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JAPAN-NATIONAL POLICY

Doc. No. 1570

Page 1.

STRICTLY CONFIDENTIAL

April, 1941 /Showa 16/

OUTLINE OF
FUNDAMENTAL NATIONAL POLICIES

Planning Board

CONTENTS

1. Outline of Fundamental National Policies.
(Decided by the Cabinet on July 26, 1940 /Showa 15/
Outline of Fundamental National Policies
(Published in the newspapers on August 1, 1940 /Showa 15/
2. Outline for the establishment of territorial planning.
(Decided by the Cabinet on September 24, 1940 /Showa 15/
On setting up the territorial plan, (Published in the papers on
September 24, 1940 /Showa 15/ /areas.
3. Outline for the Economic construction of Japan, Manchukuo and China.
(Decided by the Cabinet on October 3, 1940 /Showa 15/
Outline for the Economic Construction of Japan, Manchukuo and
China (published in the papers)
4. Outline for the establishment of a new labor structure.
(Decided by the Cabinet on November 8, 1940 /Showa 15/
Outline for the establishment of a new labor structure
(Published in the papers on November 8, 1940 /Showa 15/
5. Outline for the establishment of a new economic structure
(Decided by the Cabinet on December 7, 1940 /Showa 15/
6. Outline for the establishment of a population policy
(Decided by the Cabinet on January 22, 1941 /Showa 16/
Outline for the establishment of a population policy
(Published in the papers on January 22, 1941 /Showa 16/
7. Outline of Communications Policy
(Decided by the Cabinet on February 14, 1941 /Showa 16/
Outline of Communications Policy
(Published in the papers on February 14, 1941 /Showa 16/
8. Joint Economic Council for Japan, Manchukuo and China
(Decided by the Cabinet on February 25, 1941 /Showa 16/
Joint Economic Council for Japan, Manchukuo and China
(Published in the Papers, on February 25, 1941 /Showa 16/

Fundamental State Policy Decided by the Cabinet
() July 26, 1940 /Showa 15/

The world now faces a great historic turning point. It is about to see new politics, new economics, and a new culture created and perfected on the basis of the creation and development of several groups of nations. Our Empire also faces a great trial unprecedented in her history. At this time, if we intend to push through the national policy of our Empire based on the lofty spirit that founded the nation, it is urgently necessary that we grasp the essential tendencies of world development; fundamentally reform all our policies; surmount all obstacles and make every effort to achieve the perfection of our national defense system. Accordingly the essence of fundamental state policy has been decided as follows:

The Fundamental State Policy

1). Fundamental Measures.

The fundamental policy of our Empire lies in bringing about the establishment of exalted world peace based upon the spirit that founded our Empire, that is to say, the spirit of "Hakko-ichiu." First of all it lies in the construction of a new order in Greater East Asia founded upon a strong union between Japan, Manchuria and China with Japan as the nucleus.

To achieve this purpose, our Empire must speedily build up a strong national structure suitable for meeting any new situations and the nation will make every effort to realize this state policy with its total strength.

2. National Defense and Diplomacy.

In view of the new situations at home and abroad, our military preparations will be completed by the best efforts of the nation, on the basis of a nation-wide demonstration of the national defense structure.

The present foreign policy of our Empire is aimed at the construction of a new order in Greater East Asia, with the primary stress laid in ending the China Affair. It is hoped that our national fortunes will be advanced by the changing international situation and by execution of constructive and elastic policies.

3. Reforming our Internal Structure

The urgent task of our internal administration lies in reshaping our various policies to conform with the essential character of our

national structure and in building up the foundations of a national defense system. To achieve this purpose we hope for the realization of the following:

A. Our system of education will be changed so that teaching will be infused with the essential character of our national structure, and, at the same time, we reckon on doing away with egoistic and utilitarian ideas and establishing national morals which place prime emphasis on service to the state. Furthermore, we reckon on promoting the scientific spirit.

B. We calculate on establishing a new and strong political structure, and bringing about a general unification of national politics.

- a. Establishment of a new national organization by which officials and civilians will cooperate and be united in service to the state through their respective office.
- b. Reformation of the Diet system in accordance with the new political structure.
- c. Fundamental reformation of administrative execution. Setting up a new government system aimed at speed and coordination.

C. Construction of the foundations of national defense economy based upon a Japan-Manchuria-China independent economy with Japan as the nucleus.

- a. Establishment of a self-sufficiency and self-supporting policy with Japan-Manchuria and China forming a bloc and embracing the Greater East Asia.
- b. Cooperation between officials and civilians in carrying out planned economy, especially for setting up a unitary control system for controlling consumption, distribution and production of staple materials.
- c. Setting up of a financial plan and strengthening control of money circulation aimed at general economic development.
- d. Reforming our foreign trade policy to meet new world situation.
- e. Setting up measures for self-support as regards daily necessities especially foodstuffs.
- f. Epoch-making development of important industries, especially chemical and machine industries.

- g. Epoch-making development of science and rationalization of industries.
- h. Perfection and expansion of communication and transportation facilities to meet new situation.
- i. Setting up territorial development plans for the general development of the national strength of Japan, Manchuria and China.

D. A long-range policy shall be established for the improvement of public health and for increasing the population which is what generated the power for the execution of national policies. A fundamental policy shall be set up to secure development of agriculture and higher living standards for the farmers.

E. Resolute steps shall be taken to rectify the inequality of sacrifices (sacrifices made by the people) made in the execution of our state policies. Welfare installations shall be thorough-going, the life of the people shall be improved, and a living standard for the people capable of withstanding ten years of hardships shall be secured.

OUTLINE OF FUNDAMENTAL NATIONAL POLICIES

(Published in the Papers on Aug. 1, 1940)

The world now faces a great historical turning point. It is about to see new politics, a new economic and a new culture created and perfected, based on the creation and development of several groups of nations. Our Empire also faces a great trial unprecedented in her history. At this time if we truly intend to push through the national policy of our Empire founded on the lofty spirit that founded the nation, it is urgently necessary that we grasp the essential tendencies of world development, fundamentally reform all our policies, surmount all obstacles and make every effort to achieve the perfection of our national defense system. Accordingly, the essence of fundamental state policy has been decided as follows:

1. Fundamental Measures.

The fundamental policy of our Empire lies in bringing about the establishment of world peace based upon the spirit of the founding of our Empire, that is to say, the spirit of "Hakko-ichiu." First of all it lies in the construction of a new order in Greater East Asia founded upon a strong union between Japan, Manchuria and China with Japan as the nucleus. To achieve this purpose, our Empire must speedily built up a strong national structure suitable for meeting any new situations, and the nation will make every effort to realize this state policy with its total strength.

2. National Defense and Diplomacy.

In view of the new situation at home and abroad, our military preparations will be completed by the best efforts of the nation, on the basis of the nation-wide demonstration of the national defense structure.

The present foreign policy of our Empire is aimed at the construction of a new order in Greater East Asia, with the primary stress laid in ending the China affair. It is hoped that our national fortunes will be advanced by far-sighted views of the changing international situation and by the execution of constructive and elastic policies.

3. Reforming our internal structure.

The urgent task of our internal administration lies in reshaping our numerous policies to conform with the essential character of our national structure, and in building up the foundations of a national defense system. To achieve this purpose we expect the realization of the following:

A. Our system of education will be changed so that teaching will be infused with the essential character of our national structure, and at the same time, we reckon on doing away with egoistic and utilitarian ideas, and establishing national morals which place prime emphasis on service to the state. We furthermore reckon on promoting the scientific spirit.

B. We calculate on establishing a new and strong political structure and bringing about a general unification of national politics.

a. Establishment of a new national organization by which officials and civilians will cooperate and be united in service to the state through their respective offices.

b. Setting up the Imperial Rule Assistance system to conform with the new political structure.

c. Fundamental reformation of administrative execution, Setting up a New Government system aimed at speed and coordination.

C. Construction of the foundations of national defense economy based upon a Japan-Manchuria-China independent economy with Japan as the nucleus.

a. Establishment of a self-sufficiency and self-supporting policy, with Japan-Manchuria and China forming a bloc, and embracing Greater East Asia.

b. Cooperation between officials and civilians in carrying out planned economy, especially for setting up a military control system for controlling consumption, distribution and production of staple materials.

c. Setting up of a financial plan and strengthening control of money circulation aimed at general economic development.

d. Reforming our foreign trade policy to meet the new world situation.

e. Setting up measures for self-support in regard to daily necessities, especially foodstuffs.

f. Epoch-making development of important industries, especially chemical and machine industries.

g. Epoch-making development of science and rationalization of industries.

h. Perfection and expansion of communication and transportation facilities to meet any new situation.

i. Setting up territorial development plans for the general development of the national strength of Japan, Manchuria and China.

4. A long-range policy shall be established for the improvement of public health and for increasing the population which is what generates the power for the execution of national policies. A fundamental policy shall be set up to secure development of agriculture and higher living standards for the farmers.

5. Resolute steps shall be taken to rectify the inequality of sacrifices (made by the people) made in the execution of our state policies. Welfare installations shall be thorough-going, the life of the people shall be improved; and a living standard for the people capable of withstanding ten years of hardships shall be secured.

THE OUTLINE FOR THE ESTABLISHMENT OF TERRITORIAL PLANNING

(Decided by the Cabinet on Sept. 24, 1940 /Showa 15/)

1. The motive underlying the plan.

To accomplish the holy task of constructing a new East Asia and to keep up with the progress of the times according to the ideals of the founding of our Empire, it is urgently necessary that we plan for a bold increase of our national strength upon the basis of a general administrative plan involving the various countries of East Asia. That is, with the object of strengthening the national defense structure throughout Japan, Manchukuo and China, it is sought to establish a plan for the all-round preservation, utilization and development of the national territory and to push forward on a control basis various policies in the current situation under a consistent guiding principle by establishing a system of territorial planning, geographically including Manchukuo and China also, taking into consideration the long future of the country, and organizing plans for the distribution of industrial communications, cultural facilities and population on an all-round basis and in accordance with the objects ~~in their relation~~ to the soil.

2. The classification and the application of the plan.

a. The plan for Japan, Manchukuo and China.

This is a plan for the all-round utilization and development of the three countries of Japan, Manchukuo and China, each country being a unit and men and facilities rationally distributed among them. This

This plan is to be the standard for the determination of the enterprises planned on a territorial basis by each of the countries concerned. For Japan, this shall be the standard for setting up a central plan.

b. Central Planning.

It is planning for the entire areas, including both the homeland and overseas. It is to be set up on the basis of the plan for Japan, Manchukuo and China. It is intended to project a plan for the all-round utilization and development of the country from a national standpoint which will enable each locality at home and abroad to display its special features.

This central plan is to be applied as a basis of the administration of the various government offices. It is to be directly carried out as the enterprise of the various government offices, besides serving as the

basis for setting up local plans for each local unit in Japan and the plans for the development of overseas areas.

3. Essentials for setting up the plan.

a. In view of the purpose of setting up this plan, the investigation, researches and drafting of plans on a territorial basis is to be always conducted progressively and on a unified basis from the standpoint of promoting the strengthening of the nation's all-round defense power.

b. The drafting of plans is to be made by setting a definite period to be aimed at with the object of promoting the establishment of the East Asia Co-Prosperity Sphere, including Japan, Manchukuo, China and the Southern Regions.

c. In planning, the object should be to protect and preserve the national territory; emphasis should be laid on seeking the controlled distribution of industry and population in their organic relation to the all-round communication and motive power plans and importance should be always attached to considerations of air defense.

d. As to the plan pertaining to economies, the object is to promote the acquisition and the proper interchange and distribution of necessary materials through the development, preservation and cultivation of the resources in the East Asia Co-Prosperity Sphere, and to endeavor at the same time to secure a superior position in international economy.

e. As to the plan for population, the object is to promote the reinforcement of population both in number and quality, and the proper distribution of the population according to geographical location and functions.

f. The basic investigations are intended to consolidate the investigations conducted by the different government offices and, with the cooperation of civilian quarters, properly arrange the relative data concerning both the homeland and overseas.

4. Principal matters to be planned.

a. The plan for the distribution of the economy of Japan, Manchukuo and China;

b. The plan for the distribution of manufacturing and mining;

1) The plan for the distribution of heavy chemical industries according to their classification.

II) II) The plan for the distribution of light industries according to their classification.

III) The plan for the distribution of manufacturing districts.

IV) The plan for the development of mineral resources.

c. The plan for the distribution of agricultural, forestry, live-stock, and marine products industries.

I) The plan for agriculture

II) The plan for forestry

III) The plan for the marine products industry

d. All-round communication plan.

I) The plan for perfecting transportation and communication facilities in the homeland and overseas.

II) The plan for perfecting transportation and communication facilities in East Asia.

e. All-round plan for motive power (including fuel);

f. All-round plan for control of Natural Features and of irrigation.

g. All-round plan for population distribution.

I) Plan for the distribution of cities;

II) Plan for the distribution of population according to vocations.

III) Plan for the distribution of the population according to zones.

IV) All-round plan for emigration.

h. Plan for the distribution of cultural and welfare facilities.

i. Fundamental policy for planning for each local unit.

5. Business machinery and its operation.

a. The territorial planning shall be placed under the jurisdiction of the Prime Minister, and its business shall be handled by the

Doc. No. 1570

Planning Board.

b. A territorial planning committee shall be established in the Cabinet by official organization to serve as a consultative body for the projection and operation of territorial plans.

c. Each government office shall take part in the projection of the territorial plans and according to its competence shall take charge of the investigations, projection and enforcement of matters which constitute the substance of the plans.

The Prime Minister may exercise supervision over the enterprises of the various government offices in so far as such supervision is necessary for the operation of the plans. Local planning shall also be supervised by the Cabinet.

d. The various councils, investigation committees and other committees established within the various government offices shall maintain, if necessary, ~~close~~ liaison with the territorial planning committee. The means of maintaining liaison among them shall be considered later.

e. The liaison with Manchukuo and China concerning the plan for Japan, Manchukuo and China shall be established through the government offices concerned.

f. The enforcement of the central plan overseas shall be placed under the jurisdiction of the various overseas government offices and supervised by the Ministry of Oversea Affairs (the Manchurian Affairs Bureau in the case of the Kwantung Province).

ON THE ESTABLISHMENT OF TERRITORIAL PLANNING

(Oral Statement by Naoki HOSHINO, President of the Planning Board)

Published in the Papers on Sept. 24, 1940 /Showa 15/

In regard to the adoption of a plan for territorial development intended to develop the all-round national strength combining Japan, Manchukuo and China, the present Cabinet had previously taken the matter up as a fundamental national policy. Since then, the Planning Board as the nucleus, has made studies as to the method of projecting such a plan. The matter has now been adopted by the Cabinet as the Outline for the Establishment of Territorial Planning.

Now at this historic turning point in the world, it has become an urgent need of the hour to strive to form the Greater East Asia Co-Prosperity Sphere, with the alignment of Japan, Manchukuo and China as the axis, and Japan as its center.

For this purpose, we must establish an all-round scientific plan for Japan, Manchukuo and China in the field of industrial economy as well as communications and push forward all measures based on this plan. This is the first reason for requiring territorial planning.

On the other hand, the unlimited expansion of big cities, and the springing up of newly-risen industrial cities caused by the sudden increase in the number of factories and other factors accompanying the progress of the recent expansion of productive power are creating many problems in the fields of national health, sanitation, air-defense, transportation, etc. In the rural districts, there has arisen the problem of farms being devastated and forests laid waste, which cannot be left unattended to. Of course, studies have been made of and plans enforced individually in respect to the problems of properly deploying cities, localization of manufacturing industries, and the management of farm production on a planned basis. But, to tell the truth, the absence of appropriate all-round planning for obtaining an organic coordination between the individual plans is weakening the operating force of all these plans. The need of giving a unified objective for the various measures of the hour is the second reason why territorial planning is necessary.

