

SECRET

GENERAL HEADQUARTERS
FAR EAST COMMAND
Operations, CIS, G-2
Compilation Branch

APO 500
4 Aug 1947

SUBJECT : ISHIZAWA Yutaka

AGE : 52

PRESENT ADDRESS : 2, 3-chome, Nishi-Ogikubo, Suginami-ku, Tokyo.

PERMANENT ADDRESS: 10, 5-chome, Yanagi Oaza Koriyama-machi, Ikoma-gun, Nara-ken.

FAMILY : Wife Yukiko age 37
Daughters Emiko age 7
Fumiko " 9
sons Yoyoichi age 4
Yukinobu " 3

ACTIVITIES :

1922 Graduated from Tokyo Imperial University (politics).

1923-27 Served in Japanese Embassy, Washington.

1929-33 Secretary, Japanese Embassy, London.

1934 Returned to Japan.
Secretary, Commercial Affairs Bureau, Department of Foreign Affairs.

1936 Consul-General, Batavia; negotiated Japanese-Dutch Commercial Treaty.

1937 Returned to Japan.
Chief, Third Section, Europe-Asia Bureau, engaged in South Sea Affairs.

1940 Consul-General, Batavia.

25 Apr 1942 Returned to Japan.

Jan 1943 Member, Wartime Investigation Office, Department of Foreign Affairs.

Nov 1944- Sep 1945 Chief, South Seas Affairs Office, Greater East Asia Department.

SECRET

Translated by
J. Iwanaga

Checked by Mayumi Otsuka

Personnel Record of

ISHIZAWA, Yutaka

Domicile: Kara Prefecture

Rank: Knight Danurui

Born: 20 July 1896

- | | | |
|-------------|--|-------------------|
| Oct 1921 | Passed the Diplomatic Service Examination | |
| 3 Mar 1922 | Entrusted with
Assigned to business at the Foreign Office;
Granted monthly allowance of ¥85;
Ordered to serve ^{with} at the ^{Temporary} Extraordinary
Peace Treaty Bureau. | Foreign
Office |
| 31 Mar 1922 | Graduated from the Political Department,
Law College, Tokyo Imperial University. | |
| 10 Apr 1922 | Appointed Probationary Consul;
Conferred the 7th Rank of the Higher Civil
Service;
Granted the 3rd Class Salary. | Cabinet |
| 29 Apr 1922 | Conferred the Junior Grade of the 7th Court
Rank. | |
| 16 Jan 1923 | Appointed Probationary Diplomat; | |

(2)

- | | | |
|-------------|--|----------------|
| | Conferred the 7th Rank of the Higher Civil Service; | Cabinet |
| | Granted the 3rd Class Salary; | Foreign Office |
| | ^{Assignment}
Appointed to diplomatic service in America. | do |
| Mar 1923 | Granted the 2nd Class Salary. | Foreign Office |
| Jun 1924 | Granted the 1st Class Salary. | do |
| Dec 1924 | Promoted to the 6th Rank of the Higher Civil Service; | Cabinet |
| | Granted the 2nd Class Salary. | Foreign Office |
| 31 Jan 1925 | Raised to the Senior Grade of the 7th Court Rank. | |
| Jun 1926 | Granted the 1st Class Salary. | do |
| Mar 1927 | Appointed Diplomatic Commissioner; | |
| | Conferred the 6th Rank of the Higher Civil Service; | Cabinet |
| | Granted the 6th Class Salary; | Foreign Office |
| | Ordered to serve at the 2nd Section of
The Information ^{Section} Department. | do |
| 30 Jun 1929 | Promoted to the 5th Rank of the Higher Civil Service; | Cabinet |

(3)

- | | | |
|-------------|--|----------------|
| | Granted the 5th Class Salary. | Foreign Office |
| July 1927 | Raised to the Junior Grade of the 6th Court-Rank. | |
| Dec 1928 | Appointed Third Secretary of the Embassy;
Promoted to the 5th Rank of the Higher Civil Service; | Cabinet |
| | Granted the 2nd Class Salary; | Foreign Office |
| | Resigned appointed to diplomatic service in Britain. | do |
| 13 Aug 1929 | Ordered as a member retinue of the Imperial delegates to the 10th General Conference of the League of Nations held at Geneva, Switzerland. | Cabinet |
| 12 Nov 1929 | Appointed a member retinue of the Imperial Delegates to London Naval Conference. | do |
| 31 Mar 1930 | Granted the 1st Class Salary. | Foreign Office |
| 2 Nov 1931 | Received the Imperial Gift of Silver Cup for meritorious service in concluding the London Naval Treaty. | |

1 Aug 1932

Raised to the 6th Court Rank, Senior Grade.

Nov 1932

Appointed ~~Ordered as an member~~ ^{attendant to} ~~retinue of the~~
~~Imperial~~ ^{Plenipotentiary} ~~delegates~~ to the General
 Armament Reduction Conference held
 at Geneva.

Cabinet.

May 1933

Appointed a ~~member~~ ^{attendant to} ~~retinue of the~~
~~Imperial~~ ^{Plenipotentiary} ~~delegates~~ to the International
 Economic Conference held at London.

do

Jun 1933

Appointed Second Secretary of the Embassy;
 Raised to the 4th Rank of the Higher
 Civil Service;

Cabinet

Granted the 2nd Class Salary;

Foreign
Office

Assigned to diplomatic duty in Britain.

do

do

Appointed ~~as a member~~ ^{attendant to} ~~retinue of the~~
~~Imperial~~ ^{Plenipotentiary} ~~delegates~~ to the General Armament
 Reduction Conference held at Geneva;

Cabinet

Appointed ~~Ordered as an member~~ ^{attendant to} ~~retinue of the~~
~~Imperial~~ ^{Plenipotentiary} ~~delegates~~ to the International
 Economic Conference held at London.

do

1 Nov 1933

(5)

Relieved of duty as ~~member~~ attendant to
~~retinue of the Imperial~~ Plenipotentiary delegates to
the International Economic Conference
held at London.

Cabinet

Translated by Teikichi YAMAMOTO 7-24-47

Checked by Yukio Iatanaka

(1)

- 11/8/33 Relieved of ^{as attendant} ~~The Attaché to the Plenipotentiaries~~
~~Armament Reduction Conference~~
despatched ~~to the General Conference on the Armament Reduction~~
~~Geneva~~ (The Cabinet)
- 4/30/34 Appointed ~~secretary to the Foreign~~
Min. ~~Conferred the 4th Rank of the~~
High official. ~~Salary the 3rd class.~~
(The Cabinet)
- Assigned to ~~the duties with the First Sect-~~
of the Trade Bureau. (Foreign Min)
- 10/6/34 Decorated with the sixth order of the
Sacred Treasure
- 7/1/35 Assigned to ~~the duties with the Third Sect.~~
of the Trade Bureau (Foreign Min.)

11/27/35 Appointed ~~a~~ Consul-General

Conferred the 4th rank of the High Official.

(The Cabinet)

~~Received~~
Salary the 2nd class salary

Assigned to the duties with the Consulate
(Foreign Min.)

General at Batavia ~~Salary the~~

12/26/36 ~~Received the~~ ^{salary} First class (The Foreign Min)

9/1/37 Granted the ~~Junior~~ 5th Court Rank;

10/27/37 Appointed ~~a~~ Secretary to the Foreign Min.

with the 4th rank of the High Official.

(The Cabinet)

~~Received~~
Salary the 2nd class salary

Assigned to the Chief of the 3rd Sect. of

Europe and Asia Bureau (Foreign Min)

11/13/37 Ordered to ^{act as Director} ~~the~~ ~~Manager of~~ ~~Committee~~ (3)
for the Overseas Development Committee.

~~Committee~~ (The Cabinet)

12/27/37 Raised to the 3rd Rank of the Highest
Civil Service ~~Officials~~ (The Cabinet)

~~Increased~~ Salary the 1st ^{Cabinet} Class (Foreign Hon)

10/13/38 Decorated with the 5th Order of the
Sacred Treasure.

5/22/39 Ordered to act as a ^{member} Temporary ~~Committee~~
~~of~~ ~~the~~ ~~Examination~~ of the ~~Applicants~~ for the
Civil Service ^{applicant} ~~High Officials~~ (The Cabinet)

8/2/39 Ordered to act as the Secretary of the Board
for the investigation over the Overseas
Investigation Board.
Development (The Cabinet)

1/16/40 Relieved ~~as~~ ^{member of} the Temporary Committee for the
Committee for

Examination of ~~the~~ Applicants for the
Civil Service ~~applicants~~ (The Cabinet)
High Officials

10/15/40 Appointed Consul-General. Graded
increased
at the 2nd rank of High Official:

(The Cabinet)

Assigned to the Consulate-General at-

Batavia

11/1/40 Granted the Senior 5th Court Rank;

11/4/40 Decorated with the 4th order of the Sacred
Treasure. (Under the provisions of

the regulation NO. KIM NAI HATSU 898

of 5/23/40, this matter was ruled

not ^{to} be published.)

- 5/8/40 Relieved of the duties at Batavia. Not-gazetted (The Cabinet).
 Ordered to work ⁱⁿ ~~with~~ The Foreign Ministry temporarily. Paid the full salary while ~~being~~ on the waiting list. (A personnel in excess, the full strength provided by the 2nd paragraph of the Imp Ordinance No 202 of Sept 1914)
- 4/29/40 Decorated with the 4th order of the Sacred Treasure, for the service in the China Incident.
- 8/15/44 Decorated with the 3rd order of the Sacred Treasure.
- 10/21/44 Raised to the First Rank of the Higher

Civil Service ~~official~~ (The Cabinet)

11/1/44 Appointed ~~the~~ Chief of the Southern

Affairs Bureau of the Great East

Asia Minors. Graded at the 1st

Rank of High ~~official~~ (The Cabinet)

11/18/44 Appointed a ~~member~~ Councilor of the Mission

Min. (The Cabinet)

11/21/44 Appointed a ^{member of the} Committee for the Training

of the Administrative officers for the

Great East Asia. (The Cabinet)

12/1/44 Granted the Junior 4th Court Rank,

12/23/44 Appointed a Cabinet ^{representative} Committee on

the Great East Asia ^{Ministry} Affairs

at the 86th Session of the Imperial Diet.

