

1 October 1947

MEMORANDUM

TO : Mr. David N. Sutton
FROM : Smith N. Crowe
SUBJECT: Attendance at Privy Council Meetings

Presumption of Presence

On 24 September 1947 parts of the interrogations of the Defendant HOSHINO were introduced in court as Exhibit #3212-A. The following appears from the interrogation of HOSHINO of 11 February 1946, page 13.

"Q. Was the Chief of the Information Board present at the meeting of the Privy Council?

A. I believe he was present though I cannot say definitely that he was. As the Chief of the Cabinet Information Board and myself as well are not members we would not have to attend the meetings except those that pertained to our duties so that possibly he may have attended this. If they were all ministers it would be compulsory, more or less, to attend these meetings, but as these people are merely in line of duty only and not as a member I would not be able to say definitely that they were."

*Rehearsal
Read*

It was my recollection that this entire Exhibit was read, but the Record does not show it at the time the Document was introduced. It occurs to me that this statement might be helpful where we had the result of a Privy Council determination but were unable to establish definitely that a certain defendant, who was a Minister of State at that time, was present at that meeting.

SNC

OPENING STATEMENT
HOSHINO - INDIVIDUAL CASE



MR. PRESIDENT AND MEMBERS OF THE TRIBUNAL:

The evidence to be offered on behalf of the accused Hoshino will be divided for the sake of clarity into three parts: the Manchurian period from 1932 to 1940; the Planning Board period from 1940 until April 1941; and the period after October 18, 1941 when he was Chief Secretary of the Tojo Cabinet. The career of the accused will be treated briefly, beginning with the time when, while still a minor official in the Finance Ministry, he was asked to go to assist with his experience the Finance Ministry of Manchukuo. He accepted and, through his ability and his sincere interest in the country, eventually became Chief of the General Affairs Board of the Manchukuo Government. The reasons for Hoshino's appointment as Chief of the General Affairs Bureau in 1936, his relations with the Premier, the limitations on his authority as well as the fact that the Bureau was not dictated to by the Kwantung Army will be explained by the witness Matsuki.

Refutation of the Prosecution's charge against Hoshino of exploitation in Manchuria will be provided by evidence showing:

1. Hoshino's sincere and unremitting efforts toward instituting many of the general improvements in Manchukuo outlined briefly in the general Manchurian Phase, such as reformation of the financial system (concerning which the Lytton Report expressed doubt as to the possibility of accomplishment), reduction of taxes on the people and establishment of a fair tax system, agricultural and other general economic development of the country;

2. His removal of salary discriminations between Japanese and native Manchurians and his replacement of Japanese officials with Manchurians in important posts, so much so that he was criticized as being too pro-Manchurian rather than pro-Japanese;

3. His attempts to sell Manchurian products to Japan at as high a price as possible and to buy Japanese products for Manchukuo as cheaply as possible, as well as his efforts against manipulation of tariffs in favor of Japan.

4. His attempts to prevent any Japanese policy he considered adverse to the interests of the people of Manchukuo from being carried out; for instance, his constant efforts to have Japan give up her special rights and interests in Manchuria by relinquishing her extraterritorial and other rights, one of the effects of which was to greatly increase the taxes imposed on Japanese residents;

5. His efforts towards eradication of opium addiction in as short a time as possible through the Ten-Year Plan, and his opposition to the use of monopoly revenue funds for general use rather than for the opium prohibition policy.

Refutation of the charge of economic exclusion and discrimination in favor of Japanese will be shown by:

1. Hoshino's interest and support of bringing in foreign capital for building up Manchuria;

2. His attitude of equal treatment for all foreign capital, whether Japanese or otherwise.

In July of 1940, while still in Manchuria where he had labored for eight years improving that country, Mr. Hoshino was asked to join the Second Konoye Cabinet as President of the Planning Board and Minister Without Portfolio. He accepted this promotion and came to Japan. The evidence of the Prosecution, as well as other evidence, has already shown that at the time Hoshino joined the Konoye Cabinet the basic Cabinet policy had already been set by the Four Minister Conference. The difficulties faced by the Planning Board in attempting to meet the demands for allocations of the Army, Navy and the civilian economy after three years of warfare in China, in the face of export bans of foreign countries, and the lack of planning for any future war, will be shown by the witness Obata.

The Prosecution, in its answer to the accused's motion for dismissal, alleged that the Planning Board planned for government control of Industry in Japan. The witness Obata will explain, however, how Hoshino and others of the Cabinet changed the plan for government control of industry, the original "new economic structure", in favor of more control by the businessmen and less by the government.

The duties and position of an "explainer" or "exponent" at the Privy Council, in which capacity Hoshino attended the Privy Council meeting on the Tripartite Pact, will be briefly explained. Concerning Hoshino's relations with the Total War Research Institute, it will be explained how, although Hoshino was appointed nominally as acting director of that Institute at the time it was set up because of his position on the Planning Board, he showed no interest in the Institute and until the time of his relief from the post did nothing to get the Institute started.

On the issue of conspiracy it should be noted that the Prosecution attempted to establish its conspiracy charges against Hoshino primarily by virtue of his relations with the accused Gen. Tojo. The notes of Prince Konoye concerning the Cabinet changes in economic ministers will show that it was none other than Tojo who informed Hoshino that he must resign from the Cabinet. The evidence will show that from the time of his resignation of 4 April 1941 until the following October, Hoshino spent a great deal of his time travelling around Japan. His contact with Tojo was limited to one courtesy call and he had no contact with "professional politicians." He had already bought a ticket in anticipation of going to Korea when he was unexpectedly asked to become Chief Cabinet Secretary. It will be shown that one of his future subordinates, Inada, who had been in the Cabinet Secretariat since 1937, was asked by Tojo for his opinion on the type of person best suited for the post of Chief Secretary and that, after giving his opinion, Inada approved of Hoshino from among several named by Tojo. Regarding the war policy

Tojo never asked Hoshino's opinion nor did Hoshino give him any but merely carried out his instructions as a secretary.

The position of the Chief Cabinet Secretary will be explained by Cabinet regulations, a witness who formerly held that office and the interrogations of the accused. This evidence will disclose that the Chief Cabinet Secretary could neither voice his opinion nor vote in the Cabinet meeting but was concerned primarily with work of an administrative character. This witness will testify that Hoshino never attended the Liaison Conference while President of the Planning Board. Later, as Chief Cabinet Secretary he did attend but it was in a secretarial capacity only and he could not participate in the discussions or decisions.

Excerpt from "Reports on Japan
Manchukuo China Economic Round
Table Conference" Pages 347-351

Speech of Mr. HOSHINO, Naoki
(Chief of General Affairs, State Affairs
Board, Manchukuo)
3rd December, 1938

"Gentlemen, it is indeed a matter for congratulation to us that, as the main result of the present incident, the spirit of harmony and cooperation is overflowing among the countries and peoples in East Asia and the atmosphere of talking together of construction of a new world is fast spreading among them.

"This meeting of ours, which is a round table economic conference of Japan, Manchukuo and China, proves to be an excellent example for which I cannot but express my heart-felt gratification.

"However, when we calmly reflect upon the direct cause of the present incident, whatever it may have been, we cannot but reach the conclusion that the most fundamental cause lay in the fact that we Asiatic nations had not thoroughly understood the spirit of good-neighborliness and harmonious cooperation or did not quite satisfactorily grasp the idea of East Asia for East Asiatic peoples.

"I firmly believe that such a state of affairs would never have been brought about had each and every one of us, irrespective of age or sex, or rank, been inspired by the spirit of good-neighborliness and harmonious cooperation and had grasped the unshaken conviction of East Asia for East Asiatic peoples.

"It is, however, useless to talk over the past. The invincible armies of justice have been sent forward and the stubborn and refractory elements have already been swept from most of East Asia.

