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RESTRICTED

PLACE: Tokyo.

DATE: 13 November, 1945.

INTERROGATION NO. 382

Division of Origin: Overall Economic Effects.

Subject: Interrogation of HIROTA, Koki.

Where interviewed: Meiji Building, Room 748

Interrogator: Mr. Paul Baran.  
Continued by Mr. Thos. A. Bisson.

Interpreter: Mr. Millard.

Summary:

Remarks on economic subjects so vague or evasive as to be of little use. As he says, he is a diplomat and not an economist.

His statements on Sino-Japanese relations, especially with regard to the special envoy sent by Chiang Kai-shek to Hirota, reveal the intimate contacts that have existed between Kuomintang leaders and the Japanese. He confirms the contacts which these Chinese leaders maintained with the Black Dragon Society.

According to Mr. Hirota, his Cabinet concluded the anti-Comintern pact with Germany in order to help suppress Communism in Japan. As to Russia, the pact was expected to contribute to peace by placing the USSR between a German-Japanese pincers. Japan was not prepared to fight Russia at that time.

The elder statesmen, including Hirota, were summoned on Nov. 28 or 29, 1941 to a meeting at which the following clear statement of views on going to war with U.S. or England is given by Hirota:

Against: It would be very dangerous to go to war with America and Britain because Japan could not win a long war.

For : Since America and Britain were pushing forward their military preparations Japan would lose out in the race and eventually would not be able to fight them at all.

- R E S T R I C T E D -

382 - 1 -



Q. What was the most important limitation of Japan's economic potential?

A. I spent four years in England, two years in Washington, two years in the Netherlands, two years in Russia and am quite well acquainted with the economic situation in those countries. In comparison with these countries, Japan is far behind economically. In fact, she would have to be compared with some of the lesser European states. I must confess that my line has been in the diplomatic field, particularly in foreign countries, and while I am somewhat acquainted with situations abroad, my information on Japan's economics is not too deep.

Q. What, in your opinion, was the greatest factor which contributed to the extremely rapid development of Japanese industrial capacity for ten years preceding the war?

A. I wonder if it cannot be traced to a study on the part of the Japanese business leaders of developments in Europe and America, and an attempt on their part to catch up in the field of research and inventions with these foreign countries.

Q. Do you think there was any consistent governmental policy toward expansion of the Japanese industrial economy?

A. With the increase in Japan's population, it has become more and more difficult to support so large a population, and this has led to the encouragement and development of manufacturing and commerce in an attempt to maintain or raise the living conditions of the Japanese people.

Q. How do you explain in this connection, the tremendous growth of heavy industry in this one decade preceding the war in 1931-41?

A. The development of heavy industry was more or less in keeping with the general development of all industries. However, from the time of the Manchurian Incident, the interest of the country turned more and more to China, and the Army, in particular, sought to develop heavy industry - perhaps as one means of producing wealth.

Q. Actually this is not quite correct. The development of heavy industries was not in keeping with other industries. Other industries - consumer industries and export industries - doubled their output in those ten years. The heavy industries increased their output ten times, so there must have been a special effort to expand heavy industries.

A. I have not kept up too well on the details of such development, and I am at a loss to explain them.

Q. Do you think the different cabinets and the Army followed a policy of military mobilization and of increasing the military potential of the country in these ten years?

A. I am a diplomat and no authority on these matters. However, not only from the beginning of the Manchurian Incident, but even prior to that, the Japanese people were carrying a heavy burden in making the country strong through armament.

Q. In 1936-37, when you were Premier, when legislation was promoted to introduce new economic controls, what were the underlying ideas - what were you trying to accomplish at that time?

- A. At that time, I was not particularly conscious of any underlying policies of that nature. Our big purpose was to develop the country and our industries, and particularly were we interested in the development of electric power, i.e. hydro-electric power.
- Q. Did you, at that time, think very much in terms of self-sufficiency - of trying to make Japan economically independent?
- A. I do not know that we had any specific goal of that type. As you know, it is almost impossible for Japan to become independent economically.
- Q. What, in your opinion, was the most important economic problems which had to be solved - what had to be done to strengthen Japan's economy?
- A. I had spent some time in Holland and was impressed there with the balanced development between the cities and the countryside. In Japan, on the other hand, we had very large cities which were far advanced beyond the rest of the country. It seemed to us that if we were to develop our country to the place where it could support a large population, we must develop the various regions of the country along with the cities. Therefore, my Cabinet devoted considerable study to the development of various regions and districts throughout Japan in which we attempted to set up economic controls and organizations so that these areas would be enabled to support large sections of the population. From a long time, we have been concerned over this problem of supporting a large population in Japan. In fact, we once appealed to America for a study of this problem, and a Dr. Bergerow (?) came to Japan to make a census. As a result of his studies, he suggested that Hokkaido was most suited to such a planned development scheme. This man, I understand, returned to America and wrote a book on his work here.
- Q. Was your idea mainly to increase the total quantity of arable land or to transfer the population from agriculture into industry?
- A. Japanese agriculture requires a large amount of manpower, and, therefore, it would be impossible to take much of this away for industry. Furthermore, since much of Japanese industry was concentrated in large cities, such as Tokyo and Osaka, and there was a growing tendency for the population to increase in these large centers, we attempted to spread the people out over wider areas and develop industry in other sections as well.
- Q. Was there a conscientious, worked-out governmental plan of this economic progress, or was it done piece-meal?
- A. During my Cabinet, we did organize a definite program, especially in the area of Northern Honshu. And, we set up a plan for the Tohoku district, whereby two companies were organized - one for the development of hydro-electric power and the other for the encouragement of general manufacturing.
- Q. Why did you find it necessary at that time to nationalize the electric power industry?
- A. The private electric companies were in the business for their own interest and they built their dams and set up their works, not where they would render the greatest service but where they could make the most money. They hesitated, naturally, to organize systems in other sections because of the undue

