levied on similar articles, the produce or manufacture of any other country, at such rates as the Government of India may consider to be necessary to correct the effects of any variation of the value of the yen relative to the rupee subsequent to December 31st 1933.

Imposing or varying, or on being requested by the Government of Japan to vary, such special rates of customs duty the Government of India undertake to give full consideration to relevant factors which tend to raise export prices of Japanese goods, such as the purchase by Japan of raw materials in market outside Japan and the adjustment of internal Japanese prices, and to limit such rates to what is necessary to correct the effects of the depreciation of the exchange value of the yen relative to the rupee on the duty-paid value of Japanese goods imported into India.

Provided, that no change in such rate shall be made until it has been in force for at least five weeks.

Reciprocally the Government of Japan shall have the right of imposing or varying special rates of customs similar to those for which provision is made in paragraph 1 of this article (3), on articles, the produce or manufacture of India, under similar circumstances, and subject to conditions similar to those provided for in paragraph 2 and 3 of this article (3).

Provided that the said right shall not accrue to the Government of Japan unless the exchange value of the rupee relative to the yen shall be depreciated below the value of .732 yen.

IV. CUSTOMS DUTIES ON JAPANESE COTTON PIECE-GOODS IMPORTED INTO INDIA

Without prejudice to agreements concerning most favoured nation treatment and the measures to correct the effects of exchange fluctuation customs duties to be imposed by Government of India on Japanese cotton piece-goods should not exceed following rates.

Duty on plain greys	50% <i>ad valorem</i> or 5.25 annas per pound.
Duty on others	50% <i>ad valorem</i> .

It is understood that the Government of India shall not impose on Japanese cotton piece-goods other than plain greys a specific duty exceeding 5.25 annas per pound subject to agreement concerning most favoured nation treatment.

V. IMPORTATION OF JAPANESE COTTON PIECE-GOODS INTO INDIA

(a) Calculation of quota of Japanese cotton piece-goods to be exported to India in period of one year beginning 1st April shall be limited within a quota which shall be fixed in accordance with quantity of Indian raw cotton exported to Japan in period of one year beginning 1st January of same year.

It is to be noted that period of one year for the purpose of fixing quota of Japanese cotton piece-goods (or piece-goods year) shall be from 1st April to 31st March of following year while period of one year for the purpose of calculating quantity of Indian raw cotton exported to Japan (or cotton year) shall be from 1st January to 31st December.

(b) Basic quota and modification of basic quota.

i. Basic quota of Japanese cotton piece-goods to be exported to India in a piece-goods year shall be three hundred and twenty-five million (325,000,000) yards and it shall be linked with one million (1,000,000) bales of Indian raw cotton exported to Japan in corresponding cotton year.

ii. In case export of Indian raw cotton to Japan in any cotton year should fall below one million bales quota of Japanese cotton piece-goods for corresponding piece-goods year shall be determined by reducing above basic quota at rate of two million yards of every ten thousand bales of deficit.

iii. In case, however, such export in any cotton year should exceed one million bales quota of Japanese cotton piece-goods for corresponding piece-goods year shall be determined by increasing above basic quota at rate of one million and five hundred thousand yards for every additional ten thousand bales provided that quota should in no case exceed four hundred million yards.

iv. In case export of Indian raw cotton to Japan in any cotton year should exceed one million and five hundred thousand bales quantity thus exported in excess of one million and five hundred thousand bales shall be for purpose of determining relevant quota of Japanese cotton piece-goods added to quantity of raw cotton exported to Japan in following cotton year.

v. In respect of both cotton piece-goods and raw cotton re-exported quantity shall be deducted from imported quantity.

(c) Two half-yearly instalments of quota.

i. A piece-goods year shall be divided into two half-yearly periods first half-yearly period running from 1st April to the 30th September and the second half-yearly period from 1st October to 31st March of following year.

ii. Quota for first half-yearly period shall be two hundred million yards.

iii. Quota for second half-yearly period shall be provisionally fixed at quantity which will be derived by deducting two hundred million yards from yearly quota calculated on basis of estimated export of Indian raw cotton to Japan in corresponding cotton year.

Adjustment of export of Japanese cotton piece-goods to India shall be made by the end of said period on basis of exact quantity of Indian raw cotton exported to Japan in corresponding cotton year subject to rules of allowances between periods.

iv. A transfer from quota of first half-yearly period to quota of second half-yearly period shall be permitted up to a maximum of twenty million yards shall be permitted.

(d) Classification of quota into categories.

Quota of cotton piece-goods shall be classified into following categories in conformity with following percentage :

Plain greys	forty-five per cent.
Bordered greys	thirteen per cent.
Bleached	eight per cent.
Coloured and others	thirty-four per cent.

The percentage allotted to each of the above categories may be modified subject to following condition ;

i. Increase in category either of bordered greys or bleached shall not exceed twenty per cent of quantity allotted to that category and increase in any other category shall not exceed ten per cent of quantity allotted to that category.

ii. Quantity transferable from category either of bordered greys or bleached shall not exceed twenty per cent of quantity allotted to that category and quantity transferable from any other category shall not exceed ten per cent of quantity allotted to that category ; and

iii. Total quota of cotton piece-goods for any piece-goods year shall not be increased by above modification of quantity allotted to each category.

(e) The quota for the period intervening the enforcement of the arrangement and the commencement of the first piece-goods year.

i. The quota of cotton piece-goods for the period between the date on which the present Indian customs duty on cotton piece-goods will be reduced to 50% and the 1st April on which the 1st piece-goods year begins to run shall be the proportionate fraction of the quantity that would have been allotted to the whole piece-goods year from the 1st April, 1933, to the 31st March 1934, on the basis of the quantity of Indian raw cotton imported into Japan in the cotton year of 1933 (from the 1st January to the 31st December).

ii. The quota for this period and the first half-yearly instalment of the 1st piece-goods year quota should be consolidated into one for the period of approximately 9 months ending at the end of September, 1934.

VI. ENFORCEMENT OF NEW AGREEMENT

(a) Separation of Burma.

It has been agreed that terms of new treaty shall remain in force throughout its full term whether or not Burma is separated.

(b) Duration of new treaty.

It has been understood that new treaty shall be signed as soon as possible at London by respective representatives of Japanese Government and British Government Treaty shall come into force immediately after exchange of ratifications and shall remain in force until 31st March 1937.

The treaty was ratified by both Governments and came into force on April 1, 1934. The results of the trade in the Indian raw cotton and Japanese cotton piece-goods were as follows :

TRADE OF JAPAN PROPER WITH BRITISH INDIA
(Cotton Tissues & Raw Cotton)

Year	Cotton Tissues (B. India's Imports)		Raw Cotton (Japan's Imports)	
	Quantity	Value	Quantity	Value
	th. sq. yds.	th. rupee	th. pels.	th. yen
1927	233,053	82,475	4,992	202,282
1928	257,243	88,929	4,604	232,267
1929	562,846	126,956	5,136	231,108
1930	326,754	59,300	4,725	147,688
1931	339,782	54,520	4,808	113,262
1932	579,735	78,539	2,740	91,747
1933	349,041	44,313	3,977	168,797
1934	373,774	51,958	5,792	252,435
1935	5,211	259,037

Years in Cotton Tissues begin on April 1st.

The treaty having been arranged to remain in force until 31st of March, 1937, the negotiations for the next term are to be started perhaps late in 1936.

