

9/2

INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

UNITED STATES OF AMERICA, et al

- vs -

ARAKI, Sadao, et al

AFFIDAVIT

*Exhibit 2463*

I, NAMBA, Tsunekazu, swear on my conscience that the following statement is true to the best of my knowledge and belief.

I entered the Finance Ministry in 1924, right after I had graduated from the political course of the law department of the Imperial University of Tokyo. In 1927, I was appointed the superintendent of the Yokosuka Revenue Office, and in 1929, the superintendent of the Kobe Revenue Office. About September or October in 1932, while I was still in the service of the Kobe Revenue Office as its chief, a request was made by the Manchoukuo Government to select and despatch an official who was best suited for the work in the newly established Monopoly Bureau of that Government. I was chosen by the Finance Ministry for the post, and after resigning from that office, I left Japan on January 2nd, 1933, arriving at Hsinking in Manchoukuo on 11th of the same month. I immediately assumed the duties of my position as the Vice Director of the Monopoly Bureau. At that time, the office of the Monopoly Bureau had already been opened but its organization was unfinished.

A proclamation, concerning the prohibition of opium smoking had been issued by the Prime Minister. The organization of the Monopoly Bureau as well as the Opium Law had also been promulgated. The plan for the setting-up of the Monopoly Bureau was ready, but it was not functioning satisfactorily speaking from the practical point of view.



To quote a hackneyed expression, the form was set up, but it had no body to it. The director of the Bureau was a Chinese by the name of Chiang En-chih. Although he performed his duties as the Director, he was not very familiar with the government work. Therefore, we made a thorough practical study of every measure before it was presented to him for approval. In my position, I worked mostly on the organization and operation of the Bureau.

The organization and mode of operation of the Monopoly Bureau were substantially as follows: The Bureau was organized under the supervision of the Minister of Finance of the Manchoukuo Government and began its first operation mainly under the provisions of the following ordinances. The Organization of the Monopoly Bureau, the Opium Law, and the Regulations Governing the Enforcement of the Opium Law, all of which were promulgated in November, 1932, as well as the regulations concerning the purchase by the Government of opium and the prohibition of private traffic in opium.

In the beginning, it was intended that the Monopoly Bureau should be a general monopoly organization to handle other commodities besides opium; however, only opium was handled for the first few years. It had its Central Office established in Hsinking, with branch offices or sub-branch offices in each city. At first there were only five districts or branch offices, but at the time when Manchoukuo was divided into 16 provinces in 1937, there was an office in each province. Poppy has been cultivated in large quantities from olden times in various districts in China, and the custom of smoking opium is spread very widely creating many addicts. The fundamental rule under the old regime in Manchouria was to strictly prohibit, in principle, the cultivation of opium by law. Therefore, the real fact mentioned above was not fully



Def. Doc. 963

appreciated by foreigners in general. However, the real practice was to cultivate poppy secretly in various districts in Manchouria and the illicit traffic in opium produced in this manner was carried out very extensively. Opium smoking was so widely spread that among families in general there were very few homes belonging to the middle class or upward where opium smoking was not practiced to some extent. I found it rather unusual to see people among the general public, especially among labourers, to say nothing of so-called high officials of the Government and leading business men that did not know opium. I also discovered that this very opium seemed to have been the greatest cause of corruption among those in power such as Government officials and soldiers of every rank as well as influential business men, etc. For example, the illicit sale of opium which was practiced very widely all over Manchuria was done through bribing the authorities concerned. In the case of the secret cultivation of poppy, it is not too much to say that the cultivation was done under the protection of the local authorities concerned, to whom a considerable sum of money was offered in the name of a so-called tax. Under such circumstances, I thought that the evil influence of opium was, besides the poisonous effect brought out by smoking, the vital factor in corrupting those people in power.

Especially, bandits, notorious outlaws of Manchuria, depended upon the cultivation of poppy or traffic in opium as the biggest resources of their income. I was able to confirm the above facts when I conducted a strict anti-opium cultivation campaign throughout Manchoukuo.

I, first of all, will give an outline of the physiological ill effects of opium according to my several years' observation. Generally speaking, those



who are judged to be fairly addicted by opium can hardly bear office work for several hours a day, and especially if manual labour. Whenever the opium loses its effect from head to foot, even if several times a day, they smoke more opium and lie down. Moreover, as is usual with any sort of narcotic, they, once addicted, gradually drift into taking heavier and heavier doses than ever. At this stage, they cannot live without opium.