- A. expense involved in such a venture. Therefore, in order to develop the country, it was necessary for the government to provide the necessary expenses for such enterprise. It was never our intention to nationalize completely the power industry. What we did was to look particularly after the setting up of the dynamos and the carrying of electricity to the field. All other work involved in these enterprises; in fact, most of the contracts were in the hands of civilian organizations. However, the industrialists at that time misunderstood our purposes and considerable agitation was raised against the policies of my Cabinet.
- Q. Was the resignation of your Cabinet to any extent due to this agitation of business?
- A. That probably had something to do with the fall of the Cabinet, although it could hardly be called the sole reason.
- Q. Could you tell me one thing - if big business interests such as the Zaibatsu, got dissatisfied with the Premier, what was their possibility of bringing the Cabinet to fall?
- A. Most of the business world has very close connections with the representatives in the Diet and they can usually bring pressure to bear through these men.
- Q. Does the big business man have direct connections with the throne, because the Diet does not really have much to say?
- A. As far as any connections with the throne are concerned, I know of none; particularly during my Cabinet. However, they may well have certain connections with men associated with the throne.
- Q. If such families as Mitsui decide they would like to have a change of the Cabinet because the Cabinet is not following their policies, do they have a possibility of reaching the Lord Privy Seal and such important men of the Court to enforce their decisions?
- A. I do not know that they have any such influence as that.
- Q. Do you mean they cannot get to the Lord Privy Seal or that they cannot actually suggest a change of the Cabinet?
- A. It is possible, of course, that they might get in touch with him. However, I know of no instance in which they have, at least, not during my Cabinet's tenure.
- Q. You said that the opposition of business groups was one of the reasons for the fall of your Cabinet. What were the other reasons?
- A. As you know, I was selected as Premier immediately following the military uprising in Tokyo on February 26th. This came as a very great surprise to me for I had been a foreign diplomat and had no special qualifications for political leadership. However, His Majesty was well pleased with my foreign policies and felt that I would be able to calm things down after this uprising. Later, however, the War Minister felt that our work had been done. Because there was considerable opposition on the part of the Army, following the execution of some of the ring-leaders, the War Minister wanted to get out of the Cabinet, and he stirred up considerable friction in the Diet, and that contributed largely to the fall of the Cabinet.

- Q. How did your Cabinet - or how did you, personally - envisage at that time the possibility of solving the China affair? It must have been the most important single problem that you had?
- A. From the time I was Foreign Minister up to the time I became Premier, I did everything in my power to bring about a settlement of the difficulties which had arisen at the beginning of the Manchurian Incident, and I put considerable effort also into working out an international understanding as a basis for restoring peace.
- Q. How did you specifically plan to solve the China problem?
- A. At the time of the Manchurian Incident, Manchoukuo was set up as a separate country and this, naturally, was opposed by China. However, Chiang Kai-shek, himself, sent a secret envoy to see me. Through this envoy, Chiang Kai-shek stated that the Manchurian Incident had taken place in an area not immediately under his jurisdiction but under the authority of Chang Hsueh-Liang. He suggested that we could work out good relations perhaps outside of this incident, and compared it to a huge rock which suddenly appears in the midst of a river and blocks your progress. However, the stream then cuts a new channel around the obstruction and continues on its course.
- Q. My question was - How did you plan to solve the China Affair?
- A. For one thing, we opened a conference in Nanking to negotiate with China for a new pact. This negotiation was under the Foreign Minister, Wang Ching-wei. However, this was strongly opposed by powerful factions in that country resulting in an attempt to assassinate Wang Ching-wei.
- Q. Continue the story. What was your principle; what was your formula; what were the terms under which you wanted to settle the China Affair?
- A. For one thing, we tried to set up close relations between the two countries and develop commerce.
- Q. Did you plan to withdraw the Japanese Army from China at any point, or did you expect to stay in China indefinitely?
- A. At the time I was Foreign Minister, the China Incident had not yet taken place and it was our policy then to attempt to withdraw as soon as possible, even the garrison troops which were at Tientsin and Peking.
- Q. Is it not true that the garrison at Tientsin, in the spring of 1935 while you were Foreign Minister, presented demands to the North China authorities for concessions in North China?
- A. I do not know anything about that.
- Q. You said that you planned to withdraw the troops from China as soon as possible. What did you mean by "as soon as possible?" What conditions did you want fulfilled in order to withdraw the troops from China?
- A. At that time, America was also talking about the same thing - withdrawing certain forces, and we planned to carry out our plans as conditions between Japan and China developed favorably.