4. JAPAN-NETHERLANDS INDIES NEGOTIATIONS

Trade Relations Between Japan and the Netherlands Indies Prior To the Government Negotiations

The effect of the world depression on the Netherlands Indies in the last few years has been so severe that the output of sugar, the most important factor in her national economy, had decreased to one third of its former level and the value of her export trade also to one third of the 1929 figure, resulting in a marked increase in the number of unemployed among the native people and a sharp decline in their purchasing power. Entering the Netherlands Indies under such conditions, Japanese exports far from showing a decline made a remarkable advance. Japan's share in the imports of the Netherlands Indies rapidly increased relative to other countries' until in 1933 it became even larger than that of Holland. From Japan's point of view, too, the Netherlands Indies has become one of the most important markets for her manufactures, the

value of her exports to that country in 1935 constituting 5.7% of her total exports.

The Netherlands Indian Government have been compelled to modify drastically their traditional liberal policy in order to protect home industries from foreign competition while coping at great pains with the depression in the country. On June 27, 1933, the Import Restriction Ordinance on cement was put into force, by which was settled the question of the import quota to be applied to Japanese cement which had been competing with Padang cement, one of the representative manufactures of the Netherlands Indies. On September 5, 1933, the Emergency Ordinance for Restriction of Import was passed by the Volksraad and promulgated on the same day, authorizing the Governor General to issue an order, when he considered it necessary, to restrict any item of import to any measure. Among the emergency steps thus taken were the import quotas on beer (December, 1933) and on salong (February, 1934) and the import prohibition on soya beans from Manchoukuo (February, 1934). The object of such policy in each case, except in the case of a portion of salong, was generally regarded as the protection of home industries. On May 1, 1934, however, imports of bleached cotton piece-goods were restricted, obviously for the purpose of protecting the trading interest of the mother country. In fact, the import business of these goods was almost all allotted to Dutch firms. This attitude of the Netherlands Indian Government gave rise to widespread agitation and protest by the Japanese merchants. The Netherlands Indian authorities, in the hope of settling the issue, formally invited the Japanese Government to send their representatives to discuss the future of trade between the two countries—a scheme about which they had already tentatively approached the Japanese Government. The latter accepted the invitation, and a Japan-Netherlands Indies trade parley was opened at Batavia on June 8, 1934.

Japan-Netherlands Indies Trade Parley

A series of conversations were held between the two delegations in the course of six months from June to December in 1934, but failed to achieve any concrete result. A number of communiques and official statements which both delegations issued frequently indicate that there was from the beginning some essential discrepancy between the viewpoints of the two sides and, instead of

making efforts to settle the fundamental issues of the conference, both sides spent most of the time in discussing relatively unimportant questions.

Japan's attitude toward the parley was based upon the principle of the freedom of trade and consisted of insisting on the observation of the Japan-Netherlands Indies Trade Convention, the freedom of living and occupation, assurances of most-favoured-nation treatment, the maintenance of the vested interests under the Trade Convention, etc. The Netherlands Indies, on the other hand, expounded how imports from Japan have taken the place of imports from other countries where Netherlands Indian goods were sold in large quantities—a state of things which has threatened to cut off Netherlands Indian trade from the rest of the world. It has become vitally important, therefore, the Netherlands Indies asserted, to re-adjust her trade with Japan on a barter basis, instead of continuing it on most-favoured-nation treatment. On these grounds, the Netherlands Indies proposed to discuss mainly the question of how to increase Netherlands Indies' exports to Japan while limiting Japan's exports to the Netherlands Indies. This wide gap existing between the two contentions had amply indicated the difficulty of the conference.

Moreover, before both sides agreed on a common ground on which to conduct the talks, the Netherlands Indian Government on July 25, 1934 promulgated an Import Restriction Ordinance on potteries. The Japanese delegation protested. Pottery industrialists in Japan resolved upon embargo of potteries to the Netherlands Indies. Salong industrialists followed suit. Further, on August 6, the Netherlands Indies introduced the problem of ocean transportation before the conference, which considerably added to the difficulty of the negotiation. The import restriction on potteries was withdrawn by the Netherlands Indian Government, and, as regards the ocean transportation problem, both sides agreed that a transporters' conference should be held in Kobe to deal specifically with this problem. But the Netherlands Indian Government, on October 23, 1934, put into force an Industrial Regulation Ordinance by which they intended to control strictly any such new enterprises as might be considered to impair the existing trading interests, and, on October 25, promulgated an Import Restriction Ordinance on cast iron pan. The situation was now so bad that the conference was virtually

brought to a standstill, with the Japanese side asking, not altogether without reason, what was the use of continuing it further. An attempt was made to save it from complete breakdown by means of private conversations between the chief delegates of both countries, and it looked at one time as though the situation had considerably improved when, thanks to the chief delegates' efforts, a sub-committee on exports was held on November 22, but it was not to achieve any settlement of the issue after all. Finally, consequent upon the Nagaoka-Ranneft conversation of December 21, it was decided to put the conference to an end.

The blame for this failure is said to be on both sides adhering in so uncompromising a manner to what might be called side-issues of the talks. However, a great cause of the breakdown was that the two countries held vastly different views concerning the question of barter arrangement, one of the main topics of the conference, especially with respect to the import of sugar. The largest concession made by the Netherlands Indies was that Japan should buy 900,000 tons of Java sugar in the course of three years, undertaking not to re-export more than 100,000 tons a year, whereas Japan would not concede to guarantee an import of more than 500,000 tons within three years, now that her own sugar industry was able to supply the entire demand of the country, but would be prepared to import from the Netherlands Indies timber, bauxite, petroleum, tin, corn, tapioca, etc. The sugar problem was, however, the first problem which the Netherlands Indies found it essential to settle prior to any other problem, as she was suffering from the large stock of some 2,000,000 tons. It was a fatal thing for the conference that both sides should have disagreed on this all-important problem.

A separate conference to deal with the problem of ocean transportation was to commence on January 25, 1935 at Kobe, but the two delegations did not agree on what language should be used in the conference. Consequently, the conference actually failed before it even convened and, on March 3, 1935, the Netherlands Indian delegates went back to their country.

Problems of Trade Between Japan and the Netherlands Indies After the Breakdown of the Parley

After the failure of the Japan-Netherlands Indies trade parley,

the Netherlands Indian Government proclaimed a series of Import Restriction Ordinances on unbleached cotton piece-goods, glass, enamelled iron ware, etc., more than ten in all, but one significant fact was that this group of emergency measures was, in various important points, considerably less stringent than those which had been put into force both before and during the conference. First, since the time when imports of cast iron pan were restricted (from January, 1935), Japan has been assured by the Netherlands Indian Government of the abolishment of the system under which a discriminating treatment was given between members and non-members of the Europeans' trade association with regard to the allotment of import quota. Secondly, from January, 1935 onward, the maximum amount of import quota allotted to Japanese merchants has been enlarged from 15% to 25% of the total imports of the country. Thirdly, import quotas of Japanese iron ware, salong, both bleached and unbleached cotton piece-goods etc. were fixed on the basis of imports in the year 1933, the particular base year which Japan had been proposing, but which the Netherlands Indies had not consented to adopt. Incidentally, the basis for import quotas applied to other countries' goods is the average of imports in the five years of 1929-1933.

The actual conditions of the trade between the two countries before and after the conference are shown below. It will be noticed here that, in 1935, Japan's exports to the Netherlands Indies decreased by about 10% on the preceding year, but her imports increased by more than 20%.