12/29/44 Appointed a ^{and} Temporary member of the
Enemy's Property Custodial Committee.

(The Cabinet)

8/25/45 Released of the duties ^{upon} ~~of~~ ^{own} request.

(The Cabinet)

9/21/45 Granted the ~~Senior~~ ^{Senior grade} 4th Court Rank,

by ^{no} raising one grade under the
Special Consideration by the Throne.

(Imperial Household Unit)

Report by J. H. Lambert

24 July 1947

ISHIZAWA, YUTAKA

(Refer Ref. Doc. # 1731)

Subject is referred to in Investigative

File no. 99 ser 112 (entered Sugamo)

99 a (discharged from Sugamo)

Report by J. G. Lambert
24 July 1947

ISHIZAWA, Futaka

(Refer Def. Doc. #1731)

Subject is referred to in Investigative

File No. 99 Ser 112 (entered Sugamo)

File No. 99 a (Discharged from Sugamo)

Report by J. G. Lambert
24 July 1947

ISHIZAWA, Yutaka

(Refer Def. Doc. #1731)

Subject is referred to in Investigative

File No. 99 Ser 112 (entered Sugamo)

File No. 99 a (Discharged from Sugamo)

Page

DIRECT EXAMINATION OF ISHIZAWA, YUTAKA

25264 The witness stated that he lived in Tokyo. He identified
25269 exhibit No. 2821 as his affidavit, and verified it. * The affidavit
stated that the witness entered the diplomatic service in 1922.
25270 After the various foreign tours, * he was appointed to the Bureau
of Commercial Affairs in the Foreign Ministry. In 1935 he was appointed
Consul General of Batavia, taking post in January 27, 1936, keeping
office until May 13, 1937. He helped conclude the commerce and economic
agreement of April 9, 1937, with the NEI. In June, 1937, he became
Chief of the Third Section of the Bureau of European and Asiatic Affairs.
In October, 1940, he was again appointed Consul General to Batavia, and
arrived there on November 28. At that time negotiations were in progress
concerning commerce. KOBAYASHI left Java in October, and YOSHIZAWA
25271 arrived at the end of December. The witness assisted him. * The
conference failed, and YOSHIZAWA returned to Japan in June, 1941, the
witness remaining in Batavia.

The witness was at first interned after December 8, 1941, but
was released when the Japanese occupied Java in March, 1942, and returned
in April to Japan. He continued to work in the Greater East Asia Ministry
until the end of the war. The witness was directly in charge of negotiations
concerning relations between Japan and the NEI. In the negotiations of
25272 1940 and 1941, during the early part * the witness was in the Foreign
Ministry and did not negotiate directly with the NEI. However, in his
office he was well acquainted with telegrams, documents, and conversations
later. KOBAYASHI arrived in Batavia on September 12, 1940, and met
Starkenborgh that day. He made it clear that the conference was to
strengthen economic relations through co-prosperity, and requested an
amicable solution. He pointed out the inefficiency of discussing problems
en bloc, and wanted to settle the petroleum question first. Starkenborgh
agreed. At this time the U. S. Commercial Treaty had been abrogated, and
25273 * U. S. pressure had strengthened. Japan now had to import all its
resources from the southern areas. Petroleum was important for national
defense and for supplying home industry. These were the reasons the
negotiations began with this question.

The purchase of petroleum was left chiefly to MUKAI and the oil
companies of the NEI, since they had to make a technical study. At first
there were some differences of opinion, but by October, 1940, an agreement
was reached through Japan's acceptance of the Dutch proposals for the
purchase and sale in one year of 1,185,000 tons of oil, including 120,000
tons of aviation crude, crude lubricants, and other types of crude, and
25274 diesel oil. * While this was not satisfactory in quantity or in quality,
an agreement was reached.

Page

25275 The negotiations between KOBAYASHI and Van Mook, which at first seemed progressing satisfactorily, turned unfavorable, and Japan entered the German Alliance. KOBAYASHI told Foreign Minister MATSUOKA that there was little hope of concluding the negotiations, and left on October 22. However, Japan, especially the Foreign Office, firmly intended to bring the negotiations to an amicable end, and was looking for someone to send as KOBAYASHI's successor. SAITO had requested return as Consul-General, and MATSUOKA decided to send the witness as Consul-General before naming the head delegate to continue negotiations as an associate. MATSUOKA revealed this privately to the witness in October. The witness called on MATSUOKA to discuss the matter with him, and was told that the negotiations aimed to promote economic cooperation with the NEI through respecting the Netherlands sovereign rights, negotiating peacefully, and thereby securing resources for Japan.

25276 * The witness told MATSUOKA that he thought it impossible to conclude this if Japan intended to ally with Germany and assist it, but there was some hope if Japan intended only by the Tripartite Pact to prevent U. S. from entering the European War and would render no positive assistance to Germany. If Japan could convince Holland on this point, there was some hope. MATSUOKA agreed, and the witness agreed to go to Batavia. On arrival, he immediately called on Starkenborgh, Van Mook, and Van Hogstraten, to explain Japan's intention, which they understood.

25277 In the meantime, YOSHIKAWA was appointed head delegate and arrived on December 28. The general proposition was presented to Van Mook on January 16, 1941. * In reality, exhibit No. 1311, which was the so-called Japanese demands, is only a draft. The memorandum of proposal of January 16 is a different document. This memo is in exhibit No. 1309A. The NEI reply was given February 3, 1941, but there were many differences. Preliminary conversations were had between the witness and Van Hogstraten, from February to May. As a result a compromise was drafted by Japan, taking into consideration so much of the Dutch opinion as was possible. A part of this draft compromise is contained in exhibit No. 1309-A.

25278 On June 6, Holland replied with many points of difference, and negotiations were abortive. * On June 17, YOSHIKAWA and the witness called on Starkenborgh and urged reconsideration, but they said there was no room left for it. YOSHIKAWA made up his mind to return. Nevertheless, they suggested publishing a joint communique, because they wanted to keep relations friendly. The joint communique is found in exhibit No. 1309A.

Throughout the negotiations, Japan respected the sovereign rights of Nei, and took a conciliatory attitude to reach economic cooperation.

Page

25279 Exhibit No. 1309-A, stated * that a new proposal is being proposed, that Japan wishes to make it clear that the viewpoint expressed in the preamble of its earlier preamble is firmly held by Japan. The proposal provided that with respect to entry of Japanese employees, the NEI would give favorable consideration to granting speedy permits within the limits of regulations, and to grant at least 1600 per year.

25280 Employees for replacement, extension, and of temporary nature, are not included in this number. * In consideration of the need in various districts, the NEI will allow a certain number of Japanese doctors and dentists, if their object is to practice medical treatment solely on Japanese. Japanese doctors who are permitted to practice in outer regions can extend their medical treatment to other nationalities working for the same employer.

25281 Whenever Japanese submit applications for consent or permission to establish or extend business, alone or with NEI people, the NEI will give favorable consideration, and so far as there are no obstacles of national defense or of reservation or for the subjects of the NEI, they will allow * previous investigations and give their consent. When the consent is given, the NEI will give favorable treatment and facilities for the engagement of employees, for the building of transportation, etc.

25282 The NEI will give favorable consideration, and grant permission for exploration and exploitation of mineral resources. The same is true where Japanese enterprisers apply to participate in the mining in the area reserved by the government. With regard to fishery, the NEI will grant permission on application if there are no special obstacles to national defense, * or need to reserve to NEI, and will give favorable treatment for the employment of people for establishing accessory installations. The NEI will grant permission, in the absence of obstacles, to commerce and other businesses.

25283 Since air service between Japan and NEI will strengthen economic relations, the NEI, with more suitable opportunity, will cooperate with Japan * for opening a direct air service, and will for the time being, cooperate with Japan to improve connections at Bangkok and Saigon.

With respect to telegraphic communication, the NEI will cooperate to lay technically most up-to-date submarine cables, under Japanese management, suitably in the future, but for the time being will cooperate to improve radio connections between Malabar and Japan, and for the use of cable between Yap and Manado.

NARRATIVE SUMMARY OF THE RECORD
 August , 1947
 DEFENSE - Division V - Pacific
 Economic Pressure - ISHIZAWA - Direct

Page

25284 As to coastal navigation, when Japanese submit applications because they feel it necessary to have their own coastal navigation, the NEI will grant permission provided there are no special obstacles. As to coastal navigation already permitted, the NEI will grant permission for increase, and will state they have no intention of making difficult the navigation and coastal trade, which is permitted to engage in the business.

25285 When the Japanese nationals concerned feel it necessary to have certain closed ports open, in accordance with development of Japanese enterprises, they may apply for permission for opening of the ports, and the NEI will grant permission if there are no special obstacles. When Japanese apply for permission to ship products from closed ports, * the NEI will grant it provided there are no special obstacles. The NEI will state that in view of the figures, demands of Japan for NEI PRODUCTS, AND THE INCREASING IMPORTANCE of articles from Japan, that they recognize the importance Japan now occupies and will occupy in the future in NEI foreign trade, and will take certain measures for the year ending 1942.

25286 The quotas or percentages shall be allotted to articles from Japan into NEI. The Japanese importers in the NEI will be given import percentages from ten to thirty per cent. * Unconditional and prompt permission will be given to export to Japan of NEI products mentioned in a list. There shall be no discriminatory treatment on articles imported from or to Japan, but favorable treatment will be accorded.