Territorial planning seeks to adopt measures for meeting these needs, but the form of the plan places the highest object of the planning on the strengthening of a high degree defense structure for Japan, Manchukuo and China. This being the main object, it is intended to establish a plan for the all-round preservation, utilization and development of the territory by an over-all consideration of the plans

Doc. No. 1570

for the distribution of industrial, communication and cultural facilities and for the ideal distribution of population. However, by utilization and development of the territory we do not mean their utilization for merely selfish motives. Needless to say, we must start out with the spirit of love for our territory and project all plans with the ideal of perfecting our territory.

The plans will be divided into two main classes, one pertaining to the three countries of Japan, Manchukuo and China, combined, and the other concerning Japanese possessions. In order to carry out these two plans, studies must be extended even to the most fundamental problem of deciding the maximum population capacity and the limit of self-sufficiency in foodstuffs of Japan Proper. Also, the plan must be extended to such concrete problems as the distribution and formation of industrial districts, and their relation to the source of motive power, water supply, labour and various kinds of communication facilities.

The business of territorial planning is expected to become wider and wider, and more advanced as the planning progresses. In regard to this, we hope to project a definitive plan with the cooperation of Manchukuo and China and also with the cooperation of the knowledge, experience, and insight of the public at large.

OUTLINE FOR THE ECONOMIC CONSTRUCTION OF JAPAN, MANCHUKUO
AND CHINA

Decided by the Cabinet on Oct. 3, 1940 /Showa 15/

In order to achieve in concrete form the Empire's mission of establishing a new order in East Asia and securing the eternal peace of the world, it is necessary to push ahead in comprehensive unity the process of internal reformation and the process of expanding and organizing our living sphere, thereby speedily perfecting a defense state. Therefore it is necessary to establish the basic economic policies of the Empire on a comprehensive planning for the following three big processes:

1. The perfection of the Reorganization of the national economy.
2. Strengthening the organization of our sphere of self-sufficiency.
3. The expanding organization of the East Asia Co-Prosperity Sphere.

Probably in order to expand and organize our living sphere, it is necessary to strengthen and expand the comprehensive fusion of the politics, culture and economies of Japan, Manchukuo, North China, Meng-chiang and their advance points, namely the specified islands along the South China Coast, which form a unified organic sphere of independent existence. At the same time it is necessary to establish an East Asiatic Co-Prosperity Sphere embracing Central and South China, Southwestern Asia and the various areas of the Southern Region in order to promote and assist the perfection of our defense economy.

As to the means of applying our economic policies, it is necessary to devise special measures adapted to the scale of living conditions of the respective peoples, while adjusting the fundamental policy on the fusion of our country with the other states or areas and peoples within our living sphere.

1. The fundamental policy

1. The object of the economic construction of Japan, Manchukuo and China is generally to establish a self-sufficient economic structure for Japan, Manchukuo and China as a single unit by about 1950, and at the same time promote the construction of the East Asia Co-Prosperity Sphere, thereby strengthening and securing a position in world economy.
2. The guiding spirit of the economic construction of Japan, Manchukuo and China is to establish a defense economy and promote co-existence and co-prosperity and the welfare of the people at large through the unified collaboration of Japan, Manchukuo and China, with Japan as the center, in accordance with the spirit of "haijko ichiu" /"universal brotherhood"/.

3. Japan, in view of its position as driving force for the economic construction of Japan, Manchukuo and China shall enhance her national spirit, reform her internal structure, and try to increase her national strength, thereby guiding and rearing the economic construction of Manchukuo and China, especially promoting an epoch-making development of science and technology and also the development of pioneering industries.
4. Manchukuo, while further strengthening its inseparable relation with our country, shall make the establishment of a self-existent sphere its main objective and promote the speedy adjustment and development of important basic industries.
5. China shall cooperate with Japan and Manchukuo to develop her resources and rehabilitate her economy. North China and Mengchiang shall develop communications and important industries with the main object of establishing a self-existent sphere. Central and South China shall lay stress on the smooth exchange of goods and the development of important resources, and thereby contribute to the establishment of the East Asia Co-Prosperity Sphere. However, special efforts shall be made to develop such special islands as Hainan Island, along the South China Coast as the advanced posts of our self-existent sphere.
6. Efforts shall be made to secure a systematic joint storage of defense materials within our self-existent sphere and thereby preserve our national defense power.
7. In order to adjust and promote the prosecution of the plan for the comprehensive economic construction of Japan, Manchukuo, and China, the machinery for the all-round economic planning for Japan, Manchukuo and China shall be perfected.

II Policies for different branches

The fundamental policies concerning the measures for industrial distribution, labor, finance, trade, communications, etc., have been roughly decided as follows:

1. Industrial Distribution:

Hereafter our country shall lay stress on and promote an epoch-making development of

- a) the precision tool, machine tool, and munition industries.

The other heavy industries, chemical and mining industries shall be developed within our self-existent sphere according to the principle of "the right industry in the right place."

The light industries, particularly the textile industry and miscellaneous industries, shall be adjusted on a planned basis and transferred one after another to the continent, at the same time consideration shall be given to the transfer of their ownership to continental capital.

In regard to agriculture, the land system shall be reformed, management shall be reformed on a scientific basis, the security and advancement of farmers shall be promoted, the staple diet of the people shall be secured, and the farm population shall be maintained at a fixed number.

The marine products industry shall be developed more and more to maintain first place in the world as heretofore.

Forestry administration shall be unified and reformed and the rational utilization and preservation of forest resources shall be promoted.

b. Manchukuo shall strive to effect the epoch-making development of mining and electrical enterprises in particular and, in accordance with the principle of the "right industry in the right place" between Japan and Manchukuo, try to promote heavy and chemical industries, besides supplying to Japan a part of the raw materials for heavy industries. Machine and munition industries shall be developed as far as they are necessary to fill the demands of national defense.

Light industries shall be promoted to fill domestic requirements.

In regard to agriculture, Manchukuo, in view of position as the supply base of food and fodder for Japan, Manchukuo, and China and the source of special agricultural resources for the world shall develop farmlands, improve and rationalize farming technique, and drastically increase its agricultural productions.

In the development of agriculture, colonization of Japanese immigrants shall be promoted to make them the kernel of agricultural development.

Salt manufacturing, live-stock breeding, and forestry shall be promoted actively along with the foregoing.

c. China shall hereafter try its best to effect an epoch-making development of the mining and salt manufacturing industries, produce industrial raw materials on a large scale and contribute to the establishment of the basis for the economic construction of Japan and Manchukuo. At the same time China shall construct a number of the heavy and chemical

industries, in accordance with the principle of the "right industry at the right place", thereby reinforcing Japan and Manchukuo's industries.

In respect to light industries, mutual adjustment shall be made in accordance with the stages of the development of the industries in Japan and their development fostered principally through native capital.

As to agriculture, special efforts shall be made to perfect the basic facilities to improve and rationalize agricultural management in order to secure the staple diet of the people and also increase the production of cotton and other basic products.

2). Labor.

In view of the importance of the people's labor and the position of the productive nature of technology in the national defense economy, a drastic reform shall be made in the structure of labor technique. At the same time a labor plan for Japan, Manchukuo and China shall be established and a geographical control and redistribution made on the basis of inter-racial cooperation.

a) Japan shall establish a new system of labor technique, and try to train the workers' mind and body, promote scientific education, increase the productivity of labor and train technicians and skilled workers. At the same time guidance and assistance shall be given for the economic construction of Manchukuo and China.

b) Japan will provide Manchukuo with technical experts and skilled workers necessary to develop her industries, besides establishing a system for their training in Manchukuo itself. The colonization of Japanese and Koreans on a planned basis shall be promoted. As to common laborers, the immigration into Manchukuo of laborers from North China on a planned basis shall be promoted, besides the adoption of measures for supplementing laborers from within the country. Efforts shall be made to effect reforms in labor management in the mining and manufacturing industries especially.

c) China shall obtain from Japan technical experts and skilled workers necessary for her industrial development and economic rehabilitation, besides making efforts to train them in her own country.

As to general laborers, measures for their stabilization and advancement shall be adopted. At the same time laborers necessary for the industrial development of Manchukuo shall be supplied.

3. Finance.

For the attainment of a national defense economy a change in financial ideology shall be effected so as to aim principally at making

it possible to secure both the quality and quantity of materials necessary to the state, instead of placing the basis of finance merely on the certainty of withdrawal/of money/ from circulation.

a) According to the industrial plan for Japan, Manchukuo and China, a financial plan to enable its enforcement shall be established, and a financial machinery for carrying it out shall be perfected.

b) In view of the necessity for the conversion of the facilities of many enterprises consequent upon the progress of technology and the division of industries and also in order to cope with the systematic joint storage of defense materials, the financial system shall be perfected.

c) Funds shall, as a rule, be obtained from the savings of the three nations. For this purpose, measures shall be adopted to promote increased savings and their employment in each country. However, for the time being, the funds for the repletion of defense productive power shall be supplied by Japan. Moreover, in so far as it is not contrary to the purpose of establishing the Greater East Asia Co-Prosperity Sphere, measures shall be adopted to promote the use of foreign capital.

d) As to foreign exchange, the aim of control shall be to ensure the acquisition of defense materials from abroad, instead of placing emphasis merely on the economization of foreign payments. Measures shall be taken to utilize foreign exchange funds jointly between Japan and Manchukuo and also as comprehensively as possible in regard to China too. Furthermore, measures shall be adopted to make Japan the center of finance and settlements for the Greater East Asia Co-Prosperity Sphere.

e) Japan, Manchukuo, and China shall cooperate with each other for making the ^{necessary} international settlements and strengthen the mutual relationship of the economy of the three countries.

f) In regard to the monetary system of China, Japan shall maintain, as a rule, its leadership and take proper steps to cope with the changing situations.

4. Trade.

The past ideology of commercial trade shall be changed, a trade policy based on the principle of productive economy embracing the Greater East Asia Co-Prosperity Sphere, with Japan as its center, shall be established, and its position in world economy secured.

a) A smooth, certain, active, preferential interchange of mutually necessary goods between Japan, Manchukuo and China shall be fostered.

b). In the relations with third countries, or other groups, Japan, Manchukuo and China, as one body, shall establish trade of goods, country by country, or group by group, ensure the acquisition of goods necessary for the production of the three countries and distribute and adjust the goods among themselves.

c) In relations with the areas of the East Asia Co-Prosperity Sphere other than Japan, Manchukuo and China, trade agreements with the object of mutually supplying each other with the necessary goods on a preferential basis shall be concluded and guidance given to put them in a position of inseparable relationship with Japan, Manchukuo, and China.

5. Communications.

In order to foster the consolidation of the economy of Japan, Manchukuo and China, and to make it conform with the requirements of national defense, the shipping, ports and harbours and railways shall be perfected and expanded to effect an epoch-making development of the transportation and communications among the three countries. At the same time the organic coordination of overland and marine transportation facilities shall be promoted and measures adopted to effect unified control and coordination of airways, and the perfection and expansion of electric communication and radio broadcasting facilities. Moreover, an epoch-making expansion of communication facilities on the continent shall be effected.

a) Japan shall fulfil the mission of leadership in communications among Japan, Manchukuo and China, ^{and also} occupy an unquestioned superiority in the shipping of East Asia. Furthermore, she shall strive to effect an epoch-making increase of Japanese shipping in order to create world-wide developments.

b) In Manchukuo a rapid expansion of transportation and communication facilities shall be fostered from the viewpoints of national defense and fostering industrial development plans.

c) For the purpose of fostering economic rehabilitation and industrial development, China shall do her best to expand transportation and communication facilities, as well as to develop inland water transportation. As to transportation and communications in North China and Mengchiang, specially close connection shall be maintained with Japan and Manchukuo from the viewpoint of national defense, and their rapid expansion promoted.

d) In order to secure an independent position for the transportation and communication of East Asia, efforts shall be made to gradually bring foreign rights and interests under our influence.

PREAMBLE

(Draft Published in the Papers)

Japan's great policy of establishing the Greater East Asia Co-Prosperity Sphere, with the view to constructing a new world order has entered a new stage as the result of the conclusion of the Tri-Partite Pact between Japan, Germany and Italy. In order to cope with this situation, the Governments decided at the Cabinet meeting the other day on "the Outline of the Economic Construction of Japan, Manchukuo and China" as one of the basic economic policies, and also decided to consolidate the measures under this policy.

The object of the policy is to plan the epoch-making advance of the East Asia Co-Prosperity Sphere which has as its basis the development of Japan, Manchukuo and China in accordance with the new concept of economic order.

The world economy of free trade based on the free exchange of goods by each country, like the old order, is now collapsing before our eyes.

Japan's economy, too, must cast off the older system based on this old order, and effect a new organization. By this reorganization, we must make Japanese economy higher and wider and stronger than what it has been, and thereby bring about the advancement of the life of the various races of East Asia and guide them to a proper place in the world. By "higher" we mean to give a further higher productivity to the people's living power. By "wider" we mean to expand the economic sphere of mutual interdependence from Japan, Manchukuo and China to the Greater East Asia and to establish a solid co-prosperity sphere. By "stronger" we mean to reduce to the minimum the dependence of Japan's economy on foreign countries and to maintain a staying power unshakable under all adversities.

In order to make our economy thus higher, wider, and stronger, we must, with a firm will, overcome internally the agonies attendant on reforms and also eliminate whatever oppression and threats may come from external sources, by concentrating the total strength of the people, and in about ten years hence complete a new order of East Asian economy, of which Japan is the leader.

It is within this order that the economy of the various countries of East Asia, not to speak of Manchukuo and China, can expect to achieve a glorious advancement and development.

THE MAIN POINTS OF THE OUTLINE FOR THE ECONOMIC CONSTRUCTION
OF JAPAN, MANCHUKUO AND CHINA

In order to establish a new order in East Asia, and fulfil concretely Japan's mission to secure eternal peace in the world, it is necessary to push forward in comprehensive unity the process of reorganizing the internal structure and the process of expanding and organizing our living sphere. It follows that the basic economic policies of Japan must be built on the ^{comprehensive} planning of the following big three processes:

- 1) The completion of the reorganization of national economy
- 2) The organization and strengthening of the economy of Japan, Manchukuo and China.
- 3) The expansion and organization of the Great East Asia Co-Prosperity Sphere.

Basic policies

1. The aim of the economic construction of Japan, Manchukuo and China is generally to establish a self-sufficient economy of the three countries combined during the next ten years and also to promote the construction of the Greater East Asia Co-Prosperity Sphere, thereby strengthening and establishing the position of East Asia in the world economy.

2. Japan's guiding spirit concerning the economic construction of Japan, Manchukuo and China is to promote the co-existence and co-prosperity and the general welfare of the three countries by their unified cooperation based on the great spirit of "hakko ichiu."

3. In order to promote the economic construction of Japan, Manchukuo and China, Japan shall exalt the people's morale, reform the internal structure, increase the national strength, and lend assistance for the economic construction of Manchukuo and China. For these purposes, Japan shall especially promote an epoch-making development of science and technology and the development of pioneering industries.

4. Manchukuo, which has an inseparable relation with Japan, is expected to rapidly perfect and develop important basic industries.

5. China is expected to cooperate with Japan and Manchukuo, to develop her resources, rehabilitate her economy, especially promoting the development of communications, smooth exchange of goods, and the development of important industries and resources, and to contribute

to the establishment of the East Asia Co-Prosperity Sphere.

6. In order to adjust and promote the planning of a comprehensive economic construction of Japan, Manchukuo and China, the machinery for the comprehensive economic planning for Japan, Manchukuo and China shall be perfected.