TRADE OF JAPAN PROPER WITH DUTCH EAST-INDIES

Year	Japan's Imports from Dutch East-Indies	Japan's Exports to Dutch East-Indies
	thousand yen	thousand yen
1927	103,775	82,581
1928	112,917	73,414
1929	77,346	87,125
1930	59,984	66,048
1931	46,081	63,450
1932	40,409	100,251
1933	55,710	157,487
1934	63,464	158,450
1935	78,187	143,041

JAPAN'S SHARE IN DUTCH EAST-INDIES'
TOTAL EXPORTS & IMPORTS

Year	Exports	Imports
1931	4.4	17.0
1934	4.0	31.9

5. TRADE AGREEMENTS BETWEEN JAPAN AND THE
UNITED STATES

In spite of the fact that Japan stands with a debit balance in relation to the United States, it was not the former but the latter who requested an opening of negotiations with the aim of restricting imports. But, as has been fully discussed in a paper by Mr. T.A. Bisson entitled "Japan's Trade Boom: Does It Menace the United States?" (published by the Foreign Policy Association, March 15, 1936), Japanese-American trade relations are, on the whole, non-competitive and only a very small proportion (8.2%) of the total Japanese imports to the United States offered substantial competition to American manufacturers. Therefore, the articles that became the subjects of negotiations and agreements were limited to those minor things belonging to "sundries" such as cotton rugs, pencils, and certain kinds of cotton piece-goods. The reason why these articles drew the attention of the public probably lies in the fact that they are sold in retail shops and exposed to the eyes of general consumers.

Inasmuch as Japan's exports to the United States kept on increasing in late years, an increasing number of American manufacturers were appealing to the U. S. Tariff Commission for a tariff action against Japanese goods. Before the N.I.R.A. was invalidated by the decision of the Supreme Court, the appeal was made either on the principles of fair competition under Section 3(e) of that act, or on the principle of equalising production costs under the Tariff Act (Article 336), or on both grounds. But after the above decision of the Supreme Court, the justification of such appeal was always sought in the provision of the Tariff Act. Among the Japanese goods on which the Tariff Commission held public hearings to investigate the feasibility of the proposed tariff increase were; toys, matches, brushes, rubber boots and shoes,

china and earthenware, frozen tuna fish, canned tuna fish, pencils, plaited ware, cotton rugs, imitation pearls, canned crab, rubber erasers, tennis racquets, woollen rugs, cotton tissues, wool knit gloves, swordfish, etc. As a result of the investigations, the duties on rubber-soled and rubber footwear and wool knit gloves were assessed on the American selling price instead of Japanese value, resulting in a virtual exclusion of imports. Duties on canned tuna fish and swordfish have also been substantially raised. As regards pencils and cotton floor-coverings, an agreement has been reached between the two countries to fix import quotas ; and with reference to cotton tissues, canned tuna fish, potteries, frozen tuna fish, and matches, Japan has undertaken voluntarily to control the exportation of these goods. Lastly, the Tariff Commission has found no justification in raising the duties on plaited ware and canned clam.

Imports From Japan On Which the Japanese and the American Governments Have Reached an Agreement For Some Kind of Control

1. Cotton rugs

After November, 1933 when the manufacturers of cotton rugs in the United States started a movement for a tariff revision to protect their interests from Japanese competition under Section 3 (e) of the N.I.R.A., the Japanese Government considered it advisable to arrange for an export control on a voluntary basis, and, at the same time, commenced negotiations through the Embassy in Washington with the U.S. Tariff Commission. These negotiations resulted, on May 25, 1934, in the conclusion of an unofficial gentlemen's agreement, which was put into force on June 1, 1934.

Following this agreement, a Japanese Union of Cotton Rug Exporters to the United States was formed with the object of enforcing an examination of goods handled by members of the union, allotting export-quotas among members, issuing export certificate, fixing a minimum export price, etc. The export-quotas allowed to Japanese cotton rugs are as follows :

a. Cotton chenille rugs (after June 1, 1934): 650,000 sq. yards per year ; in case the quantity of exports during the period May 11-31 exceeds 90,000 sq. yards, the quantity so exceeding should be deducted from the quota for the year.

b. Hit-and-miss rag rugs : 3,250,000 sq. yards ; others : 4,000,000 sq. yards.

In return for Japan's undertaking the above control, the American Government announced that they would restrict the extent of tariff increase below that which had originally been decided upon ; namely, they would levy the following surtaxes :

- a. Cotton chenille rugs : 15 cents per sq. yard.
- b. Imitation oriental rugs : 23 cents.
- c. Cotton floor coverings of other kinds than the above : 5 cents to 20 cents.

This agreement was originally intended to be continued for more than one year, but by the end of May, 1935, when it had been in force for one full year, orders from the United States for cotton floor coverings had increased so much that members of the above-mentioned Union in Japan appealed to the Government for an increase in their share. The Japanese Government, therefore, proposed to the American Government that the agreed quotas should be increased so as to be better adapted to the changed conditions. Negotiations ensued and, on December 7, 1935, the State Department stated in a memorandum to the Japanese Government that they would accept the Japanese proposal.

2. Pencils

The U.S. Tariff Commission reported to the Government that they considered it necessary to levy an additional duty of considerably high rate on the Japanese pencils imported into the United States. The Japanese Government, however, requested that the proposed tariff increase should not be effected as they would undertake to restrict the quantity of pencils to be exported to the United States on their own responsibility. Their negotiation was successful. In April, 1934, an unofficial gentlemen's agreement was reached by the two Governments, under which Japan contracted to limit exports of pencils to America within 125,000 gross per year, 25,000 gross per month, and 45,000 gross per three months. The agreement was put in force on May 1, 1934.

The following is an outline of the control scheme of pencil-export and production practised in Japan.

Control of pencil-production :

- a. The Japan Federation of Manufacturers' Associations of Pencils for Exportation has the power, under governmental supervision, to fix a maximum quantity of production of pencils for exportation to the United States.

- b. A control-certificate issued by the Federation shall be at-

attached to every package of pencils manufactured by members of the associations for exportation to the United States.

c. Members of the associations shall not sell pencils for exportation to the United States without the above certificate.

d. Members of the associations shall limit the sales of pencils for exportation to the United States exclusively to members of the Exporters' Association of Pencils for the United States.

Control of pencil-Export :

a. The Exporters' Association of Pencils for the U.S.A. shall be established to which every exporter of pencils for the United States shall belong.

b. As regards the pencils which are shipped to the United States, a control-certificate issued by the Japanese Federation of Manufacturers' Associations of Pencils for Exportation shall be attached to every package of such pencils ; no pencils without such certificate shall be exported to the United States.

c. As regards the pencils exported after April 1, 1934, a written export-approval by the said Federation together with invoice and export declaration, shall be presented to the Customs Office.

d. After April 1, 1934, a definite quota for the exportation to the United States shall be agreed upon among members of the Exporters' Association.

Japan proposed some alterations, but the agreement was renewed from May 1, 1935 without any important alterations, as Japan's proposal was not presented sufficiently in advance to allow thorough discussions.

3. Cotton piece-goods

As imports of Japanese cotton piece-goods gave rise to a widespread outcry against Japanese competition by cotton manufacturers in the United States, both Japanese importers in New York and the manufacturers and exporters in Japan agreed that something must be done to remedy the situation. Accordingly, in April, 1935, an Exporters' Association of Cotton Tissues for the United States was organized with a view to undertaking a voluntary control of the export quantity and price.