If neither government gives notice of termination three months before termination, the measure will continue to be operative for successive years.

CROSS-EXAMINATION BY MR. COMYNS-CARR.

25288 The witness stated, when shown a copy of exhibit No. 1311, that the pencil notation explained by MATSUOKA at the Cabinet conference of August 27, 1940, after being approved, was handed to Delegate KOBAYASHI as reference. He stated that he thought this pencil note
 25289 * was correct. At that time he was serving in the Foreign Office in the
 25290 * department dealing with this matter. He did not know who made the notation, but he could say that the matter was so. However, the notation is too simple and does not fully describe the situation. After the Cabinet meeting, MATSUOKA told him that he had explained this demand orally. * He said his explanation was understood by the
 25291 Cabinet. He did not say anything further that they understood. With respect to handing it to KOBAYASHI, he did not hear directly from MATSUOKA, but he did hear from Vice-Minister OHASHI that it was handed to KOBAYASHI for his information or as a reference, not as an instruction.

Page

KOBAYASHI was given full powers, and MATSUOKA had no intention of ordering or instructing KOBAYASHI. The attention of the Court was called to exhibits No. 523, 550, 552, and 1309A to 1323 inclusive.

25294 * The witness stated that his recollection was that MATSUOKA explained to the cabinet only parts of the document. He believed that he explained the entire plan which had been drafted by the authorities concerned.

REDIRECT EXAMINATION BY MR. LOGAN.

25295 * The witness knew why MATSUOKA had instructed KOBAYASHI. He had heard of them prior to his leaving from Ohashi. At that time KOBAYASHI was a Minister of State and Minister of Commerce and Industry. It was rare for a Minister to go as a delegate. Because KOBAYASHI was an active Minister of Commerce in charge of economic problems and because a man of his status was requested to go, he was the most versed and qualified member of the Cabinet, and it was therefore the desire of the Cabinet and MATSUOKA not to issue any instructions to bind him which would make it difficult for him to participate in the negotiations.

25296 * It was also the desire of the Cabinet and MATSUOKA not to give him instructions prior to departure, but to permit him to meet the NEI authorities and engage in free discussions so he might demonstrate his peculiar talents and arrive at an amicable solution. If, after his discussions, the government felt it necessary to issue instructions, then they would be issued. It was felt that the draft plan, as prepared by the department, should be explained in its entirety to the Cabinet to secure their understanding. After that, it was the aim of MATSUOKA to hand the particular plan to KOBAYASHI merely as reference

25297 * but not to issue instructions.

25303 Exhibit No. 2823, a memorandum by the Acting U. S. Secretary
25304 of State, July 18, 1941, stated that the Japanese Ambassador * had called to see him, * and asked that he lend his good office to solve the situation arising from the fact that three Japanese steamers had been held up at the Panama Canal, and six others were now heading for it. Other nationalities were being permitted transit. Welles told him that he would investigate. He further stated that on July 11, the Canal authorities had notified shipping that repairs were being undertaken and that shipping would have to be prohibited for an indefinite period. If other ships were being allowed to go through, they were merchant
25305 * ships carrying material needed for U. S. defense, and he hoped that the Ambassador would agree that this was a logical situation.

Page

25306 Exhibit No. 2824, conversation between NOMURA and Roosevelt, July 21, 1941, stated that Roosevelt * reminded NOMURA that the U. S. had permitted oil to be exported to Japan. This was done because if Japan would have used this as an incentive for moving on the NEI to assure a greater oil supply, and was being done primarily to preserve peace in the Pacific. U. S. citizens were unable to understand why, when they had to curtail use of gasoline the U. S. was sending oil to Japan, which had every indication of pursuing a policy of force in conjunction with Hitler. Roosevelt stated that if Japan attempted to seize oil from the NEI, the latter would resist and Britain would come to their aid, and war would result. In view of the U. S. policy of aiding Britain, there would be a serious situation.

25307 * Roosevelt discussed this question in an informal talk in the White House on July 24, explaining the essential necessity from the standpoint of defense of U. S. and Britain, of preventing war from breaking out in the Pacific. He said that if the U. S. cut off oil supply, Japan would have attacked the NEI and war would have resulted. The U. S. had thus kept war out of the South Pacific.

25308 Exhibit No. 2825, memorandum from Admiral Turner to Admiral Stark, Chief of Naval Operations, July 21, 1941, stated * that NOMURA called on him, and discussed the points which Japan considered essential for an agreement with the U. S. The fundamental basis would be that they would be free to take such steps as required for self-defense. He mentioned that owing to export restrictions and reduction in shipping, Japan's economic position is bad and growing worse. Japan must have access to necessary raw materials, particularly iron, oil, rubber,
25309 * cotton, and food.

The U. S. is constantly supplying greater support to China. If China is left without this support, the Chungking Regime would be unable to continue the Incident, and Japan could withdraw from the greater part of China. The U. S. is improving the Burma Road and supplying airplanes. There are over a hundred U. S. pilots en route from the armed forces of the U. S. Japan must make arrangements to have this support reduced. The British are also contributing more and more to aid the Chungking regime.

25310 He then advised that within a few days, Japan intended to occupy FIC. He did not indicate how it would be made, but it was presumably from an overland march from Hanoi southward. This has * become essential for the immediate security of Japan from attack from the south, and better control over Chungking. It is evident that NOMURA feared that the U. S. would take further action against Japan, economically or militarily, as soon as its forces occupied FIC. It seems that though he did not state so, Japan did not contemplate further move to the south for the time being.

Page

25312 Exhibit No. 2826, memorandum from General Milesto the Chief of Staff, July 25, 1941, stated * that on July 12, Japan announced it would take over control of the capital funds. This apparently discards the past economic set-up and calls for mobilization and distribution of capital to attain maximum production and bolster the defense structure.

25313 This policy is obviously a belated attempt to improve deplorable economic conditions in Japan, which were pointed out in Economic Estimate, Japan, May 27, 1941. * It was noted that the memo was written prior to the receipt of the information on the embargo decision.

25316 Exhibit No. 2827, speech of President Roosevelt, July 25, 1941, stated * that the U. S. for nearly two years, has been trying to prevent the spread of world war in certain areas, one of which is the Pacific Ocean. The U. S. has to get a lot of things from the places there, and they had to help Australia get meat, wheat, and grain for England. It was essential from the U. S. point of self-defense, to prevent a war from starting in the South Pacific. They also, for France, * wanted to keep the line of supplies from Australia and New Zealand going to the Near East. It was therefore essential for Britain to have the peace kept in the Pacific.

Japan, whether they had aggressive purposes to enlarge their empire southward, didn't have any oil in the north. If the U. S. cut Japan's oil off, Japan would have gone to the NEI and there would have been war. There was a method in letting the oil go to Japan, to keep war out of the South Pacific, for the good of the U. S., Britain, and the freedom of the seas, and it worked for two years.

25320 Exhibit No. 2828, message from the Chief of Naval Operations to Admiral Kimmel, July 26, 1941, stated that at 1400 July 26, the U. S. * will impose economic sanctions against Japan. It was expected this will embargo all trade with Japan subject to the licensing system. It is expected that export licenses will probably be granted to certain petroleum products, cotton, and other materials, and import licenses may be granted for raw silk. Japanese assets in the U. S. will be frozen except under license. It is not expected that Japanese merchant vessels will be seized. U. S. merchant vessels will not be ordered to depart from or not enter ports controlled by Japan. Immediate hostile action by Japan was not expected militarily. They are advised to take appropriate precautionary measures. The U. S. intends to call the Philippine Army into active service at an early date. This is to be kept secret except from immediate Navy and Army subordinates.

NARRATIVE SUMMARY OF THE RECORD
 August 9, 1947
 DEFENSE - Division V - Pacific
 Economic Pressure

Page

25322 Exhibit No. 2829, press release from the White House, July 25, 1941, stated that * the president had issued an executive order freezing Japanese assets, as European assets were frozen on June 14. This brings all transactions with Japan under control of the government, and imposes criminal penalties for violation of the order.

This order is designed to prevent the use of U. S. finances and trade in ways harmful to U. S. defense and interest, to prevent the liquidation in the U. S. of assets obtained by conquest, and to curb subversive activities.

25323 At the request of Chiang Kai-shek to help China, the U. S. has frozen Chinese assets in the U. S. This will be administered to strengthen foreign trade in the exchange position of China. The * inclusion of China is a continuation of the government policy to aid China.

25324 Exhibit No. 2830, communication between TOYODA and Grew, July 25, 1941, stated that Japan and Vichy had agreed on July 21, 1941, * concerning the joint protection of FIC. He had wished to notify Grew in advance, so that there would be no misunderstanding in view of the press report that Japan had sent an ultimatum to Vichy. Relations between Japan and FIC had become friendly by the MATSUOKA-Henri Pact of 1940, and other agreements. In view of the fact that it is the common interest of both Japan and France to insure FIC safety and prevent peace disturbance, they have reached an understanding on joint protection. They have received numerous reports that the U. S. would * adopt stringent anti-Japanese economic measures, such as freezing capital and a complete embargo of oil. If this happens, he feared it would be difficult to prevent antagonism among the Japanese against aid to China and the encirclement campaign against Japan which antagonism Japan has carefully repressed. There is a certain element in the U. S. which has an unpleasant feeling against the measure mentioned. From an objective standpoint, the measure is unavoidable for maintaining peace in the Pacific by preventing a more serious aggravation of the Japanese people, which are being excited by the unsatisfactory results of the NEI negotiations and the encirclement campaign.

25326 Exhibit No. 2831, excerpt from Peace and War, stated * that on July 26, 1941, President Roosevelt froze Japanese assets, bringing under U. S. control all financial and trade transactions in
 25327 which * Japanese interests were involved. This brought about a virtual cessation of trade between the U. S. and Japan.

