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The Origin of Significant Japanese-Brazilian Trade and
Investment Relations: Origin, Content and Consequences of
the 1935 Japanese Trade Mission to Brazil.

by

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**DISCUSSION
PAPER**

**THE ORIGIN OF SIGNIFICANT JAPANESE-BRAZILIAN
TRADE AND INVESTMENT RELATIONS:
ORIGIN, CONTENT AND CONSEQUENCES OF
THE 1935 JAPANESE TRADE MISSION TO BRAZIL**

by

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Abstract

This paper studies what I consider to be the true starting point of significant Japanese-Brazilian trade and investment relations, the 1935 Hiraio Hachisaburo economic mission to Brazil. This mission was prompted by Japanese concern about the Japanese-American bilateral trade balance and geo-strategic control over natural resources. It resulted in a dramatic increase in Japanese imports of Brazilian raw cotton and numerous textile related and other Japanese investments in Brazil. These investments, in turn, would constitute a solid basis for post-war textile related and other investments in Brazil.

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1. INTRODUCTION¹

Japanese Foreign Direct Investment (FDI) in Brazil is not unimportant. Before 1960, a crucial period of economic recovery and serious foreign exchange shortages in Japan, Brazil is the most important host country of Japanese FDI after the United States.² Afterwards, notwithstanding another Japanese investment boom in Brazil during the late 1960s and early 1970s, Brazil's relative importance as a host country of Japanese FDI decreases.³ That is mainly due to dramatically rising Japanese FDI in Asia. However, recently, i.a. because of the development of MERCOSUR, Brazil is once more gaining importance as a host country of Japanese FDI.

This paper studies what I consider to be the true starting point of significant Japanese-Brazilian trade and investment relations: the 1935 Japanese private sector trade mission to Brazil. As a direct result thereof, Japanese trade with and investments in Brazil, mainly related to raw cotton, significantly increase.

This paper is part of a larger study of Japanese expansion, which asks why Japanese firms invest abroad and how they carry out their investment decision. The emphasis is on the extent to which Japanese expansion benefits from interplay between different modes of international interaction, such as diplomacy, trade, investment and migration.

Therefore, this paper asks to what extent the 1935 mission and subsequent Japanese trade and investment initiatives benefited from public-private sector cooperation, co-optation of Japanese migrant communities and cooperation among different (kinds of) Japanese firms. A conclusion of this paper is that apparently private initiatives benefit from government support, target the Japanese migrant community in Brazil, and are characterized by significant cooperation among Japanese firms.

The reader will first be presented with a brief analysis of the Japanese production structure, imports and exports during the interwar period. Next, the development and structure of the cotton spinning and weaving industries are discussed, as well as industry output, exports and imports. This connects to a following section on interwar raw cotton requirements and supply relations. Brazil as an alternative provider of raw cotton is then introduced. This sets the stage for an analysis of the composition, content and outcome of the 1935 trade

1 With regard to the formatting of this paper, names are given in the Japanese manner: last names come first.

2 BEAMISH and others, 1997: 59.

3 Japan's accumulated FDI in Brazil during the period 1951-1994 amounts to US\$ 8.8 billion, or 16 percent of Japan's accumulated FDI in Latin America, and 1.7 percent of Japan's accumulated FDI worldwide. Putting these comparatively small figures into context is the fact that these figures have been severely distorted by speculative investment for tax purposes in, for instance, the Cayman Islands (US\$ 9.2 billion), the Bahamas (US\$ 3.7 billion), and Bermuda (US\$ 3.6 billion). (KAGAMI, 1998: 10-11)

mission, with particular emphasis on the importance of the Japanese immigrant community in Brazil.

2. SOME BACKGROUND ON THE JAPANESE ECONOMY AND COTTON INDUSTRY OF THE INTERWAR PERIOD

2.1. The wider economy: rapid industrialization through light manufacturing

The Japanese economy of the interwar period is a growing and rapidly changing economy. The growth rate of gross domestic product (GDP) is modest and erratic⁴ during the 1920s, notably higher and less erratic during the 1930s.⁵ Japan becomes a much more industrialized society. Growth concentrates first in light manufacturing, later in heavy and chemical industries, particularly from the mid-1930s onwards.⁶ With changes in the production structure come changes in the importance, composition and sources of imports and exports. Imports become more important as the interwar ratio of imports to gross national expenditure (GNE) rises from 17.5 percent in 1919 to 22.1 percent in 1938.⁷ The share of manufactured imports, which decreases before and during World War I, decreases further during the 1920s to increase again in the 1930s because of forced expansion of industrial capacity. During the 1920s and 1930s, the share of food stuffs and raw materials imports – raw cotton during the 1920s, joined by metal ores and fuels during the 1930s – increases continually.⁸ Thus it is clear that “by the 1930s the functions of imports had become those of providing the food and raw materials for an economy that was relatively poorly endowed to produce them, as well as access to advanced capital equipment for an economy where, relative to the more advanced economies, skills and capital were scarce.”⁹ During the interwar period, Asia and North America account for a fairly constant share of Japanese imports, while the European share decreases dramatically, and the Latin American share increases significantly.¹⁰

4 Variations reflect i.a. the post-World War I speculation and crash of March 1920; the Great Kanto (i.e. Tokyo and Kanagawa prefectures) Earthquake of 1 September 1923, which kills 91,000 people and partially or completely destroys 69,000 houses; the 1927 bank crisis; and the post-1929 world recession. For a general description see NAKAMURA, 1994: 11 and 29-35, and PATRICK, 1971: 229 and 240-249.

5 For GDP see OHKAWA and others, 1979: 278-280: Table A12.

6 For GDP by industry see OHKAWA and others, 1979: 278-280: Table A12.

7 For the percentage composition of GNE see OHKAWA and others, 1979: 18: Table 1.5.

8 For the structure of imports see HOWE, 1996: 127: Table 5.6.

9 HOWE, 1996: 126.

10 For an overview of major sources of Japanese imports see HOWE, 1996: 132: Table 5.11.

We take a closer look at exports, given that their function is "to supply the foreign exchange to pay for imports and to provide opportunities for Japanese industry to achieve a scale of operation and a degree of modernization otherwise unattainable."¹¹ The interwar ratio of exports to GNE remains fairly constant. It is 21.2 percent in 1919 and 21.4 percent in 1938.¹² During the interwar period, the share of primary product exports decreases rapidly. That of manufactured goods exports – textiles during the 1920s, joined by products from the heavy and chemical industries during the 1930s - rapidly increases.¹³ Export markets shift as North American – based on exports of silk and tea - and European shares decrease and Latin American and Asian shares increase. The most dramatic increase is in exports to Asia: textiles and labor intensive manufactures to Korea, China and South-East Asia; and capital goods to Manchuria.¹⁴

2.2. The cotton industry: rapid growth

The previous section demonstrated the importance during the interwar period of light manufacturing industries. The single most important industry among them is the textile industry. And among its different components, the cotton industry comes first, outpacing in terms of export earnings by the mid-1930s the silk reeling and weaving, rayon and other textile industries.¹⁵ This reflects the phenomenal growth of the Japanese cotton industry after its establishment in the years 1860 and 1870.¹⁶ The cotton spinning component accounts for 74 companies, 281 spinning mills, 11.5 million spindles and 168,800 workers in 1935. It is at that time responsible for 26 percent of the value of total textile industry output and 8 percent of the value of total manufacturing industry output.¹⁷ And with those statistics it is the world's fifth largest cotton spinning country.¹⁸ In that same year, it produces 1,424 million pounds of cotton yarn, up from 607 million pounds in 1913.¹⁹ The cotton weaving component experiences similar growth.²⁰ But it becomes much less concentrated than the cotton spinning component, consisting to a significant extent of

11 HOWE, 1996: 128.

12 For the percentage composition of GNE see OHKAWA and others, 1979: 18: Table 1.5.

13 For the structure of exports see HOWE, 1996: 129: Table 5.7.

14 For an overview of major destinations of Japanese exports see HOWE, 1996: 132: Table 5.10.

15 For an overview of the different components' export earnings see FEAJ (various years).

16 For a concise history of the cotton industry see ALLEN, 1981: 73-76, 123-124 and 151-154, and HOWE, 1996: chapters 7 and 8.

17 JMYB, 1939 (1): 395.

18 JMYB, 1937: 415.

19 ALLEN, 1981: 75, and JMYB, 1939 (1): 396.

20 For an overview of growth in the number of looms see ALLEN, 1981: 261: Table E.

medium and small weaving sheds and a domestic industry component.²¹ Cotton cloth output grows accordingly from 417 million yards in 1913 to 1,844 million yards in 1935.²² Cotton cloth also accounts for most of the cotton industry's exports, reaching 2,725 million square yards, representing 496 million yen in 1935.²³

Playing an important role in the promotion of these cotton yarn and cloth exports through the development of export plans and the negotiation on behalf of the Japanese government of raw cotton import and textile export quota agreements with foreign governments is the textile industry's most powerful cartel, the *All Japan Cotton Spinners' Association*²⁴, established in 1882 under indirect government guidance. In 1937, the cartel groups 72 out of 82 cotton spinning companies and thus controls 97 percent of spindles operating in Japan. Membership further extends to practically all industry raw cotton importers and cotton yarn and cloth exporters. Its activities, in addition to export promotion, range from dissemination of new textile technology and promotion of large-scale spinning companies to regulation of textile industry labor contracts.

2.3. The cotton industry: raw cotton import requirements

Previous sections established the importance during the interwar period of light manufacturing industries in general and the cotton industry in particular. Now we will take a closer look at what this prominence of the cotton industry means for the volume and value of Japanese imports. In accordance with the aforementioned growth in cotton yarn and cotton cloth output, Japanese imports of raw cotton grow dramatically during the interwar period. From 449,000 ton in 1915-1919 to 825,000 ton in 1935-37, or 216 million yen in 1915 to 851 million yen in 1937.²⁵ Year to year variation is significant, however, Japanese imports of raw cotton being determined by the combined domestic and foreign demand for Japanese cotton cloth. Dominant therein is the foreign demand for Japanese cotton cloth or Japanese cotton cloth exports.