On the part of the United States, the Cabinet Committee on Cotton Textiles drafted a report after four months' study, and the President introduced this report before the Congress in August, 1935. One of the recommendations put forward therein was an attempt to adjust the trade relations between the two countries

without resorting to a tariff action. In due course, the American Government proposed a scheme to limit imports of Japanese cotton piece-goods. But, as a result of governmental negotiations, it has been agreed that the manufacturers in Japan should undertake to control the exportation of the goods on a voluntary basis. It seems that the manufacturers in the United States, too, are satisfied with this arrangement, expecting to see an agreement on concrete figures be reached in due course.

Japan's Exports to America Which Are Under Voluntary Control in Japan

1. Canned and frozen tuna fish

In January, 1934, the American Government raised the duty on canned tuna fish to 50% *ad valorem* and further threatened to prohibit its importation altogether. In order to meet the situation, a voluntary quotalplan was attempted in Japan and, at the same time, the representatives of both the canned and frozen tuna fish industrialists were sent to the United States with a view to working out a compromise with the American interests. They met the Californian canning industrialists at San Pedro on March 6 and after. At first the American representatives proposed 7,000 tons and 3,000 tons as import quotas of canned and frozen tuna fish respectively, but, as opinion within the the Japanese delegation itself was divided, later they proposed another set of figures; canned fish, 5,000 tons, and frozen fish, 5,000 tons, with the same total of 10,000 tons. Responding this proposal, the Japanese side asked for 6,500 tons (325,000 boxes) and 3,500 tons (250,000 boxes) for canned and frozen fish respectively, and also proposed that this arrangement should be continued for two years. But as soon as the Reciprocal Trade Agreement Act was put into effect on June 12, the American attitude became noticeably uncompromising, and at the meeting of the delegates held on the same day, America rejected the Japanese proposal. Since this breakdown of the negotiation, the atmosphere in the United States has become more unfavourable than ever; but Japan is keeping up the efforts to appease the American feeling by restricting the exports.

2. Potteries

At a public hearing held by the Tariff Commission, the American manufacturers of potteries demanded that import quotas should be applied, on the basis of about one half of the imports in 1933 to those items of Japanese potteries which were competing

with theirs. The Japanese Government pointed out, however that, since November, 1933, a voluntary export-control had been, effected by the Japan Federation of Exporters' Associations of Potteries. After a series of negotiations, the American Government conceded and handed an unofficial memorandum, stating that they would not resort to a tariff-increase or quota regulation, but would inform the Japanese Government of such steps beforehand, should it be found necessary to adopt such in the future.

Furthering the export control, the Japan Federation of Exporters' Associations of Potteries on November, 1935 put into force a regulation for the minimum export price of soup plates for exportation to the United States, and also provided for a regulation for export control of certain specific plates for the use of hotels and restaurants in that country.

3. Matches

On the one hand, the U.S. Tariff Commission decided provisionally to increase the duty on Japanese matches by 20%, and, on the other, the American manufacturers intimated that this proposed tariff action would be avoided, if Japan was willing to limit matches exports within 40,000 tons a year and also to raise their price to such a level as would not unduly depress the market price in the United States. The Japanese manufacturers counter-proposed to fix export-quota at 60,000 tons or 3,000,000 gross per year, on the basis of Japan's exports in the year 1933.

In the meantime, the Ministry of Commerce and Industry, in view of the decidedly unfavourable atmosphere among the American manufacturers against Japanese matches, promoted the organization of an Exporters' Association of Matches for the U.S.A. in January, 1934, and this organization began to control both the quantity and the price of the exports from July onward. Finding, however, that the Association had little power against outsiders, the Ministry on August 7, 1934 ordered that every exporter of matches to America, irrespective of whether he was a member of the Association or not, should, under the provision of Article 8 of the Exporters' Association Law, be bound after August 10 by the regulation of the Association as regards the general export rule, export quantity, export price, and export agency.

Further, as it was considered necessary to arrange for an agreement with countries like Sweden and the U.S.S.R. which are main

suppliers of matches to the United States, Japan sponsored a Japan-Sweden-U.S.S.R. tripartite parley in New York in November, 1934. The three countries agreed on a quantity-and price-control. However, America has not shown any signs of lowering the high protective tariff on matches.

Other Japanese Exports To the United States Concerning Which American-Japanese Negotiations Were Conducted

1. Wool knit gloves

Conveying the Tariff Commission's decision that, in accordance with Article 336 of the Tariff Act, the American selling price should be made the basis of duty on the Japanese gloves imported into the United States, the American Government proposed to discuss the possibility of a quantity-agreement, but the proposed figure was one which did not even reach one-half of the orders received the Japanese manufacturers. Consequently the conversations were doomed from the outset, and, on March 22, 1936, following the breakdown of the negotiation, the American selling price was adopted as the basis of an *ad valorem* duty to be levied on Japanese woollen gloves imports.

Generally speaking, the value of the Japanese exports which are objects of complaint in the United States is very small in comparison to the total consumption in that country. It is interesting that the following article appeared on the American magazine "New Republic":

"..... The story of Japan's invasion of the domestic market is briefly told. For 1934, Japanese imports of cotton textiles were 7,000,000 yards, an average of slightly more than 500,000 yards a month. Last January they leaped to 3,500,000 yards, and for February to 4,000,000. Roosevelt, in his interview with the New England Governors, pointed out that even at the four-million-a-month rate, Japan's imports would only equal seven-tenths of one percent of the total domestic production. It is true that the Japanese imports fall almost wholly in the breached category, but, even if bleached goods are considered exclusively, Japanese imports reach only about five percent of our production. Other Japanese imports showing recent marked increases are straw hats, tissue and toilet paper, chinaware, electric bulbs, dolls and other toys, brushes and pencils. From 1933 to 1934, imports of straw hats rose from \$896,000 to \$1,204,000; tissue and toilet paper from \$165,000 to \$198,000; chinaware from \$1,560,000 to \$2,657,000; electric bulbs from \$791,000 to \$833,000; dolls from \$168,000 to \$280,000; toys from \$690,000 to \$1,280,000; brushes, from \$450,000 to \$638,000; pencils from \$67,000 to \$114,000.

It is clear that Japan does not now offer a serious threat to American industry.”

6. AMERICAN-JAPANESE GENTLEMEN'S AGREEMENT ON EXPORT OF COTTON PIECE-GOODS TO THE PHILIPPINES

Situation Which Led To the American-Japanese Negotiation

Until 1933 the United States had ranked first among foreign countries as a supplier of cotton piece-goods to the Philippine Islands, but was exceeded by Japan in 1934 when, out of the total Philippine imports of cotton cloth amounting to 107,240,000 sq. metres, Japan contributed 56,030,000 sq. metres (52 %) and the United States 43,310,000 sq. metres (40 %). This situation caused the cotton manufacturers in the United States to organize a campaign appealing both to the American and the Philippine Governments as well as the legislatures in session to take necessary steps such as an import-quota or a tariff action in order to protect the American interest from Japanese competition. On April 11, 1935, the American authorities formally requested Mr. Saito, Japanese Ambassador in Washington, for Japanese cooperation in settling this question of American-Japanese competition. The Japanese officials and industrialists concerned, meeting to consider the matter, agreed to accept the American proposal, and Mr. Saito commenced negotiations with the American Government in the middle of April.

