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THE CONCENTRATION AND DISPERSION OF JAPAN'S FOREIGN TRADE

1. INTRODUCTORY REMARKS

Whether a nation's foreign trade is concentrative or dispersive may become a question in various meanings, and in every meaning, it is invariably a problem of great interest and importance, when viewed either from a theoretical or a political point of view.

1. The concentration and dispersion of foreign trade may become a problem in the geographical sense. Whether a nation's foreign trade is geographically concentrative or dispersive is determined by whether it is carried on with a small number of nations concentratively or with a large number of them dispersively. Theoretically speaking, however, it may be said that a nation's foreign trade in its early stages is first carried on with neighbouring countries. But with the economic development of the nation, the geographical sphere of its foreign trade is gradually expanded. In the development of foreign trade in modern times, however, economic conditions, rather than geographical conditions, are more important factors; and trade between a advanced capitalist nation and a backward country is carried on concentratively rather, at a great geographical distance. But even in such a case, the geographical sphere of foreign trade will also gradually expand. Theory seems to indicate that the general trend of foreign trade is from geographical concentration to dispersion, and this is important also from a nation's economic policy, because when its foreign trade is concentrated among a small number of nations, the various risks that come from economic fluctuations will be also concentrated, against the principle of risk dispersion. Bloc economy, now so much discussed, may be regarded as a

movement to control foreign trade politically against such a dispersive trend and to maintain its concentration within a definite sphere. Our export trade has been developing along the line of geographical dispersion during the past several years; it has advanced to the so-called new markets which are scattered all over the world. This fact has an important significance from the viewpoint of trade policy. At any rate, the concentration and dispersion of foreign trade becomes a question with a geographical meaning.

2. The concentration and dispersion of foreign trade may also become a question relating to the undertaking of trade. If the trend of the so-called industrial concentration should extend all over present-day society, it would also be manifested in foreign trade. But is it possible of find it in actuality? In Japan, import trade is industrially concentrated, and a large-scale importation is being carried on by a small number of big merchants. Export trade, on the other hand, is comparatively dispersed and is carried on by a large number of export merchants in their respective lines of business. Whether trade is concentrative or dispersive has a close relationship with trade control, especially with the organization of trade control by associations, which is now attracting public attention. The tendency towards the cartel is not so strong in foreign trade as in domestic industries, even when it is concentrated in a small number of undertakings. However, the tendency is quite strong when the supply of certain commodities is monopolized, as in the case of imported petroleum in Japan. On the other hand, when trade is dispersive, as in the case of our export traders, their reckless competition may jeopardize export trade and thus trade control by associations becomes necessary. Another problem peculiar to trade is whether a nation's trade is concentrated in the hands of foreign merchants or dispersed among foreign and native merchants, or whether it is confined to native merchants. Generally speaking, when backward countries come into contact with advanced countries, both imports and exports are concentrated in the hands of foreign

firms. But the former countries gradually recover their lost commercial powers as a result of their economic development, carry on both export and import trade by means of their own undertakings, and then, after becoming advanced nations, will go into backward countries in which they will act as importers and share in the domestic commerce of those countries as well. The question of protecting Dutch merchants in the Netherlands East Indies indicates that country has attained this stage in its economic development. At any rate, the concentration and dispersion of foreign trade presents important problems for the country concerned. Lastly, there is the problem of concentration and dispersion of industries which lie behind trade undertakings. In general, this problem is included in the question of concentration and dispersion in domestic industries, but it constitutes an independent question in regard to the production of commodities for export and the productive consumption of imported commodities. Moreover, the concentration or dispersion of manufacturing for export constitutes an important problem in connection with the organizing of control by associations in the case of the control of the export trade already referred to. In general, when the production process is concentrated, the distribution process is also concentrative, but when the former is dispersive, the latter is not necessarily so. On the other hand, when the distribution process is dispersive, the production process is generally dispersive. The fact that our export trade is comparatively dispersive, as has been already pointed out, is evidence that our manufacturing for export is not yet markedly concentrated. Therein lies a close relationship between the distribution process and the production process. Distribution, or trade phenomena is nothing but the expression of domestic economy or the production process.

3. The concentration and dispersion of foreign trade also becomes a question in terms of time. Whether foreign trade concentrates or disperses within certain periods of time has long been discussed as the seasonal variation of foreign trade.

In our own foreign trade, imports concentrate during the first half-year while exports also concentrate during the second half-year, and this has important effects on the settlement of bills of exchange and our international accounts. This concentration in time being chiefly the result of commodity concentration (which I shall take up later), it will gradually be reduced in intensity as commodity dispersion is intensified. At any rate. there is no doubt that the causes, effects, degree and developmsnt, etc., of concentration in time constitutes a problem of no mean importance.