The Manchoukuoan policy toward opium was, in a word, to establish a strict prohibition principle based on the policy of gradually decreasing opium, in order to make a clean sweep of the long standing evil within the shortest possible time following the establishment of Manchoukuo. Let me enlarge further upon this point. In prohibiting opium, there are roughly two variety of methods. The first is absolute prohibition. It may be called an immediate ban which is a means of absolutely prohibiting people by law from smoking opium and enforcing it by force. The second is to prohibit people, on principle from smoking opium by law but to allow addicts to smoke for the time being and to get their number to decrease by degree. At the same time, every possible means should be employed, of course, to prevent new addicts. And thus smokers were expected to be exterminated in time whether several years or decades hence. This may be called the gradual-decrease-policy. In case of Manchoukuo, she adopted the latter.

The reason for this, briefly stated, was as follows; In Manchuria, as aforementioned, this evil practice was of long standing and prevailed in general. Further, opium of good quality was produced in every part of territory. It was all but impossible to take the first measure under such conditions and, even if enforced, its results would have been obvious. Besides, resorting to a



Def. Doc. 963

heartless and rigid policy would have lead to aggravating corruption of government officials, military men and influential persons in general in the country. That is to say, if strict control should be enforced in a country which had not only a large number of smokers, unable to either work or live without opium but also a great amount in production, it would only prove to further smoking in secret and blackmarketing. Accordingly, it would give rise to political evils of increased incomes or sources of incomes for lawless people. For fear of this, Manchoukuo adopted the latter. And regarding this, after we investigated the various opium treaties and the systems of various states on the problem, we came to the conclusion that the "dimunition policy" was the most appropriate to take, and even for this, to take a method of establishing a stable system and by the strength of the system to decrease gradually the number of addicts. That is to say, we were convinced that the best way was to establish a strict monopoly system and to put entire Manchuria completely in the network of a monopoly and to try to exterminate the taking of opium gradually and steadily. Especially since the monopoly system in Formosa had actually shown it good results, and also since the purport of the International Opium Agreement at Geneva in 1925 consisted of this point. Now, in carrying this "dimunition policy" into effect, we set up a plan which was divided into two periods. In the first period, we aimed at establishing a monopoly system. And one of the stops was where we commenced registering the addicts in all of Manchuria in order to learn their number as quickly and as accurately as possible. Each addict was given a government permit with which he was allowed to buy opium from the Government. Of course those who were under age were not allowed to do so. Hut as for those who were of age and deemed to be fairly



addicted, we had them register according to their declaration without making any strict investigations and laying down rigid conditions. The reason why we did so was because of our apprehension that if we should make a strict investigation or lay down troublesome conditions, they who were supposed to register might avoid it and secretly continue to smoke opium forever. It would be, we thought, more harmful; and if we could not make out the number of addicts, we would never be able to set up a definite monopoly policy. Thus, we were even generous with the quantity of opium which they were allowed to buy, first of all for the purpose of making it easier for them to register and so that they would be able to do so freely. Secondly, the basic subject for us was rigid and thorough control over secret poppy plantations. Opium is not bulky and a small quantity is effective. Therefore, it is extremely difficult to control illicit sales and purchases after it has become a product, while secret plantations can be controlled easily as it is visible to everyone during the several months while it is being cultivated. Therefore, we decided to limit the fields for plantations to a definite region and to thoroughly control secret plantations. Once we gave permission for cultivation, we tried as hard as possible to get the opium into the hands of the Government as completely as possible, in order that the opium product not fall into the hands of the black market. Plantation fields were designated by the chief of the Monopoly Office annually. The cultivator was given a certificate of permission. It was provided by laws and regulations that all opium products were solely to be purchased by the Local Monopoly Office, its branches, and special purchasers designated by the Government. Thus we made effort to purchase opium so that it would not be sold illicitly. Thirdly, was the



Def. Doc. 963

prevention of illicit sales and secret smoking of opium. As for illicit sales, we carried out strict control through customs, railways and other routes and means over which opium produced in the country and imported from other countries would have to pass. Though the Department of Civil Administration was essentially responsible for the general enforcement of the Opium Law, I had hundreds of special supervisors under my direct control in order to prevent violation of the regulations concerning the cultivation, smoking, selling, dealing and transportation of opium, and to check the loading of opium into trains or other transportation facilities. In the earlier period of the opium monopoly system, big offenders were arrested, but there were, I think, a considerable number of those who escaped the "net" of the control also. Of course, such controls had a close relationship with the general condition of public order. In Manchuria where the land is vast and transportation inconvenient, thorough controls were not carried out during periods when public order was inadequate. Then, there were those who had not registered and yet smoked at will. Needless to say we placed them under control. But the control of secret smokers was more difficult and troublesome than that of secret sales and purchases mentioned above. Because if thorough control was to be carried out, it could not be done thoroughly without interfering with every individual home. However, it would rouse the people's dissatisfaction and antipathy to go so far, and in the earlier period it was rather advisable not to investigate strictly to such an extent. Therefore, stress was placed on secret opium smoking establishments namely special shops for smoking opium in secret. These were placed under thorough control from the beginning.