Negotiations Between the Governments

At the beginning of the negotiation in April, 1935, America proposed that, on the basis of the average of imports in the years 1932-33, Japanese cotton piece-goods to the Philippines should be restricted within 40,000,000 sq. metres per year and also that arrangements should be made for a classification of the quota into categories. The Japanese Government, however, made it their main point of negotiation to oppose any kind of arrangement to limit imports category by category, and they also insisted that whatever agreement be reached should be made to continue for two years. After six months' fruitless negotiations over the question of import-quota to be applied to Japanese cotton cloth, guaranty for not increasing the Philippine tariff on cotton piece-goods, and some other points in detail, the Japanese Government proposed that a settlement of the dispute should be sought, not in

a governmental agreement, but in a voluntary control of exports on the part of Japanese industrialists and exporters. America agreed, and after some more negotiations were continued on this new principle, but on the basis of the figures previously put forward by both countries, opinions on both sides finally came together in October, 1935. A gentleman's agreement was formally signed at the State Department in Washington on October 11, 1935.

American-Japanese Conversation

1. This agreement shall be called a Conversation.
2. On condition that the Philippine Government shall not raise the customs duty on cotton piece-goods, the Japan Exporters' Association of Cotton Tissues for the Philippines shall undertake, for the next two years, to restrict exports of cotton piece-goods within 45,000,000 sq. metres per year.
3. One percent of the export quantity each year shall be transferable (but the quantity thus transferred to or from the total quantity of exports for each year shall not exceed 4,500,000 sq. metres). The export quantity for each half-year shall not exceed 26,000,000 sq. metres.
4. Ascertainment of the volume of Japanese cotton piece-goods imported into the Philippines shall be made by reference to the import statistics compiled by the Philippine Customs Office.

TRADE OF JAPAN PROPER WITH THE PHILIPPINES

Year	Japan's Imports from the Philippines	Japan's Exports to the Philippines	
		Total	Cotton cloth
	thousand yen	thousand yen	thousand yen
1927	17,841	32,834	11,342
1928	16,342	29,055	6,797
1929	18,044	30,597	5,629
1930	10,760	28,369	5,438
1931	8,988	20,425	4,162
1932	9,764	22,425	2,769
1933	14,185	24,050	5,780
1934	18,891	36,460	12,597
1935	23,949	48,058	14,492

This agreement, concluded in this satisfactory fashion, has contributed to the promotion of friendship as well as the adjustment of the trade relations as between the United States, Japan, and the Philippines.

7. JAPAN-CANADA TRADE AGREEMENT

Trade Relations Between Japan and Canada Prior To Japan's Proclamation of the Trade Safeguarding Law

Under the Canadian tariff system which was established on April 12, 1907, customs tariffs in Canada, with all the revisions put into effect, have been of three kinds: British Commonwealth preferential duties, intermediate duties, and ordinary duties; the first being applied to British Commonwealth goods, the second to goods from those countries which have a special trade agreement with Canada, and the third to goods from other countries. On account of the special agreement between Japan and Canada, Japan's exports to Canada have enjoyed the application of the intermediate tariff.

With the emergence of the Bennett Conservative Government in July, 1930, however, the Canadian tariff policy began to assume a decidedly protectionist colour. In September, 1930, the Government carried out an all-round tariff-increase which affected every country trading with Canada. Among Japanese exports, which suffered a decline because of this tariff action were: silk tissues, cotton stockings, potteries, electrical goods, floor coverings, etc. In June, 1931, another tariff revision was brought about, this time, intermediate and ordinary duties being raised—by 5% to 10%. Such Japanese goods as silk tissues, toys, celluloid goods, beans, canned goods, buttons, brushes, etc. were among those badly hit. Further, as a result of the Ottawa Agreement, the extent of favour given to British goods was enlarged and, on some of Japan's exports to Canada which had enjoyed the privilege of intermediate duty, was placed a duty virtually as heavy as ordinary duty.

Under such circumstances, Japan's exports to Canada had gradually been declining, but what proved to be an almost fatal blow on Japanese goods exported to Canada was the "Exchange Compensation Duty" adopted by the Canadian Government in October, 1931. The basis of an *ad valorem* duty was to be the Canadian

equivalent of the Japanese export price computed from the "par of exchange" (100 yen for 49.85 dollars), and the equivalent to the difference between this basic Canadian value and the actual Canadian selling price due to the current exchange rate was to be levied as an "Exchange Compensation Duty" on any such Japanese imports as were regarded as of the same class or kind with domestic goods. According to the Canadian regulation, this duty should be placed on imports from countries whose currencies was depreciated more than 5% below the Canadian. Theoretically, there were about twenty countries falling under this category, but actually only five countries aside Japan were treated in this way. Moreover, since these five countries had neither important trade relations with Canada nor many times of exports to Canada on which this duty was to be imposed, it was really Japanese goods that had to fare most badly.

From Japan's point of view, another serious hindrance to her trade with Canada was the stipulation of Section 43 of the Customs Act of Canada. Under this regulation, a basis of an ordinary *ad valorem* duty should be prescribed to each item of certain specific imports, and the equivalent to whatever difference there was between this "fixed" value and the actual selling price should be levied as a "Dumping Duty." It was argued that the "fixed" prices of those items of imports of which Japan was said to be a supplier were fixed at an abnormally high level.

On account of these two heavy duty burdens, the selling price of some of Japanese imports into Canada amounted to twice as much as the production cost of Canadian manufactures of the same kind; the Japanese equivalent of this price would be almost three to six or seven times as much as the original export price. Consequently, Japan's exports to Canada declined sharply and a number of Japanese merchants in Canada were forced to go back to their homes because of business failure.

The Japanese Government filed their protest with the Canadian Government, pointing out the unfairness of adopting a basis of duty on the par of exchange without paying any consideration to the fact that the export prices of Japanese goods had recently been considerably raised. The Japanese Government also complained of the discrimination in the treatment of countries whose currencies had depreciated and of the exclusion of Japanese goods by means of unduly heavy duties. The Japanese Government proposed that

the current exchange rate should be made the medium through which to determine a basis of duty, the "exchange compensation duty" should be abolished, and the application of the "dumping duty" should be either modified or abolished. Over a long period of time since then, diplomatic negotiations were continued by the two Governments.

However, the negotiation failed to achieve any satisfactory settlement of the dispute, and, finally, on July 20, 1935, the Japanese Government resorted to the Trade Safeguarding Law, levying an additional duty of 50% *ad valorem* on seven items of Canadian goods imported into Japan, including wheat.

Japan-Canada Trade Negotiations After the Enforcement of the Trade Safeguarding Law

In retaliation to Japan's Trade Safeguarding Law, Canada lost little time in lowering the legal Canadian equivalent of 100 yen to 41.51 dollars and also, according to Article 7 of the Tariff Act of Canada, in proclaiming an Imperial decree placing an additional duty of 33. $\frac{1}{3}$ *ad valorem* on every item of goods originally produced in Japan, irrespective of whether it was a dutiable or duty-free article. According to the Canadian contention, the reason for this step was that Japan by resorting to the Trade Safeguarding Law accorded a discriminating treatment against imports from Canada, contrary to the most-favoured-nation clause contained in the Anglo-Japanese Convention. Canada and Japan were now engaged in a regular tariff war, and no further efforts on either side to improve this unfortunate state of affairs were to bear any fruit until the end of the Conservative Government in Canada.