NARRATIVE SUMMARY OF THE RECORD
 August 9, 1947
 DEFENSE - Division V - Pacific
 Economic Pressure

Page

25336 Exhibit No. 2833-A, testimony of Admiral Stark before the Pearl Harbor Investigating Commission, stated * that he had stated to the State Department, that if a complete shut-down was made on the Japanese, throttling her commercial life by stopping her from getting oil, the natural thing for the Japanese was to say they would go and take it. * He recalled that he had many discussions about economic sanctions. He did not recall the particular meeting of July 24, 1941, where it was indicated to the Japanese ambassador that there would be an oil embargo. He did recall the meeting about that period with the ambassador and Welles, when NOMURA stated it was necessary for Japan to secure themselves on certain products in FIC, and Roosevelt proposed that so far as he could, he would try to see that they got food and minimum needs provided they stopped their aggression.

25338 * He did not recall that on the occasion that the president said to the Japanese ambassador, should Japan attempt to get oil by force, the Dutch and British would go to war against her. * Admiral 25339 Stark stated that he did not recall that the president said that if Japan attempted to seize oil from the Dutch East Indies and Malaya the Dutch would resist and the British would come to their assistance and war would result, and in view of U. S. policy of assisting Britain an exceedingly serious situation would result, but it undoubtedly took place, being in State Department records. The embargo went on on the 26th, 40 hours after this.

25340 When asked whether he was informed on that day that the Japanese Military Attache told Ballantine that Japan would have no alternative sooner or later but to go to Malaya and the NEI for their needs, * he stated he did not recall it, but it is in line with the thought he had as to what to do. He felt that the State Department had also agreed with him. His recollection was that there was no difference of opinion between him and General Marshall.

Peace and War stated that practically all realistic authorities have agreed that imposition of economic sanctions or embargoes against any strong country, unless it be backed by a show of superior force, involved serious risk of war. The president, the heads of the army and navy and state department, were in constant consultation.

NARRATIVE SUMMARY OF THE RECORD
 August 8, 1947
 DEFENSE - Division V - Pacific
 Economic Pressure

Page

25,341

On July 22, 1941 Admiral Stark sent a letter to Sumner Wells stating that Roosevelt had asked his reaction on an embargo against Japan. He had had the War Plans Division make a quick study of the problem and had sent it to the President, who asked that it be talked over with Wells. The study * stated that its purpose was to determine the effect that would be produced by an absolute or partial embargo on trade with Japan. Detailed consideration had not been given to trade between the Philippines and Japan.

25,342

In 1940 the value of exports to Japan was \$227,000,000, a decline of \$13,000,000 * from 1938. During the first ten months of 1940 export value advanced due to higher commodity prices and increased demand as a result of curtailment of purchases from Europe. There was sharp recession in export trade during the last two months of 1940 due to export license control on certain products. This wiped out earlier gains. There was sharp decline in machine tools, ferro-alloys and refined copper, while scrap-iron exports became negligible.

25,343

25,344

During the first five months of 1941 the United States exports to Japan were \$47,000,000 as compared with \$91,500,000 for the same period of 1940. Trade has declined steadily from \$11,000,000 in January to \$6,500,000 in May. The principal factor has been the progressively restrictive effect of export control measures. The disappearance of iron and steel products and metal-working machinery which accounted for \$67,000,000 in 1940 was a direct result of the embargo. The sharp drop in purchases of raw cotton during 1940 was the result of other influences. In 1939 Japan purchased raw cotton valued to \$42,500,000; around 1940 it dropped to \$29,500,000. This was due to the large quantity of piece goods on hand in Japan, the relatively high price of American cotton, and shipping requirements. In November 1940 American exports of raw cotton were valued at \$157,000. They have since increased to \$881,000. Luxury items declined due to decrease in purchasing power in Japan and Japanese restrictions on imports. Petroleum exports in 1940 increased by 21% over 1939. Exports for the first five months were \$27,200,000, or 50% of the total for the entire year 1940. This is contrary to the general trend. Reduction in available ship tonnage contributed to the fall in exports. Due to the withdrawal of additional vessels, exports will be even less, regardless of restriction.

Page

25,346

Imports from Japan during 1939 were \$161,000,000, and in 1940 \$158,000,000. In the first four months of 1941 imports amounted to \$40,000,000, an \$8,000,000 decline from 1940, as compared * to a decline in exports of \$37,000,000. Exports exceeded imports from January 1 to April 30, 1941 by only \$500,000 less than usual. One result of export control is the arrival of balance between exports and imports, permitting Japan to pay in kind for all goods sent. Japan may soon become a United States creditor. The item of import showed \$105,000,000 for raw silk. Eight items constituted 76% of United States imports and indicate where curtailment might start.

The most important fields for further restrictions on exports are petroleum and cotton which accounted for 74% and 13% respectively, of the trade in May 1941. It is believed that shutting off United States petroleum will lead to a prompt invasion of the NEI. * While probable, this is not a sure immediate result. Japan knows that wells would be destroyed, and if engaged in a war with Siberia, the necessary forces for southern advance might not be available. Japan has 18 months' supply of oil for war operations. Restrictions of the United States would be accompanied by similar ones by the British and Dutch.

25,348

Restrictions on raw cotton would be serious only if India, Peru and Brazil follow. An embargo on exports will automatically stop imports. It will have an immediate severe psychological reaction in Japan against the United States and will intensify the determination of those in power to continue the present course. It is certain that if Japan took action against Britain and the Dutch she would include the Philippines. It would involve the United States. * Whether she will do this will depend on her situation with respect to Siberia.

Export restrictions would hamper Japan's war effort but not to a large extent since present restrictions are doing this except with regard to oil and raw cotton. The complete embargo would not be very great from a practical standpoint.

Imports will also cease since Japan would have no means to continue her purchases. In 1940 raw silk was 69% of United States imports from Japan. Silk is processed in the United States and is used in industry and munitions. The

Page

25,349 armed services have large stocks and could get along without further imports. They could manage without silk * although its lack would cause considerable dislocation of labor. This would also have an adverse psychological reaction on the part of Japan, although not as great as an export embargo. Other import stoppage would not cause any great hardship to the United States.

25,350 The conclusion is that present export restriction and reduction of ship tonnage for use in trade have curtailed greatly exports and imports. An embargo would hamper Japan's future war effort, but not immediately and decisively. The embargo would result in an early attack by Japan on Malaya and the NEI and might possibly involve the United States in an early war. If war is to be accepted by the United States, action leading to it should, if practicable, be postponed until Japan is engaged in war in Siberia. It may be that Japan has * decided against an attack on the British and Dutch, but has decided to occupy FIC and strengthen her position there, and attack the Russians. If this be the case, the United States could engage in a war in the Atlantic and Japan would not intervene for the time being.

The recommendation of Turner was that Japan be not embargoed. Admiral Stark concurred.

SECRET

GENERAL HEADQUARTERS
FAR EAST COMIAND
Operations, CIS, G-2
Compilation Branch

APO 500
4 Aug 1947

SUBJECT : ISHIZAWA, Yutaka

AGE : 52

PRESENT ADDRESS : 2, 3-chome, Nishi-Ogikubo, Suginami-ku, Tokyo.

PERMANENT ADDRESS : 10, 5-chome, Yanagi Oaze Koriyama-machi, Ikoma-gun, Nara-ken.

FAMILY :
Wife : Yukiko, age 37.
Daughters : Emiko, age 7.
 Fumiko, age 9.
Sons : Yoyoichi, age 4.
 Yukinobu, age 3.

ACTIVITIES :

1922 Graduated from Tokyo Imperial University (politics).

1923 - 27 Served in Japanese Embassy, Washington.

1929 - 33 Secretary, Japanese Embassy, London.

1934 Returned to Japan.

 Secretary, Commercial Affairs Bureau, Department
 of Foreign Affairs.

1936 Consul-General, Batavia; negotiated Japanese-Dutch
 Commercial Treaty.

1937 Returned to Japan.

 Chief, Third Section, Europe-Asia Bureau, engaged
 in South Sea Affairs.

1940 Consul-General, Batavia.

25 Apr 1942 Returned to Japan.

Jan 1943 Member, Wartime Investigation Office, Department
 of Foreign Affairs.

Nov 1944-
Sep 1945 Chief, South Seas Affairs Office, Greater East Asia
 Department.

Incl 18

SECRET

INTERNATIONAL PROSECUTION SECTION
NETHERLANDS DIVISION

31 July 1947

To : Mr. D. N. Sutton
From : A. T. Laverge
Subject: Defense Witness ISHIZAWA, Yutaka

1. At your request I studied the affidavit of Witness ISHIZAWA, Defense Document 1731 and the attached Defense Documents 1731 A through C.
2. The personal data concerning the career of the witness, contained in the affidavit seem to be correct as far as checking was possible. The Investigation Division has no information concerning this witness.
3. The witness is mentioned in Prosecution Exhibits 527, 528, 1327 and 1330. Exhibits 527 and 528 are minutes of a joint conference of Army, Navy and Foreign Office authorities on the strengthening of the coalition with Germany and Italy held on 12 and 16 July 1940. ISHIZAWA was present on both occasions as one of the Foreign Office representatives, but only spoke on two occasions, each time to say that he agreed with the others. Exhibit 1327 is a telegram from ISHIZAWA who was then Consul-General in Batavia, dated 2 September 1941, in which he requests the Foreign Office in Tokyo to send Chinese secret agents to the Netherlands Indies to work among the Chinese population in that country. Exhibit 1330 is a telegram dated 30 November 1941 in which he transmits to all Consuls in the Netherlands Indies a secret order from Foreign Minister TOGO to report all movements of shipping in Netherlands Indies waters from December 1 onwards. Reference is also made to Exhibit 1325 which is a secret report on the organization of the Japanese Intelligence Service in the Netherlands Indies and which shows the important share of the Japanese consular authorities in espionage work.
4. As regards the testimony contained in his affidavit, Defense Document 1731, it will on the whole be sufficient to refer to the Prosecution evidence which has been introduced on this subject. Cross examination, however, might be useful as regards his statement in the third paragraph on page 9 that Prosecution Exhibit 1311 containing demands to be presented to the Netherlands Indies authorities was nothing but a mere draft to which no value should

be attached. Although this was not brought out at the time the Prosecution evidence was presented, this draft was approved by the Cabinet on 27 August 1940 and handed to the Japanese delegate who left for Batavia a few days later. This might be brought out in cross examination and if the witness denies it it can be proved in rebuttal, as one of the documents in our possession contains a note to this effect.