Japan's cotton industry reaches import substitution for cotton yarn in 1897, and cotton cloth in 1910.²⁶ Subsequently, exports are boosted by World War I. The inability of European countries to serve Asian export markets and rising world prices allow Japanese textile firms to increase output dramatically and capture those markets. After the war,

21 ALLEN, 1981: 124.

22 JMYB, 1937: 419, and JMYB, 1939 (1): 395.

23 ALLEN, 1981: 260: Table C, JMYB, 1936 (2): 408, and JMYB, 1939 (1): 398.

24 In Japanese: Dai Nihon Bōseki Rengōkai.

25 For volume see ALLEN, 1981: 260: Table A. For value see FEAJ (various years).

26 HOWE, 1996: 186.

Japan is able to hold on to these export markets and even further strengthen its position, i.e. increase its market share in several markets, reaching in 1935, for instance, 83 percent of the Java market, 72 percent of the Chinese market, 64 percent of the Philippines market, and 51 percent of the Indian market for cotton textiles.²⁷ This translates into a growing share of the world market as Japanese export expansion takes place at the expense of other exporters, mainly Great Britain. Thus Japan's share of the world market for cotton goods as measured by British pounds grows from 12.8 percent in 1925 to 28.5 percent in 1934. Great Britain accounts for 52.8 percent of the world cotton goods market in 1925 and only 39 percent in 1934. In terms of export volume, Japan overtakes Britain in 1933.²⁸

This expansion takes place in view of a large number of obstacles. The post-1929 world recession and consequent decrease in aggregate demand causes the world market for cotton goods to shrink from a value of 285.2 million British pounds in 1924 to 102 million pounds in 1934.²⁹ Changing economic fortunes and natural disasters (e.g. flooding) in important export markets, such as China and India, or trade embargoes and restrictions against Japanese exports because of political or economic reasons also hit Japan.

In such conditions, Japan is able to realize this expansion by delivering good quality at ever lower prices. The value of Japanese cotton cloth exports rises from 433 million yen in 1925 to 492 million yen in 1934, an increase by 14 percent. The volume of Japanese cotton cloth exports, however, rises from 1,298 million square yards in 1925 to 2,577.2 million square yards in 1934, an increase by 99 percent.³⁰ How does Japan drive down the price ever more?

Japanese spinning firms purchase raw materials in a cost-efficient manner through a small number of highly specialized raw cotton trading companies. The latter work through well-connected and communicating subsidiaries everywhere, with small margins, on the basis of commissions. They often co-own spinning mills and weaving sheds.³¹ Japanese spinning firms are thus better placed than their European competitors to exploit the benefits conferred by the interwar market for raw cotton, which is essentially a buyers' market, where supply exceeds demand. From an international perspective, the cost of Japanese labor, though rising, is also low. The industry is also in a constant state of reorganization and rationalization. Mergers result in larger firms, which tend to integrate spinning, weaving and related activities, thus creating "economies of scale in raw materials

27 HOWE, 1996: 218.

28 INSTITUT INTERNATIONAL D'AGRICULTURE, 1936-38: 376-378, and JMYB, 1939 (1): 395.

29 INSTITUT INTERNATIONAL D'AGRICULTURE, 1936-38: 376-378.

30 ALLEN, 1981: 260: Table C, JMYB, 1936 (2): 408, and JMYB, 1939 (1): 398.

31 ICB, 1934 (3): 112-113, and INSTITUT INTERNATIONAL D'AGRICULTURE, 1936-38: 476.

purchasing, marketing and market research.”³² Japanese spinning and weaving firms invest continually in improved (Japan-made) technology.³³ They seek consistently for more productive organizational patterns of labor in the face of, for instance, 1929 labor legislation curbing night work.³⁴ And they are successful in adapting accounting and management systems to the organization of “large numbers of plants of varying technical characteristics, specializations and marketing objectives”.³⁵ It is estimated that through such measures between 1930 and 1935 the cost of production is cut by 50 percent.³⁶ Finally, currency exchange movements further drive down the international price of Japanese goods. In December 1931, Japan suspends the gold standard and devalues, just two months after the British suspension of the gold standard.³⁷

2.4. The cotton industry: raw cotton supply relations

Meeting Japanese raw cotton import requirements during the 1920s and 1930s are some of the then world’s most important raw cotton producers and exporters³⁸: the United States, India, Egypt, China and Brazil.³⁹

Most important interwar raw cotton suppliers are the United States and India. During the 1920s, together they account for 90 percent of the volume of Japanese raw cotton imports. After a peak of 93 percent in 1932, this decreases to 82 percent in 1937.⁴⁰ Three distinctive periods can be distinguished. (See **Graph/Table 1**)

In a first period, which extends from the second half of the 1920s to the early 1930s, gradual switching takes place from Indian to United States raw cotton. The value of Japanese imports of United States raw cotton overtakes that of imports of Indian raw cotton in 1927, the volume in 1931. Such gradual substitution takes place because after the 1926 record crop the price of United States raw cotton, which is of higher quality than Indian raw cotton, decreases. This facilitates a shift in Japanese textile production towards higher quality goods.⁴¹

A second period covers the years 1932 to 1934 and entails a more dramatic shift from

32 HOWE, 1996: 209.

33 For an overview of textile investment in technology see HOWE, 1996: 212, and ICB, 1934 (3): 114.

34 JMYB, 1936 (2): 411.

35 HOWE, 1996: 214.

36 JMYB, 1939 (1): 396.

37 For yen-dollar and yen-pound exchange rates see PATRICK, 1971: 233.

38 INSTITUT INTERNATIONAL D’AGRICULTURE, 1936-38: 162.

39 INSTITUT INTERNATIONAL D’AGRICULTURE, 1936-38: 248 and 272, and JMYB, 1939 (1): 397.

40 INSTITUT INTERNATIONAL D’AGRICULTURE, 1936-38: 248 and 272, and JMYB, 1939 (1): 397.

41 INSTITUT INTERNATIONAL D’AGRICULTURE, 1936-38: 474.

Indian to United States raw cotton. The volume of Japanese imports of Indian raw cotton decreases from 288 million kilos in 1931 to 164 million kilos in 1932, the value from 113 million yen in 1931 to 92 million yen in 1932. Conversely, the volume of Japanese imports of United States raw cotton increases from 319 million kilos in 1931 to 546 million kilos in 1932. Such drastic substitution occurs because of Japanese-Indian trade frictions. In response to the 1920s Japanese trade expansion, the 1931 yen devaluation and the subsequent outcry of western textiles industries, western governments, concerned about employment in domestic textile industries, duly comply with requests for higher import tariffs. Among these are particularly hurtful to Japanese textiles exports the Indian discriminatory import tariffs, affecting access to one of Japan's main textile export markets, and promoted by Great Britain, main victim of Japan's trade expansion.⁴² They add to the woes bestowed upon the Japanese textile industry by a rapidly shrinking post-1929 world market for cotton goods; unfavorable currency developments during the years 1930-1931; and a number of Chinese boycotts of Japanese textiles exports from September 1931 onwards as a result of the Manchurian affair. Restricted access to the Indian market leads to a Japanese boycott of Indian raw cotton in June 1932. Eventually, however, an agreement tying Japanese exports of cotton goods to India to its imports of Indian raw cotton is reached with India. The belated 1934 result of the *Simla Conference*, convened to resolve the crisis in Japanese-Indian trade relations prompted by the 1932 Japanese boycott of Indian raw cotton, stipulates that if, during a given crop season, Japan buys one million bales of Indian raw cotton, then Japan is allowed to export to India 325 million yards of cotton cloth. For every 10,000 bales below one million, 2 million yards of exports are subtracted. For every 10,000 bales above one million, 1.5 million yards of exports are added. Under no circumstance, however, can Japanese exports to India exceed 400 million yards per year.⁴³ This agreement allows Japan to increase raw cotton imports from India again. As a result, imports of Indian and United States raw cotton bounce back to pre-1932 relative positions, but somewhat higher absolute values because of the on-going increase in raw cotton imports.

A third period starts in 1934 and entails a rapid decrease in Japanese imports of United States raw cotton, which, because of the Simla accord, cannot entirely be compensated for by an increase in imports of Indian raw cotton. The volume of Japanese imports of United States raw cotton decreases from 389 million kilos in 1934 to 253 million kilos in 1937. I believe that this pattern is due to Japan's concern about reduced exports to and a

42 For Indian tariff raising see ICB, 1930: 14, ICB, 1932: 163, and ICB, 1933 (3): 755.

43 For the Simla Conference see INSTITUT INTERNATIONAL D'AGRICULTURE, 1936-38: 472-474, BULLETIN, 1936 (2): 14-15, BULLETIN, 1937: 20.

deteriorating trade balance with the United States, and about geo-strategic control over natural resources.⁴⁴

Japan's concern about the bilateral Japanese-American trade balance is due to the changing nature of international trade during the 1930s. Within a context of free trade, countries aim to balance trade overall and compensate for trade deficits somewhere through trade surpluses elsewhere. But the decade of the 1930s is well known as the decade of protectionism, where free trade is no longer possible. A country limits imports, particularly from low-cost producers such as Japan. The exporting country retaliates. An agreement is reached, which aims to balance trade between the two countries. Illustrative of this pattern are the aforementioned Japanese-Indian trade frictions and the solution thereof. With exports thus constrained, a country under export pressure like Japan, will try to export more to other markets, in the first place to other industrialized markets, later also to non-industrialized markets. Illustrative of this pattern is the Japanese reasoning on the boycott of Indian raw cotton during the Japanese-Indian trade frictions: "No doubt, the price of American cotton is somewhat dearer than Indian cotton, and therefore the replacement of the latter with the former raw material means more expense for the country's cotton industry...(but)...purchase by Japan of a vast amount of cotton from America is bound to stimulate American purchase of Japanese raw silk, which is so important to the economic welfare of Japan. This will, in turn, help greatly to stabilize the exchange between the United States and Japan...".⁴⁵ Problem is, however, that gradually all industrialized countries put limits on imports of Japanese products. Trade frictions similar to those with Indian develop with Australia, the Netherlands, and the United States.⁴⁶ In 1934, Japanese silk exports to the United States experience a significant decline as part of a process which starts in 1930. Also in 1934, the United States for the first time imposes trade restrictions on specific Japanese export items, in casu carpets and pencils.⁴⁷