As Japan, Manchukuo and China constitute the basic trunk of the East Asia Co-Prosperity Sphere, they have the duty of regulating their economic relations on the basis of a very close combination. It was from this point of view that the Government decided the basic policies on industrial distribution, labor, finance, trade and communications of Japan, Manchukuo and China.

Industrial distribution:

In deciding industrial distribution, it is important to make comprehensive decisions by taking Japan, Manchukuo and China as a truly organic unified body, with due consideration for the economic and geographical conditions and the stage of economic development of each of the three countries involved.

It is important for Japan to promote hereafter an epoch-making development of the high precision and machine industry and also to develop extensively the basic industries such as heavy, chemical and mineral industries.

In Manchukuo the mining and electric industries are expected to make epoch-making developments, while Japan will lend necessary assistance for the development of the heavy and chemical industries. In China a large production of industrial raw materials through the development of mining and salt manufacturing industries is expected hereafter. The development of heavy and chemical industries is also expected hereafter since there is room for such a development from the viewpoint of geographical and economic conditions.

The need for greatly fostering the development of light industries on the continent is recognized. There is also need to consider the gradual readjustment and the transfer to the continent of the light industries of Japan, especially the textile and miscellaneous industries.

As to Japanese agriculture, it is intended to improve the various land systems, reform management, promote the stabilization and advancement of farmers, and to secure the people's main diet, as well as to maintain the farm population at a certain fixed figure. As to the marine products industry, its further development shall be fostered. The rational utilization and preservation of forest resources shall be also fostered.

In view of the fact that Manchukuo is the food and fodder supply base for Japan, Manchukuo, and China and also the world's source of supply for special agricultural products, a drastic increase of agricultural production in Manchukuo is expected. Moreover, in developing agriculture, the colonization of Japanese agricultural pioneers shall be promoted. In Chinese agriculture it is necessary to make efforts to secure the staple diet of the people and to increase the production of cotton and other staple products.

Labor.

In order to secure a superior position in world economy, the position of the people's labor and technique becomes more and more important. For this purpose it is necessary to effect a great reform in the Japanese labor and technical systems. In order to maintain also the superior position of the East Asia Co-Prosperty Sphere in world economy, each country and each area must consider how to contribute its labour power to the advancement of the whole sphere.

For this purpose, Japan intends to arrange new labour and technical systems, try hard to build up the mental and physical welfare of the laborers, make scientific education universal, increase the productive efficiency of labour, and to train technicians and skilled workers, and attain the object of lending necessary assistance for the economic construction of Manchukuo and China.

That is, Japan will offer to Manchukuo and China good technical experts and skilled workers necessary for industrial development and economic rehabilitation. In view of the importance of technology it is of course necessary for the two countries to train technicians and skilled workers themselves. It is thought necessary for Manchukuo to promote the immigration and settlement of laborers from North China on a planned basis, as well as to adopt measures for supplementing labor from within the country and try to reform labor management in the mining and manufacturing industries.

Finance.

In order to promote the construction of a national defense economy, the function of finance, too, naturally must have a national object, which is to make possible the acquisition of both the quality and quantity of goods required by the country. In order to make possible the enforcement of an industrial plan for Japan, Manchukuo and China, it is necessary to possess a financial organ capable of deciding the distribution of funds on a planned basis and of carrying it out. It is also felt necessary to perfect a financial organization capable of coping with the conversion of industrial facilities attendant on technical progress and the establishment of industrial distributions, or capable of storing important materials.

It is a matter of course that the funds needed by Japan, Manchukuo and China must depend upon accumulated savings of the three countries.

For this purpose the three countries must adopt measures to increase savings and make active use of them.

The funds necessary for the development of important industries in Manchukuo and China shall be provided by Japan.

Along with the furtherance of the economic relations between Japan, Manchukuo and China, a relation of mutual assistance between the three countries in respect to international settlement of accounts should be established.

Trade.

As to trade in the new order of world economy, it is necessary to make considerable modifications to the purely commercial trade principle of the past. In place of this principle, it is necessary to have productive trade, that is, in order to acquire materials necessary for one's own planned production from other countries, other areas and other spheres, it is necessary to supply materials that others need. Japan, Manchukuo and China, of course, as well as the other areas of the Co-Prosperity Sphere should regulate trade under an inseparable relationship of mutual assistance. In doing so, a special payment agreement between Japan, Manchukuo, China and other areas of the Co-Prosperity Sphere becomes necessary in order to promote the exchange of goods among them.

Communications.

With the closer exchange of materials between Japan, Manchukuo, China and other areas of the Co-Prosperity Sphere, and in order to assure the security of the Co-Prosperity Sphere, it is necessary to regulate and operate the communications between the three nations on a comprehensive planned basis. For this purpose, we must foster the connection between overland and water transportation, promote a drastic increase of shipping, the control and interdependence of airways, and the perfection and expansion of electric communication facilities of the three countries.

OUTLINE FOR THE ESTABLISHMENT OF A NEW LABOR STRUCTURE

(Decided at the Cabinet Meeting of Nov. 8, 1940 /Showa 15/

In view of the fact that the completion and heightening of national labour is the basis for the completion of a high degree national defense structure and the enhancement of national productive power, it is intended to establish a new labour system for the purpose of achieving labour mobilization by enabling all workers to display their originality and ability to the fullest extent and also by promoting the training of workers and their proper distribution.

For this purpose a spirit of labour shall be established, a labour organization and combined labour organizations in the enterprise management body, which is an organic composite of capital, management and labour, shall be established and the administrative organization shall be perfected.

1). Establishment of Labor Spirit:

Labor shall embody comprehensively and completely its national character, personality and productivity as the war service activity of the people of the Empire.

Therefore, a labour spirit shall be established on the basis that labour is the people's responsibility to the country and at the same time an honour, that each and everyone should display the fullest capacity in his own position, that labour should conform to order, be obedient and display by cooperation the overall efficiency of industry, and that labour should be creative and voluntary as the manifestation of the whole personality.

2). Establishment of a labour system in each operative unit.

The labour system in each operative unit shall be organized in accordance with the following main points:

a. All the workers belonging to the operative body shall be organized as a special corporate organization with the enterprise operator as the leader.

b. The component members shall display the highest degree of productivity by cooperating as a single body according to the functions of each. Moreover, with the object of establishing labour spirit, promoting the workers welfare and cultivating

the foundation of labour, they shall undertake enterprises necessary for achieving these objectives.

c. An organ will be established for making the will of the higher authorities known to the lower ranks and vice versa in respect to improving production, promoting welfare and other matters on labour, and also the necessary organs for making special studies of these matters and fostering their application.

d. If it is not proper to set up this type of organization in medium or minor operative bodies, a single labor organization shall be formed comprising all the workers within a specified district or those employed by operators engaged in the same line of business in a specified district.

e. This labor organization shall be set up not only in manufacturing mining and transportation industries but also in commercial and other industries so as to cover all industries as far as possible.

3). Establishment of Combined Labor Organizations.

Combined labor organizations shall be set up according to the following main points:

a. A combined national labour organization shall be organized by the various unit labour organizations throughout the country. A combined local labor organization shall be organized by the various unit labor organizations within a certain area.

The combined local labor organization may set up branches in various parts of the district, if necessary.

In the case of those engaged in ocean transportation, a labour organization shall be organized in accordance with the actual circumstances and admitted into membership of the national labour organization.

b. The combined labour organization shall be a special public corporate organization charged with the guidance and supervision of the unit labour organizations and the subordinate combined labour organizations.

c. National and local combined labor organizations and their local branches shall, if necessary, establish national committees, according to different types of industry as organs of activity.

d. The national labour organization shall have a central headquarters to carry on, as an auxiliary organ of the Government, occupational conversion, the adjustment of the demand for and supply of labour and other labour controls, besides training leaders studying

and guiding basic studies on methods of increasing efficiency, and the all-round enforcement of welfare enterprises.

e. Combined local labor organization shall, besides correspondingly carry on enterprises in accordance with the preceding paragraph mediate disputes and conduct special youth training.

f. Sectional meetings according to different types of industry may, besides making researches, investigations, and plans for special problems concerning the industries concerned, carry on, if necessary, enterprises by establishing special accounts.

4). Relation between the combined labor organization and other organizations,

a. The various existing organizations whose objects are to make researches and investigations and give guidance concerning labour, shall be amalgamated into the combined labour organization so far as possible.

b. In the government enterprises also, labour organization shall be organized and act in concert with the combined labour organizations.

c. As to agriculture, agricultural associations shall be regarded as the agricultural labour organization, which shall have generally the following relations with the combined labour organization:

1. Labour Control shall be enforced in close cooperation according to an all-round plan.

2. In respect to matters relating to welfare and other enterprises where it is felt proper to embrace farm workers, they shall be carried out as one body.

3. Proper measures shall be taken in regard to the alternate assignment of officers and the establishment of permanent liaison organs, etc.

5. Administrative Machinery.

Labour administrative machinery shall be reformed to conform with the new labour system.

6. Overseas system.

Insofar as the conditions permit, the present outline shall be correspondingly applied in the overseas areas.

THE CONTENTS OF THE OUTLINE FOR THE ESTABLISHMENT OF
THE NEW LABOUR SYSTEM

1. Fundamental Policy.

In order to complete a national defense state and display the productive power to the highest extent a new labour system for enabling workers to display their originality and ability as one cooperative body in their respective occupations within the operative body and also for promoting the establishment of the position of labour and training and distribution on a planned basis.

For this purpose, it is necessary to establish (1) a labour spirit in a national defense state, (2) labour organization in a unit operative organization and (3) a labour control system conforming with the new national economic system, and (4) to perfect the administrative machinery.

2. Establishment of Labour Spirit in a National Defense State.

Labour in a national defense state should not be regarded as a materialistic means of the people's life. Its national character, personality, and productivity should be thoroughly realized as the service activity of the people. Therefore, labour in a national defense state should be practiced on the basis of the following spirit:

1. Labour should be the people's responsibility to the Empire and an honour for them.

2. Labour should be displayed at the highest efficiency in each individual's performance of his duties.

3. Labour should display overall efficiency by attention to order and by cooperation.

4. Labour should be creative and voluntary as the manifestation of one's whole personality.

3. Establishment of a new labour organization.

1. Labour organization in a Unit Operative Body:

A. Nature.

a. It shall be a corporate body embracing the entire personnel of the operative body under the premise of giving the actual operative body the predominant position in enterprises where capital occupied a superior position.

b. The objects of this organization shall be to foster the display of the highest degree of productivity by its members through cooperation as one body in performing their respective

duties within the operative body, and to increase their welfare and to raise and cultivate the basis of labour.

c. This organization shall be an organization of leadership superintended by leaders.

d. This organization shall be a special juridical body bearing a public character.

13. Structures:

a. Members -

The entire personnel of the operative body, including operators, technicians, office personnel, and the general laborers, shall comprise the membership of this organization.

b. Supreme leader -

The operator shall be the supreme leader of this organization.

c. Pivotal organs -

1. Cooperative council.

a. A cooperative council shall be organized according to the size of the enterprise.

b. The supreme leader shall be the chairman of the supreme cooperative council.

The members of the supreme cooperative council shall be nominated by the supreme leader. Among them about one-half shall be nominated from those recommended by the workshops.

c. The composition of lower rank cooperative council shall be organized correspondingly as above.

d. The lowest rank cooperative council shall be composed of the entire personnel.

e. The constituent membership of each cooperative council shall be from 10 to 30.

2. Pivotal body -

a. The supreme leader or a person nominated by him shall be the head of the pivotal body.

b. The supreme leader shall nominate as its constituent members capable elements from the various branches of the enterprises.

c. The following divisions shall be generally set up within the pivotal body:

Research Division, Training Division, and Welfare Division.

3. Young men's unit -

A. Young men's unit shall be organized by persons from 15 to 25 years of age.

B. The chief of the training division of the pivotal body shall serve as the director of the young men's unit.

C. Functions -

a. Labour Organization Body.

1. To carry out the enhancement of a patriotic labour spirit and other matters concerning education and training.

2. To study, plan, and put into practice matters concerning the improvement of productivity.

3. To study, plan, and foster matters concerning the perfection of all labor conditions.

4. To carry out matters concerning the welfare and culture of laborers.

5. To have matters concerning cooperation with national policies put into practice.

6. To put into practice other matters legally ordered.

b. The supreme leader.

The supreme leader shall give the highest guidance and decisions with full responsibility in regard to all matters for the improvement of productivity and the promotion of welfare.

c. Cooperative council.

1. To assist the leaders by making known to the

upper ranks the will of the lower rank, and vice versa, in regard to the improvement of productivity and the promotion of welfare based on the concentration and exaltation of the cooperative body consciousness.

2. Meetings shall be conducted in the form of round table discussions and presided over by the chairman of the council.

3. The matters for discussion shall cover all matters concerning labour such as the thorough inculcation of the patriotic labour service spirit, education and training, improvement of skill, improvement of operational process control, perfection of various labour conditions, welfare and mutual relief, and renovation of living conditions.

d. Pivotal body.

1. To assist the leaders by fostering professional researches, planning, and putting into practice of measures for improving productivity and promoting welfare, and to take charge of the business of the labour organization.

2. The matters to be performed by each division of the pivotal body are generally as follows:

a. Research Division

Improvement of skill, control of operational processes, environmental conditions surrounding work operations, prevention of poor quality goods, salaries and wages, and working hours.

b. Training Division.

The thorough inculcation of the patriotic labour spirit, training in observing rules, physical education, training, young men's unit, labour service, etc.

c. Welfare Division.

Health and sanitation, welfare and mutual relief, renovation of living conditions, home front activities, and personal affairs consultations.

c. Young men's unit.

1. To give special training for the cultivation and training of mind and body, the acquisition of skill, group discipline, etc.
2. To serve as the vanguard for bringing about the new workshop system.

D. 1). Exceptions to the Unit Labor Organization.

a. In the case of middle and small operative bodies, a single labor organization may be organized, comprising the entire operators and employees within a specified district or in the same kind of enterprises within a specified district.

b. The composition, functions, etc., of this labor organization shall be generally the same as described above.

2). Organization of Labor Control.

A. Character.

a. A labor control organization shall be the guidance of control organization for unit labor organizations or subordinate labor control organizations.

b. A labor control organization shall be a public judicial body composed of unit labor organizations as its constituent units.

c. A labor control organization shall be an organization of leaders superintended by leaders.

B. Form of organization.

a. A national labor control organization shall be organized by all of the unit labor organizations.

b. Local labor control organizations shall be organized by the unit labor organizations of a certain fixed district (prefectures as a rule).

Local labor control organizations may establish, if necessary, district labor control organs as their branches.

c. National and local labor control organizations and their district branches may, if necessary, establish sectional committees, according to the types of industry to serve as an organ of activity.

d. In regard to the marine transportation business, as exceptions, labor control organizations organized by unit labor organizations of the operative bodies or by local labor organizations (or individuals) in the case where unit labour organizations cannot be organized, shall constitute the constituent unit of the national labour control organization.

C. Organ.

a. National Labour Control Organization.

This organization shall have a central headquarters, a chief of organization, a director-general, directors, councillors and trustees. There shall be a board of directors, a board of trustees, a secretariat, and sectional committee for each industry.

In addition, a president, advisors and other officers may be installed.

1. The chief of the organization shall superintend the business of the organization. He shall be nominated by the Minister of State.
2. The director-general shall superintend the business of the central headquarters.

He shall be nominated by the chief of the organization from among the members of the political pivotal body.

3. The directors shall take charge of the business of the central headquarters.

They shall be nominated by the chief of the organization from among the executive staff of the labour organizations, government officials concerned, or men of high scholarship and experiences.

4. The councillors shall take part in the organization's business.

They shall be commissioned by the chief of the organization from among government officials concerned.

or men of high scholarship and experience.