At this time I heard many people blaming us for opium smoking having come



to be allowed openly since Manchoukuo was founded. The cause was as follows: there had been many secret opium smoking houses in every city. All of them were suppressed and replaced by a few retail shops. On the grounds that addicts could suffer if all were simultaneously suppressed, public retail shops were established ----- several in such large cities as Mukden and about one or two in the smaller cities. And there opium smoking was allowed with sanction for the addicts. Those scenes at the public retail shops, no matter how few, attracted the general travelers' attention; whereas secret smoking, no matter how many, did not. That was the reason why such criticisms sometimes occurred. Short-tempered people who did not really comprehend the spirit involved in the first-period policy which aimed at gradual prohibition of the smoking were apt to ensure the policy, picking up only its aspect of official permission for smoking. But such blames were irresponsible and emotional criticisms made by those who did not understand the true state of things. Thus in this manner when the opium monopoly system had been fairly well established, elimination of those elements making profit on opium was next attempted. At first, all Manchuria was divided into several sections and in each of which an opium wholesaler was set up. The Monopoly Local Offices or the Branch Offices which had bought opium distributed the opium for the use of registered addicts at first to the wholesalers who distributed it then to the many retailers in the sections assigned to them. A channel of distribution like this was unavoidable in the earlier period of the monopoly system, but it was not advisable that the distribution of opium be entrusted to such commercial organs forever. In 1934 when the monopoly system was gradually nearing completion, the wholesalers were removed and the monopoly offices sold opium directly to the retailers to prevent



misuse. Further, as the local administrations advanced sufficiently as many as possible retailing organs were transferred to the local administrative organizations, and finally all the retailers were eliminated. As for the control of the smoking itself too, the more the monopoly system developed, the stricter it became. Formerly applications for smoking were approved by the police without full investigation, but in the next stage it was made necessary to submit a doctor's certificate and the quantity of opium to be used limited. But those measures were taken after I resigned in 1937.

Concerning the cultivation of opium-poppy, steps were put into practice that officially approved land for cultivation be designated to a single region as much as possible and if possible to a frontier district; and cultivation in bandit zones, etc. was to be prohibited as much as possible. In the beginning, north-eastern part of Kirin Province and Jehol Province were designated, but later it came to be limited to Jehol Province only. Generally speaking, Jehol Province is a place where grains do not grow well. The seeds of opium-poppy were distributed freely to cultivators, but that was done as one of the means of the control.

We were successful in decreasing poppy-growing on lands not authorized by the Monopoly Office. The case of unlawful growing never increased in number except in 1933 and 1934 when the Monopoly Office was not able to fully exert its control power. Poppy has a distinct feature in that it can not be mixed with such other plants as are intended to camouflage it.

For the purpose of making the selling price of poppies to the government lower, there were cases where taxes were decreased on lands which were used for poppy growing. But we had no intention, in doing so, to encourage poppy-growing.



With the progress of our supervising the growing lands, we redoubled our efforts in exercising a thorough-going control over lands where poppies were secretly raised. In 1935-36 when the Japanese Army and the Manchoukuo Army fought to subjugate bandits, some officials of the Monopoly Office always accompanied them, and whenever a bandit base was occupied by the expedition, invariably they found poppies being secretly grown. We destroyed them completely. A rigorous warning was despatched to each local governor, and in case the secret growth of poppies was discovered within his jurisdiction, he was severely punished. There were cases where it led to the resignation of the Governor of the Heilungkiang Province or the Governor of the Lungkiang Prefecture. Furthermore, purchasing agencies in poppy-growing areas were gradually adjusted and we endeavored to purchase all opium manufactured. But if we hurried in succeeding in our work and made the control of opium excessively strict, secret trade and smoking of opium would come about on the other side. So we had to be moderate. Otherwise, despite the appearance of being improved, the truth might be behind the scenes things were getting worse. This is a point on which we were extraordinarily cautious.