4. The concentration and dispersion of foreign trade as viewed from the kinds of commodities becomes a question in its proper sense. Whether a nation's trade is confined to a small number of commodities, or includes a large number, will become an important issue when viewed either from the composition of its trade itself or from the constitution of its national economy. In the early stages of national economy, trade commodities tend to concentrate due to the simplicity of its internal constitution ; but they will become dispersed with the development of national economy. Theoretically speaking, the development of trade tends to move from concentration to dispersion. Viewed from trade policy, it may be said that when a nation's foreign trade is concentrated in a small number of commodities, it is further away from the principle of scattering risks than when it is dispersed in a large number of commodities.

We have seen that the concentration and the dispersion of foreign trade in various meanings, that is, geographically, industrially in terms of time and of commodities—constitute problems in different meanings and that each category is important both from theory and from policy. However, I shall treat in this article only the question relating to the concentration and dispersion of commodities, hoping to have an opportunity to discuss other questions in the future.

2. THE DISPERSION OF PRINCIPAL COMMODITIES
OF TRADE

Whether a nation's commodities are concentrated in a small number or are scattered in a large number of them is a relative and comparative question. Thus, it becomes necessary to measure the degree of concentration or dispersion. In order to measure the concentration or dispersion of foreign trade, I have calculated the percentages of the principal commodities both for import and for export purposes to the total amount of exports or imports. The most extreme case of concentration in export trade will be seen when a single kind of commodity constitutes 100% of the export. As trade becomes more dispersive, the percentage will be lowered, and the most extreme case of dispersion will be seen when trade is divided into a large number of exports at the same rate of percentage. Table I indicates the percentages of Japan's principal exports during the last ten years.

Table I indicates the degree of dispersion for twenty principal export commodities. The average percentage of the ten commodities given in the upper part of the Table during the past ten years is 64.2%, while that of the ten commodities in the lower part is 10.0%. In other words, during the period under consideration, 64 per cent. of Japan's export trade comprised only ten commodities. Again, two of these ten commodities, namely, silk and cotton textiles, constituted 49.8% of the total exports. This is to say, about one half of our export trade was made up of these two lead-ing lines of goods. I am convinced that in this fact is found one of the most extreme cases of concentration in export trade in general.

But the percentage of these two commodities during the last three years is only 41.4%, as against 49.8% for the past ten years. Again, the percentage of the ten commodities during the last three years is 59.4%, as against 64.2% for the last ten years. This may be taken as a reduction of proportion among these commodities, and it, in turn,

Table I.
The Degree of Dispersion for Principal Commodities.

Year	Silk	Cotton textiles	Rayon textiles	Silk textiles	Canned goods	Under-wear	Pottery and ceramics	Wheat	Steel	Toys	Total
	%	%	%	%	%	%	%	%	%	%	%
1925	38.2	18.8	—	5.1	0.6	1.3	1.5	0.6	0.3	0.5	66.9
1926	35.9	20.4	—	6.5	0.8	1.3	1.6	0.8	0.2	0.5	68.0
1927	34.4	19.2	—.	7.0	1.0	1.5	1.5	0.7	0.2	0.5	66.0
1928	37.2	17.9	—	6.8	1.2	1.7	1.8	1.3	0.2	0.6	68.7
1929	36.3	19.2	—	7.0	1.2	1.7	1.7	1.2	0.2	0.6	69.1
1930	28.4	18.5	—	6.9	1.5	2.1	1.8	1.0	0.6	0.8	61.6
1931	31.0	17.3	—	7.2	1.7	1.8	1.7	0.8	0.6	0.9	63.0
1932	27.1	20.5	4.3	3.6	1.6	1.9	1.6	1.5	0.8	1.1	61.0
1933	21.0	20.6	4.2	3.4	2.5	2.3	1.9	1.9	1.8	1.4	61.0
1934	13.2	22.7	5.2	3.6	2.3	2.2	1.9	1.3	2.4	1.4	66.2
10-year average	30.3	19.5	7.1		1.4	1.8	1.7	1.1	0.7	0.8	64.2
3-year average	20.1	21.3	4.6	3.5	2.1	2.1	1.8	1.6	1.7	1.3	59.4