At the general election towards the end of 1935, the question of the trade relations between Canada and Japan constituted one of the main issues of election campaign. In this election the Conservative Party in power were badly beaten by their opponents, and, on December 23, 1935, a Liberal Government was formed with Mr. Mackenzie King as Prime Minister and Foreign Minister. Mr. Mackenzie King, acting with speed, approached Mr. Kato, Japanese Minister to Canada, with a friendly intention to readjust the trade relations between the two countries. Negotiations were at once re-started between the Governments with the result that, in the middle of December, an agreement was reached by Mr. Mackenzie King and Mr. Kato, and, on the basis of this agree-

ment, the Customs Tariff Commission of Japan recommended, on December 19, the cancellation of the duty under the Trade Safeguarding Law. Under date of December 26, 1935, the two Governments exchanged their official commitments, with which the trade dispute between Canada and Japan was brought to an end.

The main points of the new agreement follow :

1. "In computing the value for duty of goods of a class or kind not made or produced in Canada, the value of the yen will be the current exchange value in terms of the Canadian dollar at the time the goods were exported to Canada."

2. "Exchange Compensation" duty will continue to be levied on "goods of a class or kind made or produced in Canada," but the classification of such goods "will be restricted to goods which are of a class or kind made or produced in commercial quantities sufficient to supply at least ten percent of the normal Canadian consumption."

3. "In computing the value for ordinary duty and for special duty under Section 6 of the Customs Tariff" of Canada "of goods of a class or kind made or produced in Canada," the Canadian equivalent of the yen (to be effective during the twelve months beginning January 1 in any year) will be the average of such for the five-year period immediately preceding that year. (It was 39.5 cents for the year 1936.)

4. The "fixed" values under Section 43 of the Customs Act of Canada will be cancelled on an extensive list of commodities.

5. Japan will cancel the surtax of 50% imposed on certain items of Canadian goods.

6. Canada will cancel the surtax of 33. $\frac{1}{3}$ % *ad valorem* levied on all of the Japanese goods imported into Canada.

7. This agreement will be put into effect on January 1, 1936.

The effect of this tariff war on the trade between the two countries may be seen in the table given in the following page.

8. TRADE NEGOTIATIONS BETWEEN JAPAN AND EGYPT

On July 17, 1935, the Egyptian Government handed a memorandum to the Japanese Consul General in Egypt, stating that they would denounce the Japan-Egypt Commercial Convention in three months's time, and proposed that a new agreement should be arranged for upon the expiry of the existing one. They asserted

TRADE OF JAPAN PROPER WITH CANADA

Year	Japan's Imports from Canada	Japan's Exports to Canada	Year	Japan's Imports from Canada	Japan's Exports to Canada
	th. yen	th. yen		th. yen	th. yen
1927 . . .	55,670	27,402	1933 May . . .	3,771	507
1928 . . .	66,498	27,047	June . . .	3,564	391
1929 . . .	68,730	27,096	July . . .	2,836	409
1930 . . .	46,260	17,885	Aug. . .	2,420	756
1931 . . .	35,673	13,067	Sept. . .	4,368	827
Jan. . .	3,868	1,279	Oct. . .	2,815	534
Feb. . .	2,430	1,488	Nov. . .	4,807	899
Mar. . .	2,419	1,231	Dec. . .	3,981	613
Apr. . .	2,420	996	1934 . . .	54,094	8,666
May . . .	3,278	1,338	Jan. . .	4,541	430
June . . .	3,751	1,064	Feb. . .	3,585	672
July . . .	2,532	906	Mar. . .	4,516	672
Aug. . .	2,765	1,010	Apr. . .	4,285	682
Sept. . .	2,590	995	May . . .	3,751	825
Oct. . .	2,979	943	June . . .	2,962	636
Nov. . .	2,925	969	July . . .	4,306	685
Dec. . .	4,356	849	Aug. . .	6,197	859
1932 . . .	39,505	8,562	Sept. . .	4,054	723
Jan. . .	3,686	471	Oct. . .	4,923	735
Feb. . .	3,408	740	Nov. . .	4,726	1,041
Mar. . .	5,723	782	Dec. . .	5,876	706
Apr. . .	2,402	764	1935 . . .	52,531	7,977
May . . .	5,199	891	Jan. . .	5,618	522
June . . .	4,809	697	Feb. . .	7,275	639
July . . .	1,477	505	Mar. . .	5,833	621
Aug. . .	1,417	672	Apr. . .	5,185	663
Sept. . .	2,194	815	May . . .	5,126	814
Oct. . .	2,374	672	June . . .	4,857	668
Nov. . .	3,538	932	July . . .	4,373	605
Dec. . .	3,279	621	Aug. . .	2,103	535
1933 . . .	46,891	6,580	Sept. . .	2,630	960
Jan. . .	3,123	304	Oct. . .	2,294	741
Feb. . .	3,937	392	Nov. . .	2,502	820
Mar. . .	6,002	568	Dec. . .	4,736	389
Apr. . .	5,270	376	1936 . . .		
			Jan. . .	6,925	469
			Feb. . .	4,811	619

that they had been compelled to abrogate the most-favoured-nation clause because the depreciated Japanese currency was proving a serious blow to home industries in Egypt.

On September 20, on the grounds that Japanese imports were making serious inroad in anticipation of the termination of the Convention, the Egyptian Government announced the levying of an additional exchange compensation duty of 40% *ad valorem* on Japanese cotton and rayon goods. When the existing specific duty on these goods was converted into an *ad valorem* duty and added to by the above-mentioned new duty, customs tariffs rayon and cotton goods would amount to the prohibitive rates of 80–100% and 200% respectively. The Japanese Government lodged a strongly worded protest on the same day that this announcement was made, and after negotiations between the two Governments, it was decided to hold a parley to discuss the matter. The Egyptian Government announced their intention to postpone the expiry of the Convention which would have taken effect on October 17 by one month. The parley was formally opened at Cairo on October 22.

Japan made it known from the beginning that they would participate in the parley on the understanding that the question of the new duty should be settled first. They assured the Egyptian Government that if the latter cancel the duty, they would be prepared, in return, to take appropriate steps to control their exports to Egypt. The Egyptian Government, though they looked rather reluctant in accepting this proposal at first, on November 23 came finally to show so compromising an attitude as to announce that they would either repeal or modify the new duty in question, if there was any suitable alternative to it serving the same purpose. Disagreements between the Governments on points of detail led to a temporary cessation of the negotiation in November and again in December, but it is reported that, thanks to the efforts on both sides, they have resumed an attitude conciliatory enough to afford an expectation to re-open the talks. The central topic of the conversation, though not published, seems to consist of the means by which to adjust the trade relations between the two countries with the necessary concomitant of Japan's purchases of Egyptian raw cotton, and of the choice between a tariff action and import quota as the method by which to restrict Japan's exports to Egypt.