- Q. During your Cabinet, you concluded the so-called Anti-Comintern Pact. What was the purpose of this agreement?
- A. Even before this time, the Japanese military had been clamoring for a military alliance with Germany. I opposed this movement strongly for it was my desire to keep from being mixed up in the developments in Europe which were leading to war. However, there was considerable fear in Japan toward Communism and the police here were agitating for some means of stopping the spread of Communism. Therefore, by establishing such a pact as the Anti-Comintern Pact, we could cooperate with Germany and achieve other ends as well. However, I continued to oppose in every way the conclusion of a military pact. We also felt that such a pact was necessary at that time in the preservation of world peace. And we felt it would be necessary to conclude a pact in which not only Germany and Japan should participate, but that any other nation could take part in as well. We also proposed to both England and Holland that they enter the pact, but England was not interested and Holland declared that it would not be wise for her to enter into a pact which involved the large countries.
- Q. You must have been aware that this pact was fundamentally directed against Russia. What was Japan's preparedness to fight a possible war against Russia?
- A. There was considerable fear at that time over the possibility of a war with Russia and it was thought that by concluding this pact in both the East and the West, pressure could be put on Russia to prevent the outbreak of war.
- Q. Was Japan in a position at that time to go into a war against Russia if such a war should develop? What was the military potential of Japan in 1936? Was a war against Russia possible?
- A. We were greatly worried over a war with Russia and certainly were not prepared for it. We were having trouble even with China and we did everything in our power to forestall any outbreak of hostilities with Russia, and that is probably one reason why we worked out an agreement for the sale of the Chinese Eastern Railway.
- Q. That was much earlier - the railway was sold two years earlier.
- A. I am just explaining my general policy toward Russia.
- Q. My question, however, was whether you felt that Japan would be able to face a war against Russia if the Anti-Comintern Pact should produce such an emergency?
- A. No, I did not think we were. If Russia, on her own, should have declared war against us, there was nothing we could do about it, but for our part, we were determined strongly not to let such a thing happen.
- Q. Were you aware that your alliance with Germany might lead you into a war with Russia?
- A. I did not know of any such feeling on the part of Germans, but I was mostly concerned over being mixed up with Russia and it was my feeling that this pact would do much to avoid such a situation.
- Q. You said before that Japan was not even able to deal adequately with China. Do you mean to say that Japan did everything in its capacity to defeat China and was not able to?

A. As far as I felt, personally, I believe every effort was made to bring that war to a conclusion.

Q. Do you mean militarily or politically?

A. After the Marco Polo Bridge incident, we certainly made every effort within our power to bring to an end the situation which had developed. I think the military undoubtedly was trying to do its best.

INTERROGATION CONTINUED BY Mr. Bisson

Q. You spoke earlier of Chiang Kai-shek. Did you know Chiang Kai-shek when he was a student in Tokyo? Did you meet him when he was here?

A. Yes, I met him once or twice and after that I often met him.

Q. Where did he study in Tokyo?

A. I did not meet him when he was a student - it was later when he came to Japan that I met him.

Q. You met him after 1926 or 1927?

A. I do not recall.

Q. Did you know some of the early Kuomintang leaders like Sun Yat-sen when they were in Tokyo?

A. Yes, I had met some of them.

Q. Is that one reason why you were chosen as Foreign Minister - because of your contacts with the Chinese leaders in this period?

A. I think so.

Q. Is that why Chiang Kai-shek sent a special envoy to you?

A. Yes, I think that is probably one reason.

Q. Who was the special envoy?

A. I can see his face clearly but cannot remember his name, but you could find his name by inquiring of the Chinese.

Q. Were there any discussions with the envoy, or was there just this message that he brought?

A. We talked of doing everything possible to work out some relations between the two countries.

Q. What year was this?

A. I would have to examine the proceedings of the Diet to find out exactly when it was, since I have forgotten. Immediately after my discussions with this man, I talked in the Diet concerning Chiang Kai-shek and told them it was a mistake to think of Chiang Kai-shek as an enemy of ours. All my speeches with regard to policies in China are a matter of record and could easily be looked up.

Q. During 1936, there were important negotiations at Nanking on issues connected with Chinese-Japanese relations. What were the difficulties that prevented agreement in these negotiations?

A. The greatest difficulty in these negotiations was the impossibility of an agreement on anti-Communist measures and policies.