Year	Steel	Machinery and parts	Lumber	Paper	Cotton yarn	Sugar	Coal	Woollen textiles	Aquatic products	Waste yarn and Floss silk	Total
	%	%	%	%	%	%	%	%	%	%	%
1925	0.6	0.4	0.9	0.9	5.3	1.4	1.4	0.2	1.0	1.3	13.4
1926	0.6	0.4	0.9	0.9	3.5	1.7	1.5	0.2	1.1	0.8	11.6
1927	0.6	0.6	0.8	1.0	1.9	1.5	1.3	0.1	1.0	0.6	9.4
1928	0.7	0.5	0.9	1.3	1.3	1.9	1.2	0.2	0.9	0.6	9.5
1929	0.7	0.6	1.0	1.2	1.2	1.4	1.1	0.2	1.0	0.6	9.0
1930	1.0	0.9	1.0	1.9	1.0	1.8	1.5	0.2	1.2	0.4	10.9
1931	0.9	1.2	0.9	1.8	0.7	1.3	1.3	0.1	0.9	0.2	9.3
1932	1.0	0.8	0.8	1.0	1.5	0.5	1.0	0.3	0.6	0.1	7.6
1933	1.4	1.4	1.0	1.0	0.8	0.8	0.8	0.7	0.6	0.1	8.6
1934	1.6	2.7	1.1	1.0	1.1	0.6	0.5	1.4	0.7	0.1	10.8
10-year average	0.9	1.0	0.9	1.2	1.8	1.3	1.2	0.4	0.9	0.5	10.0
3-year average	1.3	1.6	1.0	1.0	1.1	0.6	0.8	0.8	0.6	0.1	9.0

means an increase in the degree of dispersion for the export commodities concerned.

An examination of each of the above commodities shows changes in its relative position. For instance, the percentage covered by raw silk has been reduced from 38.2% ten years ago to 13.2% in recent times, and that covered by canned goods has increased from 0.6% to 2.3% during the same interval.

I have drawn up the following table (Table II) regarding imports by using the same method of calculation as before.

Table II indicates the average percentage of the ten commodities given in the upper part to be 61.0%, which is somewhat lower than the corresponding percentage in Table I; the percentage in the lower part is 12.1%, which is little higher than the corresponding figure in Table I. Table I and II show that the degree of dispersion for commodities is somewhat higher than that for export commodities. This is also true of the first two or three principal commodities. In other words, concentration in a small number of commodities is not so great in the case of imported commodities as in that of exported commodities. But in the case of cotton, the same degree of concentration is observed.

When we compare the average percentage of the ten years and that of last three years, we find that, unlike the export trade, the percentage in the upper part of the table has increased while that in the lower part has decreased, thereby showing the opposite tendency of concentration. This trend is especially marked in the case of the first two or three commodities, each of which also shows its own variation. For instance, wool and iron tend to increased while sugar and wollen textiles show the opposite tendency.

3. INTERNATIONAL COMPARISON OF THE DEGREES OF DISPERSION

The concentration or dispersion of trade commodities is a relative or comparative question. This relativity becomes

Table II.

The Degree of Dispersion for Principal Import Commodities.

Year	Cotton	Wool	Iron	Machinery and parts	Beans	Wheat	Oil cake	Lumber	Coal	Mineral oil	Total
	%	%	%	%	%	%	%	%	%	%	%
1925	35.9	4.7	3.9	3.5	2.7	2.7	4.2	3.0	0.9	1.2	62.7
1926	30.5	3.6	5.2	3.8	2.6	3.9	5.2	4.4	1.2	1.3	61.7
1927	28.7	4.7	6.2	3.3	2.4	2.5	4.5	4.8	1.6	1.6	60.3
1928	25.0	5.1	6.8	3.9	3.1	3.1	4.0	5.1	1.7	1.7	59.5
1929	25.9	4.6	7.2	5.1	3.6	3.2	3.4	4.0	1.9	1.7	60.6
1930	23.4	4.8	6.1	5.3	3.2	2.7	4.3	3.4	2.2	2.5	57.9
1931	24.0	7.0	3.9	3.9	3.0	2.7	3.6	3.5	2.3	3.0	56.9
1932	31.3	6.1	4.5	4.1	2.9	3.5	2.4	2.4	1.9	2.6	61.7
1933	31.6	8.6	7.2	3.7	2.6	2.3	2.1	2.1	1.9	1.8	63.9
1934	32.0	8.2	7.5	4.2	2.3	1.9	1.8	1.8	2.1	1.5	63.3
10-year average	28.8	5.7	5.9	4.1	2.8	2.9	3.6	3.5	1.8	1.9	61.0
3-year average	31.6	7.6	6.4	4.0	2.6	2.6	2.1	2.1	2.0	2.0	63.0