"What we ought to do today is to establish a world of new ideals in this East Asia which has been restored to our hands. The situation has, of course, not yet reached the stage of solution. Although suppressed in local regions, these stubborn and outrageous elements, not awakened from their prejudiced silly dreams, are still keeping on resisting, assisted persistently by those crafty and cunning fellows."

"That is why we are not allowed to have a day of idleness or a moment of ease in our course of constructing new East Asia.

"The incident has now entered upon the so-called stage of long term construction when we should set ourselves up against the protracted war of attrition as planned by them by, on the one hand

pushing same (T.N. construction of New East Asia) ahead without slackening our punitive measures against them and, on the other hand, by diligently concentrating our efforts towards the task of construction and management. /T.N. can also imply "administration" or "exploitation"/.

"And, I think, to establish firmly the first stage of the administration of a new East Asia, by overcoming all difficulties encountered in the course of a long-term construction war, is precisely how many souls can be compensated for their precious sacrifices for the regeneration of East Asia, and is how the present incident's significance as a sacred war will be heightened throughout the entire world.

"Looking back upon East Asia in the past, although it occupies an area equivalent to a little less than one-tenth of the total land area of the world and has a population reaching a little over one-fourth of the world's total population, it seems to have been vainly wandering in the dark.

"However, the trend of the Orient to restore her proper position in world civilization is now at its climax, driving away the evil clouds of many years.

"The bell for the awakening of East Asia was sounded, I think, long ago in the Meiji Restoration of the Japanese Empire. And its first step realized on the continent was the Manchurian Incident, the recent China Incident being a development and expansion thereof.

"In consequence of this, there was first the establishment of Manchukuo, and now the establishment of the governments, each new and strong, in North China, Central China, and on the Mongolian Border.

"Here we see the revelation of God and hear the voice of Heaven.

"Construction of a new East Asia --- this indeed is truly the great duty imposed upon us, the people of East Asia. We must advance towards its fulfilment with the determination to engage ourselves bravely in this duty by staking our eternal lives and honor.

"In other words, the various races, in mutual cooperation and harmony, must awaken themselves to the realization that they are a single organic body of the peoples of East Asia, take full cognizance of the fact that they are the peoples of East Asia, and flatly reject the idea of conflict, blind obedience, exploitation and being exploited which are based on egoistic and utilitarian demands which are, in turn, the most basic evils of the present world. Furthermore, they must put their whole heart and soul in the realization, by themselves, of the ideal world of mutual harmony and pleasure based on the exaltation of the morals of the East.

"Thus, the confusion of the past will be swept away and East Asia would exert a strong pressure upon the evils of the world. In this way, the flower of morality of the East based on the firm unification of the races will flourish gloriously forever.

"This is by no means a futile and self-intoxicated fantasy. It is easily conceivable from the experience undergone by Manchukuo in the course of her development.

"However, here is a point to which we must pay special attention. It seems that the present international situation is critical and its prospect is very difficult to foresee.

"Therefore, in the promotion of this protracted constructive war in which each state must stand on a very firm base, it is necessary that we be prepared and determined so that any changes confronted at any time can be met with a bold attitude.

"In other words, long-term construction must be planned most carefully and minutely in all phases so as most soundly to achieve the desired result.

"Now when this is viewed as an actual problem, it is required at the present first stage of long-term construction that the various attempts at long-term construction be, in addition, measures fully sufficient to cope with the present critical international situation. Accordingly, the most realistic and effective construction policy at the present stage must be to mobilize the economic power existing in the various regions of East Asia, to synthesize and organize this, and thereby endeavor to surmount the present critical situation.

"When considered in this way, the function to be performed by our Manchukuo at the present stage of long-term construction is naturally clear, and we keenly feel that this is extremely important. The fact that our Manchukuo, born at the first stage of East Asia's new life, can at the very start of its /TN: i.e. East Asia's/ regular construction bear one half of that grave responsibility tells us most concisely and frankly of the growth of Manchukuo, for which we all cannot help expressing our hearty joy.

"Regarding the state of affairs before the founding of Manchukuo, I think I need not tell you, but even after its foundation, pessimistic views were apt to be observed here and there concerning the natural resources in Manchukuo. These rumors, however, have completely disappeared before the undeniable fact today. With regard to iron ore, coal, magnesium, aluminum and other staple mineral resources indispensable to development of heavy industry which may be considered as a barometer of national power for modern countries, we have attained to the stage in

which we may well show off to the world the quality and quantity of these important mineral resources. As a matter of fact, we have already contributed a great deal to the intensification of economic power of our friendly nation.

"As for power source which is important for the development of mining industry, it was believed in the past that there was no water power source in Manchukuo. This belief has entirely been contradicted, and today, a large scale water power plan, one of the largest in the world, is steadily being carried out here and there.

"In like manner, we can see a fruitful result for our effort to develop agriculture, livestock raising and forestry as well.

"Such a remarkable progress of industry and economy of Manchukuo — aspect of so fast and steady development which is even considered one of the wonders of the twentieth century — is indeed a precious guide-post to the new birth of East Asia. At the same time, I believe, it will contribute a good deal in the future to the development of industry in the whole area of the New East Asia. When I think of the future so promising, my heart is filled with such emotions that cannot be expressed in mere words.

"This is unmistakably an unshakable pyramid of Japan-Manchukuo union as well as racial cooperation and harmony.

"I wonder what kind of aspect another pyramid will present before our eyes when it is built up before long by the hands of awakened peoples in East Asia — through their inseparable cooperative efforts, at the second stage when the construction of East Asia has entered into its actual course. For the present we can only say that we can do nothing but earnestly look forward to it.

"East Asia is now displaying youthful and lively activities of this everlasting life before our new solemn pledge. Thousands of years ago, our forefathers left for us those glorious cultural inheritances which will never be forgotten in the world history. We who are the most rightful inheritors of these inheritances should exert ourselves for the new birth of a more glorious culture in East Asia. We firmly believe that the construction of the new East Asia and new birth of fresh East Asiatic culture should be established upon our unified strength.

"A big task of round-table economic conference among Japan, Manchukuo and China has been undertaken lately, and especially today we are having its final meeting here in Hsinking, the capital of Manchukuo.

"I consider that it affords us a precious opportunity in the construction of the new Orient that the men who are responsible for the economic affairs of the newly-risen governments in various parts of the Orient have been able to gather together in the same room and have discussions heart to heart for the sake of the economic construction of the

new Orient, and it is my utmost honor and pleasure that I have been able to express my sincere thoughts to you all who are present."

"All those present in this hall representing the various circles are requested to discuss fully so as to carry this round-table conference to perfection, as well as to greatly contribute to the attainment of our common ideals."

DEFENSE WITNESSES — HOCHINO

Doc. No.	NAME OF WITNESS	ATTORNEY	REPORT RECD.	EXAM. ATTORNEY
2092	TOMITA, KENJI			
2521	ISHIWATA, SOTARO			
1930-A	USHIBA, TOMOHIKO			
2522	OSHIMA, HIROO			
2527	TAKAKURA, TADASHI			
2584	SPINKS, DR. CHARLES N.			
2598	MURAKAMI, HAJINU			
2592	OBATA, TADA YOSHI			
2591	MILLARD, FRANCIS R.			
2590	INADA, SHUICHI			
2526	MATSUKI, TAMOTSU			
(REV) 2073	MURAKAMI, KYOICHI			

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
INTERNATIONAL PROSECUTION SECTION

2 July 1947

MEMORANDUM

TO : Lt. Col. T. Mornane
FROM : D. N. Sutton
SUBJECT: HOSHINO, Naoki

Mr. Monaghan recently located in his desk copies of a trial brief prepared on HOSHINO. I enclose one copy herewith and have had a copy placed in the case file of this defendant.

It does not appear when or by whom this was prepared, but the information may be helpful to you.

D. N. Sutton,
Assistant Counsel.

Enc.

INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED STATES OF AMERICA, et al)
- AGAINST -)
ARAKI, SADA0, et al)

T R I A L B R I E F

Trial Brief relating to the defendant, Naoki HOSHINO.

The record of the above named defendant's public career is already in evidence, having been placed therein by Mr. Horwitz.

Evidence developed against defendant by interrogation:

Statements made by this defendant to Mr. Hammack are in addition to and supplemental to the statements made by the same defendant to Mr. Henry A. Hauxhurst. The trial brief relating to this defendant is to be consolidated and considered with the trial brief as prepared by Mr. Hammack.

In answer to questions propounded by the Interrogator the above named defendant made the following statements:

He was President of the Planning Board from July 1940 to April 1941. Kazuo AOKI was the first President of the Planning Board and which Board had been created in 1938. The general duties of the Planning Board were to make plans for production and material distribution, and make the estimates with respect to the amount of material available, the request for supplies and materials being submitted by the various departments such as the Army, the Navy, etc. During 1940 and early in 1941, the Army and Navy were increasing their demands for supplies and the demands of the Army and Navy for supplies had increased each year.

In April 1941, HOSHINO resigned as President of the Planning Board being thereafter appointed on the 18th of October 1941 by Premier TOJO as Secretary of the Cabinet, he and TOJO being old friends, he having known TOJO in Manchuria when TOJO was Commander of the KEMPEI TAI and HOSHINO was connected with the Manchukuo Government. As Secretary of the Cabinet his duties were varied and more in line of personal work in regard to the various Cabinet meetings and also to carry out the business of the Cabinet after the meetings. As Secretary, he attended practically all of the meetings but did not have any vote in the Cabinet. As Chief Secretary was very close to TOJO personally, but was not a close adviser. He did not advise TOJO in any matters relating to war, just carried out instructions as Secretary.

On the 26th or 27th of November, he heard that war with the United States was unavoidable; this statement being made to the Cabinet by Premier TOJO, the Cabinet being in full session at the time. Following this there was an Imperial Conference in which the Chiefs of Staff of the Army and Navy were present as well as the various Ministers; the Chief of Staff of the Army being General SUGIYAMA, and Navy Chief of Staff being NAGANO. At this Conference Premier TOJO made a statement, but he does not recall what was said but does recall that it was to the effect that war with the United States was inevitable and therefore all necessary preparations must be made. General SUGIYAMA and Admiral NAGANO both stated at this meeting, speaking for the Army and Navy respectively, that the Army and Navy were preparing to attack the United States and had made all plans to do so in preparation for war. The

Emperor was present at this Imperial Conference but did not make any comments. It was the unanimous opinion of all of the Cabinet and the Chiefs of Staff that war was inevitable.

Following the Conference, the formal declaration of war was acted upon by a Cabinet meeting and the Privy Councillors on December 8, 1941. The declaration of war was compiled by the Premier after various ideas had been submitted and having been passed by the Cabinet, was sent for the approval of the Privy Councillors, and upon being approved by the Privy Council it was then taken to the Emperor for his signature. The declaration of war was taken to the Emperor by Premier TOJO. He, HOSHINO, helped compile part of the declaration of war.

Additional evidence against this defendant apart from his own statements is as follows:

Statement of Brigadier General Ryikichi TANAKA, made to Valentine C. Hammack, 13 March 1946, Room 732, Meiji Building, Tokyo, Japan, relating to the defendant, Naoki HOSHINO.

General TANAKA knew Naoki HOSHINO well when HOSHINO was President of the Planning Board in 1940-1941 in the Third Konoye Cabinet. HOSHINO, as President of the Planning Board, was responsible for carrying into effect the provisions of the General Mobilization Law of 1939 which Act had not been particularly enforced until HOSHINO became President of the Planning Board. HOSHINO as such, using the Act to mobilize the resources of the Empire for the purpose of placing the Empire upon a more effective war footing was responsible for many regulations to effect the same. That as a result of HOSHINO's activities in utilizing the Mobilization Act he antagonized big business who were fearful that some of their privileges would be imposed upon and as a result

he had a personal argument with Ichizo KOBAYASHI, Minister of Commerce and Industry in the Third Konoye Cabinet and who, according to TANAKA, in such position represented the large business interests of Japan. That as a result of this personal argument which became very bitter between the two men both HOSHINO and KOBAYASHI resigned their respective positions. That in 1940-1941 HOSHINO was an ardent advocate of Japanese expansion into Greater East Asia; in fact, HOSHINO was not only an ardent advocate of same but was the father of this program and while President of the Planning Board had drawn up a ten year plan for Japanese expansion throughout Greater East Asia. That he, TANAKA, was fully familiar with the details and can testify accordingly as he had many conversations with HOSHINO in connection with the matter. HOSHINO, in fact, requested General TANAKA's influence to put the same across. That the plans were based upon the new order for Asia by Japan and contemplated that Japan would organize all of Asia under the leadership of Japan which contemplated Asia for the Asiatic resulting in eventual control by Japan of all Asia and thus enabling Japan to build up a gigantic empire and be independent entirely of the Western World. That the plan contemplated war which would be inevitable to accomplish the purpose for the same. That by this plan Japan intended to obtain rubber from the Malaya States and Singapore, food from Indo-China, Burma and Thailand, oil from the Dutch East Indies, rope and nickel from Manila, and coal and tungsten from China. This plan necessarily contemplated the acquisition of all of the products and territories by war, and it was well known to HOSHINO and other leaders that war was the only way in which the same could be acquired.

HOSHINO was very close to TOJO and a strong supporter of TOJO's war plans. HOSHINO, General MUTO, and General SATO

were the leading influences in TOJO's determination to embark upon war. Of the three, MUTO had the most influence for the reason that he was a high ranking General and a great Imperialist.

Based upon personal knowledge and through conversations with MUTO, SATO and HOSHINO, these three persons were the most responsible for the war and most active in preparation for same. These three, as well as other war leaders of Japan, considered that Germany would win in Europe and that an attack by Japan upon the United States would involve the United States in a great war upon two fronts, and that entry of Japan into war at this time was the great opportunity to attain all her objectives--to win control of all Asia.

In January 1942, at a meeting of Prefecture Governors held at the residence of Premier TOJO, at which meeting General TANAKA was present, HOSHINO made a speech stating that Premier TOJO was the greatest leader the world had ever known, citing victories in the Pacific; that the Axis would conquer Africa and Japan would conquer Asia and India and that shortly TOJO, Hitler, and Mussolini would meet in the Indian Ocean.

Statements made for the newspapers by the above named Defendant:

Interviewed on March 5, 1938, while returning to Japan from Manchukuo, HOSHINO made the following statement:

"No matter about the China Incident; there is no reason to have any apprehensions about Manchukuo because she is now developed into a full grown country. A five-year plan is being carried out smoothly; gave statistics on production for next year and figures regarding supplies for Japan's needs and demands.

Manchuria is now acting as raw material supply source for Economic bloc of Japan, China and Manchuria. In a short time, Manchuria will be the biggest industrial country in the Orient. Manchuria now is friendly with the Wang Government in Nanking and New Mongolian Government."

July 1940--when he, HOSHINO, was appointed Minister without Portfolio, was quoted in the Asahi Shimbun as follows:

"We cannot depend upon iron scrap and oil from America, etc., no material planning should be instituted. A self-sufficiency policy should be instituted for the China-Japan-Manchukuo-South Seas area."****"This expert on Manchukuo was responsible for development of Manchukuo, economically and politically."

PROSECUTION EVIDENCE AGAINST HOSHINO, Naoki.

First Period 17th July 1932 to 21st. July, 1940.

- 17 July 32: Appt. as Commissioner in the Finance Ministry of Manchoukuo.
- 1 July 34: Appt. as Chief of General Affairs in the Finance Ministry of Manchoukuo.
- 9 June 36: Appt. as Vice-Chief of the Finance Ministry of Manchoukuo.
- 21 July 40: Relieved of duty.