It was after 1937, I think, when as a result of our effort, the opium monopoly system had become firmly established and secret growing and secret trading had almost disappeared from whole of Manchuria. It may be said that, since we reached the stage where we could operate freely and conscientiously a domestic monopoly system which was firmly founded, it was high time for us to deliberate systematically in how to carry out the prohibition policy. Hereupon, the matter as to how many years we should plan to spend in eliminating opium-smokers and addicts posed a very difficult question. If we should proceed with



ll speed, there is the possibility of doing it in ten years. But in order to accomplish it thoroughly and from the specialists point of view it will require a period of thirty or fifty years. Since Manchoukuo was a new state she had very lofty ideals and she decided upon and published a "policy for prohibition in ten years" after she made various studies and carried out numerous discussions. During such a period well-equipped institutions for treatment are, first of all, needed. Not only this, but the strengthening of various movements and propaganda must be carried out vigorously in order that the people may be thoroughly informed of the harms of opium. And in doing so, we needed the understanding and cooperation of the general public. So Manchoukuo set up in each prefecture a hospital to which addicts were admitted, and general propaganda was carried on every year through the Concordia Association. A special directive was issued from the Government that, in case government office or civilian company finds any addicts among its workers including leaders, it must give them leave of absence for a necessary term for treatment, and whoever neglects to take such treatments must be dismissed. Besides this, the Government made the regulations stricter and took drastic measures to leave no room to smoke opium.

At the time we first embarked upon the realization of monopolization, we referred to the example in Formosa and estimated the number of addicts in Manchoukuo at approximately one million, considering it at a little more than 3% of the entire population. Of course this figure will vary according to your standard of addiction and the actual figure might become several times larger if the number of mere smokers are included. But the smokers who became the object of the monopoly system                      the smokers requiring medical treatment were estimated approximately, for the time being, to be one million,



and all preparations were made according to this estimation. Opium-smokers generally take opium three times a day -- in the morning, in the daytime, and at night. These habitual smokers use about two or three chien a day (10 chien equals 1 liang), and more habitual ones smoke about ten times a day, using six or seven chien daily. But the greater number of smokers use only one chien or two a day. Thus it is computed that, on an average, each smoker takes 30 liang a year. So, estimating the yearly ration amount required for one million smokers to be 30 million liang, we set about our work and made the fiscal budget. In the early years, however, opium very often went into the black market because the true meaning of monopoly of opium was not understood and also because cultivating farmers had never been accustomed to compulsory sales to the Government. In order to prevent cultivators from making unauthorized sales to North China, measures were taken to collect and buy at a higher price than there. Despite rigid Government control, however, only a portion of the amount produced could be bought up, and some of it would go in secret to North China, while others went into the black market within the country. So there were indeed several years before we were able to succeed in getting any fairly satisfactory results. During this period the addicts had to be provided with their required amount of opium. In addition, if the Government had no stock equivalent to the total amount required for ration, there was a corresponding decrease in ration. As a result, even the registered smokers would smoke secret opium. So it was quite necessary for the Government to secure the required amount. Such being the case, when the Government was short of stock, it was compelled to import through regular 'channels' from the Kuantung



leased Territory, Korea and even from Iran in one instance make up for the shortage. But the imported amount, as compared to the total required amount, was very small. I held my post from 1933 to 1937, when the registration system had not long been in effect. Any my observation was that it was almost impossible to assume the number of registered smokers to be the actual number of the addicts, so I cannot definitely say that they were decreasing but I am sure that the addicts were not increasing. The only exception was that before the enforcement of the registration system there was an unusual number of smokers who had not yet reached an addiction stage. Such people who could not be called genuine smokers, naturally did not dare register and so came to find it more difficult to get opium than formerly. As a result, such smokers decreased distinctively in number. In other words, the registration system achieved great success in the way of driving away opium from the home. Indeed some of the higher officials - Councillors, Ministers, and Provincial Governors - gave up opium smoking, and the habit of entertaining guests with opium at home disappeared. In the first year or two, the number of the smokers who had been registered by the Government was one-third of that which had first been estimated, namely, less than three hundred thousand to one million. This was because they could not understand what the Government was driving at, and also because even those smokers who were fairly advanced in poisoning had a tendency to get secret opium in some way or other without registering. In addition, they were planning to rely upon



Def. Doc. 963

a considerable amount of unofficial opium, which had been concealed in the country. As the monopoly system was gradually established, however, there was less and less opium to be found in the country and so the addicts had no alternative but to apply to the registration so that they might take opium. Consequently the number of registered smokers increased in the first two or three years. This was not an increase in the actual number of smokers, but a happy tendency of secret smokers learning to apply to the Government. I remember that the registered smokers numbered more than 590,000 at the time of enforcement of the so-called Ten Year Program for the Prohibition of Opium. This figure made it possible for us to grasp how many addicts there were in Manchukuo and brought us to a stage where prohibition policies were to be established. As far as I can remember, we estimated the possible profit to be 5 million yuan a year when we made the first budget. But the profit proved to be only about 360,000 yuan the first year (1932). In the following year the profit was about 1,200,000 yuan but in the fourth year, 1936, it amounted to about 10,000,000 yen, as my memory runs.