5. The trustees shall be members of the board of trustees.

They shall be nominated by the chief of the organization from among the executive officers of the labor control organizations or the unit labor organizations.

6. The board of directors shall be composed of the chief of the organization (chairman), the director-general, and the directors, and deliberate on important matters.

7. The board of trustees shall be composed of the chief of the organization (chairman) and the trustees, and deliberate on the budget, account settlement, planning of enterprises, and other important matters.

8. The secretariat shall be divided into the following divisions and superintended by the director-general. The chiefs of the divisions shall be nominated by the chief of the organization from among the directors.

General Affairs Division
Organization Division
Labor Control Division
Research Division
Training Division
Welfare Division
Youth Division

Besides the above, a research and investigation organ shall be established and superintended by the director-general.

9. Sectional committees for shipping, commerce, mining, metal manufacturing and machine industries and for others shall be established as the occasion demands.

The sectional committees for the various types of industry shall be superintended by the director-general and each of them shall deliberate on important matters for each industry.

The members of each sectional committee shall be nominated by the chief of the organization from among the leaders of the labor organizations for each industry or government officials concerned, and persons of high scholarship and experience.

B. Local Labor Control Organizations.

The local labor control organization shall have a president, councillors, a director-general, directors and trustees. There shall be a board of directors, a board of trustees, a secretariat, and sectional committees for the various types of industry. Besides the above, other necessary office posts may be created.

1. The president shall superintend the business of the local labor control organization.

He shall be nominated by the prefectural governor (or a person holding a similar post) or by the chief of the organization on the recommendation of the prefectural governor.

2. The councillors shall take part in the business of the organization.

They shall be commissioned by the president from among the government officials concerned, or persons of high scholarship and experience.

3. The director-general and the directors shall take charge of the execution of business.

They shall be nominated by the president from among the executive officers of the unit labor organizations, government officials concerned, or persons of high scholarship and experience.

4. The trustees shall be members of the board of trustees.

They shall be nominated by the president from among the executive officers of the unit labor organizations.

5. The board of directors shall be composed of the president (chairman), the director-general, and the directors, and shall deliberate on important business affairs.

6. The board of trustees shall be composed of the president (chairman) and the trustees, and shall deliberate on the budget, account settlement, business planning, and other important matters.

7. The secretariat shall be divided into the following divisions and superintended by the director general. The chiefs of the divisions shall be nominated by the president from among the directors.

General Affairs Division
Organization Division
Labor Control Division
Research Division
Training Division
Welfare Division
Youth Division

8. Sectional committees for the various types of industry shall be established as the occasion demands.

The sectional committees shall be superintended by the president and each shall deliberate on important matters for each industry.

The members of the sectional committees shall be nominated by the president from among the executive officers of the unit labor organizations, or government officials concerned and persons of high scholarship and experience.

c) The organs of the district branches shall be generally similar to those of the local labor control organization.

D. Functions and enterprises.

a) Central headquarters:

Essential points as follows:

1. Superintendency and guidance of the subordinate control organizations and unit labor organizations.
2. Guidance for the thorough inculcation of patriotic labour spirit and the training of leaders.
3. Basic study of and guidance for the improvement of skill, control of manufacturing processes, labour management, and the training of skilled workers.
4. Planning, guiding and comprehensive execution of welfare enterprises.
5. Planning, guiding and execution of systematic activity, reorganization of occupations and counter-measures for the unemployed and those who have changed their business.

6. Labor control (control of demand and supply, and regulation of salaries and wages, etc.) as a proxy agent of the government.
7. Making reports and representations, and filing data with the government.
8. Liaison with the government, the pivotal political body, and the central economic and cultural headquarters.

b) Local labor control organizations

Apart from the following matters, essential points are in general the same as those of the central headquarters, but stress shall be laid especially on the establishment of facilities and the execution of enterprises.

1. Mediation of disputes.
2. Special training of youth.

c) District branches

Essential points are in general the same as those of the local labor control organizations, but in particular they shall carry out such joint enterprises as research committee work for technical skill, distribution of essential foodstuffs, dormitories, welfare halls, personal affairs consultation bureaus, etc. in accordance with actual conditions in the district concerned.

d) Sectional committees according to types of industry.

Essential points as follows:

1. A systematic liaison with the sectional committee for the same industry.
2. Making reports and representations and filing data concerning the branch of industry concerned.
3. Research, investigation and planning in regard to special problems of the branch of industry concerned. The sectional committees may, if necessary, establish special accounts and carry out enterprises.

e) Unification of the various organizations concerning labour.

The various existing organizations concerning labour shall be generally amalgamated with the national or local labor control organization.

f) Relation to agricultural workers

No agricultural labor organization shall be specially established. Agricultural organizations shall be regarded as agricultural labor organizations and a labour section shall be established within them.

The relation between the two organizations shall be generally as follows:

1. Labor control shall be enforced in close cooperation according to an all-round plan.
2. In respect of matters relating to welfare and other enterprises where it is felt proper to embrace farm workers, they shall be carried out as one body.
3. Proper measures shall be taken in regard to the alternate assignment of officers and the establishment of permanent liaison organs, etc.

g.) Relation to the labor organization of Government enterprises.

Labour organizations shall be also organized for the government enterprises, similar to what has been described for unit operative bodies. These organizations shall maintain close connection with the various labour control organizations and act as one body.

For this purpose, the government officials concerned shall be made officers of the labor control organization. In regard to other matters, the provisions of paragraphs (1) and (2) under the "Relation to Agricultural Organizations" shall correspondingly apply.

h.) Relation to the New Economic System.

In order to promote close connection between the new economic organizations and the labor control organizations, a permanent liaison organ shall be set up. If necessary, officers shall be assigned alternately to them both.

IV. Administrative Machinery

A) The labor administrative machinery shall be reformed so as to conform with the new labour structure.

B) A labour officer system shall be established

a) The labour officers shall exclusively exercise a part of the supervisory rights of the administrative offices in regard to permissions, authorizations and dispositions.

b) They shall be given the right of decision in settling disputes.

In this case, a consultative organ shall be established.

c) They shall be vested with the right to take part in the nomination of the officers of the unit labor organizations.

d) Assistants shall be nominated from among the officers of the labor control organizations to take charge of guidance and superintendence as assistants to the labour officers.

Outline for the establishment of
a new labour structure

(Published in the papers 8 November 1940)

Translator's note:

/The translation of this outline is omitted herefrom because it is identical with the outline on pages 35-38, decided by the cabinet on 8 November 1940.--TN/

Outline for the establishment of
a new economic structure

(Decided by the Cabinet on Dec. 7, 1940) / Showa 15/

I. Basic Policy

It is intended to establish a self-sufficient co-prosperity sphere embracing Greater East Asia, linking Japan, Manchukuo, and China, to secure an independent national defense economy based on the resources found within the sphere, and to carry out an all-round planned economy centering around important industries, with the cooperation of the government and the people, thereby coping with the current situation and contributing to the completion of a national defense state structure. It is aimed thereby to promote the completion of armaments, the stabilization of the people's life and the everlasting prosperity of the national economy.

For this purpose it is necessary to achieve the object of a high degree defense by (1) establishing an industrial structure and making enterprises, which constitute an organic unity of capital, management, and labour, effect independent management on the initiative and responsibility of the operators, as a component part of the national economy under comprehensive planning by the state, and increasing production through the display of the highest efficiency, and by guiding the national economy in accordance with the principle of "public interest first" and "service through one's own work," and making the national economy display the overall strength of the nation as an organic unity by organizing economic organizations.

In carrying out this outline, in view of the current situation, stress shall be laid on the urgent points, which shall be carried out one after another as the occasion demands, without causing decrease of production, unsatisfactory distribution of goods, or uneasiness in the minds of the people. Moreover, in conformity with the perfection of this structure, the administrative structure concerned and its business shall be reorganized.

II. Industrial structure

Production shall be maintained and increased by establishing an industrial structure and making each enterprise manage itself according to national objective and on its own initiative and responsibility.

(1) Enterprises shall be operated privately in principle. State management and management by national policy companies shall be limited to special cases.

(2) Restrictions shall be made, as the occasion demands, on the establishment, etc. of enterprises according to a certain fixed standard depending upon their nature.

(3) Enterprises may be separated or combined from the viewpoint of production planning and technique according to a certain fixed standard depending upon the nature of the enterprises.

(4) Medium and small enterprises shall be maintained and protected. If their maintenance is difficult, they shall be adjusted and unified voluntarily and assisted in making smooth transfers.

(5) Proper guidance and control shall be effected for enterprises in order to make them contribute to the increasing of national production and also to make continual development.

(a) In deciding the official prices of important materials, just profits shall be computed on the basis of moderate production costs.

(b) The growth of speculative profits and monopolistic profits which obstruct the maintenance of the national economic order shall be prevented and at the same time proper entrepreneur profits shall be recognized. Especially for those who have contributed to increasing national production, an increase of profits shall be recognized.

(c) In distributing entrepreneur profits, appropriate restrictions shall be made; but the excess profits shall be reserved in the form of government bonds, etc. and a way shall be provided for their disposal in accordance with fixed conditions after the lapse of a fixed period.

(d) Measures shall be taken to specially reward persons who have contributed to the increasing of national production by discoveries and inventions.

(e) A way shall be provided for letting the public show technical skill and the development of excellent ones shall be fostered by granting appropriate rewards as encouragement.

(f) Larger provisions for depreciations shall be made in order to facilitate the renewal of industrial equipment and to strengthen the foundations of enterprises.

(g) The expansion and development of enterprises shall be promoted on a priority basis according to their contribution to the increase of national productions.

(6) Separate considerations shall be given to the industrial structure for the management of agriculture and the marine-products industry.

III. Economic Organizations

(1) The structure of economic organizations

a) In regard to the important branches of industry, economic organizations for each kind of industry or for each kind of material, embracing those engaged in the same kind of industry or handling the same kind of materials, shall be set up, with each enterprise or association as a unit.

The basic conditions are as follows:

1. Economic organizations shall be special juridical bodies.
2. Economic organizations shall be operated under the guidance of directors approved by the government on the basis of the recommendation of those engaged in business.

b) The other industries shall be organized into organizations according to the kind of industry or into regional organizations, as the occasion demands, in a manner similar to the provisions of the preceding paragraph.

c) Overseas enterprises shall be organized into economic organizations in their respective areas in a manner similar to the provisions of the preceding paragraphs. However, in respect to those which require unified control with those of Japan proper, appropriate measures shall be provided for effecting national control.

d) For the organization of economic organizations, special attention should be given to the following matters:

1. The organization of economic organizations should be carried out step by step in the order of their importance and necessity.
2. Separate consideration should be given to enterprises which are specially necessary from a military standpoint.
3. A supreme economic organization for superintending all industries shall be established, if necessary.

II. The functions of economic organizations

a) The functions of important economic organizations are as follows:

1. As cooperative organs of the government they shall cooperate with the government in projecting important policies, assume the responsibility of drafting and carrying out plans for the enforcement of such policies, and also, if necessary, express their views to the government.

2. In carrying out the plans of the preceding paragraph they shall give guidance to the subordinate economic organizations and the enterprises belonging to them.

3. If the occasion demands, they shall investigate the practical aspects of management, such as production, distribution, etc., as well as inspect the quality of the products and also superintend the subordinate economic organizations.

4. By joint accounts and other means they shall mutually assist fellow enterprises and contribute to the development of industries.

b) The functions of other organizations are generally similar to the above.

III. Relation to the Government's superintendence and to the Imperial Rule Assistance Association.

a) The government shall guide and superintend the economic organizations.

With the perfection of the economic organizations, their management shall be made as independent as possible, the guidance and superintendence being limited to main points only.

b) The government shall cooperate with the Imperial Rule Assistance Association in order to promote the organization and development of economic organizations.

IV. Separate consideration shall be given to the organization of economic organizations concerning farming, forestry, and the marine products industries.

OUTLINE FOR THE ESTABLISHMENT OF A POPULATION POLICY

Decided by the Cabinet 22 January 1941 /Showa 16/

I. Purport.

It is the mission of the Empire to establish the East Asia Co-prosperity Sphere and promote its everlasting healthy development. In order to accomplish this mission, it is especially and urgently necessary to promote, by establishing a population policy, the rapid and permanent development of our country's population and the drastic improvement of its quality, and also effect the proper distribution of our population in order to secure Japan's leadership in East Asia.

II. Aims.

In accordance with the foregoing purport, our population policy shall aim for the time being, at obtaining a total domestic population of 100,000,000 by 1960 /SHOWA 35/ with the object of achieving the following objectives. Separate provisions shall be made for overseas population.

- 1) To maintain a continual development of population;
- 2) To surpass other countries in respect to its reproductive power and quality;
- 3) To ensure the supply of military and labour forces required by a high-degree national defense state;
- 4) To effect the proper distribution /of population/ in order to secure Japan's leadership over the various races of East Asia.

III. Policies necessary for attaining the above-mentioned aims shall be planned on the basis of aiming to establish the following conviction:

- a) To be conscious of the fact that we are a race destined for everlasting development;
- b) To reject the world outlook based on the individual and to promote the establishment and thorough inculcation of a world outlook based on the household and the race;
- c) To be conscious of pride and responsibility as the leader in the establishment and development of the East Asia Co-prosperity Sphere;
- d) To thoroughly understand that the drastic development of our domestic population constitutes the basic condition in both number and quality for the accomplishment of our country's mission.

IV. Policy for increasing population.

In order to ensure continual development, increase of population shall rest on increase in births and also on decrease in deaths.

1) Measures for increasing births.

Increase in births shall be so planned with the object of hastening the marriage age by three years during the next ten years as compared with that at present, and also increasing the average birth-rate of each couple to five children.

For this purpose, the following measures shall be taken generally:

- a) As the fundamental premise for increasing population, unsound ideas shall be eradicated, and the maintenance and strengthening of a healthy family system shall be promoted.
- b) Organizations or publicly-operated agencies, etc. shall actively recommend, mediate, and guide marriages.
- c) Marriage expenses shall be drastically reduced, and a system of lending funds for marriage expenses shall be created.
- d) In reforming the present school system, special consideration shall be given to its relation to the population policy.
- e) In girls' high schools and young women's schools, efforts shall be made to rear healthy motherhood by inculcating in the students the national mission of motherhood and thoroughly stressing education in bringing up children, health and sanitation, and technical skill.
- f) In respect to the engagement of women as employees, a policy shall be adopted to considerably restrict the employment of those who are over 20 years of age, and measures shall be taken to alleviate or improve those conditions of employment and work which obstruct marriage.
- g) Considerations shall be given to the relation between tax policy and population policy by lessening the burden of persons with large families to support, and by increasing the burden of single persons.
- h) A family allowance system with the aim of lightening the burden for medical, educational, and other family expenses, shall be established.

For this purpose, consideration shall be given for the establishment of a Family Burden Adjustment Bank (provisional name).

- i) Preferential rationing of goods to families having many children, their commendation and various other appropriate measures for their considerate treatment shall be adopted.
- j) A system for the protection of pregnant women and infants shall be established, and measures for the expansion of maternity and babies' hospitals, the distribution of sanitary materials for child delivery and other necessary measures shall be adopted.

k) Artificial birth-controls, such as contraception, abortion, etc., shall be prohibited and prevented, and venereal diseases shall be stamped out.

2) Measures for reducing deaths.