(Ex. 109 at page 710)

On 19th Nov. 32 HOSHINO as Director of General Affairs of the Finance Department, Manchoukuo, signed on behalf of the Manchoukuo Government, a contract for under-writing by Japanese banks of Yuan 30 million of Manchoukuo National Founding bonds. The payment of principle and interest was secured on profits of Opium Monopoly Office and the Kirin-Heilung-Kiang Transport Toll Office. (Ex. 375 at pages 4682-4)

This flotation was discussed by HOSHINO with the late General MUTO, then Commander of Kwantung Army, with a view, as he says, to obtaining moral support of Kwantung Army. (Ex. 453 at page 5124). On 1st. March 33, an Economic Construction Programme of Manchoukuo was announced by the Manchoukuo Government. Among the basic principles of economic construction laid down therein is the following:-

- "(4) To aim at the co-ordination and rationalisation of East Asian Economy, to place the emphasis on co-operation with the good neighbour Japan, in view of the economic relationship of mutual dependence between the two countries, and to make increasingly closer this relationship of mutual helpfulness."

Among the measures of Economic Control laid down is the following:

- " 1. To make it a guiding principle that important enterprises of the nature of national defence or public utilities should be managed by public bodies or special companies." (Ex. 442 on page 5037)

On 25 October 33, the Manchoukuo Government issued an order as a result of which a Narcotic laboratory was established in Harbin and Narcotic factories were established in Mukden and Chengteh. (Ex. 384 at page 4733).

Under order dated 15th June 35 of Manchoukuo Government, infirmaries for care of opium and narcotic addicts were established at Hsinking, Mudken, Tsitsikar, Kirin and Changteh. (Ex. 384 at page 4733).

In January, 1937, the Five Year Industrial Plan of Manchoukuo was introduced. In the foreword of this Plan, under the heading of Policy, it is stated that "The Five year programme for industrial development has been prepared according to the fundamental principle underlying the measures for economic control over Japan and Manchoukuo and emphasis has been laid on opening up resources in the latter's territory, which may be required in time of emergency....."

- (1) With regard to mining and other industries
 - (a) Munition industries for weapons of war, aeroplanes, automobiles and rolling stock will be formally established, and
 - (b) Basic major industries such as those of iron, liquid fuel, coal and electric power will be developed, and emphasis will be laid especially on the development of iron and liquid fuel industries, which materials are necessary for national defence.....
- (3) With regard to transportation, railways and harbours will be provided with facilities necessary for the industrial development in addition to the transportation programme required for national defence, which has already been prepared."

Throughout the plan, emphasis has been laid on production of such raw materials as would increase Japan's war potential. (Ex. 446 at page 5069.)

Hoshino says that this plan was formulated by the Commerce and Industry Ministry and that assistance on finance questions was given by the Finance Ministry and that he himself had a great deal to do with the plan on financial matters. Accused ITAGAKI as Chief of Staff of Kwantung Army also assisted in preparation of plan but final decision on that was to be included in, or left out of the plan, was in the hands of Commander in Chief of Kwantung Army. (Ex. 453 page 5119 et seq).

PUYI stated that under HOSHINO'S five year plan of/control of economy many commodities such as cotton, cloth and foodstuffs were monopolised and that as a result of the economic control all ~~of~~ commodities that formerly belonged to Chinese were being absorbed by Japan and all different kinds of industry and commerce were controlled by Japanese. (PU YI 4028). He also stated that the Board of Monopoly which controlled commodities came under the direct control of Commanding Officer, Kwantung Army and Director of General Affairs. (Pu Yi 4031)

On 1st. May 37 a law controlling Important Industries was promulgated. This enabled the Government to control the heavy industries, textile industries, food industries etc. in Manchoukuo by preventing people from engaging in such industries and directing the manner of operation of such industries. (Ex. 444 at page 5047.)

On 29 May 37 the War Ministry promulgated "Essentials of 5 Year Program of Important Industries" designed to build up Japanese Industry so that by 1941 Japan, Manchuria and North China should be self-sufficient in supply of important materials. Part 1 discloses that the Japanese War Ministry in its planning intended to make use of the reserves and materials of Manchuria and North China. (Ex. 842 at p. 8264). Obviously this depended to a large extent on the Five Year Industrial Plan for Manchoukuo and must have been framed in the light thereof.

The narrative summary gives the following account of Pu Yi's evidence dealing with the fact that the real power in Manchuria was exercised not by himself and the Manchurian officials, but by the Kwantung Army and Japanese nominees to the Manchurian Government. "The Kwantung Army prohibited the Manchurians from doing things by themselves. Under the provisions of the law the witness was supposed to appoint all military officials but he was in no position to appoint anyone, because the Kwantung Army prevented him from carrying out his rights. Legally the witness had the right of giving instructions to the Army on its formation, training and movements but in fact he had no power. The same situation prevailed with respect to financial matters.

Nominally the Japanese were supposed to consider matters with the National Affairs Bureau, the consultation being in name only. There was no legislature at all.

On paper in order to fool the people of the world Manchukuo was made to look like an independent state but in fact it was administered by the Kwantung Army. Nominally there were ministers and vice ministers in charge of the various departments of the government. Ministers were Chinese. On the surface the Chinese were put in charge but underneath the Japanese ran the show. There was a Fourth Section in the Kwantung Army in control of Manchurian Chief of Staff. There was a Japanese director in the General Affairs Bureau in the Manchukuoan State whose power was greater than the Chinese Prime Minister.

There was a Tuesday meeting composed of the Japanese Director of the General Affairs Bureau, the various vice ministers and the Chief of the Fourth Section of the Kwantung Army. In this meeting all rescripts or other ordinances or enactments which were to be promulgated by the various ministries would be passed on. The Director of the General Affairs Bureau was the Chairman and the Director of the Fourth Section of the Army was the Vice-Chairman. All ordinances and enactments would be proffered by the vice ministers who were all Japanese and then they had to be approved by the Kwantung Army. Once approved it was practically passed.

Once passed by the Kwantung Army Headquarters they were sent to the National Affairs Bureau and in this way were passed. The meeting of the National Affairs Bureau was nominal only since all ordinances had to be first passed by the various vice ministers in the Army. For minor matters the vice minister could pass the law without even informing the witness.

The Chinese had no right to oppose any law or enactment. They figured that once they had been passed by the Japanese Director of the General Affairs Bureau they had no right to oppose them. If they did, they might be in danger of losing their life." (Pu Li 3990-3994)

"The witness knew the accused HOSHINO who was Director of the General Affairs Bureau in Manchuria. On the surface the Director worked under the Chinese Prime Minister, but in actuality he functioned under the orders and direction of the Kwantung Army. This office held most of the powers of the administration in Manchuria. Under the agreement between MUTO and Prime Minister Chang on the surface Japan organized in Manchuria a state of independence but the agreement provided that the Manchurian State shall tolerate the station of Japanese troops in the territory of Manchukuo. No sovereign state tolerate this. HOSHINO was engaged in exploitating Manchurian industries and the control of economic affairs.

"Loss to the Manchurian State was tremendous all industries were put under their control -- farming, commerce, fisheries and electricity. These were put into Japanese hands and no Chinese was permitted to enter into them; consequently, many of the Chinese went bankrupt. The situation was deplorable.

"The Japanese lay emphasis merely on the mining industry which was done to expand armament industry.

"There were 64 special Japanese companies formed, with capitals sometimes running into billions. Their plan was to make China bankrupt and expand their influence.

"The banks were in the hands of the Japanese. The Chinese could save their money in the banks but were not allowed to borrow. The Japanese alone could borrow. They put in most of the savings. The banks were trying to absorb all funds from the Chinese. A central bank was established but there were branch offices in various districts. There was also an industrial development bank which handled matters in connection with borrowing money. All banks were under the control of the Japanese. The Chinese were not allowed to do business at liberty but had to such special permits from the Japanese. The directors of the central bank had one Chinese but he had no power. This was part of the Japanese co-prosperity plan for Manchuria.