These two developments cause the Japanese trade deficit with the United States to jump from 129 to 370 million yen. (See **Graph/Table 2**)

In response to increasingly constrained worldwide Japanese export possibilities, the

44 We thus dispute the theory that Japan turns away from the United States in order to avoid raw materials dependency in view of the coming war. The quest for alternative sources of raw cotton supply starts in 1934 already. At that time, there is no threat of war. Furthermore, a threat-of-war theory would lead one to expect Japan to aim to reduce total imports from and reduce its overall trade deficit with the United States at all cost, which is not the case. From 1931 onwards, Japan continually increases total imports from the United States. (SAITO, s.d.: 168)

45 ICB, 1933 (2): 751.

46 ISHII, 1995.

47 For the role of United States trade restrictions see FEAJ, 1935: 152.

Japanese Government enacts trade legislation. In 1930, the Japanese Government aims to increase exports to not yet constrained industrialized and non-industrialized export markets through an *Export Subsidy Law*, which provides for special financial assistance to firms selling in North and South America, Russia, Africa and parts of Asia.⁴⁸ At the same time, the government attempts to reduce the possibility of further trade frictions developing with existing or new markets. The tool is domestic regulation aimed at softening competition among Japanese manufacturing and export firms. *Article 2* of the 1931 *Major Industries Control Law* stipulates that the minister has the right to order firms which are not members of an existing cartel to conform with cartel decisions, either when two thirds of cartel members request him to do so, or when the minister thinks it is necessary to protect reasonable profits in the industry and ensure adequate development of the national economy.⁴⁹ And through the 1933 *Export Control Law* “Government intends to exert some control over exports of certain commodities, as the competition among domestic manufacturers last year and the large exports of some products resulted in unfavorable action by some foreign countries with reference to imports of Japanese goods.”⁵⁰ More stringent government control, this time including a retaliative component, is accomplished through 1934 trade legislation. It provides government with full control over foreign trade through the right to limit or prohibit exports or imports of certain goods, and set prices for certain goods. It strengthens earlier legislation by providing government with the right to make membership of an export guild or association obligatory, in order to exercise control over export product quality and avoid excessive competition among Japanese exporters in foreign markets. And, for the first time, it includes a retaliative component, providing government with the right to at any time change import tariffs.⁵¹

But trade with most industrialized countries has become constrained so that Japan redoubles its efforts to develop new, non-industrialized export markets through a ‘new country policy’: “As for the new countries, not or barely familiar with Japanese products, Japan will make an effort to by their natural resources to the extent that they will buy its products, and this with the purpose of turning them into loyal clients. This policy will be applied particularly to the whole of Africa, Central and South America, China, India, Siam, the Straits Settlements and the Near Orient.”⁵² These countries often being debtor countries, Japan has to buy from them in order to be able to sell to them. It will thus buy from them natural resources, often at lower prices than those from industrialized countries, and concentrate in its bilaterally balanced trade with industrialized countries on specialized

48 HOWE, 1996: 174.

49 NAKAMURA, 1994: 45.

50 ICB, 1933 (1): 619.

51 BULLETIN, 1934 (1): 15-16 and BULLETIN, 1934 (2): 17-18.

52 Translated from French. BULLETIN, 1934 (1): 16.

machinery and natural resources not available elsewhere.

It is this kind of thinking then which is being applied to Japanese-American trade relations from 1934 onwards. Japan's trade deficit with the United States is growing. This forces Japan to start importing items available elsewhere from other countries. One of those items is raw cotton.⁵³ Imports from India are linked to exports and thus cannot be increased indefinitely. But a number of new producers are arising which produce high quality raw cotton, one of which is Brazil.

It is important to note that importing natural resources from non-industrialized debtor countries also meets a growing concern among Japanese administrators and thinkers about geo-strategic control over natural resources.⁵⁴ It is felt that natural resources are controlled by only a few countries, such as the United States and Great Britain, and that it is wiser to diversify sources of natural resources such as raw cotton.

This entails in the first place a drive for increased self-sufficiency through the promotion of raw cotton cultivation in Japanese colonies and spheres of influence, and furthermore efforts to import raw cotton from smaller, independent producers.

From the end of the Russo-Japanese war in 1905 efforts are made to grow cotton in Korea, first through a *Raw Cotton Cultivation Association*, then through the Japanese colonial government. Short-lived private sector efforts, also prompted by World War I's resource scarcity are made in China, along the Peking-Hankow and Shantung railways, in 1917 and 1918 respectively. Other failures follow in the 1920s, with efforts by (1) the *Kwantung Government* in Manchuria (1924), (2) the *Peruvian Cotton Co.*⁵⁵, with the support of the *Japan Raw Cotton Trading Co.*, in Peru (1926)⁵⁶, and (3) the *Companhia Niponica de Plantação do Brasil*⁵⁷, established by the *Kanegafuchi Cotton Mills Co.*⁵⁸, in the Amazon in Brazil (1928).⁵⁹ We will expand on the latter initiative further on.

More successful efforts, benefiting from a sense of urgency after the above mentioned Japanese-Indian trade frictions, are undertaken in the 1930s. In addition to continued but

53 There is quantitative evidence of a link between a deteriorating trade balance and decreasing imports of United States raw cotton: 1934, the year of the decline in Japanese silk exports and United States trade restrictions, is the first year of a dramatic decline in raw cotton imports from the United States. There is also qualitative evidence: one can find sufficient contemporary analyses linking reduced Japanese purchases of United States raw cotton to a worsening Japan-United States trade balance. (BULLETIN, 1936 (2): 14, and BULLETIN, 1937: 20)

⁵⁴ One example is T. Nawa. See NAWA, 1936 and NAWA, 1937.

⁵⁵ In Japanese: *Perû Menka Kabushikigaisha*.

⁵⁶ NICHIMEN KABUSHIKIGAISHA SHASHI HENSHÛ IINKAI - SHASHI HENSHÛBU, 1994: 94.

⁵⁷ In Japanese: *Nanbei Takushoku Kabushikigaisha*. In English: *South American Development Co.*

⁵⁸ In Japanese: *Kanegafuchi Bôseki Kabushikigaisha*.

⁵⁹ NAWA, 1936: 92-93.

not very fruitful efforts in Korea, a new and massive attempt is undertaken in Manchuria in the early 1930s. In 1934, for instance, the establishment of the *Japan-Manchuria Cotton Cultivation Association*⁶⁰ is announced, which will aim to develop raw cotton cultivation in Korea and Manchuria. Its partners are the *All Japan Cotton Spinners Association*, the *Japan Cotton Traders Association*, and the *South Manchuria Railway Co.*, to be assisted by the Japanese government *Department of Resource Development*.⁶¹ Subsequently a *Manchurian Cotton Association* and a *Manchurian Cotton Sales Corporations* are established under public-private partnerships. Efforts are also made in North China by the Hsing Chung Corporation, a subsidiary of the *South Manchuria Railway Corporation*. A problem is that these projects suffer from physical limitations, indigenous resistance or the long-term nature of the venture. Therefore in the short run the most promising strategy is to import from countries such as Brazil.⁶²

3. THE MISSION

3.1. Purpose of the mission

When Japan is thus confronted with a deteriorating Japanese-American trade balance, and worries about geo-strategic control about natural resources, it considers the possibility of importing raw cotton from Brazil and mounting a mission in that direction. The concrete reasoning behind this mission is best reflected in a statement made by the leader of the mission, Hiraō Hachisaburo, during a farewell lunch organized for members of the economic mission by the Osaka textile community in March 1935.⁶³ Hiraō remarks there that Japanese-Brazilian relations started more than 40 years earlier, and the first Japanese migrants arrived in Brazil 25 years earlier. Yet, Japanese-Brazilian trade is insignificant. The reason is that Japan has been thinking of Brazil as a country to send migrants to only, and not as a country to develop trade with. Nevertheless, Brazil is big, not densely populated, and rich in natural resources. And it is quite natural that Brazil, the country with the potential of becoming the biggest agricultural producer, and Japan, striving to become the world's most advanced industrial country should develop trade relations. Before, the problem was that Brazil only grew coffee, a commodity not consumed in large quantities by Japan, and Brazil being a debtor country it would only buy products from

60 In Japanese: *Nichiman Menka Saibai Kyōkai*.

61 ICB, 1934 (1): 436, and ICB, 1936 (3): 270.

62 NAWA, 1936: 108-115.

63 "Ken-haku keizai shisetsudan sōbetsu goshokkai" (Farewell luncheon meeting for economic mission to Brazil). *Dai Nihon Bōseki Rengōkai Geppō* (Monthly of the All Japan Spinners' Association), 511 (April 1935) 18-22.

countries buying its coffee. As a result small countries had more trade with Brazil than Japan. However, coffee production and trade have now collapsed and a move towards other crops is going on. Because of physical conditions, none is as successful as cotton, which is precisely a commodity of which Japan needs large quantities. Furthermore, a decent profit can now be made out of cotton because of rising raw cotton prices in the United States and thus worldwide. Which naturally brings to mind the possibility of importing raw cotton produced by Japanese migrants in Brazil.