The measures for reducing deaths shall have as their immediate object the improvement of the infantile death-rate and the prevention of tuberculosis, and shall be so planned as to reduce the general death-rate by approximately about 35 per cent within twenty years from now. The measures to be taken for achieving this objective are generally as follows:

- a) A network of health guidance agencies, centering around the health bureaus, shall be established.
- b) The main emphasis for the reduction of the infant death-rate shall be placed on the reduction of deaths from diarrhoea and enteritis, pneumonia and congenital debility. For this purpose, health nurses with the object of protecting and guiding mothers and infants shall be appointed throughout cities and villages. At the same time, measures shall be taken to establish nurseries, expand rural settlement works, secure necessaries for infants, and to spread knowledge regarding the rearing of babies. Furthermore, a movement shall be conducted for the lowering of the infant death-rate.
- c) Measures shall be taken for the early discovery of tuberculosis, improvement of industrial and school sanitation, intensification of guidance for and protection for the prevention and early treatment of cases and the expansion of sanatorium facilities. At the same time, the machinery for adjusting the liaison among the various government offices shall be perfected and counter-measures for tuberculosis thoroughly established.
- d) By expansion and strengthening, the health insurance system shall be extended to the whole people, and the different treatments necessary for the prevention /of illness/ shall be given as well as medical treatment.
- e) The improvement of environmental sanitary facilities, especially the improvement of the housing of the common people, shall be fostered.
- f) In order to prevent overwork, the life of the people shall be reformed so as to provide sufficient rest.
- g) In order to improve the national nutrition, a knowledge of nutrition shall be disseminated and inculcated, the taking of nutritious foods shall be encouraged, and a collective meal supply expanded.
- h) Medical educational organs and medical treatment and preventive facilities shall be expanded. At the same time medical education shall be reformed and researches on and dissemination of preventive medicine shall be promoted.

V. Measures for improving quality.

The improvement of quality shall be planned with the object of improving the spiritual and physical qualities necessary for national defense and labour.

- a) Through the execution of the territorial plan, the composition and distribution of the population shall be rationalized. In particular, the population of the big cities shall be dispersed by evacuation.

For this purpose, measures shall be taken to disperse factories and schools to the provincial areas.

- b) In view of the present condition in which the rural villages constitute the best source of military and labour forces, the rural population of Japan proper shall be maintained at a fixed number, and measures shall be taken to secure for agriculture 40 per cent of the Japanese population in Japan, Manchukuo and China combined.
- c) With the object of giving spiritual and physical training to youths in schools, the courses of study shall be reformed, training intensified, method of education and training reformed, and the physical training facilities expanded.
- d) In view of present condition of rapid increase in the population of the cities, the physical and spiritual training of youths in the cities especially shall be intensified, so as to make them a good source of military and labour forces.
- e) In order to train the mind and body of young men, a system of making them undergo special group training on a compulsory basis for a fixed period of time shall be created.
- f) The different welfare, physical education facilities shall be increased in large numbers and a healthy, simple form of national life shall be established.
- g) Eugenics shall be disseminated, and the national eugenics law shall be strengthened and thoroughly understood.

VI. Measures for securing leadership:

The measures for securing leadership shall be planned with the aim of distributing the population of the Japanese nationals necessary for guiding the political, economic and cultural societies of the various areas throughout the East Asia Co-prosperity Sphere.

The measures to be taken for this purpose are in general as follows:

- a) According to the purpose of strengthening the inseparable relationship between Japan and Manchukuo, a certain fixed portion of the domestic population shall emigrate to Manchukuo. For this purpose, an all-round immigration plan on a larger scale than heretofore shall be established, and measures necessary for its execution by Japan and Manchukuo shall be adopted.
- b) In order to ensure also the distribution of the population of Japanese nations necessary for guiding the other areas of the East Asia Co-prosperity Sphere, an emigration plan necessary for this purpose shall be established.

VII. Perfection of data.

- 1) Statistics of the dynamic and static condition of population shall be perfected and improved.
- 2) The scope of application of the national physical strength law shall be expanded and its contents perfected. At the same time data on other matters concerning physical strength and health shall be perfected.

VIII. Perfection of the machinery

- 1) The machinery for statistics, investigations and researches on the population problem shall be perfected.
- 2) The machinery for planning, promoting, and enforcing population policies shall be perfected.

OUTLINE FOR THE ESTABLISHMENT OF A POPULATION POLICY

(Published in the papers on Jan. 22, 1941 /Showa 16/)

(Translator's Note:--)

This outline is the same as the previous outline (decided by the Cabinet on Jan. 22, 1941), except that it omits Section VI (Measures for Securing Leadership). Hence, it is omitted.

OUTLINE OF COMMUNICATIONS POLICY

(OUTLINE FOR THE ENFORCEMENT OF THE OUTLINE OF
BASIC NATIONAL POLICIES)

(Decided by the Cabinet on 14 February 1941 /Showa 15/)

This outline establishes the outline for transportation and communications, and also for atmospheric phenomena connected with them.

I. Fundamental Policy.

In view of the mission of communications as the basic factor for the establishment of the Greater East Asia Co-Prosperity Sphere, of which the firm solidarity of Japan, Manchukuo and China forms the trunk, it is resolved to establish an all-round organic communications structure for Greater East Asia with the object of completing a highly-developed national defense state structure.

1) The improvement and expansion on a planned basis of communication facilities shall be promoted, and the control of their operations shall be strengthened.

For this purpose, the improvement and consolidation of administrative machinery concerning communications shall be promoted.

2) In effecting the improvement and expansion of communications facilities, efforts shall be made to meet military requirements and to harmonize them with economic requirements.

3) Efforts shall be made to bring little by little under our influence the rights and interests of third countries concerning communications in Greater East Asia.

4) In conformity with the change in Japan's international status, efforts shall be made to secure communications between Asia and Europe.

II. Improvement and expansion of communication facilities.

The improvement and expansion of communication facilities shall be achieved according to the following policy:

1) The unbalanced condition of communications in the Greater East Asia Co-prosperity Sphere shall be adjusted and its organic inter-connection promoted. In respect to the communication facilities of Japan, Manchukuo and China, they shall be generally based on the Outline for the Economic Construction of Japan, Manchukuo and China.

Furthermore, the facilities of communication with the various areas of the Southern Region shall be improved and nothing to be desired shall be left undone in providing counter-measures for meeting the national defense requirements on the northern borders of our country.

2) The following are matters to be specially considered as improvement and expansion policy for each branch of communications:

a) Overland transportation

- 1) As to the improvement of the railways, the main thing shall be to expand the carrying capacity of the trunk lines and to remove the bottle-necks in the channels of transportation. The construction of new lines shall be limited to only urgent ones for the time being.
- 2) Rolling stock and other special railway materials shall be improved and the capacity for their production reinforced.
- 3) Efforts shall be made to improve warehouses, small-scale transport apparatus and loading installations, especially their mechanization. Measures shall be also taken to secure workers for small-scale transport.
- 4) In order to increase the capacity of overland transportation, efforts shall be made to construct, improve and pave the principal highways.
- 5) In order to increase automobile production capacity, efforts shall be made to increase the number of automobile holdings and to promote their advance overseas. Fuel arrangements and other appropriate measures necessary for increasing and maintaining the number of automobile holdings shall also be taken.

b) Marine transportation and harbors

- 1) In order to increase bottoms, ship-building capacity shall be reinforced, planned ship-building carried out, especially in promoting the improvement of cargo ships, oil tankers, and other special service ships and small-sized ships.
- 2) Marine transportation between Japan, Manchukuo and China shall be expanded and reinforced. Efforts shall also be made to expand the sea-routes and tramp steamship services to the various areas of the Southern Region and also to extend the right of navigation in other seas.
- 3) The various harbor facilities shall be improved and expanded on a priority basis according to the function of each harbor. The harbors of Japan, Manchukuo and China in particular shall be improved for mutual convenience.

- 4) In order to promote the improvement of the capacity of our harbors, efforts shall be made to improve boat-train lines and other linking water and overland services, warehouses and other storage facilities.
- 5) In the reinforcement of loading capacity at the harbors, efforts shall be made to increase the number of barges and to mechanize loading, besides securing laborers for loading work.

c) Air Transport

- 1) In view of the present state of aviation and its important military mission, a long-stride development of aviation shall be ensured and the airways connecting Japan, Manchukuo, and China shall be perfected and reinforced. Efforts shall also be made to develop airways in the various areas of the Southern Region and, furthermore, the expansion of international airways outside the Sphere shall be ensured.
- 2) The expansion of airplane production capacity shall be promoted, and efforts shall be made to increase the number of superior planes and to promote their expansion overseas.
- 3) An all-round improvement of plane preservation facilities in the various areas of the Greater East Asia Co-Prosperity Sphere shall be promoted.

d) Communications /"TSUSHIN"/

- 1) In improving electric communication facilities, the reinforcement of the basic facilities, such as the installation of cables for the main trunk lines, and the high development of communication methods, as well as the consolidation and adjustment of the different electric communication facilities, shall be promoted.
- 2) In order to establish Japan's independent communication network in Greater East Asia, efforts shall be made to complete the trunk communication cable lines between Japan, Manchukuo, and China. The improvement of communication facilities with the various areas of the Southern Region also shall be promoted. The improvement and expansion of international electric communication facilities shall be promoted in order to ensure communication connection with foreign countries.
- 3) As to broadcasting facilities, their perfection shall be promoted under organic co-operation between Japan, Manchukuo, and China. Efforts shall be made especially to expand and reinforce wire broadcasting and the facilities for broadcasting to foreign countries.

- 4) Efforts shall be made to improve technically the manufacture of communication apparatus and to expand the capacity for their production and to promote their expansion overseas.

e) Atmospheric Phenomena

In view of the present state of meteorological observation and the importance of its military mission, its long-stride development shall be promoted in order to ensure the safety of communications in East Asia and to meet military requirements.

- 3) In improving and expanding communication /"kotsu"/ facilities, nothing to be desired shall be left undone from the standpoint of air-defense.

- 4) Appropriate measures shall be adopted to promote the training and the numerical adequacy of technical experts and skilled workers for communication enterprises.

III. Control and operation of communications /"kotsu"/

In order to promote the smooth operation of the various departments of communications, and to ensure the display of its all-round efficiency, the following matters should be specially considered:

- 1) On the basis of the requirements for the consolidation as one body of the communications between Japan, Manchukuo and China, efforts shall be made to improve the liaison machinery for the communications of Japan, Manchukuo, and China, Japan being the nucleus. The liaison and unification of their management and the standardization of the communication materials and apparatus shall also be promoted.

- 2) In order to conform to the requirements of planned economy and to improve transportation efficiency, the following measures shall be generally adopted.

- a) Establishment of an appropriate freight policy.
- b) Proper distribution of function between overland transportation and marine transportation.
- c) Maintenance of close connection between transportation organs and production and distribution control organs.
- d) Adjustment and unification of the various overland transportation enterprises.

- e) Establishment of a system of intensive operation of ships and the thorough enforcement of planned distribution of ships.
- f) Comprehensive control of the different harbour enterprises.
- g) Utilization of existing installations, especially the diversion to other uses of idle installations.
- h) Improvement and rationalization of packing and wrapping.

3) In order to establish for Japan's shipping a position of leadership in the Greater East Asia Co-prosperity Sphere, the necessary unification of shipping enterprises shall be promoted, and efforts made for the improvement of marine insurance.

4) In order to maintain the leadership of communications in the Greater East Asia Co-prosperity Sphere, the following measures shall be generally adopted:

- a) Formation of a communications union comprising the various areas in one unit.
- b) Insuring the stability of wireless communications by electric wave control.
- c) Establishment of appropriate policy of communication charges.

g) Utilization of existing installations, especially the diversion to other uses of idle installations.

h) Improvement and rationalization of packing and wrapping.

3) In order to establish for Japan's shipping a position of leadership in the Greater East Asia Co-prosperity Sphere, the necessary unification of shipping enterprises shall be promoted, and efforts made for the improvement of marine insurance.

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OUTLINE OF COMMUNICATIONS POLICY

(OUTLINE FOR THE ENFORCEMENT OF THE OUTLINE OF BASIC
NATIONAL POLICIES)

(Published in the Papers on 14 February 1941 /SHOWA 16/)

(Translator's Note:--Identical to the preceding
Outline decided by the Cabinet on the same day,
except for the omission of the following paragraphs:)

a) Item 2 under Section I (Fundamental Policy) reading:

"In effecting the improvement and expansion of communications facilities efforts shall be made to meet military requirements and to harmonize them with economic requirements."

b) Item 3 under Section I (Fundamental Policy), reading:

"Efforts shall be made to bring under our influence the rights and interests of third countries concerning communications in Greater East Asia."

c) Item 4 under Section I (Fundamental Policy), reading:

"In conformity with the change in Japan's international status, efforts shall be made to secure communications between Asia and Europe."

d) Second half of the second paragraph of Item 1 under Section II (Improvement and expansion of communications facilities), reading:

".....and nothing to be desired shall be left undone in providing counter-measures for meeting national defense requirements on the northern borders of our country."

ON THE ESTABLISHMENT OF A JOINT ECONOMIC COUNCIL
FOR JAPAN, MANCHUKUO AND CHINA

(Decided by the Cabinet on 25 February 1941 /SHOWA 16/)

Previously the Government, in the Outline of Fundamental National Policies, laid down as a national policy the establishment of a self-sufficient economy for Japan, linking Japan, Manchukuo and China together and embracing Greater East Asia, and with this as the basis, decided the Outline for the Economic Construction of Japan, Manchukuo and China. In order to foster the practical application of this outline and to carry out a comprehensive plan for Japan, Manchukuo and China based on it, a Joint Economic Council for Japan, Manchukuo and China shall be established as a provisional measure according to the following main points:

Main Points:

- 1) This Council shall deliberate on an all-round plan for Japan, Manchukuo and China based on the Outline for the Economic Construction of Japan, Manchukuo and China.
- 2) This Council shall be established in the Cabinet and shall in practice constitute the deliberative organ with Japan as its center.
- 3) The President of the Planning Board shall be the President of the Council. The members of the Council shall consist of the Vice-President of the Planning Board, Vice-Director of the Manchurian Affairs Bureau, the Chief of the Political Affairs Division of the Asia Development Board /Ko-A-In/ the Vice-ministers of the various ministries concerned, and Manchukuoan officials concerned.
- 4) The secretaries shall consist of the higher civil service officials of the various offices concerned and the Manchukuoan officials concerned.
Sectional committees shall be created in the Board of Secretaries.
Temporary secretaries for the sectional committees may be appointed as the occasion demands.
- 5) A secretariat shall be established in this Council and located in the Planning Board.
The secretariat shall consist of the staff officials despatched from each government office concerned (Planning Board, Manchurian Affairs Bureau, Asia Development Board, Army and Navy and Manchukuo).
- 6) Matters decided by this Council shall be transferred to the respective competent authorities concerned according to their sequence to be put into practice by them.

Remarks:

1) The appointment of Manchukuoan officials shall be made by Manchukuo after consultation with Japan.

2) The officials connected with the local army and other local quarters may attend and express their views at the Council, Board of Secretaries, and sectional committees.

Important matters under the jurisdiction of the secretariat shall be as follows:

1) Matters concerning the establishment of economic development plans for Japan, Manchukuo and China combined.

2) Matters concerning the establishment of communications plans for Japan, Manchukuo and China combined.

3) Matters concerning the formulation of the policies for establishing plans year by year for materials, labor, capital, funds, trade, communications, etc. for Japan, Manchukuo and China combined.

4) Matters concerning liaison and adjustment of urgent matters necessary for the economic cooperation between Japan, Manchukuo and China.

5) Matters concerning reporting and giving information on the progress of economic construction of Japan, Manchukuo and China.

ON THE ESTABLISHMENT OF A JOINT ECONOMIC COUNCIL
FOR JAPAN, MANCHUKUO AND CHINA

(Published in the Papers)

Previously the Government, in the outline of fundamental national policies, laid down as a national policy, the establishment of a self-sufficient economy for Japan linking Japan, Manchukuo and China and embracing Greater East Asia, and on this basis decided the Outline for the Economic Construction of Japan, Manchukuo and China. In order to foster the practical application of this outline and to carry out a comprehensive plan for Japan, Manchukuo and China based on it, a Joint Economic Council for Japan, Manchukuo and China shall be established as a provisional measure according to the following main points:

Main Points:

1) This Council shall promote adjustment and liaison for the economic construction of Japan, Manchukuo and China based on the Outline for the Economic Construction of Japan, Manchukuo and China.