There were monopolies that were all in the hands of the Japanese. There was a Bureau of Monopolies under the control of the Japanese and all monopolized commodities had to pass through this Bureau. Opium is one of the most significant items. All laws and ordinances in respect to monopolies were carried out by

Japanese officials.

"Opium was one of the main items monopolized and under HOSHINO's Five Year Plan of rigid control of economy many commodities such as cotton, cloth and foodstuffs were monopolized. As a result of the economic control all commodities that formerly belonged to Chinese were being absorbed by Japan and all different kinds of industries and commerce were controlled by Japanese.

"A cotton control act was passed and can be found in the government gazette. All control laws were enforced with the result that Chinese could not get cotton or cloth during the winter and many froze to death.

"The witness was personally informed that the private sale of rice among Chinese was prohibited and considered in contravention of control laws because of rationing. So far as the witness knew the Chinese were given only the coarsest kind of rice and the finest was not obtainable. Those found to have eaten fine rice were subject to punishment for obtaining and using good quality rice.

"It is impossible for the witness to enumerate all the commodities under monopoly. All were recorded in the government gazette. But all commodities such as steel, iron, cotton and cloth were under control. This was done under the Board of Monopoly which was set up by the Commanding Officer of the Kwantung Army and the Director of the General Affairs Bureau and put into execution in the name of Manchukuo.

"All national currency was printed and minted in Japan and the Bureau of General Affairs of Manchukuo had control of the amount printed.

"There was a savings law which required that all people should save money in the bank and people in schools and in the streets whether employed by the government or elsewhere were required to save money. The amount was increased yearly and by the time of the surrender of the Japanese there there was a total of some six thousand million dollars in the bank. Each person was required to save 150.00 dollars.

"In twenty years about six million Japanese immigrated into Manchuria and squeezed out native Manchurians.

"The plan was to requisition land at a very nominal price, sometimes without price. When Japanese immigrants arrived from Japan they would move the Chinese farmers to some far undeveloped lands which were supposed to be nominal government grants, but this was only an empty word. The policy had been in-existence for some time. From the time of General UYEDA to General UMEZU they practiced the policy which envisaged immigration. They squeezed the Chinese out of their own lands. On the surface they did buy the land for a certain amount and the farmers who were on the land for a long time would be sent to some unexplored land and the Japanese would take over the tilled land. The witness was not

familiar with the detailed plan whereby the price for the sale of land was determined. This was all handled by Japanese.

"People could not travel freely. They had to have a citizen identification permit if they were between the ages of 15 to 55.

"There was a labor and civil service law put in at the time of General UMEZU whereby people between the ages of 18 and 45 were required to render labor service to the Japanese Army. This enslaved the people of Manchuria. These people were used for opening highways and digging mines and that applied to all the people of Manchuria. These were directed by Japanese companies of Japanese foremen. The Concordia Society helped the Japanese to do this. The purpose of all this was directed toward the preparation of Japanese armament.

"Under the labor and civil service law Chinese laborers were treated badly. The sick were given no medicine and they were given very poor quarters. Sometimes Chinese laborers escaped, but when caught the punishment was severe. Food was meager and almost uneatable. They were utilizing the Manchurian manpower and resources to make Manchuria the basis of their arsenal.

"There was no equality of treatment. The Japanese always ranked first and then secondly the Koreans and thirdly the Chinese. All distributions were made according to this distribution. Salaries drawn by Japanese vice ministers were much higher in amount than the Chinese ministers received.

"All matters in connection with the growth of poppies and the distribution of opium were under the control of the Kwantung Army and carried out by the Director of the General Affairs Bureau. The purpose of distribution was to break down Chinese morale and to destroy Chinese health so that they could not resist the Japanese. On the other hand the Japanese said they were suppressing opium in Manchuria but they encouraged the growth of poppies. Formerly the growth of poppies was confined to Jehol and Hsinan West Province. Later on the area was extended to Mukden, Chilin and part of Supin Province. The income from the sale of opium increased yearly and the latest figure was two hundred million dollars in a special account which was the net profit from the sale of opium.

"Permits for smoking opium were officially sold in Asian. The use of opium increased yearly after the Japanese came into Manchuria. The fee for a smoking permit was two Manchurian dollars and those who obtained a permit were given two yen by the Government to buy the opium. The Japanese set up a system regarding opium control among Japanese but the witness was not too familiar with that.

"The smoking of opium by Manchurians was not considered as an offense of laws or regulations. On the ~~eth~~ one hand they were trying to suppress the growth of opium, but, on the other hand, they didn't consider opium smoking as an offense. This had been the Japanese policy ever since they came into Manchuria.

"Up to the outbreak of the Mukden Incident and the establishment of Manchukuo, Generals HONJO and ITAGAKI were the staunch supporters of the Concordia Society and they established it.

"All matters with respect to the Courts of Manchuria were in the hands of the Kwantung Army and the General Affairs Bureau." (Pu Yi 4020 - 4045).

Witness TANAKA in part supports these views. The narrative summary records his evidence thereon as follows:-

"In 1935 the development of Manchuria was progressing as intended and desired. There had been concluded a treaty for national defense under which the Kwantung Army could control and guide the internal affairs of Manchuria and inseparable relationship was established between the two countries and the control of the internal affairs was calculated to promote the happiness of both countries. The control was carried out through the General Affairs Department of Manchukuo. All important personnel shifts were carried out by the Director of the General Affairs Department. They could be carried out by the Commander in Chief. As a matter of fact they could not be carried out by the General Affairs Department without the approval of the Chief of Staff. All important industries such as steel and coal were under the control of the government as were railways, communications and fiscal matters. No political parties were admitted with the exception of the Concordia Society.

"With respect to economic control in 1936 a five year plan was adopted. At that time HOSHINO became Director General of the General Affairs Department. Because of HOSHINO's expert knowledge the economic aspects of Manchurian development progressed under Japanese control as desired.

"ITAGAKI had no direct relationship whatsoever with the economic control of Manchuria but he did closely guide the General Affairs Department of Manchukuo both before and after HOSHINO became Director General. HOSHINO's appointments and terminations of officials could not be carried out without the knowledge of ITAGAKI.

"When the witness was in Manchukuo, the country was not completely independent. By the Japanese-Manchukuo Mutual Defense Pact of December 1932 it is clear that Manchukuo was under Japanese control. Because of this Pact the Kwantung Army had authority to control the internal affairs in Manchukuo and through the General Affairs Department it exercised political and economic control that Japan desired.

"Important positions in this department were almost entirely filled by Japanese officials. Japan was able to control Manchukuo because of the fundamental factor in economic and political affairs personnel. Personnel shifts were carried out in the name of the Emperor but this was not possible without the approval of the Army, since all political and economic and financial affairs of Manchuria were operated in accordance with Japanese departments through the control exercised by the General Affairs Department which in turn was controlled by the Kwantung army. It can be concluded that the

Kwantung Army controlled the government of Manchukuo.

"With respect to national defense the Military Affairs Department of Manchukuo it had Japanese officers as advisors and through them the department was directly and closely linked up with the Kwantung Army so that the Kwantung Army exercised military control over that government.

"The witness stated that HOSHINO was one of the accused. That the duty of the General Affairs Department of Manchukuo was to direct and guide the political and economic affairs in Manchuria in the interests of Japan as well as of Manchukuo in accordance with the treaties." (Tanaka 1994-2000)

In May 1938 the Five Year Industrial Plan was revised. The introductory paragraph reads as follows:-

"Since 1937 the Five-Year Industrial Development Plan has been established and the planned development in the respective fields of industry has been in progress. In the light of the results of the first year and also of the development of international situation, it has been found necessary to re-examine the original plan and, in particular, to make upward revision in the objective of production of mining and manufacturing industry as shown in the enclosure. To the revised plan, new items have been added; still closer ties between Japan and Manchuria have been aimed at; and the supply of funds, technique, materials, etc. has been minutely studied." The revision placed most emphasis on increasing supplies of raw materials which could be used in preparation for war. (Ex. 446 at p 5069).