5. Of Documents 1731 A, B and C, which are attached to this affidavit, Documents 1731 B and C are completely irrelevant as they deal with trade and shipping agreements between the Japanese and Netherlands Indies Governments in 1936 and 1937 on which subject the Prosecution has introduced no evidence. Document 1731 A gives the full text of the final demands handed by the Japanese Economic Delegation to the Netherlands Indies authorities in May 1941. The major part of this memorandum has already been introduced in evidence by the Prosecution as part of Exhibit 1309 A but whereas the Prosecution had only given excerpts the Defense has now processed the complete memorandum.
6. As soon as it is decided who, if anybody, will cross examine this witness I hope to discuss this matter with the cross examiner in some more detail. I will also give him a list of the Prosecution evidence refuting the witness's testimony.

A. T. Laverge

29 July 1947

MEMORANDUM FOR: Mr. Sutton ✓
FROM : EDWARD P. MONAGHAN, Chief,
Investigative Division, IPS
SUBJECT : Defense Witness

1. Please find attached hereto list of material available on the following witness and/or witnesses.

DEFENDANT

Witness General

WITNESS

ISHIZAWA, Yutake

LIST OF MATERIAL AVAILABLE

Curriculum Vitae

2. Please acknowledge receipt of this memorandum by initialling and returning attached carbon copy to this office, Room 300.

EPM

Incl
(Described above)

EDWARD P. MONAGHAN

Personnel Record of
ISHIZAWA, Yutaka

Domicile:	Nara Prefecture	
Rank:	Samurai	
Born:	20 July 1896	
Oct 1921	Passed the Diplomatic Service Examination.	
23 Mar 1922	Entrusted with business at the Foreign Office; Granted mouthly allowance of ¥85; Ordered to serve with the Temporary Peace Treaty Bureau.	Foreign Office
31 Mar 1922	Graduated from the Political Department, Law College, Tokyo Imperial University.	
10 Apr 1922	Appointed Probationary Consul; Conferred the 7th Rank of the Higher Civil Service; Granted the 3rd Class Salary.	Cabinet "
29 Apr 1922	Conferred the Junior Grade of the 7th Court Rank.	
16 Jan 1923	Appointed Probationary Diplomat; Conferred the 7th Rank of the Higher Civil Service; Granted the 3rd Class Salary; Assigned to diplomatic service in America.	Cabinet Foreign Office "
31 Mar 1923	Granted the 2nd Class Salary.	"
30 Jun 1924	Granted the 1st Class Salary.	"
26 Dec 1924	Promoted to the 6th Rank of the Higher Civil Service; Granted the 2nd Class Salary.	Cabinet Foreign Office.
31 Jan 1925	Raised to the Senior Grade of the 7th Court Rank.	
30 Jun 1926	Granted the 1st Class Salary.	"

12 Mar 1927	Appointed Diplomatic Commissioner; Conferred the 6th Rank of the Higher Civil Service; Granted the 6th Class Salary. Ordered to serve at the 2nd Section of the Information Section.	Cabinet Foreign Office "
30 Jun 1927	Promoted to the 5th Rank of the Higher Civil Service; Granted the 5th Class Salary.	Cabinet Foreign Office
15 Jul 1927	Raised to the Junior Grade of the 6th Court Rank.	
8 Dec 1928	Appointed 3rd Secretary of the Embassy; Promoted to the 5th Rank of the Higher Civil Service; Granted the 2nd Class Salary; Assigned to diplomatic service in Britain.	Cabinet Foreign Office "
23 Aug 1929	Ordered as a member retinue of the Imperial delegates to the 10th General Conference of the League of Nations held at Geneva, Switzerland.	Cabinet
12 Nov 1929	Appointed a member retinue of the Imperial Delegates to London Naval Conference.	"
31 Mar 1930	Granted the 1st Class Salary.	Foreign Office
2 Nov 1931	Received the Imperial Gift of Silver Cup for meritorious service in Concluding the London Naval Treaty.	
1 Aug 1932	Raised to the 6th Court Rank, Senior Grade.	
21 Nov 1932	Appointed an attendant to the Plenipotentiary to the General Armament Reduction Conference held at Geneva.	Cabinet
17 May 1933	Appointed a attendant to the Plenipotentiary to the International Economic Conference held at London.	"
30 Jun 1933	Appointed Second Secretary of the Embassy; Raised to the 4th Rank of the Higher Civil Service; Granted the 2nd Class Salary; Assigned to diplomatic duty in Britain.	Foreign Office "
"	Appointed an attendant to the Plenipotentiary to the General Armament Reduction Conference held at Geneva;	Cabinet

30 Jun 1933	Appointed an attendant to the Plenipotentiary to the International Economic Conference held at London.	Cabinet
1 Nov 1933	Relieved of duty as attendant to the Plenipotentiary to the International Economic Conference held at London.	Cabinet
8 Nov 1933	Relieved as the attendant to the Plenipotentiaries despatched to the General Armament Reduction Conference held at Geneva.	Cabinet
30 Apr 1934	Appointed secretary to the Foreign Min. Conferred the 4th Rank of the High Official. Salary the 3rd Class.	Cabinet
	Assigned to the First Sect of the Trade Bureau.	Foreign Min.
6 Oct 1934	Decorated with the sixth order of the Sacred Treasure.	
1 Jul 1935	Assigned to the Third Sect. of the Trade Bureau.	"
27 Nov 1935	Appointed Consul-General Conferred the 4th rank of the High Official.	Cabinet
	Received the 2nd Class Salary.	
	Assigned to duty with the Consulate General at Batavia.	Foreign Min.
26 Dec 1936	Received the first class salary.	"
1 Sep 1937	Granted the 5th Court Rank, Junior Grade.	
27 Oct 1937	Appointed Secretary to the Foreign Min. with the 4th rank of the High Official.	Cabinet
	Received the 2nd class salary.	
	Assigned to the Chief of the 3rd Sect. of Europe and Asia Bureau. (Foreign Min.)	
13 Nov 1937	Ordered to act as the Director of the Overseas Development Committee.	Cabinet
27 Dec 1937	Raised to the 3rd rank of the High Civil Service.	"
	Received the 1st Class salary.	Foreign Min.

13 Oct 1938	Decorated with the 5th Order of the Sacred Treasure.	
22 May 1939	Ordered to act as temporary member of committee for examination of High Civil Service applicants.	Cabinet
2 Aug 1939	Ordered to act as the Secretary of the Overseas Development Investigation Board.	"
16 Jan 1940	Relieved as the Temporary member of the Committee for examination of High Civil Service applicants.	"
15 Oct 1940	Appointed Consul-General. Received the 2nd rank of High official. Assigned to the Consulate-General at Batavia.	"
1 Nov 1940	Granted the 5th Court Rank, Senior Grade.	
4 Nov 1940	Decorated with the 4th order of the Sacred Treasure. (Under the provision of the regulation No. KUN NAI HATSU 898 of May 23 1940, this matter was ruled not, to be publicated)	
8 May 1940	Relieved of the duties at Batavia. Not Gazetted.	"
	Ordered to work in the Foreign Ministry temporarily. Paid the full salary while on the waiting list. (A personnel in excess of the full strength provided by the 2nd paragraph of the Imp. Ordinance No. 202 of Sept. 1914)	
29 Apr 1940	Decorated with the 4th order of the Sacred Treasure, for the service in the China Incident.	
15 Aug 1944	Decorated with the 3rd order of the Sacred Treasure.	
21 Oct 1944	Raised to the First Rank of the Higher Civil Service.	"
1 Nov 1944	Appointed Chief of the Southern Affairs Bureau of the Great East Asia Min. Granted at the 1st rank of Higher Civil Service.	"
18 Nov 1944	Appointed councillor of the Munition Min.	"
21 Nov 1944	Appointed a member of the Committee for the	

	Training of the Administrative officers for the Great East Asia.	Cabinet
1 Dec 1944	Granted the 4th Court Rank, Junior Grade.	
23 Dec 1944	Appointed a Cabinet representation on the Great East Asia Ministry Affairs at the 86th Session of the Imp. Diet.	
29 Dec 1944	Appointed a temporary member of the Enemy's Property Custody Committee.	"
25 Aug 1945	Relieved of the duties upon own request.	"
21 Sep 1945	Granted the 4th Court Rank, Senior Grade, by a raise of one grade under the special consideration by the throne.	Imperial Household Min.

24 July 1947

MEMORANDUM FOR: Mr. Sutton ✓
FROM : EDWARD P. MONAGHAN, Chief,
Investigative Division, IPS
SUBJECT : Defense Witness

1. Please find attached hereto list of material available on the following witness and/or witnesses.

DEFENDANT

Witness General

WITNESS

Ishizawa, Yutaka

LIST OF MATERIAL AVAILABLE

Report by J. G. Lambert

2. Please acknowledge receipt of this memorandum by initialling and returning attached carbon copy to this office, Room 300.