2) This Council shall be for practical purposes the deliberative organ established in the Cabinet.

3) The President of the Planning Board shall be the President of the Council. The council members shall consist of the Vice-chief and Vice-Minist of the various offices concerned.

4) The secretaries shall consist of the high civil service officials of the various offices concerned.

Sectional committees shall be created in the Board of Secretaries.

Temporary secretaries for the sectional committees may be appointed as the occasion demands.

5) A secretariat shall be established in this Council and located in the Planning Board.

The secretariat shall consist of the staff officials despatched from each government office concerned (Planning Board, Manchurian Affairs Bureau, Asia Development Board, Army and Navy and Manchukuo).

C E R T I F I C A T E

W.D.C. No. _____
 I.P.S. No. 1570

Statement of Source and Authenticity

I, Takehiko Okada hereby certify that I am officially connected with the Japanese Government in the following capacity: former Chief Secretary (present Chief of Industrial Policy Section) and that as such official I have custody of the document hereto attached consisting of 94 pages, dated April, 1941, and described as follows: "Fundamental State Policy" a pamphlet published by the Planning Board. I further certify that the attached record and document is an official document of the Japanese Government, and that it is part of the official archives and files of the following named ministry or department (specifying also the file number or citation, if any, or any other official designation of the regular location of the document in the archives or files): Commerce and Industry Ministry.

Signed at Tokyo on this
18 day of October, 1946

/s/ Takehiko Okada
 Signature of Official

SEAL

Witness: /s/ Yoshikatsu Natani Chief of Industrial Policy
Official Capacity Section

Statement of Official Procurement

I, Henry Shimojima, hereby certify that I am associated with the General Headquarters of the Supreme Commander for the Allied Powers, and that the above certification was obtained by me from the above signed official of the Japanese Government in the conduct of my official business.

Signed at Tokyo on this
18th day of Oct., 1946

/s/ Henry Shimojima
 NAME

Witness: /s/ Sgt. T. Toguchi

Investigator, IPS
Official Capacity

CHARGE OUT SLIP

OCT 21 1946

OCT 18 1946

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as Exhibit # 865*

INTERNATIONAL PROSECUTION SECTION

Doc. No. 570

Date 1 May 46

ANALYSIS OF DOCUMENTARY EVIDENCE

DESCRIPTION OF ATTACHED DOCUMENT.

Title and Nature: Pamphlet "Fundamental State Policy"
published by the Planning Board

Date: Apr. 41 Original Copy Language: Japanese

Has it been translated? Yes No
Has it been photostated? Yes No

LOCATION OF ORIGINAL (also WITNESS if applicable) as of _____:
Document Division

SOURCE OF ORIGINAL: Commerce and Industry Ministry

PERSONS IMPLICATED:

HOSHINO, Naoki; ~~Saito, Tetsuo~~

CRIMES TO WHICH DOCUMENT APPLICABLE:

Preparation for aggressive warfare

SUMMARY OF RELEVANT POINTS (with page references):

This policy decided by Cabinet 26 July 40, published
in newspapers Aug. 40, and printed in pamphlet form
Apr. 41. Outline of policy follows:

A. Fundamental State Policy

I Main objective

1. To strengthen union of Japan, Manchuria, China with
object of promoting universal brotherhood and maintaining
world peace.

II Specific objectives and methods of attainment

1. National defense and diplomacy.
 - a. To accomplish total war by exerting whole
strength and increasing armament.
 - b. Establish order in Greater East Asia; solve China

Analyst 2d. Lt. Blumbagen

Doc. No.

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Incident.

2. Inland reform.
 - a. Enlighten people re ideas of national policy.
 - b. Reform system of government.
 - c. Establish economic independence of Japan, Manchuria, China.
 - d. Guide physical and intellectual culture.
3. Plan according to areas (Decided by Cabinet 24 Sept 40)
 - a. Japan, Manchuria, China
 - 1) Plan synthetic utilization and development of countries.
 - 2) Careful study of distribution of men and institutions.
 - b. Central plan should be made after separate plans for 3 countries are consolidated.
 - c. Research and study should be carried on with view of strengthening power and effort of fighting.
 - d. Economic plan should be directed toward exploiting and consolidating resources.
4. "Setting Up Plan According to Areas," lecture by HOSHINO, NAOKI, President of Planning Board, 24 Sept 40.
 - a. Must be divided into two types.
 - 1) Promote state system for intensification of national defense.
 - 2) Formulate policy re national territory
5. Economic establishment of Three Countries (Decided by Cabinet, 3 Oct. 40)
 - a. Manchuria to plan establishment of economic independence but this to be similar to and indivisible from that of Japan.
 - b. China should cooperate with Japan and Manchuria in exploitation of natural resources and improvement of transportation.
6. New labor system (Decided by Cabinet 8 Nov. 40)
7. New economic system (Decided by Cabinet 7 Dec. 40)
 - a. Japan, Manchuria, China should be one economically independent unit including also countries of Greater East Asia cooperating together.
 - b. Spirit of "public service first" and of "service at one's own workshop" should be taught.
 - c. Enterprises should be as a rule, private, but

officially controlled.

d. All enterprises aimed toward increasing national fighting strength.

8. Population policy (Decided by Cabinet 22 Jan. 41)

a. Moral education should be given to awaken people to realization of their superiority of race and to instill pride in being leaders in East Asia.

b. People should be instilled with viewpoint that service to state comes first.

9. Transportation Policy (Decided by Cabinet 14 Feb. 41)

a. Transportation rights and interests of third parties in cooperative spheres of Greater East Asia should be put under Japanese influence.

b. Transportation strength of Japan, Manchuria, China by water should be intensified, and new lines to the south developed.

c. Intensification of air and land transport should be done.

10. Japanese-Chinese-Manchurian Economic Committee (Decided 25 Feb. 41 by Cabinet)

a. Committee organized for purpose of studying and planning economic construction of three countries.

1) President of Planning Board to be chairman.

2) High officials of offices concerned and Manchurian officials concerned to be made commissioners.

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Taizo HASEGAWA

Secret

April of 1941.

The Fundamental State Policy

Planning Board

Decided by the Cabinet on Jul. 26, 1940

Published in the papers on ~~July~~ Aug. 1, 1940

The Fundamental State Policy.

o Fundamental Measures:

dv With the object of promoting the universal brotherhood and of maintaining the peace of the world, we should make the union of Japan, Manchuria and China more tenacious.

o National defense and diplomacy:

dv x To accomplish our total war, we should put forth our whole strength and increase armaments.

Diplomatically, with the view of the prosperity of the country, we should establish the orders in the Greater East Asia and solve the China Incident.

o Inland Reform:

For educating the people we should enlighten people the idea of ^{the national} polity.

The system of government should be reformed.

The economic independence of Japan, Manchuria and China should be established.

The people should be physically and intellectually cultured.

(P. 1-7)

o The Plan according to the areas: (Planning of Interiors)
decided by the Cabinet on Sept. 24, 1940.

o The Plans by Japan, Manchuria and China:

The synthetic utilization and development of the countries should be planned. The distribution of men and the institution should be studied rationally.

o The Plan of the Center:

The central plan should be made after the separate plans of the three countries are brought together.

o The Research and the Study:

The research and the study should be carried on with the view to promote the synthetic strength of fighting.

o The Economic Plan:

The economic plan should be made with the view of exploiting and holding the resource.

(p. 9-13)

Setting up the Plan according (Planning of Internals) to the Areas

Lecture by the President of the Planning Board

Naoki HOSHINO.

Published in the papers on Sept. 24, 1940.

Our plans must be divided into two kinds: one for the purpose of promoting the state system ~~of~~ for the intense national defense and the other for the purpose of setting up the ~~policy~~ policy relating our national territory. Anyway, we should cooperate with Manchuria and China to set up these ^{large} ~~big~~ scaled plans. (p. 14)

Economic Establishment of the Three Countries

Decided by the Cabinet on Oct. 3, 1940

o Manchuria should plan to establish her economic independence, but she should be one with, and indivisible from, Japan.

o China should cooperate with Japan and Manchuria to exploit her natural resources and ^{to} improve her transportation.

(p. 17-24)

(The preamble) to be published in the papers.

Free trade is not a suitable policy for the present. We should first improve our producing capacity, and then we can elevate the standard of living in the whole cooperative sphere. We extend the area where people depend economically on Japan. Japan, Manchuria, and China undertake respectively their own industries, and should unite together.

(p. 25)

New Labor System.

Decided by the Cabinet Meeting
on Nov. 8, 1940.

The creation of the labor spirit and the establishment of the labor system and the union ^{of labor} are emphasized.

(p. 35 - 38)

More details

The creation of the labor spirit in the defended ~~is~~ state, the establishment of the labor system in the unit administration, the establishment of the system of controlled labor which is suited for the new economic system and the regulation of the administration are regulated.

^{for} As the labor system in the unit administration, the explanation was given of the supreme leader and of the central organization. The central organization consists of the joint ~~conference~~ ^{committee}, the central secretariat and the young men's corps. There are in the central secretariat, the department of study, department of discipline and that of welfare.

(p. 39 - 57)

New Economic System

Decided by the Cabinet Meeting

on Dec. 7, 1940

Japan, Manchuria and China should be made one economic unit and one economically independent ~~one~~ unit which includes the countries of the Greater East Asia, cooperating one another, should be made. The spirit of "public service first" and of "service at one's own workshop" should be taught.

159 Enterprises should be, as a rule, private, but officially controlled. All enterprises should aim at the increase of the national fighting strength. (p. 59-63)

Population Policy

Decided by the Cabinet Meeting on Jan. 22, 1941.

For the purpose of establishing the Greater East Asia and of securing the fighting strength (human), we should think of the development of peoples. For this purpose, ~~the intellectual~~ moral education should be given. All the people should be awakened to their superiority of race and take pride in being the leaders of the East Asia. Moreover, ~~their outlook on life~~

they should take a new view of life from the standpoint
of the state, ^{service} instead of from that of the self-seeking. (p. 65-76)

Transportation Policy

Decided by the Cabinet Meeting on Feb. 14, 1941.

The policy of establishing a new transportation system with the view to unite Japan, Manchuria and China and to establish the Greater East Asia should be carried on. The rights and interests of the ~~the~~ third parties in the cooperative spheres of the Greater East Asia should be put under the influence of Japan. The transportation on land, by water, and air transport are explicated. For the transportation by water, the transportation strength of the three countries should be intensified and new lines should be opened for the South. For the air transport ^{new} ~~new~~ activities should be taken. (p. 79-89)

Japano-Chino-Manchurian Economic Committee ~~Conference~~

Decided on Feb. 25, 1941

by the Cabinet Meeting.

This ^{Committee} ~~conference~~ is organized in the cabinet for considering the synthetic plan of the economic construction of the three countries. The president of the Planning Board ~~is~~ is appointed the chairman. Some high officials of the offices concerned and Manchurian officials concerned are appointed commissioners. (P. 91-94)

INTERNATIONAL PROSECUTION SECTION

Doc. No. 1570

8 May 1946

ANALYSIS OF DOCUMENTARY EVIDENCE

DESCRIPTION OF ATTACHED DOCUMENT.

Title and Nature: Pamphlet "Fundamental State Policy" published by the Planning Board

Date: Apr. 41 Original (x) Copy () Language: Japanese

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PERSONS IMPLICATED: HOSHINO, Naoki

CRIMES TO WHICH DOCUMENT APPLICABLE: Preparation for aggressive warfare.

SUMMARY OF RELEVANT POINTS (with page references):

This policy printed in pamphlet form April, 1941, Outline of policy follows:

A. Fundamental State Policy

I. Main objective

1. To strengthen union of Japan, Manchuria, China with object of promoting unification of the world under the benevolence of the Emperor to obtain world peace.

II. Specific objectives and methods of attainment

1. National defense and diplomacy.

a. To accomplish total war by exerting whole strength and increasing armament.

b. Establish order in Greater East Asia; solve China Incident.

2. Inland reform

a. Enlighten people re ideas of national policy

b. Reform system of government

c. Establish economic independence of Japan

Manchuria, China.

Doc. No. 1570

Page 1

- 24 Sept 40)
- d. Guide physical and intellectual culture.
 3. Plan according to areas (Decided by Cabinet 24 Sept 40)
 - a. Japan, Manchuria, China
 - 1) Plan synthetic utilization and development of countries.
 - 2) Careful study of distribution of men and institutions.
 - b. Central plan should be made after separate plans for 3 countries are consolidated.
 - c. Research and study should be carried on with view of strengthening power and effort of fighting.
 - d. Economic plan should be directed toward exploiting and consolidating resources.
 4. "Setting Up Plan According to Areas," lecture by HOSHINO, Naoki, President of Planning Board, 24 Sept 40.
 - a. Must be divided into two types.
 - 1) Promote state system for intensification of national defense.
 - 2) Formulate policy re national territory (Decided by Cabinet, 3 Oct 40)
 5. Economic establishment of Three Countries (Decided by Cabinet, 3 Oct 40)
 - a. Manchuria to plan establishment of economic independence but this to be similar to and indivisible from that of Japan.
 - b. China should cooperate with Japan and Manchuria in exploitation of natural resources and improvement of transportation.
 6. New labor system (Decided by Cabinet 8 Nov 40.)
 7. New economic system (Decided by Cabinet 7 Dec 40)
 - a. Japan, Manchuria, China should be one economically independent unit including also countries of Greater East Asia cooperating together.
 - b. Spirit of "public service first" and of "service at one's own workshop" should be taught.
 - c. Enterprises should be as a rule, private, but officially controlled.
 - d. All enterprises aimed toward increasing national fighting strength.
 8. Population policy (Decided by Cabinet 22 Jan 41)
 - a. Moral education should be given to awaken people to realization of their superiority of race and to instill pride in being leaders in East Asia.
 - b. People should be instilled with viewpoint that service to state comes first.

9. Transportation Policy (Decided by Cabinet
14 Feb 41).

a. Transportation rights and interests of
third parties in cooperative spheres of Greater East Asia
should be put under Japanese influence.

b. Transportation strength of Japan,
Manchuria, China by water should be intensified, and new
lines to the south developed.

c. Intensification of air and land transport
should be done.

10. Japan-Chinese-Manchurian Economic Committee
(Decided 25 Feb. 41 by Cabinet)

a. Committee organized for purpose of
studying and planning economic construction of three
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1) President of Planning Board to be
chairman.