Second Period 22 July 40 to 17 Oct 41.

- 22 July 40: Appointed as President of Planning Board (Cabinet)
Appointed as Minister of State without Portfolio
by Cabinet Regulations Act 10.
(Relieved of both appointments at his own request
4 April 41)
- 1 Oct 40 Appointed as Acting Director of the Overall War
Strength Experimental Station (Cabinet) - relieved
of appointment 11 Jan 41.
- 16 Oct 40 Awarded the 1st. Order of Merit with the order of
Keiun - Sho which was given by the Manchurian Emperor
and allowed to wear it.
Awarded the 1st. Order of Merit with the order of
Keikoku-Sho which was given by the Manchurian Emperor
and allowed to wear it.
- 12 Dec 40 Decorated with the 2nd. Order of Merit with the
Order of the Sacred Treasure.
- 4 Apr 41 Appointed as a member of the House of Peers according
to the rule of the House of Peers. Act 1 No. 4
(Cabinet)
- 2 May 41 Appointed as a Councillor of the Overall War Strength
Experimental Station (Cabinet)
- 12 July 41 Appointed as a member of the National Mobilization
Investigation Committee (Cabinet) (Ex. 109 at p 710)

On 26 July 40 Cabinet decided on the "Outline of Japan's Basic National Policy". (1) Basic Policy "The fundamental aim of Japan's National policy lies in the establishment of world peace in accordance with the lofty ideal of HAKKO ICHIV on which the Empire is founded. First of all, it is directed toward the construction of a new order of Greater East Asia built upon a firm solidarity of Japan Manchoukuo and China with this Empire as the center....." (2) National Defence and Foreign Policy. "In the light of the new external and internal circumstances of the Empire, we will so amplify armaments as to ensure the executive of national policy on this basis of a state structure for national defence through manifestation of the nation's total strength.....(Ex 541 at p 6271 & Ex 865 at 8807).

On 27 July 40 a Liaison Conference was held. Although there is no evidence as to who was present HOSHINO probably was by virtue of his office. At this Conference it was decided (inter alia) to foster strong political ties with Germany and Italy, to strengthen diplomatic policy towards the Dutch East Indies in order to obtain important materials and to reform the war time organisation at home. (Ex. 1310 at p 11794)

On 24 Sept 40 "The Outline for the Establishment of Territorial Planning " was decided by Cabinet and on the same date an oral statement by HOSHINO as President of the Planning Board was published in the newspapers. He said"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 planning was to embrace Japan, China and Manchuria the highest object of the planning being placed "on the strengthening of a high degree defence structure for Japan, Manchuokou and China." (Ex. 865 at p 8807).

On 26 Sept. 40 a meeting of the Investigation Committee of the Privy Council was held to review draft of Tripartite Pact between Japan, Germany and Italy. HOSHINO as Chief of the Planning Board was present as an Explainer.

In the course of discussion TOJO said "As far as the Army is concerned, only a part of its strength would be employed in case of war with the United States.....moreover, as regards supplies, we have enough reserved to last for quite a while". The Navy Minister then gave an account of naval supplies. He was followed by HOSHINO who said "We are as yet not complete in the matter of self-supply and self-sufficiency of resources. According to our resources mobilization plan for this year, out of the total amount of Yen 5,000,000,000 worth of material necessary, we must depend on Yen 2,600,000,000 from abroad out of which we must depend on the United States and Britain for Yen 1,900,000,000 worth. However, we are already quite prepared. Regarding Petroleum, particularly gasoline for airplanes with which we were most acutely concerned in the past, we have done a great deal in securing them from various countries with the result that we have a considerable amount in stock. In case the war becomes prolonged, the prospect of obtaining supplies from the Dutch Indies, Saghalien etc. are quite good."

Later in the course of the meeting Councillor Minami said "What is the real meaning of Greater East Asia which recognizes the leadership of our Empire....." To this Foreign Minister Matsuoka replied "By Greater East Asia I mean the area which includes French Indo-China, Thailand, Burma, the Straits Settlement, and the Oceanic Group comprising the Dutch East Indies, New Guinea, New Caledonia etc. Regarding this sphere we have made an understanding that this sphere could be automatically broadened in the course of time. This point is already stated in the records of the treaty negotiations."

Subsequently during the discussions Hoshino said "In our commodity mobilization program, the center of gravity is laid on the items for military purposes. We have, however, paid a good deal of consideration to secure also the necessaries for the civilians living." (Ex. 552 at p. 6350)

Later on 26 Sept 40 a meeting of the Privy Council was held. Hoshino was present as a Committee Member. Tripartite Pact was unanimously agreed to. (Ex. 553 at p. 6379)

On the following day, 27th Sept. 40, Hoshino was one of the signatories of the Imperial Rescript concerning the conclusion of the pact. (Ex. 554 at p 6394).

On 1 Oct 40 by Imperial Ordinance assent was given to the organisation of the Total War Reserach Institute. (Ex. 868A at p 8816)

On 3 Oct 40 a plan "Policy for the Economic Reconstruction of Japan, Manchuria and China" made by Flanning Board was adopted by Cabinet. (Ex. 861A at 8560 and Ex. 865 at p 8807).

On 25 Oct 40 Cabinet decided on certain measures for the Economic Development of Netherlands East Indies. The introductory paragraph reads as follows:-"The inevitability of occurrences in economic affairs attendant on the progress of the New World Order and the priority of our Empire in the Netherlands East Indies based on the Tripartite Pact between Japan, Germany and Italy necessitates making the N.E.I. a link in the Greater East Asia economic sphere under the leadership of our Empire by establishing immediately close economic relations and the general standpoint of co-existence and co-prosperity in connection with which the following measures must now be taken." The measures included (1) making NEI a member of the Greater East Asia Economy, (2) giving Japanese preference and freedom in economic activities in N.E.I. (3) to oust the rights and interests of other 3rd power in N.E.I. and (4) to give Japanese a part in the making and enforcement of domestic and foreign economic policies in the N.E.I. (Ex. 1317 at p. 11837)

On 5 Nov 40 Cabinet Information Board announced that Cabinet Council had decided on summary of program for economic construction embracing Japan, Manchoukuo and China. This was along somewhat similar lines to Cabinet decision of 3 Oct 40. (Ex 462 at p 5278)

It was published in "The Yomui" of 8 Nov 40 under heading of "Outline of Ten Year Plan for Block Economy of Japan - Manchuokou-China". (Ex 2224 at p. 15952)

A Plan of the Planning Board "Outline for the Establishment of a New Labour Structure" was adopted by Cabinet on 8 Nov 40. Cabinet said (inter alia) "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 production power it is intended to establish a new labour system.....Labour shall embody comprehensively and completely its national character, personality and productivity as the war service activity of the people of the Empire....." (Ex 865 at p 8807)

On 7 Dec 40 a plan "Outline for the establishment of a new economic structure" made by Planning Board was adopted by Cabinet. Here again emphasis was based on purposes of "national defence." (Ex. 865 at p 8807)

On 22 Jan 41 a plan "Outline for the Establishment of a Population Policy" made by the Planning Board was adopted by Cabinet. It aimed at a domestic population of 100,000,000 by 1960. It was designed (inter alia) "To ensure the supply of military and labour forces required by a high degree national defence state" (Ex. 865 at p 8807). On 23 Jan 41 this policy was announced in the Japan Times and Advertiser as having been explained by Hoshino, President of Cabinet Planning Board, as having among its aims "to secure adequate manpower for military and economic purposes and to keep the supremacy of Japan over other races in East Asia". (Ex. 1067 at p 9878).

