

CIRJE-F-900

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“Greater East Asia Co-Prosperty Sphere”**

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September 2013

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Strategies and Organizations for Managing “Greater East Asia Co-Prosperity Sphere”

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Abstract

During the World War II, Japan occupied a large part of East and South East Asia, called “Greater East Asia Co-Prosperity Sphere” (Daitoa Kyohei Ken). This paper overviews what the Japanese military authorities and the government did to develop the occupied areas in the 1930s and the early 1940s. It is remarkable that different development policies and organizations were applied across occupied areas. In Manchuria, which Japan occupied earlier, after trial and error, a system of planning and control was introduced. By this system, more or less systematic development of industries was undertaken. Meanwhile, in China Proper, the Japanese military authorities and the government prepared the statutory holding companies as channels for investment from Japan, but industrial development was basically entrusted to those holding companies and individual companies affiliated to them. Finally in South East Asia, development was almost totally entrusted to existing Japanese firms.

1. Introduction

During the World War II, Japan occupied a large part of East and South East Asia. This territory, called “Greater East Asia Co-Prosperity Sphere” (Daitoa Kyoei Ken), was 7,954 thousand square km in area, which is around 20 times larger than the mainland of Japan¹ (Table 1). As Japan had been consuming huge resource for the military activities in China since the early 1930s, and was faced with increasing economic sanctions by the hostile countries including the U.S. at the same time, the Japanese military authorities and the government was keen on developing natural resource and industries in the occupied areas. This chapter overviews what the Japanese military authorities and the government did to develop the occupied areas in the 1930s and the early 1940s, as an introduction to the chapters on individual occupied areas.

On the “Greater East Asia Co-Prosperity Sphere”, there are a number of studies, a seminal work of which is an article by Akira Hara in 1976². This article is remarkable in that it highlighted difference in the strategies and organizations for development across occupied areas, specifically in Manchuria, China Proper and South East Asia. Also, it clearly described the economic relationships between Japan and these occupied areas, focusing on trade and financial transactions. It is not too much to say that the research on the “Greater East Asia Co-Prosperity Sphere” since the late 1970s has progressed following and elaborating Hara’s article. This chapter briefly summarizes the development policies and the consequences in Manchuria, China Proper and South East Asia, relying on the literature³.

Table 1

2. Manchuria⁴

Manchuria is a north east part of China, where Japan obtained the railways (South Manchuria Railways) and the authorities to station army force (Kwangtung Army) to defend it, as a result of the Russo-Japanese War. In September 1931, the Kwangtung Army invaded into the whole Manchuria, and founded a puppet state, Manchukuo. In Manchukuo, the Kwangtung Army, the Manchukuo government and the Japanese government tried to develop the munitions and related industries in a systematic way.

The development policy in the early stage was characterized by “special corporations” and so called “one industry one corporation policy”. A “special corporation” referred to a corporation that was founded according to a special law or a treaty between

Manchukuo and Japan, and was regulated by the Manchukuo government. Meanwhile, “one industry one corporation policy” refers to the policy that only one special corporation should be allowed in each of strategic industries. In many cases, the Manchukuo government invested tangible assets requisitioned from the military clique regime in Manchuria, in kind. Another major investor in special corporations was the South Manchuria Railways Co., which had been working as a channel of capital investment from Japan to Manchuria since the early twentieth century. Table 2 shows the stock of corporate capital by industry in Manchuria in 1940, and the positions of special corporations. In total, special corporations accounted for 35.2% of the corporate capital, and their shares were especially high in the infrastructure sectors, such as electricity and gas, and warehouse, insurance and telecommunication.

Table 2

The Kwangtung Army and the Manchukuo government intended to construct a “planned economy” based on the special corporations, each of which monopolized a certain industry. In 1937, they drew up “Five Years Plan of Manchuria Industrial Development,” collaborating with the Imperial Army and the Japanese government. To implement this plan, a unique measure was taken. That is, they invited influential Japanese entrepreneurs to Manchuria and requested their opinions on the plan. One of these entrepreneurs, Yoshisuke Ayukawa, the president of Nissan Zaibatsu, frankly criticized its flaws. As Ayukawa commented, the production targets in the plan were not carefully coordinated. It is notable that this flaw reflected the situation of Manchurian economy itself at that time. That is, although many special corporations were founded and each of them was regulated by the government, they were not well coordinated.