Year	Raw rubber	Paper pulp	Oil extracting material	Vegetable fibre	Ores	Automobiles and parts	Sugar	Crude ammonium sulphate	Woollen textiles	Woollen yarn	Total
	%	%	%	%	%	%	%	%	%	%	%
1925	1.3	0.6	0.9	1.1	0.5	0.5	2.9	1.3	2.2	2.2	13.5
1926	1.7	0.5	1.2	1.1	0.4	0.7	3.5	1.9	1.2	1.4	13.6
1927	1.6	0.5	0.9	1.2	0.6	0.8	3.5	1.5	1.6	2.0	14.2
1928	1.3	0.5	1.0	1.3	0.9	1.5	2.9	1.7	1.4	1.5	14.0
1926	1.5	0.6	1.4	1.3	1.2	1.5	1.4	2.2	0.9	0.8	12.8
1930	1.2	0.8	1.3	1.0	1.5	1.3	1.7	1.9	0.7	0.9	12.3
1931	1.1	1.0	1.2	1.1	1.2	1.3	1.3	1.3	0.8	1.0	11.3
1932	1.1	1.1	1.0	1.2	1.2	1.4	0.2	0.5	0.7	0.4	8.8
1933	1.6	1.4	1.2	1.2	1.2	0.7	0.7	0.5	0.4	0.2	9.1
1934	2.5	1.9	1.1	1.2	1.2	1.4	0.4	0.6	0.2	0.7	11.2
10-year average	1.5	0.9	1.1	1.2	1.0	1.1	1.9	1.3	1.0	1.1	12.1
3-year average	1.7	1.5	1.1	1.2	1.2	1.2	0.4	0.5	0.4	0.4	9.6

a question first in terms of historical development and then in terms of time. (I shall take up this point later). Secondly, it becomes an issue in terms of international comparison or in the relativity of space. It is in this latter sence that I treat it here.

Although the historical nature of nations constitutes a question here, I shall limit my investigation to their economic phenomena. Moreover, while the ideal method would be to find the averages of nations for the purpose of international comparison, I shall take the figures of a particular year because of the difficulty of getting more comprehensive data. I have taken the exports of Great Britain, the United States, Germany, and France during 1933 and have found, by the same method of computation, the averages of various commodities for the purpose of comparison with those of Japan. Table III shows this comparison. For the sake of simplicity I have given numbers to the various commodities under review.

Table III.
International Comparison of Dispersion of Exports.
(1933).

Commodity numbers	Britain	U. S. A.	Germany	France	Japan
	%	%	%	%	%
1	11.4	24.2	14.5	9.6	21.0
2	11.0	12.1	11.5	7.1	20.6
3	8.6	8.0	11.2	5.3	4.2
4	7.4	5.5	9.0	5.2	3.4
5	6.9	5.1	8.2	4.7	2.5
6	5.9	4.7	5.5	4.4	2.3
7	4.8	4.2	4.5	4.3	1.9
8	4.0	3.8	4.2	4.0	1.9
9	2.9	2.8	3.2	3.7	1.8
10	2.7	2.5	2.6	2.6	1.4
Total	63.6	72.9	74.4	50.9	61.0

11	2.4	2.4	2.5	2.6	1.4
12	1.9	1.9	2.1	2.2	1.4
13	1.9	1.5	1.8	2.0	1.0
14	1.7	1.1	1.8	1.9	1.0
15	1.7	1.1	1.7	1.8	0.8
16	1.3	0.9	1.5	1.6	0.8
17	1.1	0.9	1.5	1.6	0.8
18	1.0	0.9	1.4	1.5	0.7
19	1.0	0.8	1.3	1.2	0.6
20	1.0	0.2	1.2	1.0	0.1
Total	15.0	11.7	16.8	17.4	8.6
Grand total	80.6	84.6	91.2	68,3	69.6

The above Table shows great differences in the degrees of concentration and dispersion in the export commodities of the nations. In the first ten commodities, the concentration of Germany makes a sharp with the dispersion of France. Whereas the first ten commodities constitute 74.4% in the case of Germany, they constitute only 50.9% in the case of France. Japan comes next to France in point of dispersion. When individual commodities are treated separately, however, the American cotton export has the greatest degree of concentration, it being 24.2%. The Japanese silk and cotton fabrics are also highly concentrative, these two commodities constituting 41.6%, which is the highest as far as three two items are concerned. Even when the other ten commodities are included, Germany's percentage is the largest, it being 91.2%. Our export trade, like that of France, is comparatively dispersive.

I have used the same method of calculation in compiling Table IV, which follows.

The concentration of import commodities is different from that of export commodities. In the case of the first ten commodities, the greatest percentage is shown by Japan, with its 63.9%, and the smallest percentage is Germrny's 50.2%. This is also true of individual commodities. But when the other ten commodities are added, the highest percentage is

Table IV.

International Comparison of Dispersion of Imports.