3.1.1. Cotton production in Brazil at the time of the mission

Hirao's taking the prospects of cotton production in Brazil serious is correct. Cotton production is rapidly expanding at the time of the mission. While a rapidly growing but still modest domestically oriented industrial sector, not unlike Japan's boosted by World War I, is making inroads on a still dominant non-diversified export-oriented agricultural sector, cotton cultivation is making inroads on coffee cultivation, the former initially evolving with and then only partially replacing the latter from the early 1930s onwards. That is because in the early 1930s world coffee prices collapse and world raw cotton prices are comparatively high because of United States price support measures. As a result, Sao Paulo state raw cotton acreage and production starts growing rapidly.⁶⁴

3.1.2. The Japanese migrant community in Brazil at the time of the mission

The idea to import raw cotton from Japanese migrants in Brazil also makes good sense. Somewhat less than 190,000 Japanese migrants arrive in Brazil during the pre-World War II period.⁶⁵ That is somewhat less than the 231,206 Japanese migrants to Hawaii, but much higher than the 107,253 migrants to the continental United States. Still, before 1920, arrivals of Japanese immigrants are highly erratic, not exceeding 40 some years, approaching 7,000 other years. A sustained rapidly rising trend only starts in 1924, that is after the economic crash of 1920 and the Great Kanto Earthquake of 1923, and arrivals exceed 20,000 in 1933 and 1934. Anti-Japanese agitation, however, starts in 1924 already and results in 1934 in president Vargas' so-called "2 percent law", which stipulates that post-1934 yearly arrivals will be restricted to 2 percent of total arrivals during the 50 year period up to and inclusive of 1933. In the case of Japan this means from then onwards app. 3000 persons, as opposed to a peak of 23,299 yearly arrivals in 1933.⁶⁶

⁶⁴ For growth of the Sao Paulo state raw cotton acreage and production see PEARSE, 1937.

⁶⁵ KOKUSAI KYÔRYOKU JIGYÔDAN, 1994: 126.

⁶⁶ YOKOGAWA, 1995: 121.

In 1935, the Japanese immigrant community is facing another challenge, in addition to the “2 percent law”. It is in the midst of a process of significant change. Until the early 1920s, Japanese farmers arrive mostly as contract laborers destined for the coffee plantations. From around that time, however, they start arriving as independent colonizers, a group which also grows through the addition of plantation laborers who have fulfilled their contracts. When coffee prices collapse in the early 1930s, these farmers start engaging in increasing numbers in raw cotton cultivation.⁶⁷ Within that context is interesting, for instance, the claim by the Japanese community in the state of Sao Paulo that during the year 1936 they are responsible for 56 percent of the crop in Sao Paulo and 30 percent of the total Brazilian raw cotton production.⁶⁸

3.2. Content of the mission

The mission, organized under the auspices of *the Tokyo Chamber of Commerce and Industry*, departs from Yokohama on 8 April 1935 and arrives in Rio de Janeiro on 15 May. The mission departs from Brazil on 11 June to arrive back in Japan on 5 November, after visiting the United States and Europe. The mission is headed by Hirao Hachisaburo⁶⁹, whom we mentioned already, and further consists of i.a. Ito Takenosuke⁷⁰, Seki Keizo⁷¹, Atsumi Ikuro⁷², Iwai Takahito⁷³ and Okuno Kei⁷⁴.

That this is a strong mission is first of all demonstrated by the fact that it is supported by the Japanese government, it being fully in line with stated Japanese government policies. It benefits from full cooperation from Japanese consular officers and ambassadors. Its

67 There exists ample evidence of the importance of Japanese immigrants for the Brazilian raw cotton cultivation. An interesting source is A. Pearse, member of the International Cotton Federation, who visits Brazil in the early 1920s and again in 1937. In his report on his 1937 visit, he pays substantial attention to the movement of Japanese farmers from the coffee to new cotton growing areas, often giving rise to vibrant new Japanese communities. (PEARSE, 1937: 151, and PEARSE, 1937: 158)

68 ICB, 1936 (4): 21.

69 JMYB, 1939 (2): 966: leader of the mission and president of the shipbuilding company *Kawasaki Shipbuilding Co.*

70 JMYB, 1939 (2): 977: Representative of the *Japan Cotton Merchants' Union* (cartel) and managing director of the trading company *Ito Trading Co.* (In Japanese: *Itôchû Shôji Kabushikigaisha*)

71 JMYB, 1939 (2): 1032: Representative of the cartel *All Japan Cotton Spinners' Association* and managing director of the spinning company *Toyo Cotton Mills Co.* (In Japanese: *Tôyô Bôseki Kabushikigaisha*)

72 JMYB, 1939 (2): 948: Director of the shipping line *Osaka Mercantile Marine Co.* (In Japanese: *Osaka Shôsen Kabushikigaisha*)

73 JMYB, 1939 (2): 977: Representative of the trading company *Mitsui and Co.* (In Japanese: *Mitsui Bussan Kabushikigaisha*)

74 JMYB, 1938: 1039: Representative of the trading company *Mitsubishi Trading Co.* (In Japanese: *Mitsubishi Shôji Kabushikigaisha*)

members are treated by the Brazilian Government as state visitors. It raises issue far beyond the scope of a private mission. A Brazilian government mission is mounted the next year in response. And Hirao is nominated for the House of Peers in November 1935, that is upon completion of the mission, and occupies the cabinet position of Minister of Education during the years 1936-37.⁷⁵

It also includes representatives of the most important Japanese firms at that time. As a bridge between public and private sector there are representatives of two government controlled cartels: *the Japan Cotton Spinners Association*, which, as mentioned above, organizes mill owners, and *the Japan Cotton Traders Association*, which organizes raw cotton traders.⁷⁶ And the private sector representatives represent all major cotton trading, cotton spinning, general trading and shipping companies at that time.

The mission also operates on the basis of a strong mandate. In order to accomplish its immediate objective of increasing raw cotton imports, it raises issues extending far beyond the responsibility of the textiles industry or even the private sector as such. There is, for instance, the decision to base future Japanese-Brazilian trade relations on the “balanced trade” principle, which will naturally involve trade in non-textile products. In addition to the import of raw cotton, Japan will consider the import of cotton seed; cotton seed oil; manioc; and fibers. Brazil, on the other hand, should consider the purchase of inter alia Japanese machinery and silk, and allow the creation of permanent fairs of Japanese products in important Brazilian cities.⁷⁷ Then there is the Japanese insistence on making the extension of Japanese-Brazilian trade relations conditional upon addressing issues relating to Japanese migration to Brazil. It appears that this is not merely an issue of national pride, or related to Japan’s interest in maintaining an outlet for its excess population. It is also because resolving problems relating to migration is critical to the achievement of the mission’s immediate objective of increasing raw cotton imports.

The program of the mission is very extensive. It meets with President Vargas, federal ministers, state governors, the business community (mainly in Rio de Janeiro and Sao Paulo) and journalists. It visits cotton gins, spinning mills and the (cotton) commodity exchange.⁷⁸ In addition, research on a number of topics is allocated to different people.⁷⁹ Hirao carries out research on problems related to finance and investment. Seki studies problems related to raw cotton transactions. Ito researches problems related to Japanese

75 JMYB, 1939 (2): 966.

76 See above for earlier involvement of the *All Japan Cotton Traders Association* in the *Nichiman Menka Saibai Kyōkai*.

77 BULLETIN, 1935: 15.

78 NIHON SHŌKŌ KAIGIJŌ, 1936: 6 and further.

79 NIHON SHŌKŌ KAIGIJŌ, 1936: 4-5.

exports to Brazil. Atsumi carries out research on problems related to maritime transport between Japan and Brazil. Iwai studies problems related to Japanese imports from Brazil. And Okuno researches problems related to the growing of raw cotton in Brazil.

3.3. Reporting by the mission⁸⁰

3.3.1. To the Brazilian government

A report on the mission, an extensive technical report, is made to the Brazilian government. This report is about the acceleration of the cotton harvest; strict enforcement of crop drying; standardization of product quality; strengthening of supervision of textile factories; improvement of technology; uniformity of baling; adoption of universal standards; internationalization of the raw cotton market; establishment of an agricultural credit facility; collection of accurate statistics; etc.

It is difficult to at this stage assess the role played by this report in the process of professionalization of the sector, although one would assume the Sao Paulo state government to take into account the preferences of a potentially large client. It should be noted, however, that this report constitutes just one step in a larger process of professionalization, which dates back to at least the early 1920s visits by representatives of the *International Cotton Federation*, and continues after the departure of the mission.⁸¹

The legal stability and regulatory framework resulting from these measures implemented by the Sao Paulo state government appear to be successful in generating an increase in raw cotton acreage and production, and overall product quality⁸², as can be derived from the attached table and figure.

3.3.2. To the Japanese business community

A general report on the Brazilian business environment is also made to the Japanese business community. The mission report emphasizes in the first place the overall potential of the Brazilian raw cotton export sector. It assesses the possibility of locally financing FDI activities, noting that the *Yokohama Specie Bank* is present in Brazil through a subsidiary but that *nikkei* or Japanese-origin banking amounts to next to nothing. Finally,

80 For info on the content and outcome of the mission see SAITO, s.d.: 168, JMYB, 1936 (1): 106-107, BULLETIN, 1935: 15-16, and SUZUKI, 1995: 157-158.

81 For an overview of cotton industry regulations enacted before and after the 1935 mission see PEARSE, 1937: 23, 160 and 167, ICB, 1934 (2): 24, ICB, 1937 (1): 366, and ICB, 1938: 202.