Accepting Ayukawa’s comments, the Kwangtung Army invited him to entrust the implementation of the “Five Years Plan”. On the request, Ayukawa moved the whole Nissan Zaibatsu to Manchuria to reorganize it to be a special corporation, the Manchuria Heavy Industries Development Co. (MHID), in 1937. MHID was a huge conglomerate that governed and managed special corporations in the heavy industries in Manchuria, as well as the existing companies affiliated to Nissan Zaibatsu. MHID is remarkable because it embodied a new mode of coordination, where a major part of economic activities in a national economy were coordinated within one private organization.

However, coordination by MHID was soon taken over by another mode of coordination, namely an orthodox state-led system of planning and control. When the

system of planning and control started to work in Japan in 1938, it gave a serious impact on the Manchurian economy, through reduction of import from Japan and request of increasing export to Japan. In this situation, the Kwangtung Army and the Manchukuo government decided to introduce the system of planning and control from Japan. From 1939, coordination of Manchurian economy and special corporations came to be carried out according to planning and control by the government. Indeed, “Material Mobilization Plan” a la Japan was drawn up and implemented every quarter year.

Under this system, the development strategy of the Manchurian economy shifted its focus. Whereas the original “Five Years Plan” in 1937 aimed at developing full-line of munitions and related industries in Manchuria including the automobile and aircraft industries, from 1939 the Manchukuo government came to narrowly focus on production of natural resource and basic materials. In other words, a clear structure of vertical division of works between Japan and Manchuria was intended.

To see the implication of Manchurian development to the Japanese economy, Table 3 shows import and export of Japan by area, as of 1938 and 1943. First of all, trade with the countries outside the “Greater East Asia Co-Prosperity Sphere” declined drastically, although here we measure the volume in nominal value. “Greater East Asia Co-Prosperity Sphere” was so to speak an autarky sphere forced to be isolated from the other part of the world. Under this condition, relative position of Manchuria in the Japanese trade went up. However, at the same time, it is notable that export to Manchuria from Japan was substantially larger than import to Japan from Manchuria, even in 1943. Given the general shortage of supply in this period, this implies that development of Manchuria did not contribute to mitigate the shortage, at least from the standpoint of macro-economy. Of course, concerning individual commodities, contribution of Manchuria to the Japanese economy was substantial. Table 4 presents import of Japan by area and by commodity category. From 1936 to 1943, Manchuria increased export of “minerals and manufactures thereof” and “ores and metals”. The former includes coal, while the latter include iron ore and pig iron.

Table 3, Table 4

3. China Proper

In July 1937, the Imperial Army invaded into China Proper. Formally this event was called “incident” in Japan, because it broke out without any formal proclamation of war. In reality, however, it was a start of the full-scale Sino-Japanese War for around

eight years. By the end of 1937, the Imperial Army and Navy occupied major cities, trunk railways and surrounding areas, including Beijing, Tianjin, Nanjing and Shanghai. In each of the occupied areas, Menggu, North China and Middle China, a puppet Chinese regime was established in 1938⁵. Then finally in March 1940, a new government headed by Wang Chao-ming was founded in Nanjing, supported by a sect of the Chinese Nationalist Party and Japan⁶.

When the Sino-Japanese War broke out, the Japanese government set up the Third Committee under the Cabinet to examine economic issues related to the Sino-Japanese War, and in December 1937, the Cabinet formally decided the policy to develop the North China economy, as a part of the “Outline of Measures to Deal with the Incident”. According to the decision, the purpose of developing the North China economy was to complement the bloc economy of Japan and Manchuria, and the decision stressed combination of Chinese capital with Japanese capital and technology. Specifically, it was pointed out that a statutory holding company should be founded to manage important industries such as transportation, telecommunication, electricity, mining, and salt making and processing. This policy had a common feature with the policy on the MHID in Manchuria drawn up in this period, but the function of the statutory holding company in North China was relatively limited⁷.