2) High officials of offices concerned
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**OUTLINE OF
FUNDAMENTAL NATIONAL POLICIES**

Planning Board

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CONTENTS

1. Outline of Fundamental National Policies.
(Decided by the Cabinet on July 26, 1940 /showa 15/
Outline of Fundamental National Policies
(Published in the newspapers on August 1, 1940 /showa 15/
2. Outline for the establishment of territorial planning.
(Decided by the Cabinet on September 24, 1940 /showa 15/
On setting up the territorial plan (Published in the papers on
September 24, 1940 /showa 15/ /areas/.
3. Outline for the Economic construction of Japan, Manchukuo and China.
(Decided by the Cabinet on November 8, 1940/Showa 15/
Outline for the Economic Construction of Japan, Manchukuo and
China (published in the papers)
4. Outline for the establishment of a new labor structure.
(Decided by the Cabinet on November 8, 1940 /showa 15/
Outline for the establishment of a new labor structure
(Published in the papers on November 8, 1940 /showa 15/
5. Outline for the establishment of a new economic structure
(Decided by the Cabinet on December 7, 1940 /showa 15/
6. Outline for the establishment of a population policy
(Decided by the Cabinet on January 22, 1941 /showa 16/
Outline for the establishment of a population policy
(Published in the papers on January 22, 1941 /showa 16/
7. Outline of Communications Policy
(Decided by the Cabinet on February 14, 1941 /showa 16/
outline of Communications Policy
(Published in the papers on February 14, 1941 /showa 16/
8. Joint Economic Council for Japan, Manchukuo and China
(Decided by the Cabinet on February 25, 1941 /showa 16/
Joint Economic Council for Japan, Manchukuo and China
(Published in the papers, on February 25, 1941 /showa 16/

**Fundamental State Policy Decided by the Cabinet
July 26, 1940 /Showa 15/**

The world now faces a great historic turning point. It is about to see new politics, new economics, and a new culture created and perfected on the basis of the creation and development of several groups of nations. Our Empire also faces a great trial unprecedented in her history. At this time, if we truly intend to push through the national policy of our Empire based on the lofty spirit that founded the nation, it is urgently necessary that we grasp the essential tendencies of world development; fundamentally reform all our policies; surmount all obstacles and make every effort to achieve the perfection of our national defense system. Accordingly the essence of fundamental state policy has been decided as follows:

The Fundamental State Policy

1). Fundamental Measures.

The fundamental policy of our Empire lies in bringing about the establishment of exalted world peace based upon the spirit that founded our Empire, that is to say, the spirit of "Hakko-ichiu." First of all it lies in the construction of a new order in Greater East Asia founded upon a strong union between Japan, Manchuria and China with Japan as the nucleus.

To achieve this purpose, our Empire must speedily build up a strong national structure suitable for meeting any new situations and the nation will make every effort to realize this state policy with its total strength.

2). National Defense and Diplomacy.

In view of the new situations at home and abroad, our military preparations will be completed by the best efforts of the nation, on the basis of a nation-wide demonstration of the national defense structure.

The present foreign policy of our Empire is aimed at the construction of a new order in Greater East Asia, with the primary stress laid in ending the China Affair. It is hoped that our national fortunes will be advanced by the changing international situation and by execution of constructive and elastic policies.

3). Reforming our Internal Structure

The urgent task of our internal administration lies in reshaping our various policies to conform with the essential character of our

national structure and in building up the foundations of a national defense system. To achieve this purpose we hope for the realization of the following:

- A. Our system of education will be changed so that teaching will be infused with the essential character of our national structure, and, at the same time, we reckon on doing away with egoistic and utilitarian ideas and establishing national morals which place prime emphasis on service to the state. Furthermore, we reckon on promoting the scientific spirit.
- B. We calculate on establishing a new and strong political structure, and bringing about a general unification of national politics.
- a. Establishment of a new national organization by which officials and civilians will cooperate and be united in service to the state through their respective offices.
 - b. Reformation of the Diet system in accordance with the new political structure.
 - c. Fundamental reformation of administrative execution. Setting up a new government system aimed at speed and coordination.
- C. Construction of the foundations of national defense economy based upon a Japan-Manchuria-China independent economy with Japan as the nucleus.
- a. Establishment of a self-sufficiency and self-supporting policy with Japan-Manchuria and China forming a bloc and embracing the Greater East Asia.
 - b. Cooperation between officials and civilians in carrying out planned economy, especially for setting up a unitary control system for controlling consumption, distribution and production of staple materials.
 - c. Setting up of a financial plan and strengthening control of money circulation aimed at general economic development.
 - d. Reforming our foreign trade policy to meet new world situation.
 - e. Setting up measures for self-support as regards daily necessities, especially foodstuffs.
 - f. Epoch-making development of important industries, especially chemical and machine industries.

- g. Epoch-making development of science and rationalization of industries.
- h. perfection and expansion of communication and transportation facilities to meet new situation.
- i. setting up territorial development plans for the general development of the national strength of Japan, Manchuria and China.

D. A long-range policy shall be established for the improvement of public health and for increasing the population which is what generated the power for the execution of national policies. A fundamental policy shall be set up to secure development of agriculture and higher living standards for the farmers.

E. Resolute steps shall be taken to rectify the inequality of sacrifices (sacrifices made by the people) made in the execution of our state policies. Welfare installations shall be thorough-going, the life of the people shall be improved, and a living standard for the people capable of withstanding ten years of hardships shall be secured.

OUTLINE OF FUNDAMENTAL NATIONAL POLICIES

(Published in the Papers on Aug. 1, 1940)

The world now faces a great historical turning point. It is about to see new politics, a new economic and a new culture created and perfected, based on the creation and development of several groups of nations. Our Empire also faces a great trial unprecedented in her history. At this time if we truly intend to push through the national policy of our Empire founded on the lofty spirit that founded the nation, it is urgently necessary that we grasp the essential tendencies of world development, fundamentally reform all our policies, surmount all obstacles and make every effort to achieve the perfection of our national defense system. Accordingly, the essence of fundamental state policy has been decided as follows:

1. Fundamental Measures.

The fundamental policy of our Empire lies in bringing about the establishment of world peace based upon the spirit of the founding of our Empire, that is to say, the spirit of "Hakko-ichiu." First of all it lies in the construction of a new order in Greater East Asia founded upon a strong union between Japan, Manchuria and China with Japan as the nucleus. To achieve this purpose, our Empire must speedily build up a strong national structure suitable for meeting any new situations, and the nation will make every effort to realize this state policy with its total strength.

2. National Defense and Diplomacy.

In view of the new situation at home and abroad, our military preparations will be completed by the best efforts of the nation, on the basis of the nation-wide demonstration of the national defense.

The present foreign policy of our Empire is aimed at the construction of a new order in Greater East Asia, with the primary stress laid in ending the China affair. It is hoped that our national fortunes will be advanced by far-sighted views of the changing international situation and by the execution of constructive and elastic policies.

3. Reforming our internal structure.

The urgent task of our internal administration lies in reshaping our numerous policies to conform with the essential character of our national structure, and in building up the foundations of a national defense system. To achieve this purpose we expect the realization of the following:

A. Our system of education will be changed so that teaching will be infused with the essential character of our national structure, and at the same time, we reckon on doing away with egoistic and utilitarian ideas, and establishing national morals which place prime emphasis on service to the state. We furthermore reckon on promoting the scientific spirit.

B. We calculate on establishing a new and strong political structure and bringing about a general unification of national politics.

a. Establishment of a new national organization by which officials and civilians will cooperate and be united in service to the state through their respective offices.

b. Setting up the Imperial Rule Assistance system to conform with the new political structure.

c. Fundamental reformation of administrative execution, setting up a New Government system aimed at speed and coordination.

C. Construction of the foundations of national defense economy based upon a Japan-Manchuria-China independent economy with Japan as the nucleus.

a. Establishment of a self-sufficiency and self-supporting policy, with Japan-Manchuria and China forming a bloc, and embracing Greater East Asia.

b. Cooperation between officials and civilians in carrying out planned economy, especially for setting up a unitary control system for controlling consumption, distribution and production of staple materials.

c. Setting up of a financial plan and strengthening control of money circulation aimed at general economic development.

d. Reforming our foreign trade policy to meet the new world situation.

e. Setting up measures for self-support in regard to daily necessities, especially foodstuffs.

f. Epoch-making development of important industries, especially chemical and machine industries.

g. Epoch-making development of science and rationalization of industries.

h. Perfection and expansion of communication and transportation facilities to meet our new situation.

i. Setting up territorial development plans for the general development of the national strength of Japan, Manchuria and China.

4. A long-range policy shall be established for the improvement of public health and for increasing the population which is what generates the power for the execution of national policies. A fundamental policy shall be set up to secure development of agriculture and higher living standards for the farmers.

5. Resolute steps shall be taken to rectify the inequality of sacrifices (made by the people) made in the execution of our state policies. Welfare installations shall be thorough-going, the life of the people shall be improved; and a living standard for the people capable of withstanding ten years of hardships shall be secured.

THE OUTLINE FOR THE ESTABLISHMENT OF TERRITORIAL PLANNING

(Decided by the Cabinet on Sept. 24, 1940/Showa 15/)

1. The motive underlying the plan.

To accomplish the holy task of constructing a new East Asia and to keep up with the progress of the times according to the ideals of the founding of our Empire, it is urgently necessary that we plan for a bold increase of our national strength upon the basis of a general administrative plan involving the various countries of East Asia. That is, with the object of strengthening the national defense structure throughout Japan, Manchukuo and China, it is sought to establish a plan for the all-round preservation, utilization and development of the national territory and to push forward on a central basis various policies in the current situation under a consistent guiding principle by establishing a system of territorial planning, geographically including Manchukuo and China also, taking into consideration the long future of the country and organizing plans for the distribution of industrial communications, cultural facilities and population on an all-round basis and in accordance with the objects in their relation to the soil.

2. The classification and the application of the plan.

a. The plan for Japan, Manchukuo and China.

This is a plan for the all-round utilization and development of the three countries of Japan, Manchukuo and China, each country being a unit and men and facilities rationally distributed among them. This plan is to be the standard for the determination of the enterprises planned on a territorial basis by each of the countries concerned. For Japan, this shall be the standard for setting up a central plan.

b. Central planning.

It is planning for the entire areas, including both the homeland and overseas. It is to be set up on the basis of the plan for Japan, Manchukuo and China. It is intended to project a plan for the all-round utilization and development of the country from a national standpoint which will enable each locality at home and abroad to display its special features.

This central plan is to be applied as a basis of the administration of the various government offices. It is to be directly carried out as the enterprise of the various government offices, besides serving as the

basis for setting up local plans for each local unit in Japan and the plans for the development of overseas areas.

3. Essentials for setting up the plan.

a. In view of the purpose of setting up this plan, the investigation, researches and drafting of plans on a territorial basis is to be always conducted progressively and on a unified basis from the standpoint of promoting the strengthening of the nation's all-round defense power.

b. The drafting of plans is to be made by setting a definite period to be aimed at with the object of promoting the establishment of the East Asia Co-prosperity Sphere, including Japan, Manchukuo, China and the Southern Regions.

c. In planning, the object should be to protect and preserve the national territory; emphasis should be laid on seeking the controlled distribution of industry and population in their organic relation to the all-round communication and motive power plans and importance should be always attached to considerations of air defense.

d. As to the plan pertaining to economics, the object is to promote the acquisition and the proper interchange and distribution of necessary materials through the development, preservation and utilization of the resources in the East Asia Co-prosperity Sphere, and to endeavor at the same time to secure a superior position in international economy.

e. As to the plan for population, the object is to promote the recruitment of population both in number and quality, and the proper distribution of the population according to geographical location and functions.

f. The basic investigations are intended to consolidate the investigations conducted by the different government offices and, with the cooperation of civilian quarter, properly arrange the relative data concerning both the homeland and overseas.

4. Principal matters to be planned.

a. The plan for the distribution of the economy of Japan, Manchukuo and China;

b. The plan for the distribution of ~~heavy~~ manufacturing and mining;

1) The plans for the distribution of heavy chemical industries according to their classification.

II) The plan for the distribution of light industries according to their classification.

III) The plan for the distribution of manufacturing districts.

IV) The plan for the development of mineral resources.

c. The plan for the distribution of agricultural, forestry, live-stock, and marine products industries.

I) The plan for agriculture

II) The plan for forestry

III) The plan for the marine products industry

d. All-round communication plan.

I) The plan for perfecting transportation and communication facilities in the homeland and overseas.

II) The plan for perfecting transportation and communication facilities in East Asia.

e. All-round plan for motive power (including fuel);

f. All-round plan for control of Natural Features and of irrigation.

g. All-round plan for population distribution.

I) Plan for the distribution of cities;

II) Plan for the distribution of population according to vocations.

III) Plan for the distribution of the population according to zones.

IV) All-round plan for emigration.

h. Plan for the distribution of cultural and welfare facilities.

i. Fundamental policy for planning for each local unit.

5. Business machinery and its operation.

a. The territorial planning shall be placed under the jurisdiction of the Prime Minister, and its business shall be handled by the

Planning Board.

b. A territorial planning committee shall be established in the Cabinet by official organization to serve as a consultative body for the projection and operation of territorial plans.

c. Each government office shall take part in the projection of the territorial plans and according to its competence shall take charge of the investigations, projection and enforcement of matters which constitute the substance of the plans.

The Prime Minister may exercise supervision over the enterprises of the various government offices in so far as such supervision is necessary for the operation of the plans. Local planning shall also be supervised by the Cabinet.

d. The various councils, investigation committees and other committees established within the various government offices shall maintain, if necessary, close liaison with the territorial planning committee. The means of maintaining liaison among them shall be considered later.

e. The liaison with Manchukuo and China concerning the plan for Japan, Manchukuo and China shall be established through the government offices concerned.

f. The enforcement of the central plan overseas shall be placed under the jurisdiction of the various overseas government offices and supervised by the Ministry of Oversea Affairs (the Manchurian Affairs Bureau in the case of the Kwantung Province).

ON THE ESTABLISHMENT OF TERRITORIAL PLANNING

(Oral Statement by Naoki HOSHINO, President of the Planning Board)

Published in the Papers on Sept. 24, 1940 /Showa 15/

In regard to the adoption of a plan for territorial development intended to develop the all-round national strength combining Japan, Manchukuo and China, the present Cabinet had previously taken the Board as the nucleus, has made studies as to the method of projecting such a plan. The matter has now been adopted by the Cabinet as the Outline for the Establishment of Territorial Planning.

Now at this historic turning point in the world, it has become an urgent need of the hour to strive to form the Greater East Asia Co-prosperity Sphere, with the alignment of Japan, Manchukuo and China as the axis, and Japan as its center.

For this purpose, we must establish an all-round scientific plan for Japan, Manchukuo and China in the field of industrial economy as well as communications and push forward all measures based on this plan. This is the first reason for requiring territorial planning.

On the other hand, the unlimited expansion of big cities, and the springing up of newly-risen industrial cities caused by the sudden increase in the number of factories and other factors accompanying the progress of the recent expansion of productive power are creating many problems in the fields of national health, sanitation, air-defense, transportation, etc. In the rural districts, there has arisen the problem of farms being devastated and forests laid waste, which cannot be left unattended to. Of course, studies have been made of and plans enforced individually in respect to the problems of properly deploying cities, localization of manufacturing industries, and the management of farm production on a planned basis. But, to tell the truth, the absence of appropriate all-round planning for obtaining an organic coordination between the individual plans is weakening the operating force of all these plans. The need of giving a unified objective for the various measures of the hour is the second reason why territorial planning is necessary.

Territorial planning seeks to adopt measures for meeting these needs, but the form of the plan places the highest object of the planning on the strengthening of a high degree defense structure for Japan, Manchukuo and China. This being the main object, it is intended to establish a plan for the all-round preservation, utilization and development of the territory by an over-all consideration of the plans

for the distribution of industrial, communication and cultural facilities and for the ideal distribution of population. However, by utilization and development of the territory we do not mean their utilization for merely selfish motives. Needless to say, we must start out with the spirit of love for our territory and project all plans with the ideal of perfecting our territory.

The plans will be divided into two main classes, one pertaining to the three countries of Japan, Manchukuo and China, combined, and the other concerning Japanese possessions. In order to carry out these two plans, studies must be extended even to the most fundamental problem of deciding the maximum population capacity and the limit of self-sufficiency in foodstuffs of Japan Proper. Also, the plan must be extended to such concrete problems as the distribution and formation of industrial districts, and their relation to the source of motive power, water supply, labour and various kinds of communication facilities.

The business of territorial planning is expected to become wider and wider, and more and more varied as the planning progresses. In regard to this, we hope to project a definitive plan with the cooperation of Manchukuo and China and also with the cooperation of the knowledge, experience, and insight of the public at large.