Incl
(Described above)

EPM
EDWARD P. MONAGHAN

Report by J. G. Lambert
24 July 1947

ISHIZAWA, Yutaka

(Refer Def. Doc. #1731)

Subject is referred to in Investigative

File No. 99 Ser 112 (entered Sugamo)

File No. 99 a (Discharged from Sugamo)

Translated by
Defense Language Branch



INTERNATIONAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED STATES OF AMERICA, et al.

- vs -

ARAKI, Sadao, et al.

Sworn Deposition (Translation)

Deponent: ISHIZAWA, Yutaka,

Having first duly sworn an oath as on the attached sheet and in accordance with the procedure followed in my country, I hereby depose as follows:

I graduated from the School of Jurisprudence of the Tokyo Imperial University in March, 1922, and immediately entered the Diplomatic Service. I then held office consecutively at the Japanese Embassies in Washington and London, and not long after returning to Japan from London in March, 1934, received appointment to the Bureau of Commercial Affairs. In November, 1935, I was appointed Consul-General at Batavia, and arriving at my post on January 27, 1936, remained in that office until May 13, 1937. During this period, I negotiated with the competent authorities of the Government of the Netherlands East Indies, with a view to cementing commercial relations between Japan and the Netherlands and succeeded in concluding an agreement concerning commercial and economic questions with Dr. G. H. C. Hart, the Director of Economic Affairs of the Government of the

Def. Doc, # 1731

Netherlands East Indies, on April 9, 1937. In June, 1937, I returned to Japan, and in October was ordered to the post of Chief of the Third Section, Bureau of European-Asiatic Affairs. On October 15, 1940, however, I was again appointed Consul-General at Batavia, and, leaving Tokyo on November 3, 1940, arrived at my new post in Batavia on the 23th of the same month. At that time, there were negotiations ⁱⁿ progress concerning the commerce between Japan and the Netherlands. Delegate KOBAYASHI left Java in October, and Ambassador YOSHIZAWA, succeeding KOBAYASHI, arrived at Batavia at the end of December. I assisted him as an associate delegate. Unfortunately, the conference between Japan and the Netherlands failed to reach a conclusion, and Delegate YOSHIZAWA, closing the negotiation, returned to Japan in June, 1941. I remained in the office of the Consul-General at Batavia. After the outbreak of the Pacific War, on December 8, 1941, I was interned at Batavia by the authorities of the Netherlands but, as the Japanese forces occupied Java in March, 1942, I was freed, and, leaving Batavia early in April, returned to Japan on the 25th of the same month. After that I was ordered to work in the Foreign Office temporarily, and served until November 1, 1944, when I was appointed Director of the Bureau of Southern Affairs of the Greater East Asia Ministry. With the termination of the war on August 15, 1945, I tendered my resignation towards the end of the month.

As stated above, I was deeply concerned in the problems between Japan and the Netherlands Indies while in office, and was directly in charge of

the negotiations concerning the commercial relations between them.

1) The Negotiations between Japan and the Netherlands Indies in 1936.

With 1930 as the turning point, the economic relations between Japan and the Netherlands Indies underwent a remarkable change.

The demand of the Netherlands Indies for Japanese textile products and miscellaneous goods showed a remarkable increase in 1930, and Japanese goods were exported to the Netherlands Indies in abundance after that. This situation was at its height in 1933, and our exports to the Netherlands Indies totalled more than ¥ 150,000,000, whereas the exports of the Netherlands Indies to Japan did not exceed ¥50,000,000. In order to correct this disparity of trade, the Netherlands authorities demanded an increase of exports from the Netherlands Indies to Japan particularly sugar. It was, however, the general sentiment on the part of the Japanese Government that this was not possible as Japan was supplying goods of moderate price and excellent quality and it was difficult for the Japanese Government to import a large quantity of sugar from the Netherlands Indies, inasmuch as it intended to meet its own demand of sugar from Formosa. The question of merchant shipping also came up for discussion between Japan and the Netherlands Indies very frequently at the time. Four Japanese shipping companies, the Ishihara Sangyo, the Nanyo Yusen, the Osaka Shosen and the Nippon Yusen, were engaged in the maritime traffic between Japan and the Netherlands Indies, while the J. C. J. L. of the Netherlands participated in the same business. As a natural result, there

arose keen competition among these shipping companies. They engaged themselves in a contest, scrambling for cargoes and reducing freight rates in their competition. Hereupon, the Japanese Government, in its solicitude for the adjustment of trade and shipping relations between Japan and the Netherlands, and for the establishment of economic cooperation between the two countries upon a more solid basis, sent me to Batavia to make negotiations with the authorities of the Netherlands Indies. Then, the Foreign Minister was Mr. HIROTA, Koki, the Undersecretary for Foreign Affairs Mr. SHIGEMITSU, Mamoru, and the Director of the Bureau of Commercial Affairs Mr. KURUSU, Saburo. It was my duty to bring the questions attending the commercial relations between Japan and the Netherlands Indies to an amicable settlement, and I arrived at Batavia as consul-general on January 27, 1936. For about six months after that, I negotiated with Director of Economic Affairs HART patiently, in accordance with the spirit of mutual concession, succeeding at last to conclude the HART--ISHIZAWA Agreement. Both Governments undertook, in this agreement, to make efforts to import as much goods and commodities from each other as the circumstances allowed, and also to accord fair treatment to the merchants of the respective countries residing in each other's territory. I drafted the text of the agreement, and advised the Foreign Minister to accept it. There were not a few people in Japan, at that time, who severely denounced the Foreign Office and myself for concluding this agreement, but the leaders of the Foreign Office boldly accepted the agreement, regardless of all such vigorous objections.

As to the question of merchant shipping, neither of the Government of Japan and the Netherlands was directly concerned with it. It was left to the negotiations between the Japanese shipping companies and the J.C.J.L. The four Japanese shipping companies were very much superior and were arrogant in the negotiations with the Hutch Company and there was little hope of its successful conclusion. I set about rendering my service in the capacity of a private person, as I was well aware that the commercial relations between Japan and the Netherlands Indies would not be smoothed out unless the question of maritime traffic was amicably settled, and succeeded in concluding an agreement between the shipping companies of both countries living up to the spirit of mutual concession.

In short, the leaders of the Government, especially those of the Foreign Office, held fast to the policy to solve the problems between Japan and the Netherlands Indies peacefully. I only acted at Batavia in accordance with that policy, and attained an amicable compromise.

2) The Negotiations between Japan and the Netherlands Indies in the Years 1940-1941.

During the first part of these negotiations, I was serving at the Foreign Ministry and accordingly I was not directly in charge of the negotiations with the authorities of the Netherlands Indies. Nevertheless, conducting the business concerning the Southern areas as the Chief of the Third Section of the Bureau of European-Asiatic Affairs, I was well acquainted with the progress of the negotiations through telegrams and documents and through conversations later with the members of the delegation

there.

Our delegate KOBAYASHI arrived at Batavia on September 12, 1940 and met Governor-General STARKENBORGH on that same day. He made it clear, on that occasion, that the conference was to be held with a view to strengthening the economic relations between Japan and the Netherlands Indies through the spirit of co-prosperity, and requested that the Governor-General endeavour to effect ~~an~~ amicable conclusion to the negotiations. He, further, pointed out the inefficiency of discussing various problems en bloc, and expressed his desire to settle the petroleum question first of all. The Governor-General agreed to it, and they began with the petroleum question.

The Japanese-American Commercial Treaty had already been abrogated by this time, and the economic pressure of the United States against Japan was being gradually stiffened. Japan, which had thus far been depending upon the United States for petroleum and other important resources, had now to import all these resources from the Southern areas. And petroleum was especially important, either from the standpoint of national defense or from the necessity of supplying the home industries, and Japan was especially uneasy about it. For such reasons, the negotiations were begun with the question of petroleum. With respect to the purchase of petroleum, it was left chiefly to the negotiation of Mr. MUKAI, who had been put in charge of the oil business by the Japanese, and the oil companies of the Netherlands Indies, as it was necessary to make a technical study of the ability on the part of the Netherlands

Indies to provide petroleum. In the beginning of the negotiations, there were some differences of opinions between the two parties, but by the middle of October, 1940, an agreement ^{was} reached through the acceptance by the Japanese side of the proposals of the Dutch side of the purchase and sale for 1 year of

120,000 tons of aviation crude oil

100,000 tons of crude oil for lubricants

540,000 tons of other types of crude oil

116,500 tons of Diesel oil

and a spot sale of 33,000 tons of aviation volatile oil. Though this was not of satisfactory quality as well as not enough in quantity, the Japanese side acceded to the proposals of the Netherlands, and signed thereto.

In the mean time, the negotiations between our delegate KOBAYASHI and Dr. VAN MOOK, the representative of the Netherlands Government, which looked at first as though it would progress satisfactorily, took an unfavourable turn upon Japan's entering into an alliance with Germany and Italy. Delegate KOBAYASHI offered his opinion to Foreign Minister MATSUOKA that there was little hope of conclusion of the negotiation, and returned to Japan, leaving Surabeya on October 22.

But, the Japanese Government, especially the Foreign Office, had

firm intentions to bring the negotiations to an amicable conclusion, and was looking in vain for a person of state minister class to succeed Mr. KOBEYASHI as the Japanese delegate. Meanwhile, there was a request by Consul-General SAITO to return to Japan on the grounds of ill-health. Hereupon, an idea occurred to Foreign Minister MITSUOKA to appoint me Consul-General at Batavia prior to deciding the head delegate, and have me continue the negotiations with the Government of the Netherlands in my capacity of associate delegate.