Based on this policy, in November 1938, North China Development Co. (NCD, Kita Shina Kaihatsu Kabushiki Gaisha) was founded according to the special law. Out of the capital 350 million yen, a half was invested by the Japanese government, 150 million yen of which, in turn, was investment in kind⁸. In this sense, at least at the starting point, the NCD substantially relied on requisitioned tangible assets. Table 5 shows the paid-in capital of the NCD’s affiliated companies by industry in March 1944. The share of transportation was the highest, and those of electricity and coal mining were the next highest. It is confirmed that the distribution of affiliated companies basically reflect the policy in the “Outline of Measures to Deal with the Incident” in December 1937.

Table 5

The counterpart of the NCD in Middle China was the Middle China Promotion Co. (MCP, Nakashina Shinko Kabushiki Gaisha). It was founded also in November 1938. The initial paid-in capital was 31.4 million yen, 18.9 million yen of which was invested by the Japanese government. 7.6 million yen of the government’s investment, in turn, was investment in kind⁹. Table 6 shows the paid-in capital of the affiliated companies of

MCP by industry in March 1945. Compared with NCD, the shares of electricity and textile were higher. Large investment in electricity industry reflected the condition that the electricity equipment in Middle China was damaged by the war. Meanwhile, Shanghai was a center of the silk industry.

Table 6

Table 7 summarizes the direct investment to China Proper from Japan and the positions of the NCD and the MCP. Direct investment to North China and Middle China from Japan increased sharply from the late 1930s, partly due to the inflation. It is remarkable that the shares of the NCD and the MCP were really high in the whole capital flow. Indeed these two companies were the main channels of direct investment to China Proper from Japan during the war.

Table 7

There are some documents indicating that long-term production plans and short-term Material Mobilization Plan were drawn up for China Proper as for Japan and Manchuria¹⁰. However, it is questionable that those plans were strictly implemented, because the Imperial Army occupied only small areas around major cities and trunk railways, and the economies of these areas heavily depended upon the economies in the huge areas administered by the Chinese Communist Party and the Chinese Nationalist Party¹¹. As a result, what Japan could do in China Proper was to develop strategic resource such as coal and iron ore using the affiliated companies of the NCD and the MCP in the occupied areas, and to export the resource to Japan as much as possible.

We can see the aggregated result of the development policy in China Proper in Table 3. While the total amount of the Japanese trade declined from 1936 to 1943, trade with China Proper substantially increased. Indeed, the share of China Proper in the import went up to be as high as 48%. In addition, import to Japan from China was much larger than export to China from Japan, which implies trade with China Proper substantially contributed to mitigate shortage of commodities in Japan. This implies that Japan exploited China Proper through trade, at the same time. Import from China increased with respect to variety of commodities, such as “grains, flours, starches and seeds,” “tissues and manufactured thereof,” and “minerals and manufactures thereof” (Table 4).

4. South East Asia

As the Sino-Japanese War reached a deadlock, the Imperial Army and the Japanese government came to have an idea to invade into South East Asia. First, they thought the U.S. and the U.K. materially supported the Chinese Nationalist Party regime from Indochina, and it was necessary to shut the route for support. Second, they thought that the South East Asia was richly endowed with natural resource that lacked in Japan, Manchuria and China Proper, such as petroleum and rubber. “Outline of the Strategy to Deal with the Current State of Affairs Given the Changes in the Global Situation” decided at the Liaison Conference between the Government and Imperial General Headquarters on July 26, 1940, prescribed that they would use armed force to the South East Asia, capturing a good opportunity. They considered that this was for constructing a new order in the “Greater East Asia” (Daitoa)¹².

