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HEADQUARTERS
U.S. STRATEGIC BOMBING SURVEY
(PACIFIC)
APO 234
C/O POSTMASTER, SAN FRANCISCO

INTERROGATION NO. 155

PLACE: Tokyo

DATE: 28 Oct. 45.

Division of Origin: Oil and Chemical

Subject: Materials and shipping in War Economy.

Personnel interrogated and background of each:

Aichi:

1931 - 1934
1935 - 1938

With financial attache, London.
Home financial Affairs, Ministry
of Finance.

1940
1941

Ministry of Finance.
Greater East Asia Ministry,
Cabinet Planning Board.

N.B. Mr. AICHI was very cooperative. He has a comprehensive general grasp of the Japanese economy, but says the Government had little information on oil. Speaks English fairly well.

Where interviewed (Office): Finance Ministry.

Interrogator: Lt. Comdr. G.M. Williams.

Interpreter: Lt. George Oujevolk.

Allied Officers Present: None

Summary:

1. Importance of Oil and Shipping in Jap War Economy.
2. Southern Area Economic Policy.
3. Bauxite Substitutes.

"People say that this war began because of the oil question",
"The Army and Navy's most important question must have been the oil question".

"The question of steel and aluminum could be resolved in Manchuria or China, but the oil question could not. Oil couldn't be had in Japan proper or China or Manchuria".

The whole South Seas plan to make good Japan's deficiencies of light metals, steel, coal and oil was based on an erroneous assumption that the ship tonnage curve would remain level, with construction matching losses. Actually "because of the tremendous loss in shipping and Japan's inability to increase ship

building, the South Seas were important for only the first year. After that the economy of Japan was based on China, Manchuria and Japan proper. (note this general statement not particularly applicable to oil) Beginning in the summer of 1942 there was an unofficial two year plan to increase production in Manchuria and North China of Food, (beans), iron and steel, bauxite, aluminum, and cotten.

FUJIWARA, Minister of Commerce in 1942 investigated Manchuria himself, particularly the Highland Mining Company near Tientsin. He was interested in the coking coal there for the purpose of extracting oil. Efforts were made also to locate bauxite substitutes. "Bando Ket Sudan" found in the Shantung district was to have been worked, but machinery to convert it into aluminum couldn't be obtained.

In 1943 the Army and Navy were anxious to establish synthetic plants and to produce oil in Manchuria and China to avoid the submarine menace.

The Army and the Navy divided southern territories between them and operated the oil properties themselves. The rest of the Government knew little of what they were doing.

Mr. AICHI said that the greater East Asia Ministry published a top secret Southern Area Economic Policy 31 July 1943. This book indicated the names of companies to develop particular items. The table of contents in so many words says "Oil Excluded" Mr. AICHI said the Army and Navy would not give the dope.

Mr. AICHI gave the name of a Mr. OHKITA in the Foreign Office as aid to getting this and other publications including an essay of AICHI's and OHKITA's, replete with figures and charts, giving "The state of the union" about 1944.