Commodity numbers	Britain	U. S. A.	Germany	France	Japan
	%	%	%	%	%
1	11.5	8.6	7.3	11.1	31.6
2	8.1	7.4	7.2	8.3	8.6
3	5.5	7.1	6.7	6.1	7.2
4	5.4	5.3	6.4	5.5	3.7
5	5.1	4.7	6.3	5.4	2.6
6	4.6	4.5	3.9	4.7	2.3
7	4.5	4.1	3.7	4.3	2.1
8	4.4	3.6	3.0	4.1	2.1
9	4.3	3.2	2.9	3.3	1.9
10	3.7	3.2	2.8	3.1	1.8
Total	57.1	51.6	50.2	55.9	63.9
11	3.2	2.6	2.7	3.0	1.6
12	3.1	2.6	2.4	2.0	1.4
13	2.3	2.2	2.1	2.0	1.4
14	2.2	2.1	2.1	1.7	1.2
15	2.1	1.8	1.7	1.6	1.2
16	1.7	1.8	1.6	1.5	1.2
17	1.5	1.7	1.4	1.4	0.7
18	1.4	1.6	1.1	1.4	0.7
19	1.4	1.5	0.8	1.4	0.5
20	1.4	1.5	0.6	1.2	0.2
Total	20.3	19.4	16.5	17.2	10.1
Grand total	77.4	71.0	66.7	73.1	72.6

shown by Great Britain's 77,4% and the lowest is Germany's 66.7%, Japan's occupying an intermediate position. In the ten commodities given in the lower part of the Teble, Japan's percentage is only 10.1%, and this fact is responsible for her percentage for all the twenty commodities being as stated above, although her percentage in the first ten commodities is the highest.

The chief characteristic of our foreign trade in compari-
son with other leading countries is that it is comparatively
dispersive in exports and concentrative in imports. In both
cases, the dispersion of the first two or three commodities is
especially marked. Thus, the question under consideration
assumes different aspects when different groups of commodi-
ties are taken. The degree of concentration or dispersion
varies (1) when several commodities are taken, (2) when only

Britain

Germany

Japan

U. S. A.

France
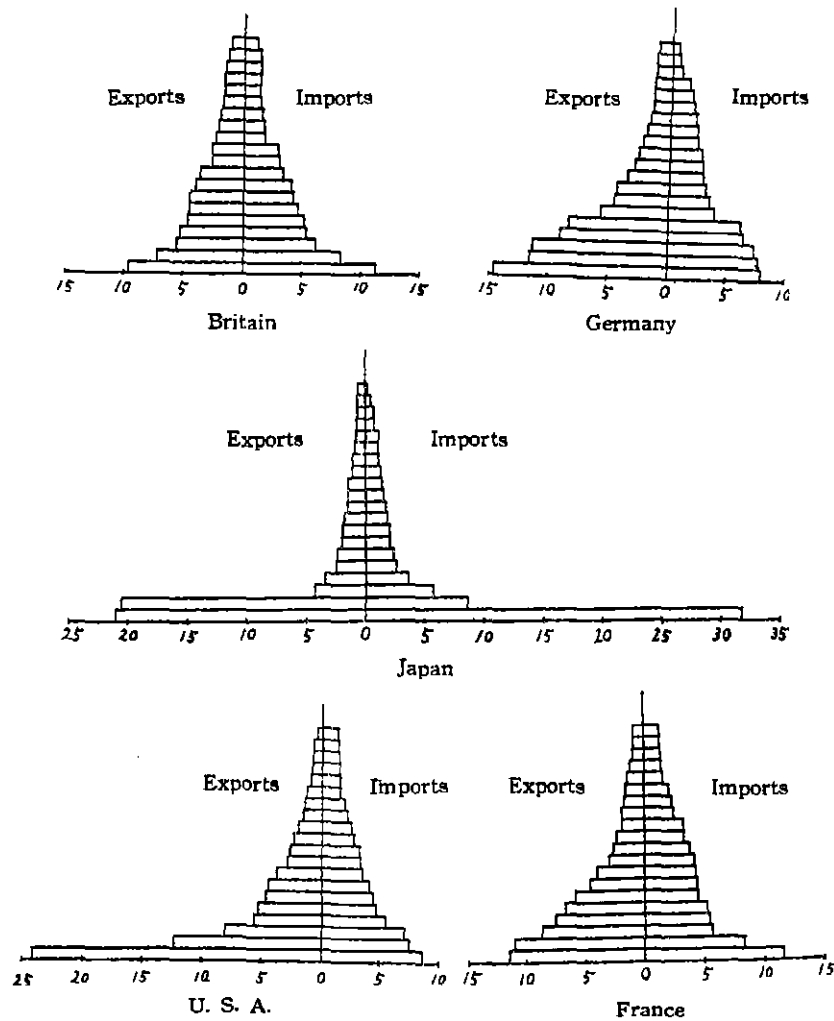
the first ten commodities are taken, (3) when the entire twenty commodities are taken, (4) when yet more commodities are taken. The foregoing two Tables ought to be some aid to accurate observation, but I have inserted the following figures for convenience' sake.