Based on this policy, the Imperial Army invaded into north Indochina in September 1940, and then into south Indochina in July 1941. These actions, together with the Tripartite Pact between Japan, Germany and Italy in October 1940, invoked strong repulsion from the U.S.. The U.S. embargoed steel scrap, which the Japanese steel industry heavily depended on at that time, in September 1940, and furthermore froze all the Japanese assets in the U.S. in July 1941. This implied that the capacity of the Imperial Army and Navy would gradually decline unless they found alternative source of natural resource, particularly petroleum. Indeed, it was the freeze of the Japanese assets in the U.S. that made the Japanese military authorities and government determine the strategy to open hostilities with the U.S. and the U.K..¹³

Before opening hostilities, the Liaison Conference decided the three principles for administering the occupied areas in the South East Asia, in November 1941; (a) restoration of security, (b) swift acquisition of important munitions resource, and (c) self sufficiency of the dispatched military forces. Also, the Imperial Army and Navy made an agreement on the jurisdiction of each occupied area¹⁴.

In the Pacific War, which broke out on December 8, 1941, the Imperial Army and Navy was superior until the middle of 1942, and they occupied a huge area in the South East Asia, which was enough for the Japanese people to believe the “Greater East Asia Co-Prosperity Sphere” was realizing. Just after the attack of Pearl Harbor, the Liaison Conference decided “Outline of Economic Policies in the South East Asia” (December 12, 1941). It classified the occupied areas into Region (A), which were the occupied areas in the narrow sense, and Region (B), where formally the independent regimes survived, namely Thailand and Indochina. Concerning the Region (B), it was intended to

purchase natural resource and food through raising local currencies according to the agreements between Japan and the local regimes, as before the Pacific War.¹⁵

In the Region (A), a new development policy was taken. In this region, neither a special corporation, a conglomerate nor an investment company was founded, unlike in Manchuria and China Proper. For each development project utilizing the requisitioned assets at each site, an existing Japanese company was selected and designated as the firm in charge of development¹⁶. The firms in charge were selected and designated by the Sixth Committee under the Cabinet. In May 1945, 280 firms were designated as the firms in charge of development in the part of Region (A) administered by the Army, while in 1944, 102 firms were designated in the part of Region (A) administered by the Navy. They include medium sized firms as well as large firms affiliated to major zaibatsu¹⁷. It implies that in the occupied areas in South East Asia, a policy to develop the local economies in a systematic way was not taken, and the Japanese authorities gave priority to obtaining resource as much as possible in the short run.

The aggregate result of the development policy in the South East Asia can be seen in Table 3. In spite of the efforts of the Imperial Army and Navy, import to Japan from the South East Asia did not increase substantially. Furthermore, import to Japan from Region (A) declined. The basic reason for it is decline of marine shipping capacity that started just after the occupation. The capacity of marine shipping for civil use reached the peak of 2,466 thousand tons in October 1942, and declined to be 1,546 tons in December 1943 (Figure 1). The natural resource obtained in the occupied areas could not be utilized for the war and munitions production in Japan, due to the declining limit of marine shipping capacity.

Figure 1

5. Concluding remarks

In the early 1930s, a concern on the fragility of the economic foundation of the armed force prevailed in the Japanese military authorities. This concern became a basic motivation of the Imperial Army to invade into Manchuria and engage in the project for developing munitions and related industries there. However, the occupation of Manchuria generated a new ambition to obtain North China in the Japanese military authorities, which caused the prolonged Sino-Japanese War in 1937. Consumption of resource for the war and increasing economic sanctions by the Western countries further drove the Japanese military authorities to construct the autarky economy. The

consequence was the Pacific War and the “Greater East Asia Co-Prosperity Sphere”.

At least for a short period during the Pacific War, Japan occupied a huge area in the East and South East Asia, which was called “Greater East Asia Co-Prosperity Sphere”. It is remarkable that different development policies and organizations were applied across occupied areas. In Manchuria, which Japan occupied earlier, after trial and error, a system of planning and control was introduced. By this system, more or less systematic development of industries was undertaken. Meanwhile, in China Proper, the Japanese military authorities and the government prepared the statutory holding companies as channels for investment from Japan, but industrial development was basically entrusted to those holding companies and individual companies affiliated to them. Finally in South East Asia, development was almost totally entrusted to existing Japanese firms.

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¹ Y. Yamamoto, “*Daitoa Kyo-eiken*” *Keizaisshi Kenkyu (Economic History of “Greater East Asia Co-Prosperity Sphere”)* Nagoya: Nagoya University Press, 2011, p.18.