It was at the beginning of October that the Foreign Minister privately revealed this idea of his to me. I thought it was necessary to ascertain the aim of the Government, especially the intention of Foreign Minister MITSUOKA, and called upon him at his private residence at Sendagaya to discuss the matter with him. He told me that the negotiations in question between Japan and the Netherlands was aimed at promoting the economic cooperation between Japan and the Netherlands Indies through respecting Netherlands' sovereign rights, negotiating peacefully, and securing thereby the acquisition of the resources necessary to Japan. Thereupon, I told the Foreign Minister that I considered it impossible to see a successful conclusion of the negotiation between Japan and the Netherlands Indies if Japan intended to ally with Germany, the enemy of the Netherlands, and assist it positively, but there was some hope of successful conclusion, if Japan intended, by concluding the Tripartite Pact, only to prevent the United States from participating in the European war and at the same time

rendering no positive assistance to Germany, and if Japan could convince the Government of the Netherlands on this point. The Foreign Minister confessed that he was of the same opinion. Thereupon, I made up my mind to accept the appointment, and start for my new post at Batavia.

As soon as I arrived at Batavia, I called on Governor-General STARKENBOUGH, head delegate Dr. VAN MOOK and associate delegate Dr. VAN HOGSTRATEN to explain the intention of the Japanese Government. They all understood the Japanese stand well. Meanwhile, in Japan, Mr. YOSHIZAWA Kenkichi, was appointed the head delegate, and the plenipotentiary arrived at Batavia on December 23. And the general proposition, apart from the petroleum question, was presented to Dr. VAN MOOK on January 16, 1941.

The prosecution has produced and read in court the so-called Japanese demands from the Netherlands Indies Government as Pros. Doc. No. 2748A (2) (Exhibit 1311). But, in reality, this document was nothing more than a mere draft, "The memorandum of general proposals presented by the Japanese delegation to the Netherlands Indies Government on January 16, 1941, was another and different document. The said memorandum, contained in Exhibit 1309A (Pros. Doc. No. 2611), was read to the Court on December 4, 1946. The reply of the Netherlands Indies Government to these proposals was given on February 3, 1941 but there were many differences with the Japanese views. Preliminary conversations were held, therefore, between Dr. VAN HOGSTRATEN and myself, exchanging views with each other,

during the period from February to May, 1941. As a result of these conversations, a compromise was drafted by the Japanese Government, taking into consideration as much of the opinion of the Netherlands Government as possible into it, and was submitted to the Netherlands Government. A part of this draft compromise was contained in Exhibit No. 1309A.

On June 6 we received the reply of the Netherlands Government, which had many points of differences with our and the negotiation proved abortive. On June 17, 1941, Plenipotentiary YOSHIZAWA and I called on Governor-General STARKENBORGH (Dr. VAN MOOK and Dr. VAN HOGSTRATEN were also there in his company) to urge reconsideration on the part of the Netherlands Government. The reply was, however, that there was no room left for reconsideration. Mr. YOSHIZAWA, hereupon, made up his mind to return to Japan. Nevertheless, we suggested the publishing of a joint communique, because we considered it desirable to take proper measures to maintain the friendly relations between Japan and the Netherlands Indies even on leaving Batavia and showed a draft. To this, the Governor-General agreed, and the joint communique was published. (see Page 37 of Exhibit 1309A)

Throughout the negotiations, the Japanese Government respected the Netherlands' sovereign rights and took a conciliatory attitude consistently with a view to reaching an agreement which would promote the economic cooperation between Japan and the Netherlands Indies.

Def. Doc.# 1731

On this 5th day of June, 1947, at Tokyo.

(Signed) ISHIZAWA, Yutaka (seal)

Sworn to and subscribed before me on the abovementioned date and place.

Witness: (Signed) NIHRO, Katsumi (seal)

OATH

In accordance with my conscience I swear to tell the whole truth withholding nothing and adding nothing.

(Signed) ISHIZAWA, Yutaka (seal)

Def. Doc. # 1731-B

Exh.

MEMORANDUM

For the purpose of promoting trade relations between Japan and the Netherlands Indies, Mr. Y. Ishizawa, Japanese Consul-General at Batavia, and Dr. G.H.C. Hart, Director of Economic Affairs of the Government of the Netherlands Indies, have concurred in the following terms with the explicit understanding that the same shall be itemized in a formal agreement to be concluded at an early date between the Government of Japan and the Netherlands:

- I. A. The Japanese Government will do their utmost to further the importation of Netherlands-Indian products into Japan.
 1. With regard to sugar:
 - a. the Japanese Government state hereby concerning the future sugar production in Japan (including Formosa, Japan proper, the prefecture Okinawa, the South Sea Islands etc.) that, according to their recent investigation, they expect the production will not be able to keep pace with the increase of home consumption, and they further state hereby that, regarding Formosa, which stands in the most important position in relation to Java sugar, the Japanese sugar

Exh.

2. In their endeavours to further the importation of other Netherlands-Indian products the Japanese Government will induce those concerned to pay special attention to copra, karok, coffee, palmoil, tobacco, maize, timber, damar, copal, other resins and rattan.

3. With the same object in view the Japanese Government will take into favourable consideration a reduction of import duties on Netherlands-Indian products, especially the duties on vegetable oils and fats and a consolidation of tariffs on sugar and other goods which are important for the Netherlands Indies, so far as it is compatible with the Japanese general tariff policy.

B. The Japanese Government will promote:

1. That Netherlands exporters established in Japan, who have already become members of export-associations or who within six months after the conclusion of this agreement declare their willingness to become members thereof, shall receive export licenses on equal footing with Japanese nationals;
2. that the export-associations will confer with the Netherlands exporters to find a satisfactory solution concerning the possibility of increasing

Exh.

goods to be imported is other than the Netherlands, provided that and so long as the effectuation of the importation of the said quota can be sufficiently promoted by other means;

3. The Netherlands Indian Government will take into favourable consideration:

a. the Japanese request that, concerning the goods, which are at present allowed to be imported into the Netherlands Indies from any country, the present situation with regard to the Japanese interests will be maintained as much as possible, in so far as this is compatible with the Netherlands-Indian and Netherlands interests.

b. the granting of an equitable share to Japan, whenever a new ordinance to restrict imports is brought into effect.

4. The Netherlands Indian Government, who have since 1934 voluntarily granted to Japanese importers the so called "maximum 25% share" of the total available amount of licences for restricted import commodities, are prepared:

a. to continue this practice as long as it is compatible with the Netherlands Indian and Netherlands interests;

Def. Doc. # 1731-B

Exh.

with the contents or with the spirit of this agreement.

- IV. In case circumstances prevailing at the time of the conclusion of this agreement or circumstances having influenced the attainment thereof are found modified or are expected to be modified in the near future, either party reserves the right to communicate with the other party in order to come to an understanding concerning a supplementary regulation of the mutual trade relations.
- V. The agreement shall come into force 10 days after the signature of the agreement and remains in force until the 31st day of December 1938. In case neither of the two Governments shall have given notice to the other three months before the said date of their intention to terminate the agreement, it shall continue operative until the expiration of three months from the date on which either of the two Governments shall have given notice of termination to the other.

Done in duplicate and initialled at Batavia on the 9th day of April 1937.

Y. Ishizawa

Japanese Consul-General
at Batavia.

G.H.C. Hart.

Director of Economic Affairs
of the Government of the
Netherlands Indies.

Def. Doc. #1731-C

Agreement between the JAVA-CHINA-JAPAN LIJN N.V. of AMSTERDAM (J.C.J.L.) represented by Jhr. C. F. J. Quarles van Ufford and the NANYO KAIUN KABUSHIKI KAISHA of TOKYO (N.K.K.K.) represented by Mr. H. Terai for working the trade between Japan (Chosen and Taiwan not included) and the Netherlands East Indies and Vice-versa.

1. It is agreed between the parties hereto that the trade from Japan (Chosen and Taiwan not included) to the Netherlands East Indies, and from the Netherlands East Indies to Japan (Chosen and Taiwan not included), shall be worked by them in accord, subject to the terms and conditions herein set forward.
2. Subject to exceptions provided in clauses No. 4 (four) and 5 (five), of the total amount of freight on cargo carried by each party from Japan (Chosen and Taiwan not included) to the Netherlands East Indies and vice-versa, less rebate, transshipment charges, and charges to or from transshipment ports, a proportion of 30 percent (thirty percent), shall be retained as carriers' allowance, and the balance of 70 percent (seventy percent) shall form a pool to be divided as follows:
from Japan (Chosen and Taiwan not included)

	<u>J.C.J.L.</u>	<u>N.K.K.K.</u>
to Java ports & Macassar	35 $\frac{3}{4}$ % (thirty five & three quarter percent)	64 $\frac{1}{4}$ % (sixtyfour & one quarter percent)
to Palembang	50 % (fifty percent)	50 % (fifty percent)
to Padang	50 % (fifty percent)	50 % (fifty percent)
to Manado	50 % (fifty percent)	50 % (fifty percent)
to K.P.M. ports, as defined in clause No. 5 (five), with transshipment	60 % (sixty percent)	40 % (forty percent)

from Netherlands East Indies to Japan (Chosen and Taiwan not included):

	<u>J.C.J.L.</u>	<u>N.K.K.K.</u>
from Java ports & Macassar	40 % (forty percent)	60 % (sixty percent)
from Palembang	50 % (fifty percent)	50 % (fifty percent)
from Padang	50 % (fifty percent)	50 % (fifty percent)
from Manado	50 % (fifty percent)	50 % (fifty percent)
from K.P.M. ports, as defined in clause No. 5 (five), with transshipment	60 % (sixty percent)	40 % (forty percent)

should ports in the Netherlands East Indies, other than Java-ports, Macassar, Palembang, Padang, Menauo, Balia-Papan and Oosthaven, be called at direct, the share of each party in the total nett freight-earnings on poolcargo to and from such ports will be divided between both parties according to percentages to be mutually agreed upon. It is understood that the freight-earnings of the Nippon Yusen Kaisha on poolcargo in the trade from Japan to Manado, and vice-versa, after deductions having been made as specified above in this clause, are included in the share of 50 % (fifty percent) of the Manado-trade, which is allotted to the N.K.K.K. The nippon Yusen Kaisha will be invited to join the pool-arrangement on this basis, as far as the Manado-trade is concerned.