82 ICB, 1936 (4): 21.

the promise of Brazil as an export market for Japanese products is highlighted. In this regard, attention is called to the fact that, in order to protect domestic commodity production, Brazil is rapidly erecting a customs duty fence. Japanese companies targeting the Brazilian market should thus act rapidly.⁸³

All of this is made a little more concrete during a welcoming lunch organized by the Osaka textile community in December 1935. Hirao Hachisaburo, echoing pre-departure statements, says that it is important to import raw cotton from Brazil to reduce the trade deficit with the United States, and at the same time assist the migrants. The mission, however, seems to have clarified Hirao's thinking on the migrant issue. Specifically, he mentions the need to build up an exclusively Japanese supply chain of raw cotton.⁸⁴

3.3.3. Targeting the Japanese migrant community

3.3.3.1. A mental framework

Increasing and professionalizing the production of raw cotton so as to enable larger imports thereof thus in fact means helping the Japanese immigrant community while furthering Japan's strategic needs. It is important to understand that there pre-existed a mental framework allowing for the co-optation of Japanese migrants everywhere to meet strategic needs of the Japanese nation. Noting that the "the terms 'expansion', 'colonization,' and 'emigration' were often used interchangeably, indicating that in the Japanese view these were all aspects of Western power and influence in the world", Akira Iriye provides us with ample evidence thereof.⁸⁵ Just one example is Okawahira Takamitsu, whose *Japanese Emigration*⁸⁶ contains a preface stating that emigration is the best way to promote industrialization and increase capital in Japan. The emigration of laborers prevents the lowering of wages and standards of life at home by restoring an equilibrium between the supply and demand of labor, while overseas Japanese will send and bring home the money earned. The money is equivalent to foreign loans at no interest. Once the Japanese overseas have established their "social colonies", they will be able to supply needed raw materials for the homeland and develop a market for Japanese products. The result will be the rise and expansion of Japanese commerce and industry.

83 For a general discussion of 1930s import substitution industrialization policies see BURNS, 1980: 423-424.

84 "Hô-haku keizai shisetsu kangei goshokkai" (Welcoming luncheon meeting for economic mission to Brazil). *Dai Nihon Bôseki Rengôkai Geppô* (Monthly of the All Japan Spinners' Association), 519 (December 1935) 4-11.

85 IRIYE, 1972: 36-40 and 129-131.

86 In Japanese: *Nihon Imin-ron*.

3.3.3.2. Concrete measures

These instances of advocacy translate into concrete government support measures for emigration. In 1893, an informally government-supported *Colonization Society*⁸⁷ is established in Japan. In 1894, an *Emigrant Protection Regulation*⁸⁸ is enacted, delegating issues pertaining to migration to the private sector. In 1896, a broader *Emigrant Protection Law*⁸⁹ is enacted. In 1921, in view of domestic recession, the Japanese government starts providing subsidies to the *Overseas Enterprise Emigration Co.*⁹⁰ for advertisements within Japan promoting emigration. In 1923, the Japanese government starts providing subsidies and commissions to migration companies pertaining to the actual shipping of migrants. Such assistance, combined with strict embassy and consular registration upon arrival, helps to maintain a certain measure of allegiance towards the home country, facilitating the mobilization of migrants for the home country's strategic needs.

A much more direct mechanism of control over migrants is established through the 1927 *Law on Overseas Emigration Associations*⁹¹. This law facilitates the purchase of land overseas, and thus the entry into so-called cultivation enterprises. Initiatives resulting in the enactment of this law commence in 1923, when Nagano Prefecture's *Shinanô Overseas Association*⁹² develops a plan to purchase land in Brazil; develop the area; and dispatch its inhabitants as independent (as opposed to contract) colonizers. In 1924, it buys 2,200 alqueires, some 5,300 hectares⁹³, in Aliança, state of Sao Paulo, calls the area *Aliança Overseas Colony*⁹⁴, and starts selling the land in lots. Somewhat later it buys an additional 6,250 hectares. Overseas associations in prefectures such as Kumamoto, Tottori and Toyama follow Nagano's example, jointly buy land, and develop a second and third *Aliança* on adjacent land. But dividedness and economic deadlock cause the experiment to fail.⁹⁵

The 1927 law, however, gives rise to the creation of overseas emigration associations all over Japan, as well as to the creation of a coordinating *Federation of Overseas Emigration Associations*⁹⁶. In 1928, this federation buys for development in the state of Sao Paulo

87 In Japanese: *Minshoku Kyokai*. For the program of this society see IRIYE, 1972: 40-41.

88 In Japanese: *Imin Hogo Kisoku*. YOKOGAWA, 1995 (1): 118.

89 In Japanese: *Imin Hogo Hô*. YOKOGAWA, 1995 (1): 118.

90 In Japanese: *Imingaisha Kaigai Kôgyô Kabushikigaisha*.

91 In Japanese: *Kaigai Ijû Kumiai Hô*.

92 In Japanese: *Shinanô Kaigai Kyôkai*.

93 HOLLOWAY, 1980: 160: 1 alqueire equals 2.42 hectares.

94 In Japanese: *Ariansa Ijû-chi*.

95 YOKOGAWA, 1995 (2): 136.

96 In Japanese: *Kaigai Ijû Kumiai Rengôkai*.

12,932 alqueires (31,295 hectares) in Bastos; 1,327 alqueires (3,211 hectares) in Aliança; 47,530 alqueires (115,022 hectares) in Tiete and 12,500 alqueires (30,250 hectares) in Tres Barros. Interestingly enough, in 1929, having promoted emigration to these new settlements, the federation formally establishes in Brazil a local representative agency, *Bratac*.⁹⁷ It brings under its jurisdiction not only the three Alianças and other above mentioned settlements, but rapidly grows into an association controlling other Japanese settlements in Sao Paulo, Parana and other states in South Brazil.

3.3.3.3. Early efforts of the cotton industry to capitalize on migrants

There thus appears to be in place not only a mental framework but also concrete mechanisms of control allowing for the potential of the migrant community to be tapped by the 1935 mission. Added to this are earlier efforts of the Japanese cotton industry to use migrants for its cotton growing needs.⁹⁸ In 1925, the governor of the Brazilian state of Para indicates to the Japanese ambassador that his government is prepared to make available to Japan large tracts of land, provided that Japanese migrants dedicate themselves to opening up and bringing under cultivation these lands. The state of Para is at that time aiming to recover from a deep economic crisis following the so-called rubber boom economic high.⁹⁹ The Japanese ambassador himself having toured the proposed area, the area is further inspected in August 1926 by a representative of the Japanese cotton spinning giant *Kanegafuchi Cotton Mills Co.*, Fukuhara Hachiro. He concludes that part of it is indeed suited to Japanese colonization and cotton cultivation. Subsequently, on 27 March 1928, Prime Minister Tanaka convenes a meeting of 27 important business people, among them the then 89 years old well known Meiji entrepreneur Shibusawa Eiichi, “to discuss with them the course to follow regarding the topic of emigration, colonization and cotton cultivation in Brazil.”¹⁰⁰ Explaining the Brazilian offer transmitted through the Japanese ambassador and assessed by Fukuhara, Tanaka remarks: “Estimating that there are grounds for an enterprise which is profitable for the country, our Ministry of Foreign Affairs would very much wish this to be realized, and M. Fukuhara has made efforts in that regard since his return. In submitting this project to you, the Minister desires that you take it up and make it a private matter; because the government would wish to abstain and not give any

97 In Japanese: *Yûgen Kaisha Burajiru Takushoku Kumiai*. In English: *Brazil Colonization Co.*

98 BULLETIN, 1927: 20, BULLETIN, 1928: 21-22, BULLETIN, 1936 (1): 13, YOKOGAWA, 1995 (2): 137, and KOYAMA, 1980: 12-14.

99 For a vivid description of the rubber boom economy see BURNS, 1980: 330-340.

100 Translated from French.

guarantee or assistance.”¹⁰¹ This is illustrative of the fact that the Japanese government often provides leadership without becoming explicitly involved. During the same year, a *Companhia Niponica de Plantação do Brasil*¹⁰², headed by the same Fukuhara is established. Still in 1928 it obtains some 1 million hectares from the Para state government. And in 1929, settlement and exploitation starts, largely resulting in failure because of misfits between crops grown and climatic conditions.

4. CONSEQUENCES OF THE MISSION

As a result of the mission, there is a significant increase in Japanese-Brazilian trade. Japanese imports from Brazil, consisting almost entirely of raw cotton, jump from 158,098 pounds in 1935 to 1,683,333 pounds in 1936 and 2,122,106 pounds in 1937. Japanese exports to Brazil experience a smaller but respectable increase from 246,852 pounds in 1935 to 349,609 pounds in 1936 and 647,472 pounds in 1937. Both are maintained at comparable levels during the next few years.¹⁰³ This phenomenon can be explained by at least three factors: a favorable shipping arrangement for transportation between Brazil and Japan, the adoption and development of an institutional support system, and the development of foreign direct investment initiatives.

4.1. Shipping

Trade is made practically feasible by an agreement among the various Japanese shipping lines to collectively lower the cost of freight between Brazil and Japan - regardless of the much longer distance - reducing it to the cost of freight between Brazil and the United States so as to make imports of raw cotton from Brazil competitive with those from the United States.¹⁰⁴

Note the similarity between this arrangement and the important 1893 India raw cotton agreement. As Howe explains it: “Nonetheless, in 1893, as a result of several visits to India by Japanese business leaders and support from the Foreign Ministry and Minister of Agriculture and Commerce, a major shipping agreement was concluded. Under this agreement the *Nihon Yusen Kaisha* (NYK) offered special shipping rates to Japanese raw cotton importers. This move was accompanied by the establishment of a comprehensive

101 Translated from French.

102 In Japanese: *Nanbei Takushoku Kabushikigaisha*. In English: *South America Development Co.*

¹⁰³ SUZUKI, 1995: 162.

¹⁰⁴ BULLETIN, 1935: 15.

group of Japanese trading and banking firms in Bombay.”¹⁰⁵

4.2. Foreign direct investment

But being able to ship the cotton is not enough. A whole structure has to be developed to increase production, purchase, process, bale, stock etc. In order to do this a number of organizations are created.

4.2.1. Cotton growing, processing and trading

4.2.1.1 The Japan-Brazil Raw Cotton Co.¹⁰⁶ and Brazcot Ltda.¹⁰⁷¹⁰⁸

This is one of the most sizable initiatives undertaken after the 1935 mission, and the one which is probably most directly causally related to it.