OUTLINE FOR THE ECONOMIC CONSTRUCTION OF JAPAN, MANCHUKUO
AND CHINA

Decided by the Cabinet on Oct. 3, 1940 /Showa 15/

In order to achieve in concrete form the Empire's mission of establishing a new order in East Asia and securing the eternal peace of the world, it is necessary to push ahead in comprehensive unity the process of internal reformation and the process of expanding and organizing our living sphere, thereby speedily perfecting a defense state. Therefore it is necessary to establish the basic economic policies of the Empire on a comprehensive planning for the following three big processes:

1. The perfection of the Reorganization of the national economy.
2. Strengthening the organization of our sphere of self-sufficiency.
3. The expanding organization ~~of~~ of the East Asia Co-prosperity Sphere.

Probably in order to expand and organize our living sphere, it is necessary to strengthen and expand the comprehensive fusion of the politics, culture and economies of Japan, Manchukuo, North China, Meng-chiang and their advance points, namely the specified islands along the South China Coast, which form a unified organic sphere of independent existence. At the same time it is necessary to establish an East Asiatic Co-prosperity Sphere embracing Central and South China, Southwestern Asia and the various areas of the Southern Region in order to promote and assist the perfection of our defense economy.

As to the means of applying our economic policies, it is necessary to devise special measures adapted to the scale of living conditions of the respective peoples, while adjusting the fundamental policy on the fusion of our country with the other states or areas and peoples within our living sphere.

1. The fundamental policy

1. The object of the economic construction of Japan, Manchukuo and China is generally to establish a self-sufficient economic structure for Japan, Manchukuo and China as a single unit by about 1950, and at the same time promote the construction of the East Asia Co-prosperity Sphere, thereby strengthening and securing a position in world economy.

2. The guiding spirit of the economic construction of Japan, Manchukuo and China is to establish a defense economy and promote co-existence and ~~for~~ co-prosperity and the welfare of the people at large through the unified collaboration of Japan, Manchukuo and China, with Japan as the center, in accordance with the spirit of "hakke ichiu" /"universal brotherhood"/

3. Japan, in view of its position as driving force for the economic construction of Japan, Manchukuo and China shall enhance her national spirit, reform her internal structure, and try to increase her national strength, thereby guiding and rearing the economic construction of Manchukuo and China, especially promoting an epoch-making development of science and technology and also the development of pioneering industries.
4. Manchukuo, while further strengthening its inseparable relation with our country, shall make the establishment of a self-existent sphere its main objective and promote the speedy adjustment and development of important basic industries.
5. China shall cooperate with Japan and Manchukuo to develop her resources and rehabilitate her economy. North China and Mengchiang shall develop communications and important industries with the main object of establishing a self-existent sphere. Central and South China shall lay stress on the smooth exchange of goods and the development of important resources, and thereby contribute to the establishment of the East Asia Co-Prosperity Sphere. However, special efforts shall be made to develop such special islands as Hainan Island, along the South China Coast as the advanced posts of our self-existent sphere.
6. Efforts shall be made to secure a systematic joint storage of defense materials within our self-existent sphere and thereby preserve our national defense power.
7. In order to adjust and promote the prosecution of the plan for the comprehensive economic construction of Japan, Manchukuo, and China, the machinery for the all-round economic planning for Japan, Manchukuo and China shall be perfected.

II Policies for different branches

The fundamental policies concerning the measures for industrial distribution, labor, finance, trade, communications, etc., have been roughly decided as follows:

1. Industrial Distribution:

Hereafter our country shall lay stress on and promote an epoch-making development of

- a) the precision tool, machine tool, and munition industries.

The other heavy industries, chemical and mining industries shall be developed within our self-existent sphere according to the principle of "the right industry in the right place."

The light industries, particularly the textile industry and miscellaneous industries, shall be adjusted on a planned basis and transferred one after another to the continent at the same time consideration shall be given to the transfer of their ownership to continental capital.

In regard to agriculture, the land system shall be reformed, management shall be reformed on a scientific basis, the security and advancement of farmers shall be promoted, the staple diet of the people shall be secured, and the farm population shall be maintained at a fixed number.

The marine products industry shall be developed more and more to maintain first place in the world as heretofore.

Forestry administration shall be unified and reformed and the rational utilization and preservation of forest resources shall be promoted.

b. Manchukuo shall strive to effect the epoch-making development of mining and electrical enterprises in particular and, in accordance with the principle of the "right industry in the right place" between Japan and Manchukuo, try to promote heavy and chemical industries, besides supplying to Japan a part of the raw materials for heavy industries. Machine and munition industries shall be developed as far as they are necessary to fill the demands of national defense.

Light industries shall be promoted to fill domestic requirements.

In regard to agriculture, Manchukuo, in view of position as the supply base of food and fodder for Japan, Manchukuo, and China and the source of special agricultural resources for the world shall develop farmlands, improve and rationalize farming technique, and drastically increase its agricultural productions.

In the development of agriculture, colonization of Japanese immigrants shall be promoted to make them the kernel of agricultural development.

Salt manufacturing, live-stock breeding and forestry shall be promoted actively along with the foregoing.

c. China shall hereafter try its best to effect an epoch-making development of the mining and salt manufacturing industries, produce industrial raw materials on a large scale and contribute to the establishment of the basis for the economic construction of Japan and Manchukuo. At the same time China shall construct a number of the heavy and chemical

industries, in accordance with the principle of the "right industry at the right place", thereby reinforcing Japan and Manchukuo's industries.

In respect to light industries, mutual adjustment shall be made in accordance with the stages of the development of the industries in Japan and their development fostered principally through native capital.

As to agriculture, special efforts shall be made to perfect the basic facilities to improve and rationalize agricultural management in order to secure the staple diet of the people and also increase the production of cotton and other basic products.

2). Labor.

In view of the importance of the people's labor and the position of the productive nature of technology in the national defense economy, a drastic reform shall be made in the structure of labor technique. At the same time a labor plan for Japan, Manchukuo and China shall be established and a geographical control and redistribution made on the basis of inter-racial cooperation.

a) Japan shall establish a new system of labor technique, and try to train the workers' mind and body, promote scientific education, increase the productivity of labor and train technicians and skilled workers. At the same time guidance and assistance shall be given for the economic construction of Manchukuo and China.

b) Japan will provide Manchukuo with technical experts and skilled workers necessary to develop her industries, besides establishing a system for their training in Manchukuo itself. The colonization of Japanese and Koreans on a planned basis shall be promoted. As to common laborers, the immigration into Manchukuo of laborers from North China on a planned basis shall be promoted, besides the adoption of measures for supplementing laborers from within the country. Efforts shall be made to effect reforms in labor management in the mining and manufacturing industries especially.

c) China shall obtain from Japan technical experts and skilled workers necessary for her industrial development and economic rehabilitation, besides making efforts to train them in her own country.

As to general laborers, measures for their stabilization and advancement shall be adopted. At the same time laborers necessary for the industrial development of Manchukuo shall be supplied.

3. Finance.

For the attainment of a national defense economy a change in financial ideology shall be effected so as to aim principally at making

it possible to secure both the quality and quantity of materials necessary to the state, instead of placing the basis of finance merely on the certainty of withdrawal/ of money/ from circulation.

a) According to the industrial plan for Japan, Manchukuo and China, a financial plan to enable its enforcement shall be established, and a financial machinery for carrying it out shall be perfected.

b) In view of the necessity for the conversion of the facilities of many enterprises consequent upon the progress of technology and the division of industries and also in order to cope with the systematic joint storage of defense materials, the financial system shall be perfected.

c) Funds shall, as a rule, be obtained from the savings of the three nations. For this purpose, measures shall be adopted to promote increased savings and their employment in each country. However, for the time being, the funds for the reposition of defense productive power shall be supplied by Japan. Moreover, in so far as it is not contrary to the purpose of establishing the Greater East Asia Co-prosperity Sphere, measures shall be adopted to promote the use of foreign capital.

d) As to foreign exchange, the aim of control shall be to ensure the acquisition of defense materials from abroad, instead of placing emphasis merely on the economization of foreign payments. Measures shall be taken to utilize foreign exchange funds jointly between Japan and Manchukuo and also as comprehensively as possible in regard to China too. Furthermore, measures shall be adopted to make Japan the center of finance and settlement for the Greater East Asia Co-prosperity Sphere.

e) Japan, Manchukuo, and China shall cooperate with each other for making the necessary international settlements and strengthen the mutual relationship of the economy of the three countries.

f) In regard to the monetary system of China, Japan shall maintain, as a rule, its leadership and take proper steps to cope with the changing situation.

4. Trade.

The past ideology of commercial trade shall be changed, a trade policy based on the principle of productive economy embracing the Greater East Asia Co-prosperity Sphere, with Japan as its center, shall be established, and its position in world economy secured.

a) A smooth, certain, active, preferential interchange of mutually necessary goods between Japan, Manchukuo and China shall be fostered.

b). In the relations with third countries, or other groups, Japan, Manchukuo and China, as one body, shall establish trade of goods, country by country, or group by group, ensure the acquisition of goods necessary for the production of the three countries and distribute and adjust the goods among themselves.

c). In relations with the areas of the East Asia Co-prosperity Sphere other than Japan, Manchukuo and China, trade agreements with the object of mutually supplying each other with the necessary goods on a preferential basis shall be concluded and guidance given to put them in a position of inseparable relationship with Japan, Manchukuo, and China.

5. Communications.

In order to foster the consolidation of the economy of Japan, Manchukuo and China, and to make it conform with the requirements of national defense, the shipping, ports and harbours and railways shall be perfected and expanded to effect an epoch-making development of the transportation and communications among the three countries. At the same time the organic coordination of overland and marine transportation facilities shall be promoted and measures adopted to effect unified control and coordination of airways, and the perfection and expansion of electric communication and radio broadcasting facilities. Moreover, an epoch-making expansion of communication facilities of the continent shall be effected.

a) Japan shall fulfil the mission of leadership in communications among Japan, Manchukuo and China, and also occupy an unquestioned superiority in the shipping of East Asia. Furthermore, she shall strive to effect an epoch-making increase of Japanese shipping in order to create world-wide developments.

b) In Manchukuo a rapid expansion of transportation and communication facilities shall be fostered from the viewpoints of national defense and fostering industrial development plans.

c) For the purpose of fostering economic rehabilitation and industrial development, China shall do her best to expand transportation and communication facilities, as well as to develop inland water transportation. As to transportation and communications in North China and Mengjiang, specially close connections shall be maintained with Japan and Manchukuo from the viewpoint of national defense, and their rapid expansion promoted.

d) In order to secure an independent position for the transportation and communication of East Asia, efforts shall be made to gradually bring foreigner rights and interests under our influence.

PREAMBLE

(Draft published in the Papers)

Japan's great policy of establishing the Greater East Asia Co-prosperity Sphere, with the view to constructing a new world order has entered a new stage as the result of the conclusion of the Tri-Partite Pact between Japan, Germany and Italy. In order to cope with this situation, the Government decided at the Cabinet meeting the other day on "the Outline of the Economic Construction of Japan, Manchukuo and China" as one of the basic economic policies, and also decided to consolidate the measures under this policy.

The object of the policy is to mean the epoch-making advance of the East Asia Co-Proprosperity Sphere which has as its basis the development of Japan, Manchukuo and China in accordance with the new concept of economic order.

The world economy of free trade based on the free exchange of goods by each country, like the old order, is now collapsing before our eyes.

Japan's economy, too, must cast off the older system based on this old order, and effect a new organization. By this reorganization, we must make Japanese economy higher and wider and stronger than what it has been, and thereby bring about the advancement of the life of the various races of East Asia and guide them to a proper place in the world. By higher we mean to give a further higher productivity to the people's living power. By "wider" we mean to expand the economic sphere of mutual interdependence from Japan, Manchukuo and China to the Greater East Asia and to establish a solid co-prosperity sphere. By stronger we mean to reduce to the minimum the dependence of Japan's economy on foreign countries and to maintain a staying power unshakable under all adversities.

In order to make our economy thus higher, wider, and stronger, we must, with a firm will, overcome internally the agencies attendant on reforms and also eliminate whatever oppression and threats may come from external sources, by concentrating the total strength of the people, and in about ten years hence complete a new order of East Asian economy of which Japan is the leader.

It is within this order that the economy of the various countries of East Asia, not to speak of Manchukuo and China, can expect to achieve a glorious advancement and development.

**THE MAIN POINTS OF THE OUTLINE FOR THE ECONOMIC CONSTRUCTION
OF JAPAN, MANCHUKUO AND CHINA**

In order to establish a new order in East Asia, and fulfil concretely Japan's mission to secure eternal peace in the world, it is necessary to push forward in comprehensive unity the process of reorganizing the internal structure and the process of expanding and organizing our living sphere. It follows that the basic economic policies of Japan must be built on the comprehensive planning of the following big three processes:

- 1) The completion of the reorganization of national economy
- 2) The organization and strengthening of the economy of Japan, Manchukuo and China.
- 3) The expansion and organization of the Great East Asia Co-prosperity Sphere.

Basic policies

1. The aim of the economic construction of Japan, Manchukuo and China is generally to establish a self-sufficient economy of the three countries combined during the next ten years and also to promote the construction of the Greater East Asia Co-prosperity Sphere, thereby strengthening and establishing the position of East Asia in the world economy.
2. Japan's guiding spirit concerning the economic construction of Japan, Manchukuo and China is to promote the co-existence and co-prosperity and the general welfare of the three countries by their unified cooperation based on the great spirit of "hakko ichiu."
3. In order to promote the economic construction of Japan, Manchukuo and China, Japan shall exalt the people's morale, reform the internal structure, increase the national strength, and lend assistance for the economic construction of Manchukuo and China. For these purposes, Japan shall especially promote an epoch-making development of science and technology and the development of pioneering industries.
4. Manchukuo, which has an inseparable relation with Japan, is expected to rapidly perfect and develop important basic industries.
5. China is expected to cooperate with Japan and Manchukuo, to develop her resources, rehabilitate her economy, especially promoting the development of communications, smooth exchange of goods, and the development of important industries and resources, and to contribute

to the establishment of the East Asia Co-Prosperity Sphere.

6. In order to adjust and promote the planning of a comprehensive economic construction of Japan, Manchukuo and China, the machinery for the comprehensive economic planning for Japan, Manchukuo and China shall be perfected.

As Japan, Manchukuo and China constitute the basic trunk of the East Asia Co-Prosperity Sphere, they have the duty of regulating their economic relations on the basis of a very close combination. It was from this point of view that the Government decided the basic policies on industrial distribution, labor, finance, trade and communications of Japan, Manchukuo and China.

Industrial distribution:

In deciding industrial distribution, it is important to make comprehensive decisions by taking Japan, Manchukuo and China as a truly organic unified body, with due consideration for the economic and geographical conditions and the stage of economic development of each of the three countries involved.

It is important for Japan to promote hereafter an epoch-making development of the high precision and machine industry and also to develop extensively the basic industries such as heavy, chemical and mineral industries.

In Manchukuo the mining and electric industries are expected to make epoch-making developments, while Japan will lend necessary assistance for the development of the heavy and chemical industries. In China a large production of industrial raw materials through the development of mining and salt manufacturing industries is expected hereafter. The development of heavy and chemical industries is also expected hereafter since there is room for such a development from the viewpoint of geographical and economic conditions.

The need for greatly fostering the development of light industries on the continent is recognized. There is also need to consider the gradual readjustment and the transfer to the continent of the light industries of Japan, especially the textile and miscellaneous industries.

As to Japanese agriculture, it is intended to improve the various land systems, reform management, promote the stabilization and advancement of farmers, and to secure the people's main diet, as well as to maintain the farm population at a certain fixed figure. As to the marine products industry, its further development shall be fostered. The rational utilization and preservation of forest resources shall be also fostered.