On 14 Feb 41 a plan "Outline of Communication Policy" prepared by Planning Board was adopted by Cabinet. Here again emphasis is laid on military requirements. See para 1(i) 11 (i) 11 (2)(c)(i) and 11 (2)(e). (Ex. 865 at p 8807).

On 25 Feb 41 a further plan for the "Establishment of a Joint Economic Council for Japan, Manchuokuo and China" was made by Planning Board and adopted by Cabinet. It is purely machinery its only present significance lying in the fact that it provided that the President of the Planning Board should be President of the Council. (Ex. 865 at p. 8807)

On 7 Mar 41 Cabinet decided to enforce revised National Mobilization Regulations. (Ex. 1055 at p. 9841)

From 11 June 41 onwards theoretical manoeuvres for total war were carried by Total War Research Institute (Overall War Strength Experimental Station) of which Hoshino was a Councillor. Previously he had been Acting Director of this Institute. The theoretical manoeuvres to a large extent paralleled the negotiations before, the outbreak of and the early conduct of, the war. (Ex. 686A at p 7416 and Ex 870 at p. 8929)

3rd. Period 18 Oct 41 to surrender.

18 Oct 41	Appointed as Chief Secretary of the Cabinet
1 Nov 41	" " Councillor of the Planning Board
15 Nov 41	" " a member of the Government Committee at the 77th Session of the Imperial Diet and thereafter thru 24 Dec 43 as a member thru' 84th Session.
21 Feb 42	Appointed as a Secretary of the Investigation Committee for the Establishment of Greater East Asia.
1 Nov 42	Appointed as a member of a Liaison Committee of the Greater East Asia Ministry.
22 July 44	Relieved of the main duty (? Chief Secretary of the Cabinet) at his own request.
29 Dec 44	Appointed as an Adviser to the Finance Department. (Ex. 109 at p)

HOSHINO attended the Imperial Conference of 5 November where a decision was made to notify Germany and Italy of Japan's intention to start war against the United States and Britain when the present negotiations with the United States break down and war is inevitable (presumed to be 25 November) and as soon as preparations are ready they will open negotiations for participation by the Axis in the war against the United States and for a no-separate peace pact. The advance through Thailand was decided, first passage of troops to be demanded, if this is refused they will advance without it, but Japan will respect Thailand's sovereignty (in regard to decision of Liaison Conference of 1 February) and will try to turn negotiations to her advantage by suggesting the cession in the future of part of Burma or Malaya, this depending on Thailand's attitude. Plan for dealing with International settlements made, and a decision not to declare war against China, but obtain same effect by a declaration of war against the United States and Great Britain. (Ex. 1107, 1163, 1168, 1169, 1170, 1176 at pp 10316-10373).

On 11 Nov 41 at a Liaison Conference the fact that America and Britain had been assisting China and were preventing Japan from bringing about the stability of Greater East Asia were given as the reasons why hostilities should be opened against America and Britain. There is no evidence as to who were present at this Conference but presumably HOSHINO would be by virtue of his position as Chief Secretary of the Cabinet. (Ex. 1175 at p. 10362).

On 28 Nov. 41 "Sixth Committee" of Cabinet was set up for the purpose of discussing and drafting matters concerning economic plans and control centring around the acquisition and development of the resources in the Southern areas (French Indo China, Thailand and other Southern Areas). (Ex. 1331 at p. 11944). On the same date Cabinet approved a plan for placing newspapers on a wartime basis and decided to implement it by an Imperial Ordinance under the National Mobilization Law. (Ex. 1192 at p 1043)

On 30 Nov. 41 HOSHINO was present at Liaison Conference at which note for delivery at Washington on 7 Dec 41 was drafted. (Ex. 1206A & 1207A at pp 10506-13)

On 1 Dec 41 Cabinet approved of text of note drafted by Liaison Conference on 30 Nov 41 (Ex 1202A at p 10482) On the same date HOSHINO was present at Imperial Conference at which it was decided to declare war on United States, Britain and the Netherlands. (Ex. 588 and 1210 at pp 10519 - 23)

On 7 Dec 41 according to Kido's diary HOSHINO visited Kido to consult about the war with United States and England. (Ex 1220 at p 10452)

On 8 Dec 41 HOSHINO was present at meeting of the Inquiry Committee of Privy Council at which Bill for declaration of War against England and America was discussed and approved. (Ex 1241 at p 10690). HOSHINO took part in compilation of Declaration of war. (Ex 1240 at p 10685 and 2225 at p 15962).

On 27 Jan 42 the Total War Research Institute published "Plan for Establishment of Greater East Asia Co. Prosperity Sphere". Among other things it envisaged Annexation of Certain Soviet territory. (Ex. 688A at p 7424 and Ex. 1336 at p 12009).

On 18 Feb 42 a further compilation of the Total War Research Institute planned a Soviet War. (Ex 689A at p 7430)

On 9 October there was a meeting of the Privy Council on the Greater East Asia Ministry at which MINAMI, TOJO, HOSHINO and SUZUKI were present. TOJO made a report and explanation of the draft bill and made a statement to the effect that victory was an absolute necessity for Japan and that in order to achieve this the combined fighting power of East Asia must be strengthened. It was, therefore, desired to establish a Ministry which should be known as the "Greater East Asia Ministry". TOJO then gave his opinion as to the effect of this on foreign countries which was that their misunderstanding would be solved since the draft aimed for the benefit for all, but that close attention should be paid to the alienation of the relative countries. At the fourth meeting of the Privy Council on 14 October, there were present MINAMI and SUZUKI, the question of naming the new Ministry, Greater East Asia Ministry was discussed and SUZUKI approved of this name. The extranormal diplomacy with countries within the Sphere was discussed as well as the intimate relationship between foreign policy and extranormal diplomacy in the areas and it was decided that the new Minister should take charge. At the fifth meeting on 14 October, which MINAMI attended, the relations of Japan with countries in the Sphere and the diplomacy to be used was discussed. The overseas affairs would come under the superintendence of the Foreign Minister. At the meeting on 20 October, MINAMI, SHIMADA, and OKA were present and at the 8th meeting on 21 October MINAMI, TOJO and OKA were present. Record of second conference of Privy Council attended by HOSHINO, MINAMI, SUZUKI and TOJO on 12 October concerning Greater East Asia Ministry-excerpt on Japan's plans for economic advancement by diplomatic

means, last resort would be armed warfare, Greater East Asia Sphere defined as including Kwantung, South Sea Islands, Manchuria, China, Siam, French Indo-China and any new occupation zones relating from Greater East Asia War. (Ex. 687 at p 12070)

On 22nd. July 1944 he resigned as Chief Secretary of the Cabinet.

EXTRACTS FROM KIDO'S DIARY

HOSHINO, Naoki (Chief Secretary to Cabinet)

10.21.41

12.7.41 War U.S.A. and England.

HOSHINO, Naoki

Document File: Case No. 69, Serial 1

Born: 1888

Graduated 1917 from Tokyo Imperial University.

1932-1936 Vice-Minister of Finance, Department of Manchukuo.

1936, Vice General Director, General Affairs Board of Manchukuo.

1937, Director.

1940, July, Minister without portfolio; President Cabinet Planning Board, second Konoye Cabinet.

1941, appointed chief Secretary, Tojo Cabinet.

"March 1941: At this time the most conspicuous leaders were Tojo, Matsuoka, Doihara and Hoshino. In March, the last as Pres. of the Cabinet Planning Board, aided the 'New Bureaucrats' in planning the 'New Economic Structure'. When revealed, it was attacked as 'Marxist' and 'Communist' and plans were abandoned. On 4 April 1941, Konoye ousted Hoshino 'the great exponent of Imperial Socialism'. In Oct. 1941, Tojo made Hoshino (creator of Manchuria's first five year plan and former head of the Cabinet Planning Board which laid the ground work for a totalitarian structure at home), Chief Secretary of the Cabinet.

SOURCE: Tolischus, 'Tokyo Record'.