The Manchukuo Government managed the income and expenditures of opium in a special account called "The Opium Monopoly Special Account", and on which exact figures were shown in the annual budget and closing account of the Government. Even small amounts of income and expenditures were clearly accounted for.

The above-mentioned profit is the balance of the total sales of opium and the expenses incurred in purchasing and



transporting opium and for the Monopoly Office, all of which are the expenses directly necessary for the opium monopoly. When the police expense for regulating opium is taken from the balance, the amount of profit left would become even smaller.

About 10,000,000 yuan, as best as I can remember, was transferred to the general account in 1936 but compared to the total revenue of the general account it was not more than a small percent of the total.

The increase in profit in opium sale does not indicate an increase or decrease of opium smokers. It can be attributed to the increased sale in quantity and the raised selling price of opium. The more complete the monopoly system became and the more opium addicts registered, the more the sale of opium increased. Therefore this was a favorable sign showing political success in the first stage of the policy for gradually diminishing opium addicts.

My investigation on the statistics on Formosan shows that the registration number of opium addicts suddenly increased in the first several years, but it gradually decreased after the whole absolute numbers of opium addicts neared the number registered. According to our estimate, it was expected that their numbers might reach the highest in 1937 or 38 in Manchukuo and sure enough, such a tendency was shown in 1937, the year I left office.

The increase in revenue had other important causes. One is that the unit price of opium was raised. In the earlier days of the governmental opium monopoly, the Government raised the buying price of opium as a preventive



Def. Doc. 963

of its going into the blackmarket and distributed it to the registered opium smokers at a comparatively cheap price. Later, as the opium monopoly became thorough, the Government raised the price of opium by degrees. The other is the abolition of the wholesale dealer system and the raw opium selling system. Regarding the abolition of the former, I have already explained. As for the raw opium selling system: According to the Government policy formerly pursued, the Government supplied raw opium and had retailers make prepared opium and had it distributed to the registered smokers. It was, however, reformed in 1936 and transferred to the government. According to this, prepared opium came to be manufactured in a Government factory established in Mukden to be distributed to the registered smokers. When raw opium and prepared opium are compared, the latter becomes higher in price by several percent and thus so much of the government's direct revenue increased. Needless to say, it was not for the purpose of increasing the revenue that the Government abolished these two systems. The wholesale dealer system was abolished to prevent middlemen from illicitly disposing opium. The prepared opium system was introduced by the Government to remove such evils as follows: There was a tendency in prepared opium manufacturing, to mix opium ashes or other various impurities with raw opium and to sell such inferior manufactures to the registered smokers. And also a tendency to use the rationed raw opium as a base for narcotics.



Def. Doc. 963

With regard to the control of narcotics, the Manchukuo Government had adopted a policy of rigid control and suppression since the beginning. As the first step, the manufacturing of narcotics was absolutely prohibited in 1932 by order of the Civil Administrative Department. Whenever the control over secret traffic of opium was exercised, the prohibitions of secret traffic of narcotics was also put into force. At this time of opium control movement in 1935, the amount of narcotics confiscated was comparatively larger, as I remember. In 1937 the year the Government launched rigid control on the use of opium after preparation had been duly made, the Narcotics Law, the main point of which was immediate control and suppression, was enacted in parallel with the control opium, and the law prescribed to inflict heavy punishment to any offender.

Before the abrogation of extraterritoriality, a thorough investigation and control was enforced with mutual cooperation among the authorities of Japan and Manchukuo, and as a result, illegal manufacturers have run away to the North China districts. I resigned from the Monopoly Bureau in August 1937.



Def. Doc. 963

Deponent: W.M.R., Tsuneko (ser1)

Subscribed and sworn to before me this 8th day of  
April 1947, in Tokyo, Japan.

(signed)  
BERNARD A. HARGADON  
1st Lt., Inf.  
Administrative Officer  
Defense - Legal Section



Def. Doc. 963

TRANSLATION CERTIFICATE

I, Yukio Kawamoto, of the Defense Language Branch, hereby certify that the foregoing translation described in the above certificate is, to the best of my knowledge and belief, a correct translation and is as near as possible to the meaning of the original document.

(signed) Yukio Kawamoto

Tokyo, Japan

Dated: April 5, 1947