These figures will assist the reader to observe the concentration or dispersion of the commodities of nations more concretely. Japan's foreign trade greatly differs from that of all others in that the bulk of both her imports and her exports are concentrated in one or two commodities. A high degree of dispersion is shown by both the imports and the exports of France, but her dispersion in imports alone is lower than that of Germany. The imports of the United States have a tendency to dispersion but her exports tend to concentration.

4. THE CONCENTRATION OF TRADE CLASSIFIED BY COUNTRIES

We have considered the concentration or dispersion of a nation's foreign trade as a whole. But there is the further question as to whether a nation's trade, classified by the countries with which it is carried on, is concentrative or dispersive. Much depends on the internal construction of their respective national economies, and inasmuch as their trade tendencies are the phenomenal forms of their economies, such trade is more highly concentrative than when trade is taken as a whole.

In order to see how our export trade is concentrated in some countries, I have taken ten leading countries to which we send our exports (their combined percentage being 74.9% of the total export) and worked out the percentages of principal exports in relation to the total amount exported to each of these countries, This calculation is shown by Table V. Strictly speaking, averages of several years or normal figures should have been taken, but I have taken the figures for 1934 here for convenience' sake. Figures in brackets are

the percentages of the exports to individual countries in relation to the total amount of exports.

Table V.

The Concentration of Export Trade by Countries.

Commodity numbers	U. S. A. (18.4)	Kwantung province (13.6)	British India (11.0)	Netherlands East Indies (7.3)	China (5.4)
	%	%	%	%	%
1	60.2	13.2	12.8	33.7	8.3
2	3.6	6.3	11.1	11.6	6.0
3	2.8	3.9	9.4	8.3	5.7
4	2.4	3.4	8.4	7.1	5.3
5	2.2	2.8	4.7	3.2	4.2
6	1.7	2.6	4.2	2.7	4.0
7	1.3	2.3	3.5	2.1	3.8
8	1.2	2.1	3.5	2.0	2.5
9	1.2	1.6	2.3	1.2	2.3
10	1.1	1.4	2.1	1.1	1.7
Total	77.7	39.6	62.0	73.0	43.8

Commodity numbers	Great Britain (5.0)	Manshu-koku (4.9)	Egypt (3.4)	Austraia (3.0)	Straits Settlements (2.9)
	%	%	%	%	%
1	22.7	26.2	42.6	26.5	16.7
2	13.1	9.6	13.2	13.8	5.6
3	9.7	7.5	11.2	10.9	5.4
4	7.0	3.4	9.4	9.6	5.3
5	5.7	3.1	5.0	6.3	4.2
6	4.7	2.2	4.2	3.6	4.0
7	4.2	1.9	0.9	2.8	3.6
8	1.6	1.8	0.7	2.6	2.6
9	1.1	1.8	0.3	1.3	2.1
10	1.0	1.7	0.3	1.2	2.0
Total	70.8	59.2	87.8	78.6	58.5

Table V shows that the concentration of export commodities varies greatly with the individual countries to which they are exported. The highest degree of concentration in

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Table VI.
The Concentration of Import Trade by Coutries (1934).

Commo-dity numbers	U. S. A. (33.7)	India (12.7)	Australia (8.7)	Manshu-koku (7.2)	China (5.3)
	%	%	%	%	%
1	52.0	87.4	80.8	29.0	13.2
2	8.8	2.5	11.2	19.0	9.4
3	4.6	1.7	1.3	18.6	8.5
4	4.1	1.1	1.2	11.6	7.3
5	3.4	1.0	0.5	6.4	5.7
6	2.5	0.8	0.3	0.4	5.7
7	2.1	0.5	0.1	0.3	5.2
8	1.3	0.4	—	0.2	4.6
9	1.3	0.2	—	0.1	4.2
10	0.9	0.1	—	—	2.3
Total	81.0	95.7	95.4	85.6	56.1