² A. Hara, “*Daitoa Kyo-eiken*” no Keizaiteki Jittai,” (Economic reality of the ‘Great East Asia Co-prosperity Sphere, *Tochi Seido Shigaku (Journal of Agrarian History)*, 1976.

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⁴ This section relies on T. Okazaki, Development and Management of Manchurian Economy under the Japan Empire” in this volume.

⁵ T. Nakamura, *Senji Nihon no Kahoku Kieizai Shihai (Administration of the North China Economy by Japan during the War)*, Tokyo: Yamakawa Shuppansha, 1983, pp.106-109.

⁶ T. Nakamura, *Senji*, pp.89-110.

⁷ *Ibid*, pp.115-46.

⁸ Y. Shibata, *Chugoku*, op cit., pp.202-3.

⁹ *Ibid*, p.225.

¹⁰ T. Nakamura, *Senji*, pp.240-66, pp.287-300.

¹¹ *Ibid*, pp.204-9.

¹² A. Hara, "Daitoa," p.9; Y. Yamamoto, "Daitoa," pp.17-9.

¹³ Y. Yamamoto, "Daitoa," pp.18-9.

¹⁴ H. Kobayashi, "Daitoa," pp.377-8.

¹⁵ A. Hara, "Daitoa," p.9; Y. Yamamoto, "Daitoa," pp.18-9.

¹⁶ A. Hara, "Daitoa," p.9; Y. Hikita and K. Suzuki, "Kigyo Shinshutsu no Gaiyo" (Overview of Direct Investment) in Y. Hikita ed., "Nanpo," op cit., pp.354-8.

¹⁷ *Ibid*, pp.358-62.

Table 1 Geographical Area of the "Greater East Asia Co-Prosperty Sphere"

	Area (thousand km ²)	Population (thousand persons)
Total	7,954	485,870
Japan Empire	681	103,531
Mainland	383	71,420
Colonies	298	32,111
China	2,871	243,661
Manchuria	1,303	43,203
Mongolia	615	5,508
North China	603	116,306
Middle China	350	78,644
South East Asia	4,402	138,678
Region (A)	3,152	99,106
Malay	136	5,330
Borneo	211	931
Burma	605	16,119
Dutch East Indies	1,904	60,726
Philipines	296	16,000
Region(B)	1,250	40,822
Thailand	620	15,718
Indochina	630	23,854

Source: Y. Yamamoto, *"Daotou Kyo-eiken" Keizaishi Kenkyu*
(Economic History of "Greater East Asia Co-Prosperty Sphere")
 Nagoya: Nagoya University Press, 2011, p.18.

Table 2 Incorporated firms in Manchuria and special corporations, 1940

Industry	thousand yen				Major special corporations	Capital
	Capital	Capital of special corporations (included)	%			
Total	7,230,792	2543500	35.2			
Bank	119,350	60,000	50.3	Manchuria Central Bank	30,000	
Exchange	10,685	0	0.0			
Non-bank finance	2,430	0	0.0			
Securities	44,382	0	0.0			
Trade	581,801	150,500	25.9	Manchuria Necessities of Life	50,000	
Market	2,560	0	0.0			
Textile	166,295	0	0.0			
Chemical	613,690	250,000	40.7	Jilin Synthetic Petroleum	100,000	
Metal	533,470	280,000	52.5	Showa Steel	200,000	
Machinery	547,419	263,000	48.0	Manchuria Automobile	100,000	
Lumber	51,209	0	0.0			
Food	152,470	0	0.0			
Printing	15,935	8,000	50.2	Manchuria Publishing	8,000	
Other manufacturing	137,742	0	0.0			
Ceramics	120,008	0	0.0			
Mining	1,006,875	445,000	44.2	Manchuria Coal Mining	20,000	
Electricity and gas	400,000	370,000	92.5	Manchuria Electricity	320,000	
Transportation	1,600,319	0	0.0			
Warehouse, insurance and telecommunication	114,750	103,000	89.8	Manchuria Telecommunication and Telephon	100,000	
Real estate	136,338	50,000	36.7	Manchuria Building	30,000	
Development	212,441	105,000	49.4	Manchuria Development	50,000	
Personnel service	95,968	0	0.0			
News paper	5,371	0	0.0			
Hotel and amusement	19,773	9,000	45.5	Manchuria Movie Association	9,000	
Holding company	530,455	450,000	84.8	Manchuria Heavy Industries Development	450,000	
Miscellaneous	9,058	0	0.0			