TRADE OF JAPAN PROPER WITH EGYPT

Year	Japan's Imports from Egypt	Japan's Exports to Egypt
	thousand yen	thousand yen
1927	24,634	29,006
1928	20,340	23,714
1929	25,824	31,352
1930	16,223	28,997
1931	13,568	22,830
1932	19,788	41,876
1933	26,456	55,607
1934	46,259	72,988
1935	51,305	53,800

9. TRADE NEGOTIATIONS BETWEEN JAPAN AND AUSTRALIA

Since about 1932 a need for a trade and commercial agreement had been felt both in Japan and Australia, as the absence of such arrangement had proved a considerable inconvenience in promoting trade between the two countries. When Sir J. G. Latham, the then Foreign Minister of Australia, visited Japan on a goodwill mission, this question was at once brought to the surface, and the official circles of both countries were urged to prepare the way for a regular negotiation between the Governments. Finally in February, 1935, a negotiation was begun between Mr. Murai, Japanese Consul General in Sydney, and Sir Henry Gullett, Assistant Minister of Trade and Customs of the Commonwealth Government, with a view to concluding a trade treaty between Japan and Australia.

This negotiation, however, had to be stopped temporarily, because Sir Henry Gullett was obliged to visit England on the double missions of attending the 25th Anniversary of the King's Enthronement to be held on May 6, 1935, and of settling the trade problems between Australia and Great Britain and other European countries. In their anxiety lest the negotiation should be delayed unnecessarily long, the Japanese Government urged on the Australian Government the desirability of making, if possible, as far as possible, tentative agreements on those questions which had been studied

and discussed out in the Murai-Gullett talks so that Sir Henry, when he came back to Australia, might be able to form his opinion as soon as possible. The Australian Government empowered Mr. Abbott, Tariff Commissioner, to negotiate with Japan on the problem of customs tariff, and accordingly negotiations were reopened between the two Governments at Canberra. It was said that the main topic was the question of tariff-rates. The Japanese Government made several proposals on this question, but the Australian side was not very keen on continuing the conversation and finally proposed to put it off until after Sir Henry Gullett's return, for the reason that some of the questions could not be decided without his approval and also some were related to the whole question of the proposed treaty between the two countries. It was agreed to reopen the negotiation on January 8, 1936.

It was believed at that time that the main points on which Japan and Australia had yet to come to an agreement were as follows: Whereas Japan had been asking that Australia give assurances both of lowering customs duties on imports from Japan and of not applying restrictive measures to them, the Australian Government, though they have consented a partial revision of tariff-rates, would not do so as regards such imports as silk tissues, rayon goods, cotton goods, chinaware, toys, etc., and counter-proposed that Japan should agree not to levy a duty on wool, not to raise the tariff on wheat, and not to adopt any policy restricting imports from Australia.

TRADE OF JAPAN PROPER WITH AUSTRALIA

Year	Japan's Imports from Australia	Japan's Exports to Australia
	thousand yen	thousand yen
1927	122,840	50,566
1928	130,495	43,001
1929	132,601	44,075
1930	94,215	25,486
1931	113,337	18,406
1932	134,277	36,895
1933	204,586	51,416
1934	197,758	64,462
1935	235,128	74,793

However, when the negotiation was re-opened in January, 1936, the situation had changed entirely. It was Australia that demanded restriction of imports and decided to raise duties, unless Japan would concede voluntarily to limit her exports to Australia. The Japanese exporters of rayon goods started an association for national control of export and, since April 15 practised a scheme of raising export prices by charging "control fees" of 10 sen per yard, (which means about 30% of the value of goods). But the other party would not be satisfied with it and insisted on putting on a quota restriction, which was strongly opposed by the Japanese manufacturers. While the negotiation showed no progress in this way, the Government of Australia suddenly presented to the Parliament a bill to raise tariffs on cotton, silk and rayon textiles and passed it quickly. The bill was presented on May 22 and passed on the following day. As a result of this measure, Japanese cotton goods are now charged duties of 70-120%, rayon 70-400%. In addition, more than ten kinds of commodities including these principal imports from Japan were of made subject to a license system. Thereupon, the Government and business interests in Japan decided to take some measure of retaliation. The Trade Safeguarding Law is to be called into action, as was done in case of the Canadian trade conflict one year ago. The application of either of the license system or higher duties on wool, wheat etc. is now (12 June, 1936) under consideration.

10. TRADE AGREEMENT REACHED BETWEEN JAPAN, MANCHOUKUO AND GERMANY

The visit to Japan and Manchoukuo by a German economic mission under the leadership of Herr Otto Kiep gave rise to a feeling in these countries in favour of a triangular trade adjustment between Japan, Manchoukuo and Germany. As the biggest buyer of Manchoukuo's soya beans, Germany naturally desires to promote Manchoukuo's purchases of German goods in return. Japan, on her part, finds herself in a greatly unfavourable trade relation with Germany. Under such circumstances, it was asked whether it would not be possible to adjust the trade relations as between these three countries on the basis of triangular trade.

Since September, 1934, Germany has been practising a strict system of import control. She first wanted to restrict imports

from Japan on the basis of the 1933 figure. This situation has been somewhat bettered, for Germany, on three occasions, has increased quotas of Japanese goods and also agreed to a certain amount of transferability among different items of the Japanese import-quotas. But, since imports from Manchoukuo had been greatly hindered through the difficulty of transfer now that Germany refused foreign payments as far as possible under her exchange-control regulation, Germany proposed to turn her credit balances on merchandise trade with Japan to the settlement of her debit balances on merchandise trade with Manchoukuo. In order to facilitate this procedure, Germany also proposed that Japan should buy more of German goods such as machinery.

It was said at a time that there was no possibility of this triangular trade arrangement being realised, because, as is clear from the tables shown elsewhere, the trade relations as between three countries do not indicate the typical form of triangular relation, Japan's imports both from Germany and Manchoukuo exceeding her exports to both countries respectively. Such a trade adjustment could be reached only if Japan should concede, in view of her "special position" in relation to Manchoukuo, the undergoing of some sacrifices and forgo her right of asking for a German reciprocity.

But, after long negotiations among the three parties, they succeeded in concluding a trade agreement between Germany and Manchukuo at the end of May, 1936. It will be seen from the below text that the two important features of the agreement are:

1. Germany agrees to admit the import of Manchoukuo products to the amount of 100,000,000 yuan during the coming one-year period.
2. In case German trade with Japan during this period result in a balance in favour of the former country exceeding 63,750,000 yuan, such excess shall be available for additional German importation from Manchoukuo.

The trade returns for 1935 show that Manchoukuo's exports to Germany amounted to 33,000,000 yuan (66,000,000 in 1933 and only 53,000,000 in 1934), and her imports from the latter amounted to only 15,000,000 yuan. On the other hand, Japan bought in the same year 12,000,000 yen of German exports, but

sold to the latter only 26,000,000 yen worth of goods, thus leaving credit balance of 94,000,000 yen in favour of Germany.

The text of the Germany-Manchoukuo Trade Agreement follows.

The representatives of the competent authorities of Manchoukuo and Germany, having duly authenticated their powers, have, for the purpose of promoting the trade relations between the two countries, agreed as follows :

ART. 1. The German Administration of Foreign Exchange shall admit the importation of products of Manchoukuo to the amount of 100,000,000 yuan in value, calculated on the basis of c.i.f. prices, into Germany during the period of one year.

ART. 2. The payments in respect of the importation referred to in Article 1, shall be made as to three-fourths (75,000,000 yuan) in foreign exchange and as to one-fourth (25,000,000 yuan) in Reichsmarks, the latter to a special account at a bank designated by the authorities of Manchoukuo and to be utilized for the payments to be made in respect of products of Germany imported into Manchoukuo.