Commo-dity numbere	Germany (4.8)	Britain (3.1)	Netherlands East Indies (2.8)	Straits Settlements (2.8)	Canada (2.4)
	%	%	%	%	%
1	22.7	22.7	29.2	60.0	17.5
2	21.7	16.6	22.8	16.8	15.0
3	10.7	7.2	15.3	13.9	13.7
4	5.5	3.1	3.4	—	13.4
5	0.8	2.6	3.3	—	8.5
6	0.3	2.4	0.9	—	6.3
7	0.3	1.3	0.5	—	0.5
8	0.1	1.1	0.3	—	0.1
9	0.1	0.3	—	—	—
10	—	—	—	—	—
Total	72.2	57.3	75.7	90.7	75.0

the first ten commodities is shown by Egypt, which buys the ten commodities to the amount of 87.8%. Egypt is followed by Australia, the United States, and the Netherlands East indies. The highest degree of dispersion is shown by Kwantung Province to which the first ten commodities are exported to the amount of 39.6% only. Kwantung Province is followed by China and Manshukoku. Turning to commodity numbers 1 (silk) and 2 (cotton fabrics), we find that

silk export to the United States is 60.2%, the cotton fabrics export to Egypt and the Netherlands East Indies is 42.6%, and 33.7%, respectively, each of these cases showing a high degree of concentration. On the other hand, China, Kwantung Province and British India show a marked degree of dispersion in this respect.

Table VI is similarly computed and shows import commodities.

Table VI shows that the concentration of British India and Australia is highest as regards the first ten commodities, both countries showing more than 90%. Unlike export commodities, import commodities are markedly concentrative. China and Great Britain are comparatively dispersive but their percentages are still higher than 50%. The import of the first two commodities is also far mōre concentrative than export. Cotton from British India (87.4%) and wool from Australia (80.8%) are at the top. Only several of the imports from these countries constitute more than 90%. It is clear that the concentration of commodities classified by countries is greater in the case of import trade and that it greatly varies with different countries both in import and in export.

5. THE HISTORICAL DEVELOPMENT OF TRADE CONCENTRATION

It goes without saying that when a national economy undergoes an historical development, it not only increases quantitatively but is also accompanied by qualititative changes. As a result of all this economic transformation, the trade structure of that country is inevitably altered, and this change is bound to take the form of the historical development of the concentration or dispersion of trade which we are discussing in the present article.

In order to trace this historical development in the foreign trade of Japan, I have computed, for every tenth year since the beginning of the Meiji Era (1868) down to 1934, the percentages of ten principal imported commodities

and ten principal exported commodities in relation to the total amount of imports and exports. Table VII is the result of this attempt. Strictly speaking, I should have taken the averages of each stage of development or normal figures, but I chose to take the figures of every tenth year.

Table VII.

The Historical Development of Trade Concentration in Japan.

Commodity numbers		1868	1877	1887	1897	1907	1917	1927	1934
Exported commodities	1	41.3	41.2	27.0	31.3	25.2	21.4	34.4	22.7
	2	24.8	18.7	14.9	7.6	6.5	7.5	19.2	13.2
	3	3.2	9.7	5.3	6.5	4.1	6.4	7.0	8.8
	4	0.9	5.5	4.5	4.4	3.5	3.7	1.9	2.7
	5	0.5	3.1	4.3	3.5	2.9	2.0	1.5	2.4
	6	0.5	1.8	4.3	3.2	2.7	1.6	1.5	2.3
	7	0.3	1.0	2.5	2.2	2.0	1.6	1.5	2.2
	8	0.2	0.5	2.2	1.9	1.7	1.6	1.3	1.9
	9	0.1	0.1	2.2	1.8	1.6	1.5	1.0	1.6
	10	—	—	1.8	1.8	1.4	1.3	1.0	1.4
Total		**71.8**	**81.6**	**69.0**	**64.2**	**51.6**	**48.6**	**70.3**	**59.2**
Imported commodities	1	22.9	17.7	13.0	15.9	22.4	29.9	28.7	32.0
	2	18.2	15.3	10.2	7.9	6.7	15.9	10.3	8.2
	3	8.6	10.5	7.6	7.3	6.0	5.1	4.8	7.5
	4	4.0	3.3	4.2	5.0	4.1	4.7	4.7	4.2
	5	3.9	2.2	3.2	3.5	3.9	2.7	4.5	2.5
	6	1.4	1.5	2.1	3.5	2.8	2.3	3.6	2.3
	7	1.0	1.5	1.9	2.9	2.8	1.7	3.5	2.1
	8	0.8	1.4	1.8	2.8	2.4	1.6	3.3	1.9
	9	0.4	1.1	1.4	2.1	2.0	1.5	2.5	1.9
	10	0.3	0.9	1.0	1.9	1.6	1.2	2.4	1.8
Total		**61.5**	**55.4**	**46.4**	**52.3**	**54.7**	**66.6**	**68.3**	**64.4**