A Japanese parent company, the *Japan-Brazil Raw Cotton Co.* is established on the 1st of February 1936 in Osaka with a capital of 2 million yen. The articles of incorporation of the new company state the following objectives¹⁰⁹: (1) management of cotton gins and baling factories in Brazil and elsewhere; (2) wholesaling and trade of raw cotton and other commodities in Brazil and elsewhere; and (3) all business and relevant investment related or incidental to the above said. To reach these objectives, a Brazilian subsidiary, *Brazcot Ltda.*, is established on the 1st of July 1936 in Sao Paulo.

The activities of *Brazcot Ltda.* are situated at different levels. It is first of all active in the field of banking. As such it is recorded to establish and hold securities of a daughter firm, *Casa Bancaria Brazcot Ltda.*¹¹⁰ This bank occupies itself with financial activities related to freight collection. It is also active in the field of cotton ginning. As such it is recorded to directly operate 5 cotton gins and indirectly, through financial controls, operate some more.¹¹¹ Finally, it is active in the field of cotton trading and exports. The 1940 annual

105 HOWE, 1996: 193.

106 In Japanese: Nippaku Menka Kabushikigaisha.

107 Portuguese translation and abbreviation of the Japanese Burajiru Menka (Brazil Cotton).

108 In terms of literature, this section's general discussion of Brazcot's activities is based on HANDA, 1976: 76-77, SUZUKI, 1995: 158, TÔYÔ BÔSEKI KABUSHIKIGAISHA SHASHI HENSHÛSHITSU, 1986: 547.

109 NIPPAKU MENKA KABUSHIKIGAISHA, TEIKAN: s.p.

110 In Japanese: Shôginkô Burasukotto. For literature specifically on Casa Bancaria Brazcot Ltda. see KABUSHIKIGAISHA SUMITOMO GINKÔ KÔSHI HENSAN IINKAI, 1979: 454, NIHON IMIN 80NENSHI HENSAN IINKAI, 1991: 358, and YUNICHIKA SHASHI HENSHÛ IINKAI, I, 1991: 291. For source material on Casa Bancaria Brazcot Ltda. see various annual reports of the Japan-Brazil Raw Cotton Co., e.g., NIPPAKU MENKA KABUSHIKIGAISHA, 1940: 7 and 10.

111 See the above literature and NIPPAKU MENKA KABUSHIKIGAISHA, 1940: 7.

report, for instance, mentions that out of 118,163 bags of cotton of 182 kilos each, no less than 103,423 were exported to Japan.¹¹² Thus one can speak of an integrated company of some sorts.

The establishment of the *Japan-Brazil Raw Cotton Co.* and *Brazcot Ltda.* is a direct result of the 1935 mission. The establishment of the Japanese parent company takes place only two months after Hirao's final reporting to the Osaka textile community in December 1935. It is completely in line with the mission's recommendations. And individuals participating in and companies represented on the mission get involved in the *Japan-Brazil Raw Cotton Co.* Hirao Hachisaburo¹¹³, Ito Takenosuke¹¹⁴ and Seki Keizo¹¹⁵ assume management positions in the new company and personally own company stock. The fact that Ito Takenosuke and Seki Keizo are leading persons in important industry associations does not hurt the new company's prospects.¹¹⁶ Some of the companies these people represented on the mission, *Itochu and Co.*¹¹⁷ and *Toyo Cotton Mills Co.*¹¹⁸ also get involved through stock ownership. Other companies represented on the mission also get involved through the detachment of personnel and/or stock ownership.¹¹⁹

Earlier, we raised the issue of public-private cooperation. There are indications that the *Japan-Brazil Raw Cotton Co.* can indeed be considered a kind of "national interest company". Sources speak of the *Japan-Brazil Raw Cotton Co.* as a "national policy company based on joint investment by the private sector."¹²⁰ And this seems to be confirmed by a very broad spread of stock ownership, including competing companies,

112 See the above literature and NIPPAKU MENKA KABUSHIKIGAISHA, 1940: 7.

113 Head of the 1935 mission. Chairmanship of the board of directors from February 1936 until at least 13 April 1943. Stock in the amount of 1,000 yen. (various annual reports)

114 Member of the 1935 mission as managing director of Itochu Trading Co. Member of the board of directors from February 1936 until at least 14 April 1944. Stock in the amount of 1,000 yen. (various annual reports)

115 Member of the 1935 mission as managing director of Toyo Cotton Mills Co. Member of the board of directors from February 1936 until at least 13 April 1943. Stock in the amount of 300 yen. (various annual reports)

116 JMYB, 1936 (1): 106, and JMYB, 1939 (2): 1032.

117 Stock in the amount of 1,300 yen. (various annual reports) But therefore labeling Brazcot Ltda. an Itochu subsidiary, as some post-war company histories do, seems exaggerated. (ITÔCHÛ SHÔJI KABUSHIKIGAISHA SHASHI HENSHÛSHITSU, 1969: 429, and KABUSHIKIGAISHA SUMITOMO GINKÔ KÔSHI HENSAN IINKAI, 1979: 454) It does seem probable however that Itochu sent an employee to Brazil to be attached to Brazcot Ltd. to cultivate the market for non-textile goods. (ITÔCHÛ SHÔJI KABUSHIKIGAISHA SHASHI HENSHÛSHITSU, 1969: 429)

118 Stock in the amount of 2,000 yen. (various annual reports)

119 Toyo Raw Cotton Co. (In Japanese: Tôyô Menka Kabushikigaisha) delivers a managing director and a director, and owns stock in the amount of 2,300 yen. Other firms represented during the mission and later important stockholders of the Japan-Brazil Raw Cotton Co. are among others: the Osaka Commercial Shipping Co., Mitsui and Co., Japan Raw Cotton Co. (In Japanese: Nihon Menka Kabushikigaisha). (various annual reports)

120 See KABUSHIKIGAISHA TÔMEN SHASHI SEISAKU IINKAI, 1991: 67.

which points to government inducement or leadership. In addition to the above mentioned stock holders, there are i.a. *Toyo Colonization Co.*¹²¹, *Tozan Agricultural Co.*¹²², and the cotton spinning firms *Dai Nihon Cotton Mills Co.*¹²³, *Kanegafuchi Cotton Mills Co.*¹²⁴, *Fukushima Cotton Mills Co.*¹²⁵ and *Kureha Cotton Mills Co.*^{126 127}

Another question raised is the issue of interaction between Japanese trade and investment on the one hand and Japanese migrant communities on the other hand. In line with Hirao's recommendations, the *Japan-Brazil Raw Cotton Co.* buys, processes and exports raw cotton produced by Japanese migrants in Brazil. The 1940 annual report, for instance, mentions that 1,200,000 yen was paid to acquire raw cotton, and that the greater part of that money was paid to Japanese cotton growers.¹²⁸

4.2.1.2. The Japan-South Manufacturing Co.¹²⁹ and Bratac¹³⁰¹³¹

Another "national interest company", government sponsored and closely linked to the Japanese migrant community, is the *Japan-South Manufacturing Co.* and its Brazilian subsidiary, *Bratac*.

The Japanese parent company, the *Japan-South Manufacturing Co.*, is established on the 10th of July 1937 in Tokyo with a capital of 1 million yen. The articles of incorporation of the new company state the following objectives¹³²: (1) acquisition, management and disposal of land; (2) provision of capital for colonization purposes and savings facilities for Japanese migrants abroad; (3) purchase, processing and trading of produce from those migrants; (4) provision of necessary goods to those migrants; (5) undertakings incidental to the aforementioned; and (5) initiatives necessary for the overseas development of Japanese migrants abroad.

The *Japan-South Manufacturing Co.* is a follow-up to the aforementioned *Federation of Overseas Emigration Associations*. After the 1927 *Law on Overseas Emigration Associations*, this organization occupies itself with purchasing land and administering

121 In Japanese: Tōyō Takushoku Kabushikigaisha.

122 In Japanese: Tōzan Nōji Kabushikigaisha.

123 In Japanese: Dai Nihon Bōseki Kabushikigaisha.

124 In Japanese: Kanegafuchi Bōseki Kabushikigaisha.

125 In Japanese: Fukushima Bōseki Kabushikigaisha.

126 In Japanese: Kureha Bōseki Kabushikigaisha.

127 NIPPAKU MENKA KABUSHIKIGAISHA, 1940: 14-15.

128 NIPPAKU MENKA KABUSHIKIGAISHA, 1940: 7.

129 In Japanese: Nichinan Sangyō Kabushikigaisha.

130 Portuguese translation and abbreviation of the Japanese Burajiru Takushoku Kumiai. In English: Brazil Colonization Association Ltd.

131 In terms of literature, this section's general discussion of Bratac's activities is based on BURAJIRU NI OKERU NIHONJIN HATTENSHI KANKŌ IINKAI, 1953: 66, HANDA, 1976: 79, 82, 83 and 89, and NIHON IMIN 80NENSHI HENSAN IINKAI, 1991: 357.

132 NICHINAN SANGYŌ KABUSHIKIGAISHA, TEIKAN: s.p.

Japanese emigrant communities in Brazil through its subsidiary *Bratac*. In 1937, it is felt that providing support to Japanese emigrants through the mere buying of land is no longer sufficient and that they have to be provided with broader economic opportunities. The *Japan-South Manufacturing Co.* is established to take initiatives in that direction.

The *Japan-South Manufacturing Co.* takes over all assets from the *Federation of Overseas Emigration Associations*, including *Bratac*. In 1937, *Bratac* operates 4 cotton gins; 8 rice refineries; 5 coffee selection factories; 2 oil factories; 3 sugar factories; 2 pork meat processing factories; 5 flour mills; 3 tobacco factories; 2 ice plants; 3 sawing mills; 3 brick factories; 1 tile factory; 1 mint factory; 2 silkworm breeding factories; 1 tea factory; 1 agricultural equipment repair shop; 1 power station; 11 store houses; 2 waterworks; and 7 telephone networks.¹³³ Under the umbrella of the *Japan-South Manufacturing Co.*, its activities are substantially broadened. In July 1937, *Bratac* creates a bank, *Casa Bancaria Bratac de Carlos Y. Kate*.¹³⁴ Objective of the new bank is to build on spare money resulting from economic prosperity migrants in Bastos, Tiete, Aliança and Tres Barros. On the 3th of September 1938, *Bratac* creates a mining section, *Companhia de Mineração Brasileira Ltda.* On the 13th of September 1938, *Bratac* establishes a trading section, *Casa Bratac Ltda.* On the 19th of December 1938, *Bratac* creates a raw cotton section, *Algodoeira Bratac*. In April 1941, a silk factory is established.