ART. 3. If, owing to unforeseen circumstances, the exchange situation in Germany should render it impossible for the German Administration of Foreign Exchanges to make available foreign exchange to the amount of 75,000,000 yuan as provided for in Article 2 during the period of one year, the amount of importation provided for in Article 1, may be reduced to not less than 65,000,000 yuan in value, the payment of which shall be made as to three-fourths in foreign exchange and as to one-fourth in Reichsmarks.

In so far as the annual surplus of foreign exchanges accruing to the Reichsbank from German trade with Japan during the period of one year exceeds the amount of 63,750,000 Yuan, such excess shall be made available for additional German importation from Manchoukuo payable in foreign exchange beyond the amount provided for in the preceding paragraph and the importation against payment in Reichsmarks shall be increased by one-third of such excess.

ART. 4. The competent authorities of Manchoukuo shall take the necessary measures to ensure sufficient importation, calculated on the basis of c.i.f. prices, into Manchoukuo of products of Germany during the period of one year, to utilize the whole amount of Reichsmarks paid into a special account in accordance with Article 2, during the same period, which amount may be modified in accordance with Article 3.

ART. 5. Products of Germany shipped to Manchoukuo shall be accompanied by a copy of the invoice bearing a statement by the exporter to the effect that they are products of Germany and by a copy of the export declaration through which the Reichsbank is notified by the exporter of the amount of the products invoiced in accordance with the German regulations for the control of foreign exchange. These documents shall be presented to the Customs authorities of Manchoukuo. If the latter find any product of Germany unaccompanied by a copy of the export declara-

tion, they shall notify the authorities of Germany of the name of the exporter, the description of the products and the invoiced amount. The term "Customs authorities of Manchoukuo" comprises the Customs authorities of Manchoukuo at Dairen, Seishin Rashin and Yuki.

ART. 6. Products of Manchoukuo imported into Germany through a third country shall not fall under the present arrangement if the payments for such products are effected under a clearing or compensation agreement between Germany and such third country.

ART. 7. Under the present arrangement private clearing transactions in trade between Manchoukuo and Germany require the approval of the authorities of the two countries.

ART. 8. The amount of trade effected between Manchoukuo and Germany shall be ascertained quarterly at Berlin by the competent representatives of the contracting parties. On such occasions questions arising out of the operation of Article 3 may be settled by consultation between the said representatives.

ART. 9. If, at the end of the period of one year, the present arrangement is renewed and there exists in the total amount of imports from Manchoukuo to Germany or from Germany to Manchoukuo a deficit or an excess over the amounts provided for in the present arrangement, the amounts fixed for the following year shall be increased or decreased by the amount of such deficit or excess.

ART. 10. The organization of the special account in the Reichsmarks referred to in Article 2 and the conditions of utilizing such account shall be determined by an agreement between the Reichsbank and the bank referred to in Article 2, which agreement shall be subject to approval of the contracting parties.

ART. 11. In so far as German exports to Manchoukuo are financed by banks, the competent authorities in Manchoukuo shall not take measures to prevent at least 25 per cent of such financing from being handled by other banks than the bank referred to in Article 2.

ART. 12. The amount of all transactions in the trade between Manchoukuo and Germany entered into prior to the coming in force of the present arrangement shall be respectively included in the yearly amounts referred to in Articles 1 and 4, so far as payments resulting from such transactions are effected during the period of the present arrangement,

ART. 13. For the purpose of the present arrangement :

A. The term "period of one year" means one year beginning on the date of coming into force of the present arrangement.

B. The term "products of Germany" means products either exclusively produced in Germany or subjected therein to an essential transformation effected in the course of an ultimate process which has an economic justification.

C. The term "products of Manchoukuo" means products either exclusively produced in Manchoukuo or subjected therein to an essential transformation effected as aforesaid.

D. Products of the Leased Territory of Kwantung are regarded as products of Manchoukuo.

ART. 12. The present arrangement shall come into force on the June 1, 1936 and shall remain in force for one year from that date.

For the purpose of renewing the present arrangement, the contracting parties shall enter into negotiations not later than two months prior to the expiration thereof.

Done in Tokyo in duplicate, this 30th day of the fourth month of the year of Kangte, corresponding to the 30th day of April, 1936.

For the Competent Authorities of Manchoukuo,
Hsieh Chieh-shih.

For the German Administration of Foreign Exchange.
Otto Kiep.

TRADE OF JAPAN PROPER WITH MANCHOUKUO
(Value in thousands of yen)

Year	Japan's Exports to Manchoukuo	Japan's Imports from Manchoukuo	Balance	Index (Imports = 100)
1931	11,874	41,948	- 30,074	28.3
1932	25,947	51,570	- 25,623	50.3
1933	82,071	147,898	- 65,827	55.5
1934	107,151	164,209	- 57,058	25.3
1935	126,045	191,005	- 64,960	66.0

JAPAN'S PRINCIPAL EXPORTS
TO MANCHOUKUO

Year	Cotton Tissues	Wheat	Sugar	Cotton Yarn	Machinery & Machine Parts
1933	21,625	9,305	653	3,099	1,938
1934	40,252	9,083	1,084	3,631	3,336
1935	35,732	14,449	1,523	4,627	5,607

JAPAN'S PRINCIPAL IMPORTS
FROM MANCHOUKUO

Years	Peas & Beans	Oil Cakes	Coal	Pig Iron	Oil Yielding Materials
1933	45,342	31,480	24,150	18,101	9,294
1934	47,609	31,198	30,554	18,960	10,456
1935	64,162	23,965	30,906	18,812	18,708

MANCHOUKUO'S TRADE WITH GERMANY.
(Value in thousands of yuan)

Year	Manchoukuo's Exports to Germany	Manchoukuo's Imports from Germany	Balance	Index (Imports=100)
1932	73,945	5,769	68,176	1,281.8
1933	66,357	10,571	55,786	627.8
1934	53,310	12,485	40,825	426.9

MANCHOUKUO'S PRINCIPAL EXPORTS
TO GERMANY

Year	Soja Beans	Bean Oil	Buckwheat	Pea-nuts	Hemp-seeds
1933	54,932	5,469	2,400	1,256	1,391
1934	36,257	7,702	3,151	2,605	1,950

MANCHOUKUO'S PRINCIPAL IMPORTS
FROM GERMANY

Year	Iron & Steel	Dyes	Machinery & Machine Parts	Woollen Goods	Ships & Vehicles
1933	4,336	1,859	326	1,022	80
1934	5,609	—	1,990	986	304

TRADE OF JAPAN PROPER WITH GERMANY
(Value in thousands of yen)

Year	Japan's Exports to Germany	Japan's Imports from Germany	Balance	Import (Index = 100)
1926	8,131	145,221	— 137,090	5.6
1927	10,612	131,390	— 120,778	8.1
1928	12,582	133,537	— 120,955	9.4
1929	13,447	157,274	— 143,827	8.6
1930	11,388	106,180	— 97,792	10.7
1931	8,423	73,251	— 64,828	11.5
1932	9,349	71,742	— 62,393	13.0
1933	12,411	95,798	— 83,387	13.0
1934	19,677	109,584	— 89,907	18.0
1935	26,766	120,817	— 94,051	22.2

JAPAN'S PRINCIPAL IMPORTS FROM GERMANY

Year	Machinery & Machine Parts	Iron & Steel	Sulphate of Ammonia	Dyes
1933	15,978	24,962	6,942	5,217
1934	24,318	23,614	11,680	5,979
1935	28,225	18,754	12,985	5,716

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