Table VII indicates that the combined percentage of the exported ten commodities steadily declined from 1868, in which year it stood at 71.8%, falling to 48.6% in 1917, but rose somewhat in 1927 and 1934. The same trend is seen in the first two commodities also. In 1868, the percentage

covered by raw silk was 41.3% and that covered by tea was 24.8%, their combined percentage constituting 66.1% of the total exports. The percentage covered by silk since then has steadily declined (except in 1927) and was reduced to 13.2% in 1934. The percentage covered by tea has still more drastically declined. In 1897 it was 4.4% (fourth), in 1907 it dropped to 2.7% (sixth), in 1917 to 1.3% (tenth), and it has been out of the list of important commodities since 1927. Just the opposite tendency is shown by cotton fabrics. Their percentage in 1907 was 3.5% (fourth) and was included in the list of important commodities in that year. In 1917 it rose to 7.5% (second) and to 19.2% in 1927. It has since risen to the first position with 22.7%. When exports are taken as a whole, shifting from concentration to dispersion is invariably seen, with the exception of 1927.

But no such a tendency is seen in the general trend of import commodities, so far as the ten commodities given in the lower part of the Table are concerned. From 1868 (61.5%) to 1934 (64.4%), the tendency towards concentration is recognizable. The same tendency is also true of individual commodities. For instance, the commodity given at the head of the list for each year taken in the computation shows the general tendency to increase. But the fact remains that the commodity that was at the top of the list in a given year or period has not necessarily kept its position during the entire period under consideration. For instance, cotton fabrics were at the head of the list in 1868 with 22.9%, but the position of this item became second in 1877 and further dropped to third with 7.6% in 1887, and to fifth with 3.5% in 1897, and then dropped out of the list altogether. On the other hand, cotton, the position of which in 1868 was fifth in the list, with 3.9%, advanced to the top in 1897, with 15.9%, and has remained in the same position down to the present, the percentage in 1934 being 32.0%. This transposition of these two import commodities, namely, cotton febrics and cotton, is an indication of change that have taken place in the economic struction of Japan. It will be realized

that an analysis based on a more detailed classification of commodities than the one I have attempted in desirable. Nor are changes in the economic structure of the nation restricted to such trade concentration and dispersion. At any rate, that the general tendency of our imports is towards concentration, as against the dispersive trend of our exports, may be taken as one of the internal characteristics of our national economy.

6. CONCLUSION

Changes in the constitution of the foreign trade of a nation are important both on their own account and as phenomena which reflect the internal structure of the national economy of the nation. The question of trade constitution also may take various forms. For instance, the concentration and dispersion of trade discussed in this article may also be regarded as a matter of trade constitution in its broad sense.

I have shown that both the concentration and the dispersion of trade have manifold aspects and have pointed out that concentration or dispersion may be taken in terms of international factors, time, industrial relations and commodity classification, in each of which it constitutes a [special question. Considering the significance, in particular, of trade concentration or dispersion in terms of the commodities involved, both from theory and from economic policy, I have restricted my task to a statistical analysis of the leading trade commodities of Japan. I have arrived at the following conclusions from this investigation.

(1) In our export trade, silk and cotton fabrics constitute 49.5%, ten leading commodities, constitute 64.2% and twenty commodities, 74.2%. Thus, our export trade has been quite concentrative, although in recent years a tendency towards dispersion has been manifested. On the other hand, in our import trade, cotton and wool constitute 34.5%, ten principal commodities, 61.1% and twenty commodities, 73.1%. Thus, our import trade has been somewhat dispersive as compared with our export trade, but during the last ten years

it has been also quite concentrative in its tendency.

(2) By comparing our foreign trade with that of the leading countries of the world namely, Great Britnin, the United States, Germany and France, I have found that both our import trade and our export trade are most concentrative as regards two commodities. But in respect to ten leading commodities, our export trade is comparatively dispersive, while our import trade is most concentrative. In respect to twenty leading commodities, our export trade is highly dispersive, but our import trade is concentrative, as in other cases.

(3) When our foreign trade is taken in connection with the countries with which we trade, our trade as a whole is highly concentrative, our export trade with both the United States and the Netherlands East Indies, in respect of ten leading commodities, being more than 70%, while our trade with Kwantung and China amounts to about 40% in each case. But our import trade is still more concentrative. In respect to ten principal commodities, our imports from British India and Australia show a percentage of more than 95% each. China's percentage is most dispersive, but it nevertheless is as high as 50%. These facts are most important for import trade.

(4) When the historical developement of our foreign trade since the first year of the Meiji era is traced, the tendency from concentration to dispersion is seen in export commodities, while rather the opposite tendency is shown by our import trade. This is also important as one of the peculiar features of our national economy. My present article is unable to take up the theoretical and practical conclusions that might be drawn from the foregoing analysis and presentation the special characteristics of our foreign trade.

<div align="center">KICHIHIKO TANIGUCHI</div>