Bratac is of course involved in much more than the field of raw cotton alone. The provision of land and general agricultural financing naturally benefits the cultivation of raw cotton too, and that, like *Brazcot Ltd.*, *Bratac* is involved in cotton ginning is demonstrated by the aforementioned 1937 state of affairs.

The establishment of the *Japan-South Manufacturing Co.* is a direct outcome of the 1935 mission. Some of the phenomena observed during the analysis of the *Japan-Brazil Raw Cotton Co.* can again be observed. Hirao Hachisaburo, Ito Takesuke and Seki Keizo again take up executive positions and personally own company stock.¹³⁵ And *Itochu Trading Co.*, *Toyo Cotton Mills Co.* and other companies represented on the mission get

133 See NICHINAN SANGYÔ KABUSHIKIGAISHA, 1938: 5-6. Somewhat different figures, probably for a different time period - it is not clear which - are given in NIHON IMIN 80NENSHI HENSAN IINKAI, 1991: 357-358.

134 In Japanese: Burataku Ginkô. See HANDA, 1976: 79, and PAURISUTA SHINBUNSHA, 1958: 3. In October 1940, Casa Bancaria Bratac de Carlos Y. Kate changes into Banco America do Sul Ltda. (In Japanese: Yûgen Sekinin Gôshi Kaisha Nanbei Ginkô). (HANDA, 1976: 88, and PAURISUTA SHINBUNSHA, 1958: 3) In July 1947, Banco America do Sul Ltda. changes into Banco America do Sul S/A (In Japanese: Kabushikigaisha Nanbei Ginkô). (PAURISUTA SHINBUNSHA, 1958: 3)

135 Hirao: Chairman of the Board of Directors; stock in the amount of 2,000 yen. Ito: managing director; stock in the amount of 200 yen. Keizo: managing director; stock in the amount of the 200 yen. (various annual reports)

involved.¹³⁶

It is interesting to see that there exist links between the *Japan-South Manufacturing Co.* and the *Japan-Brazil Raw Cotton Co.* They share management personnel and individual and corporate stockholders. And the *Japan-Brazil Raw Cotton Co.* owns stock of the *Japan-South Manufacturing Co.* in the amount of 1,000 yen.¹³⁷

Perhaps more clearly than the *Japan-Brazil Raw Cotton Co.* is the *Japan-South Manufacturing Co.* a “national interest company”. Its articles of incorporation put clear limits on the involvement of foreigners in the company.¹³⁸ Most of the shares are owned by the Japanese *Ministry of Finance*.¹³⁹ And, as in the case of the *Japan-Brazil Raw Cotton Co.*, we see a broad coalition of private capital, which points to government sponsorship.

The company’s close interaction with the Japanese migrant community in Brazil should be clear from the aforementioned articles of incorporation and the 1937 state of activities.

4.2.1.3. The Tozan Agricultural Co. and The Tozan Conglomerate¹⁴⁰

A small conglomerate which is existing from before the mission takes place but takes on a more important role afterwards is the *Tozan* group of companies, with activities pertaining to cotton in the field of immigrant agricultural financing and agricultural research.

The Japanese parent company, *Tozan Agricultural Co.*, is established in 1919 by Iwasaki Yataro, at that time controlling the important Mitsubishi conglomerate or *zaibatsu*. Purpose of the new company is overseas investment in farming and stock raising initiatives by Japanese migrants.

In 1927, *Tozan Agricultural Co.* establishes in Brazil a local representative, *Casa Tozan*, with a capital of 3,500 contos.¹⁴¹ Still that same year, *Casa Tozan* establishes a model or experimental farm in Campinas (Sao Paulo state) under the name *Fazenda Monte Deste*. In 1928, a coffee trading business is established in Santos (Sao Paulo state) with capital of 200 contos. In 1933, a bank is established under the name *Casa Bancaria Tozan Ltda*.¹⁴²

136 Itochu Trading Co.: stock in the amount of 800 yen. Toyo Cotton Mills Co.: stock in the amount of 1,000 yen. Toyo Raw Cotton Co.: stock in the amount of 1,000 yen. Osaka Commercial Shipping Co.: stock in the amount of 4,800 yen. Japan Raw Cotton Co.: stock in the amount of 1,000 yen. (various annual reports)

137 Various annual reports.

138 NICHINAN SANGYŌ KABUSHIKIGAISHA, TEIKAN: s.p.: Article 10.

139 Various annual reports.

140 This section is based on NIHON IMIN 80NENSHI HENSAN IINKAI, 1991: 357, and PAURISUTA SHINBUNSHA, 1958: 17.

141 The literature contradicts itself here. Some of the literature does not mention a local holding company. Rather it refers to the 1928 Santos coffee trading business as Casa Tozan.

142 The literature contradicts itself here. Some of the literature

In 1934, a liquor factory is established. And in 1937, a silk weaving factory is bought and reestablished.

Important in the field of cotton is first of all *Fazenda Monte Deste*. Its activities pertaining to the upgrading of seeds are recognized by the Sao Paulo State Government and the farm becomes an official provider of raw cotton seeds to the Sao Paulo State Government. Then there are the general agricultural financing activities of *Casa Bancaria Tozan Ltda.*, which like those of *Casa Bancaria Bratac de Carlos Y Kate*, can be assumed to benefit raw cotton cultivation.

The activities of the *Tozan* group cannot be said to be a result of the 1935 mission as most of them precede that mission. But it is clear that its activities support initiatives taken as a result of the mission, in casu the purchasing of raw cotton from Japanese migrant communities. As Japanese migrants move from coffee to cotton cultivation, *Tozan's* model farm, through the provision of seeds and demonstration of efficient farming techniques, plays an increasingly important role. The same can be said of its banking activities. In this regard, it is also interesting to mention that the Japanese parent company, *Tozan Farming Co.*, gets involved in the *Japan-Brazil Raw Cotton Co.* through stock ownership in the amount of 2,300 yen.

Tozan's activities do not seem to benefit from government sponsorship.

Tozan's link with the migrant community through banking, the provision of seeds and teaching has been explained above.

4.2.1.4. The Toyo Raw Cotton Co. and Algodoeira Do Sul Ltda.¹⁴³¹⁴⁴

Above we have already discussed the involvement of the *Toyo Raw Cotton Co.* in the 1935 mission, the *Japan-Brazil Raw Cotton Co.* and the *Japan-South Manufacturing Co.* Interesting is, however, that the *Toyo Raw Cotton Co.* also undertakes other, independent initiatives in Brazil.

In 1937, the North American subsidiary office of *Toyo Raw Cotton Co.* in Dallas (Texas), *Southern Cotton*¹⁴⁵, sends employees to Brazil to investigate the possibility of establishing a subsidiary office to purchase and export Brazilian cotton. As a result, a cotton trading company, *Mori and Co.*¹⁴⁶, is established. It quickly becomes one of the top three foreign cotton trading companies in Brazil. In 1938, *Mori and Co.* changes into *Algodoeira do Sul*

mentions 1932. (NIHON IMIN 80NENSHI HENSAN IINKAI, 1991: 357)

143 In Japanese: Nanbei Menka Yûgen Kaisha.

144 This section is based on HANDA, 1976: 83, PAURISUTA SHINBUNSHA, 1958: 49, and KABUSHIKIGAISHA TÔMEN SHASHI SEISAKU IINKAI, 1991: 67-68.

145 In Japanese: Nanbu Menka Kaisha.

146 In Japanese: Mori Shôkai.

*Ltda.*¹⁴⁷ In July 1940, the company becomes independent from the U.S. operations, comes under direct control of the Japanese parent company, and changes its name once more. This independent initiative is probably not a direct result of the 1935 mission, but a result of the success of other initiatives, such as the *Japan-Brazil Raw Cotton Co.* and the *Japan-South Manufacturing Co.*, and the perception that there was room for other Japanese companies coming in.

This initiative does not seem to benefit from government support.

The *Toyo Raw Cotton Co.* does, however, cultivate ties with the Japanese migrant community. Its activities in Brazil can be divided into two. On the one hand, it occupies itself with what could be called second level trading. It buys cotton from cotton traders, reinspects it, reclassifies it according to its own categories and exports it. On the other hand, it occupies itself with purchasing raw cotton directly from Japanese migrants. Sources mention a whole series of targeted communities, which include such *Bratac* managed colonies such as Tiete and Aliança.

4.2.1.5. The Japan Raw Cotton Co.¹⁴⁸ and Marumaru And Co.¹⁴⁹

Above we have already discussed the involvement of the *Japan Raw Cotton Co.* in the 1935 mission, the *Japan-Brazil Raw Cotton Co.* and the *Japan-South Manufacturing Co.* Interesting is, however, that – like the *Toyo Raw Cotton Co.* - the *Japan Raw Cotton Co.* also undertakes other, independent initiatives in Brazil.

Thus, in May 1941, a subsidiary trading company is established in Sao Paulo. The company buys in Brazil raw cotton, hemp bags, and industrial use diamonds, and sells in Brazil band iron, staple fiber cotton, cotton thread and dye stuffs.

This independent initiative is probably not a direct result of the 1935 mission, but a result of the success of other initiatives, such as the *Japan-Brazil Raw Cotton Co.* and the *Japan-South Manufacturing Co.*, and the perception that there was room for other Japanese companies coming in.

This initiative does not seem to benefit from government support. Information on ties with Japanese migrant communities is not available.