Source: Yokohama Species Bank, *Manshukoku Tokushu Gaisha Seido ni tsuite (On the Special Corporation System in Manchuria)* 1942;
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Note: Special cooperations are classified by industry according to the classification of Dalian Chamber of Commerce and Industry, *Manshu*, op cit..

Table 3 International trade of Japan by area

	million yen					
	1938			1943		
	Export	Import	Export-import	Export	Import	Export-import
Total	2,690	2,663	27	1,627	1,924	-297
“Greater East Asia Co-Prosperity Sphere”	1,384	998	386	1,607	1,785	-178
Manchuria	852	399	453	797	400	397
China Proper	313	165	148	502	922	-419
South East Asia	219	434	-215	308	464	-156
Region (A)	177	409	-232	123	282	-159
Region (B)	42	25	17	185	182	3
The other countries	1,306	1,665	-359	20	139	-119

Source: Y. Yamamoto, *Daitoa*, op cit, pp.110-3.

Table 4 Import of Japan by area and by category

	thousand yen								
	Total	"Greater East Asia Co-Prosperty Sphere"						The other countries	
		Total	Manchuria	China Proper	South East Asia				
				Total	Region (A)	Region (B)			
1936 Total	2,763,682	672,309	239,415	154,526	278,368	249,459	28,908	2,091,373	
Plants and animals	2,238	109	68	8	33	30	3	2,129	
Grains, flours, starches and seeds	201,176	145,796	107,417	21,834	16,546	11,279	5,267	55,379	
Beverages, comestibles and tobacco	74,602	40,741	6,048	12,024	22,668	21,514	1,155	33,861	
Skins, hairs, bones etc.	47,321	23,280	2,204	17,121	3,955	2,920	1,035	24,041	
Oils, fats, waxes and manufactures thereof	197,509	61,432	4,367	2,179	54,886	54,844	42	136,078	
Drugs, cemicals, medichines etc.	196,350	89,811	12,312	1,349	76,150	71,209	4,942	106,539	
Dyes, pigments, coatingd and filling matters	23,462	3,283	64	2,104	1,114	12	1,103	20,179	
Yarns, threads, twines, corgages, materials thereof	1,109,520	67,038	4,254	38,698	24,086	23,720	367	1,042,482	
Tissues and manufactured thereof	16,745	750	133	602	15	15	0	15,995	
Clothings and accessories thereof	1,275	27	2	25	0	0	0	1,249	
Pulp for paper making, papers, paper manufactures, books and pictures	88,541	359	52	238	69	67	2	88,182	
Minerals and manufactures thereof	100,377	62,739	33,008	13,510	16,221	3,596	12,626	37,638	
Potteries, glass and glass manufactures	4,505	926	911	15	0	0	0	3,579	
Ores and metals	374,892	92,243	28,314	23,223	40,706	40,255	451	282,649	
Metal manufactures	10,598	26	6	19	1	1	0	10,572	
Clocks, watches, scientific instruments, fire-arms, vehicles, vessels and machinery	153,087	69	32	33	4	4	0	153,018	
Others	161,483	83,680	40,224	21,545	21,911	19,994	1,917	77,803	
1943 Total	1,924,350	1,785,264	400,122	921,896	463,246	281,817	181,429	139,086	
Plants and animals	142	142	0	141	0	0	0	0	
Grains, flours, starches and seeds	396,577	396,576	97,196	163,394	135,986	3,612	132,374	1	
Beverages, comestibles and tobacco	97,433	97,379	19,185	73,693	4,501	4,474	28	54	
Skins, hairs, bones etc.	28,061	28,028	1,494	15,538	10,996	4,971	6,025	33	
Oils, fats, waxes and manufactures thereof	155,932	155,515	15,598	43,434	96,484	95,641	843	417	
Drugs, cemicals, medichines etc.	135,665	117,578	10,690	12,898	93,991	72,766	21,224	18,086	
Dyes, pigments, coatingd and filling matters	15,617	864	38	9	818	0	818	14,753	
Yarns, threads, twines, corgages, materials thereof	331,558	331,333	17,365	294,391	19,578	18,319	1,258	225	
Tissues and manufactured thereof	2,740	2,076	124	1,268	685	45	640	664	
Clothings and accessories thereof	68	31	3	26	2	1	1	37	
Pulp for paper making, papers, paper manufactures, books and pictures	1,172	1,148	999	122	27	1	26	24	
Minerals and manufactures thereof	217,841	217,641	46,421	163,957	7,263	348	6,915	200	
Potteries, glass and glass manufactures	4,820	2,725	2,677	47	2	0	2	2,095	
Ores and metals	330,034	310,879	113,766	112,452	84,661	74,065	10,596	19,155	
Metal manufactures	2,141	320	152	166	2	0	2	1,821	
Clocks, watches, scientific instruments, fire-arms, vehicles, vessels and machinery	84,667	5,569	187	5,261	121	120	1	79,098	
Others	119,883	117,459	74,228	35,101	8,130	7,454	676	2,424	