"Bureaucrat, Chief Cab. Sec. & virtual vice-premier in Tojo's Cabinet 1941-44. Leading role in building up war industries in Manchoukuo. Close collaborator with Army there, known as 'Manchoukuo's Dictator'. Reported founder Concordia Society, modeled on Nazi Party, in Manch. Strong pro-axis, totalitarian views and activities. Drew up plan with KISHI Shinsuke for totalitarian 'New Economic Structure' while Minister without Portfolio in second Konoye Cabinet in 1940. One of designers new GEA Ministry, reported instrumental in founding IRAA. Associate GOTO Fumio and SHORIKI Matsutaro.

"Appears on U. S. War Crimes List prepared by State, War and Navy Depts."

~~Margin~~

He wants to talk with you about this. Also about Terauchi. Got official information that Terauchi is not in bad health but British ~~is~~ are anxious to keep him down there as he is influential with the Japanese army.

FILE NO. 69

4 March 1946

MEMORANDUM FOR: Mr. Morgan

RE: Naoki HOSHINO

A review of File No. 69 in the above captioned matter reflects that HOSHINO was President of the Cabinet Planning Board from 1940 to 1941; Chief Secretary of the TOJO Cabinet; established the IRRA; organized the Concordia Society, and was a close associate of MATSUOKA, DOIHARA and TOJO.

HOSHINO should be included in the first list of defendants.

LEROY H. BARNARD
Major, Infantry
Executive Officer
Investigation Division

DISTRIBUTION:

2 Mr. Morgan
3 File 69

BRIEF

HOSHINO (Naoki)

Age 54

FILE 69

COUNTS OF INDICTMENT: 4, 10, 11, 12, 13

OUTLINE:

Chief of the General Affairs Board in Manchuria during its economic exploitation;
Member without Portfolio in the Second Konoye Cabinet and President of the Planning Board which set up new economic structure for Japan;
Chief Secretary of Tojo's Cabinet.

YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
1932		Director of the General Affairs Bureau of the Finance Department in Manchuria.			
Spring 1936		Vice Minister of Finance in the Manchukuo Government.			
December 1936		Chief of the General Affairs Board of Manchukuo directly under the Premier.			
		General Affairs Bureau was connected with the preparation of the five-year plan "on the financial side."			28 Jan 46 Page 8
		The policies of the Bureau "would be settled by the Prime Minister, the Chief of the Bureau, and the Vice-Chief."			28 Jan 46 Page 9
		There was constant liaison between the Bureau and the Kwantung Army to deal with questions resulting from the Japan-Manchurian treaty. It was "necessary to take the flotation of bonds of Manchukuo up with the head of the Kwan-			28 Jan 46 Page 10

YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
		<p>tung Army" and it was "deemed advisable to obtain the support of the Kwantung Army, who were the most powerful Japanese organization in Manchuria. The support was deemed necessary in order to insure the success of floatation."</p>			
		<p>"The Kwantung Army requested the War Office in Tokyo to lend its support, and the War Office in turn contacted the Finance Ministry in Japan, expressing its approval and requesting full cooperation with Manchukuo."</p>			<p>31 Jan 46 Page 11</p>
		<p>Helped with financial matters in connection with the drawing up of the five year plan. The plan was to coordinate the developments planned by the Manchukuo Government with the development being planned by the South Manchuria Railway Company.</p>			<p>31 Jan 46 Page 16</p>
	4	<p>1932 and thereafter. Japan established a general superiority of rights in favor of its own nationals, which effectively created monopolies in commercial, industrial, and financial enterprises in the Republic of China. This amounted to economic exploitation of Manchukuo.</p>			
<p>July 1940</p>		<p>Minister without Portfolio and President of the Planning Board in the Second Konoye Cabinet.</p>			
		<p>Under his direction as President of the Planning Board there was a "plan made in the Cabinet" which prepared an economic plan for business, manufacturing and industry in Japan which provided that "the industries dealing in the same line should</p>			<p>4 Feb 46 Page 16</p>

YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
		organize and make a solid group, and through this group they should undertake to carry on their duties, and the Government control should be through this group, and the "Government was to nominate the head of the group." This group was "just an association or a sort of medium for holding together. The Government formed a control association and appointed a director and President of the control association.			4 Feb 46 Page 17
		This method of handling the business of Japan continued from November 1940 to the end of the war.			7 Feb 46 Page 8
		The plan envisaged "the development of the resources of Manchuria, China and East Asia in general, since Japan itself did not have all the necessary resources."			7 Feb 46 Page 11
		As Member without Portfolio and President of Planning Board, he voted at Cabinet meetings.			
		Attended Imperial Conference in October 1940 for purpose of approving the triple alliance. The agreement was "settled at the Cabinet meeting, so naturally I did not oppose it."			7 Feb 46 Page 14
8 November 1940		Announcement by Hoshino about a 10-year plan for Greater East Asia.		587	
	10	22 September 1940. Japan entered into agreement with the Government of France (Vichy) providing for immediate landing of a limited number of troops in Indo-China.			

YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
	11	27 September 1940. Japan entered into Tripartite Agreement with Germany and Italy.			
	12	30 November 1940. Japan recognized the independence of the National Government of the Republic of China (puppet) and on same date entered into a Treaty of Basic Relations with this government.			
	13	1 February 1941. Peace signed between French Indo-China and Thailand with Japan as mediator. As a "reward" - by agreement - (1) Japan got a virtual monopoly of Indo-China's production of rice, rubber and coal; (2) Japanese interests obtained a free hand in the exploitation of French Indo-China's natural resources; (3) Japanese military garrisons were established on the border between Indo-China and China proper; (4) Japanese naval base established at Cam Banh Bay; (5) Indo-China allowed Japan free use of all present air bases in French Indo-China.			
April 1941		Resigned under pressure as a result of the opposition to the proposed economic plan for business, manufacturing and industry in Japan.			
October 1941		Chief Secretary of Tojo Cabinet. Between October 23, 1941 and December 8, 1941, attended a number of liaison conferences which members of the Cabinet and the Army and Navy Chiefs of Staff attended. All had an active part in the conferences. At these conferences the big question was the settlement of the difficulties with the United States. Hoshino was opposed to the withdrawal of Japanese troops from China within a specific time limit. The decision for war came during a liaison conference		Togo (see signed statement)	

YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
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on or about November 28, 1941 which Hoshino attended. At this conference there was unanimous agreement to wage war against the United States. On or about November 29, 1941 this matter was referred to Tojo's Cabinet and there was no objection to it. On December 1, 1941 Hoshino attended an Imperial conference and there was unanimous agreement among all present to wage war against the United States. Following the decision for war the question came up at another liaison conference regarding procedure to be taken in connection with war notification. The general feeling of the members of the conference was in support of the Navy's standpoint, which was that the war be started with a maximum effectiveness and that negotiations be left "unterminated" without notification to the United States. However, no definite conclusion was reached on this matter at this conference. Later it was decided that notification be delivered in Washington and that it would take the form of a notice of severance of diplomatic relations. Such form of notice would be in conformance with the spirit of the Hague Treaty and the attack would not be a surprise ("sneak") attack. All attending this conference were aware of the provisions of the Hague Treaty.

December
1944

Adviser to Finance Ministry.

"It is hard to state as to exactly who wrote the document (formal declaration of war acted upon by a Cabinet meeting at the Privy Councilors on December 8): however, being as it does come under the name of the Premier, I did help compile part of it."

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YEAR	INCIDENT	PARTICULARS	WIT- NESS	DOCU- MENT	INTERRO- GATION
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<p>Attended a Cabinet meeting on November 26th at which the "Cabinet members felt that the war would be started by the United States and Great Britain," and at that meeting it was "determined that there was no other alternative except for conflict and, therefore, it was decided that Japan should enter into war first."</p>	<p>Iwanura 26 Feb 46 Page 4</p>
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