4.2.2. Cotton spinning

4.2.2.1. The Toyo Cotton Mills Co.¹⁵⁰

147 In July 1940, it changes into Nanbei Menka Kaisha.

148 In Japanese: Nihon Menka Kabushi Kaisha.

149 This section is based on NICHIMEN KABUSHIKIGAISHA SHASHI HENSHŪ IINKAI - SHASHI HENSHŪBU, 1994: 94 and 562.

Above we have already discussed the involvement of the *Toyo Cotton Mills Co.* in the 1935 mission, the *Japan-Brazil Raw Cotton Co.* and the *Japan-South Manufacturing Co.* Interesting is, however, that – like the *Toyo Raw Cotton Co.* and the *Japan Raw Cotton Co.* – the *Toyo Cotton Mills Co.* also undertakes other, independent initiatives in Brazil.

In 1937, for instance, the *Toyo Cotton Mills Co.* intends to buy a spinning-weaving mill with 2,000 spindles and 500 weaving machines in a suburb of Sao Paulo for 4 million yen. Presumably, the purpose is to make use of Sao Paulo's ample raw cotton supply. Whether the planned production is intended for the Brazilian domestic market or exports elsewhere is not clear. Fact is that, because of foreign exchange restrictions imposed by the Japanese government after 1937, this plan does not materialize.

What makes this intention special is that it demonstrates that even during the pre-war period Japanese textile firms were interested in manufacturing textiles in Brazil.

It is not clear whether this initiative would have benefited from government support. Neither is it clear whether and what kind of links would have been established with the Japanese migrant community.

4.2.3. General trading

The above initiatives are meant to fuel Japanese imports of Brazilian raw cotton. To promote trade in the other direction, a number of Japanese general trading companies begin operating in Brazil. Earlier, it was mentioned that Itochu Trading Co. sends an employee to Brazcot Ltda. to cultivate the market for non-textile goods. It establishes another agency yet, for handling of textile goods.¹⁵¹ On the other hand there is *Mitsui and Co.* which in November 1938 establishes in Rio de Janeiro a branch office, *Nipo-Brasileira Ltda.*¹⁵²

4.3. Institutional support

Both way trade, in addition to shipping and foreign direct investment, is also maintained and promoted by the establishment of two important organizations. The *Japan-Brazil Chamber of Commerce*¹⁵³ is established on the 11th of January 1938. On the 27th of January 1938, the opening ceremony is held in Rio de Janeiro.¹⁵⁴ The *Japan Chamber of*

150 This section is based on TÔYÔ BÔSEKI KABUSHIKIGAISHA SHASHI HENSHÛSHITSU, 1986: 547, and PAURISUTA SHINBUNSHA, 1958: 27.

151 ITÔCHÛ SHÔJI KABUSHIKIGAISHA SHASHI HENSHÛSHITSU, 1969: 429.

152 HANDA, 1976: 83.

153 In Japanese: Nippaku Shôgyô Kaigijo.

154 HANDA, 1976: 82.

*Commerçe*¹⁵⁵ is created on the 16th of August 1940, in Sao Paulo.¹⁵⁶

An organization which starts to take on a much more important role after the mission is the *Yokohama Specie Bank*, operating an office in Rio de Janeiro since July 1919. Thus far mainly involved in facilitating remittances by Japanese migrants, the operation of a Japanese government loan fund allowing Japanese migrants to buy their own land and allowing Japanese colonization companies to buy land in Brazil, it starts to support the development of Japanese-Brazilian trade and investment relations also through research activities such as into the post 1935 mission Brazilian export surplus with Japan¹⁵⁷.

5. CONCLUSION

At the end of this paper, I would wish to return to some of the issues raised at the beginning of this paper. It has been convincingly argued that the 1935 mission can be considered a Japanese government mission, that it is completely in line with stated Japanese Government objectives and therefore government supported, while also meeting textile traders and manufacturers' quest for every cheaper resources.

It has also been demonstrated that a mental framework and real life precedents for the co-optation of Japanese migrants for the benefit of the mother country exist and that the mission and subsequent trade and investment initiatives also target Japanese migrant communities in Brazil.

Finally, it has been shown that there exists substantial inter-firm cooperation in the format of cross-firm stock ownership which helps raise necessary capital, spread risk and bring together managing expertise.

155 In Japanese: Nihon Shōgyō Kaigijo.

156 HANDA, 1976: 88.

157 PAURISUTA SHINBUNSHA, 1958: 169.

Graph 1: raw cotton imports from the United States and India, 1922-1937
(current prices) (000 yen)

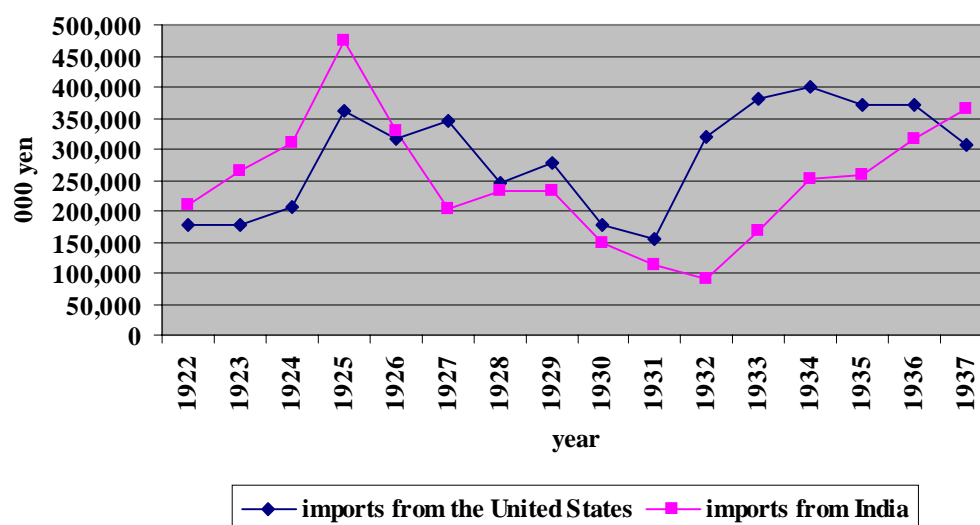


Table 1: raw cotton imports from the United States and India, 1922-1937
(current prices) (000 yen)

Year	1922	1923	1924	1925	1926	1927	1928	1929
U.S.	178,809	177,551	204,918	360,167	317,428	343,563	245,926	276,358
India	209,897	263,027	310,944	475,633	327,521	202,282	232,267	231,108
Year	1930	1931	1932	1933	1934	1935	1936	1937
U.S.	176,800	153,700	320,751	381,655	400,918	371,952	372,414	306,388
India	147,688	113,262	91,746	168,796	252,434	259,036	315,060	363,635

Source: FEAJ (various years)

Graph 2: Japan-U.S. trade, 1922-1937
(current prices) (000 yen)

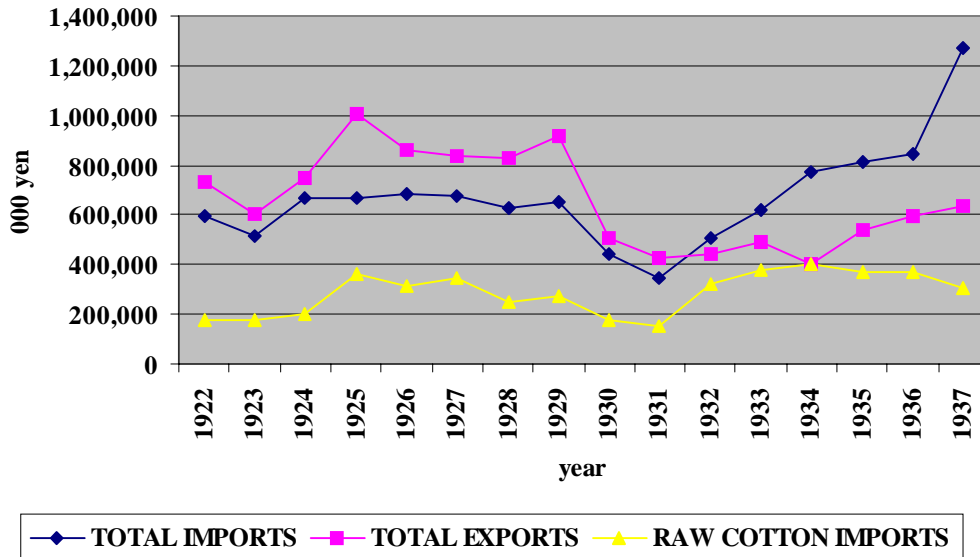


Table 2: Japan-United States trade, 1922-1937 (current prices) (000 yen)

Year	total exp. to u.s.	total imp. from u.s.	raw cotton imp. from u.s.	% of total imp. raw cotton	% of total trade imp. from u.s.	balance
1922	732,377	596,169	178,809	41.9%	30.0%	136,207
1923	605,619	511,977	177,551	34.7%	34.7%	93,642
1924	744,926	670,993	204,918	33.9%	30.5%	73,932
1925	1,006,253	664,992	360,167	39.0%	54.2%	341,260
1926	860,881	680,186	317,428	43.8%	46.7%	180,695
1927	833,804	673,686	343,563	55.1%	51.0%	160,118
1928	826,141	625,536	245,926	44.7%	39.3%	200,605
1929	914,084	654,060	276,358	48.3%	42.3%	260,024
1930	506,220	442,883	176,800	48.9%	39.9%	63,338
1931	425,330	342,290	153,700	51.9%	44.9%	83,040
1932	445,147	509,874	320,751	71.7%	62.9%	-64,726
1933	492,238	620,779	381,655	63.1%	61.5%	-128,541
1934	398,928	769,359	400,918	54.8%	52.1%	-370,431
1935	535,389	809,645	371,952	52.1%	45.9%	-274,255
1936	594,252	847,490	372,414	43.8%	43.9%	-253,238
1937	639,428	1,269,542	306,388	36.0%	24.1%	-630,114

Source: FEAJ (various years)

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