Source: Ministry of Finance, *Dainihon Gaikoku Boeki Nenpyo (Annual Return on the Foreign Trade of Japan)* 1936 and 1943 issues, Tokyo: Ministry of Finance.

Table 5 Companies and cooperatives affiliated to the North China Development Co., March 1944
 thousand yen

Industry	Number of firms and cooperatives	Paid-on capital	%
Total	40	1,454,738	100.0
Transportation	4	438,854	30.2
Telecommunication	1	51,250	3.5
Electricity	2	265,010	18.2
Coal mining	13	228,389	15.7
Other mining	5	71,200	4.9
Iron and steel	3	141,335	9.7
Chemical	6	83,200	5.7
Salt	2	30,500	2.1
Textile	1	60,000	4.1
Others	3	85,000	5.8

Source: Business report of the North China Development Co., March 1944 issue.

Table 6 Companies affiliated to the Middle China Promotion Co., March 1945
 thousand yen

Industry	Number of firms	Paid-in capital	%
Total	16	416,406	100.0
Transportation	4	97,594	23.4
Electricity	1	109,440	26.3
Telecommunication	1	40,000	9.6
Coal mining	1	15,000	3.6
Other mining	1	20,000	4.8
Chemical	2	40,000	9.6
Textile	1	60,000	14.4
Others	5	34,372	8.3

Committee for Liquidation of Closed Organizations ed., Heisa Kikan to sono
 Tokushu Seisan (Closed Organizations and their Special Liquidation) Tokyo:
 Office for Liquidation of Closed Organizations regarding Overseas Activities,
 1954, pp.314-5.

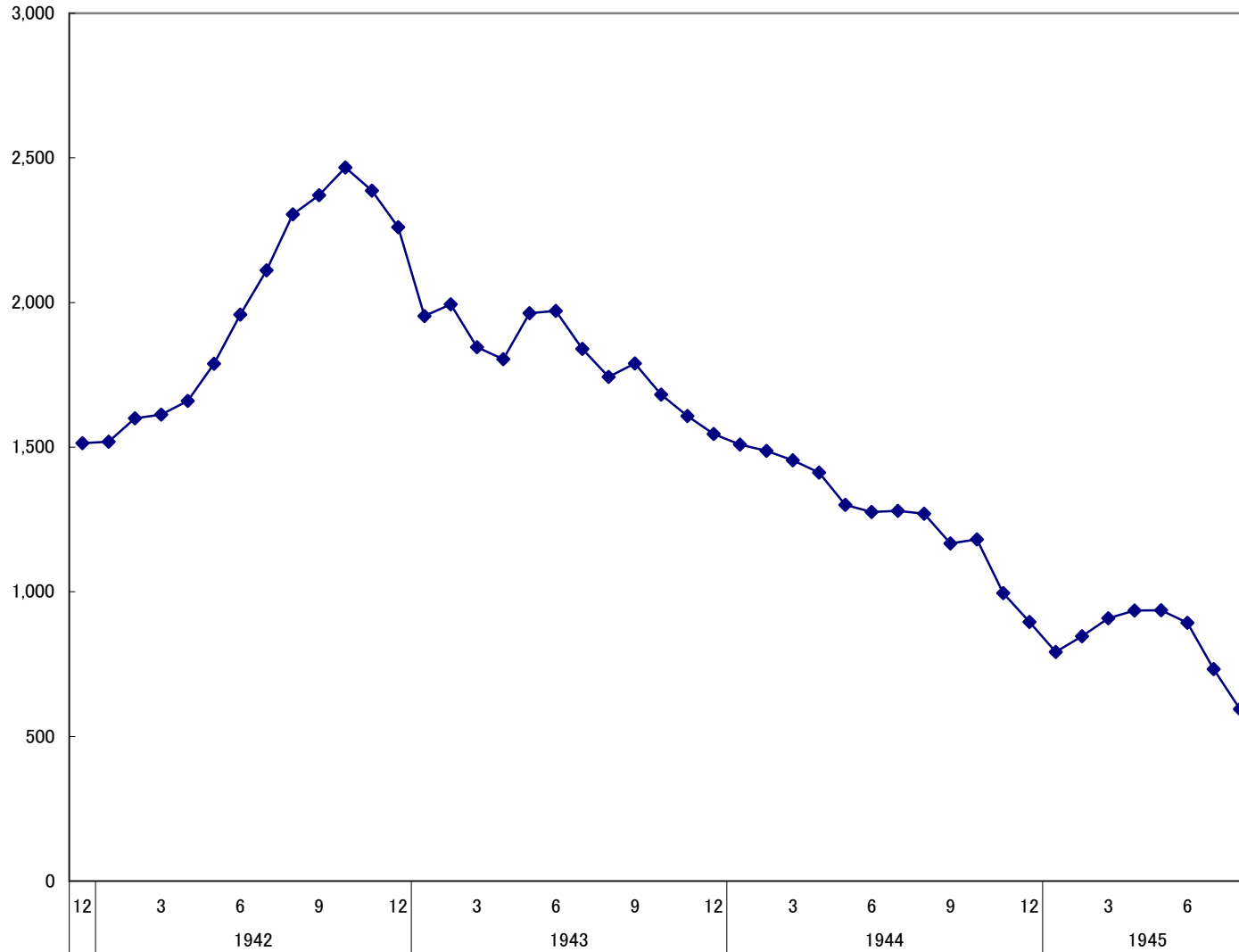
Table 7 Direct Investment to China Proper from Japan

	thousand yen								
	North China	North China Development (included)		Middle China	Middle China Promotion (included)		South China	Others	
1938	159,644	75,484	(47.3)	71,861	32,914	(45.8)	0	123,107	
1939	262,032	165,372	(63.1)	68,673	29,726	(43.3)	0	135,607	
1940	308,075	270,390	(87.8)	74,976	54,999	(73.4)	5,982	63,644	
1941	373,449	310,254	(83.1)	94,860	55,450	(58.5)	25,600	125,205	
1942	434,702	371,733	(85.5)	101,207	60,231	(59.5)	72,063	176,008	
1943	737,416	682,304	(92.5)	247,402	65,699	(26.6)	138,595	375,410	
1944	871,358	788,357	(90.5)	341,443	201,443	(59.0)	65,000	288,001	
1945	180,100	180,100	(100.0)	46,600	46,600	(100.0)	0	0	
Total	3,326,776	2,843,994	(85.5)	1,044,022	547,062	(52.4)	307,240	1,286,982	

Source: Y. Shibata, *Chugoku Senryochi Nikkei Kigyo no Katsudo (Activities of Japanese Firms in the Occupied Area in China)*
Tokyo: Nihonkeizai Hyoronsha, 2008, p.72.

thousand tons

Figure 1 Capacity of marine shipping for civil use



Source: A. Oi, *Kaijo Goei Sen (Convoy Battle)* Tokyo: Asahi Sonorama, 1983, pp.382-5.