3. This pool is to commence as from the 1st July, 1936.
4. Lumber, timber (except ebony wood), bullion, explosives and "open rate" cargo such as coal, livestock, refrigerated cargo and mail are not to be included in the pool accounts provided for in this agreement. However in case of enquiries, both parties will consult each other, and if possible such cargo will be booked for the steamer (s) which is (are) best situated and has (have) sufficient time and space available to load

Def. Doc. #1731-C

and carry the cargo.

Note: However, the nett freight on sugar to be included in the pool.

5. Through cargo other than transshipment cargo to or from K.P.M. ports is not to be included in the pool accounts provided for in this agreement. K.P.M. ports are ports in the Netherlands East Indies which are not called at by J.C.J.L. and/or N.K.K.K.
6. Should any steamer, chartered or owned, belonging to either party but not trading on the routes referred to in this agreement, take cargo either from Japan to the Netherlands East Indies or from the Netherlands East Indies to Japan, the freight on the cargo shall be returned to the pool as provided for in this agreement, except as otherwise stipulated in clause No. 11 (eleven).
7. Should any steamer be lost before completing her voyage, her nett earnings shall rank in the pool.
8. Accounts of the pool shall be made up every quarter, and as soon as possible after the end of each quarter the figures shall be determined and the division thereupon made.
 - A. The term "quarter" is the period between the 1st January and 31st March; 1st April and 30th June; 1st July and 30th September; 1st October and 31st December, respectively, in each year.
 - B. A ship shall be considered to belong to that quarter and be included in that quarter's accounts, in which she left the port of Kobe or last previous port in Japan if not calling at Kobe, on her voyage for the Netherlands East Indies, or the port of Sourabaya, or last previous port in the Netherlands East Indies if not calling at Sourabaya, on her voyage to Japan.

It is understood that all cargo loaded previously or subsequently to the sailing from Kobe or Sourabaya respectively shall be included in that ship's account. In case of unavoidable delay a ship shall be ranked to belong to that quarter in which she was scheduled to leave Kobe or Sourabaya respectively.

- C. Within one month after departure of each vessel from her last loading port each party will file with the Conference Secretary at Batavia for the Netherlands East Indian/Japan trade, and with the Conference Secretary at Kobe for the Japan/Netherlands East Indian trade a Manifest and a statement of all pool-cargo loaded by such vessel, indicating ports of shipment, transshipment and destination, number and description of packages, contents, weight, and/or measurement, rate of freight, gross freight earnings, rebates, transshipment charges, share of the K.F.M. and nett freight earnings.
- D. For the trade from the Netherlands East Indies to Japan and for the trade from Japan to the Netherlands East Indies separate pool-statements will be drawn up by the Conference-Secretaries. These pool-statements to be made by the Batavia-Secretary, will comprise the nett freight-earnings of both parties on all pool-cargo from the Netherlands East Indies destined for Japan, and those to be drawn up by the Kobe-Secretary, will comprise the nett freight-earnings of both parties on all pool-cargo from Japan destined for the Netherlands East Indies.
- E. Each party upon having received these pool-statements undertakes to examine same without delay, and as soon as having been found correct by them, payment shall be made by the party overearning to the party underearning of the amounts due. These payments will take place as far as the trade Netherlands East Indies/Japan is concerned at Batavia in cash in Dutch currency, and

Def/ Doc. #1731-C

for the trade Japan/Netherlands East Indies at Kobe in Japanese currency within 15 days after the pool-statements in question have been accepted by both parties, failing which interest at the rate of 4% per annum will be charged from the 15th day until date of payment.

9. Each company shall be responsible for the amount of freight called for by bills of lading.
10. Concerning the calling at ports other than Java ports and Macassar, and other than main ports in Japan, and also as regards the number of sailings to such ports, each party shall maintain the "Status quo". If the requirements of trade or other circumstances should require the incidental or regular calling at other so-called "outports" in the Netherlands East Indies or Japan, or if the number of sailings to the outports called at under the "status quo" should have to be increased or decreased, such extra calls, or increased or decreased sailings, can only be arranged after mutual consultation and by mutual consent. It shall be decided according to the merit of the circumstances whether a pool shall be formed and whether the shares of each party in the pool provided in clause No.2 (two) shall be revised, on account of such extra calls or sailings increased or decreased as mentioned above.
11. Both parties shall undertake to supply sufficient tonnage to meet the requirements of the trade and to carry their respective shares of the trade as stipulated in clause No.2 (two). When one of the parties is unable to supply the tonnage as above required, the tonnage may be supplied by the other party, by mutual consent. Cargo so carried shall not be considered as "over-carried cargo", and shall not be included in the accounts of the pool. When both parties require additional tonnage to meet the demands for cargo offering, and it is found necessary to charter for this purpose,

Def. Doc. #1731-C

the profit or loss of such chartering shall be shared by the parties in the proportions provided for in clause No. 2 (two) for the division of the pool.

Chartering shall be arranged in consultation with the Agents at Kobe or Batavia, a preference being given to steamers of the parties if available at current rate. All earnings and expenses from the time of such chartering to the expiration thereof shall be included at current rates of exchange as fixed by the Agents of both parties in mutual consent.

12. The Agents of the parties at Kobe and Batavia shall respectively form a local Conference to cooperate in all matters affecting their joint interests, and the rate of freight and rebate on the cargo both from Japan to the Netherlands East Indies and vice-versa shall be fixed by such Agents in concert, and shall be the same by both parties.
13. Rate of freight and rebate shall not be altered without the consent of both parties.
14. The same tonnage scale of weight and measurement shall be adopted by the parties at all ports.
The system of weighing and measuring of cargo, as well as the customary facilities to be allowed in the trade shall be arranged after mutual consultation and by mutual consent.
15. This agreement shall come into force as from the 1st July, 1936, (inclusive) and shall continue in operation until 30th June, 1939. Either party shall be at liberty to determine it on the latter date by previously giving to the other six months' notice in writing. Failing such notice having been given by either party, this agreement shall continue from year to year until not less than six months' notice

Def. Doc. #1731-G

in writing has been given by either party to the other before January 1st in any year.

16. Any dispute or claim which may arise out of this Agreement which cannot be disposed of by the J.C.J.L. and N.K.K.K. themselves, shall be referred to two arbitrators (for arbitration at Batavia or Kobe, as provided herein after), one to be appointed by each party or in the event that the arbitrators cannot agree then to an umpire to be mutually agreed upon and appointed by the arbitrators or in the event that the arbitrators cannot agree upon the appointment of an umpire then the President of the highest Civil Court having jurisdiction over the place of the arbitration shall be requested to appoint an umpire and in either event the findings of the arbitrators or their umpire as the case may be shall be final and binding upon the parties hereto.

The party requesting an arbitration shall signify to the other party in writing the arbitrator nominated by the requesting party and call upon the other party likewise to nominate its arbitrator within fourteen (14) days. If such term expires without result the Competent Court having jurisdiction over the place of the arbitration as hereinafter provided shall be requested to nominate the arbitrator of such other party and both parties shall be bound by the arbitrator so nominated.

The venue of an arbitration arising out of any dispute whatsoever Concerning the Japan to Netherlands East Indian trade shall be Kobe.

The venue of an arbitration arising out of any dispute whatsoever concerning the Netherlands East Indian to Japan trade shall be Batavia.

Def. Doc. #1731 -C

All costs of any arbitration held in accordance with this clause shall be borne by the party declared at fault by such arbitration or in the event of a partial fault the costs shall be borne as provided by the decision of the arbitration.

Dated, Kobe, this second day of October nineteenhundredthirtysix.

JAVA-CHINA-JAPAN LIJN N.V.

NANYO KAIJUN KABUSHKI KAISHA.

.....

.....

Jhr. C. F. J. Quarles van Ufford

H. Terai

General Far Eastern Representative.

Managing Director.

Def. Doc. #1731-C

C E R T I F I C A T E

I, Tetsuo SHIOTSUKI, Chief of Archives Section, the Nanyo Kaiun Kabushiki Kaisha, hereby certify that the document hereto attached in English consisting of 7 pages and entitled "Agreement between the Java-China-Japan LIJN N.V. of Amsterdam (J.C.J.L.) represented by Mr. C.F.J. Quarles van Ufford and the Nanyo Kaiun Kabushiki Kaisha of Tokyo (N.K.K.K.) represented by Mr. H. Terai for working the trade between Japan (Chosen and Taiwan not included) and the Netherlands East Indies and Vice versa" is a document which is in the custody of the Nanyo Kaiun Kabushiki Kaisha.

at Tokyo

Date : 10 June, 1947

/S/ Tetsuo, SHIOTSUKI

Witness : /S/ Masaru, TAKATSU

Def. Doc. #1731-4
Exh. 1309-4

Memorandum.

In reconsideration of the memorandum with the Japanese Delegation presented to the Netherlands Delegation on the 16th Jan, 1941, they herein present to the Netherlands Delegation the following new proposal. They wish to make it clear, however, that the Japanese viewpoint expressed in the preamble of the above-mentioned memorandum is firmly held by the Japanese Government.

1. The entry of Japanese Nationals.

(a) With regard to the entry of Japanese employees, when employers concerned apply for labour permits for their employees, the Government of the Netherlands Indies will give favourable consideration for speedy granting of as many permits as possible, as far as circumstances allow, within the limits of existing regulations, and the permits to be granted will be at least 1600 per annum.

(b) Employees, for whom their employers apply for labour permits in order to replace existing employees, and employees for whom their employers apply for the extension of labour permits, and those whose purpose of entry is of temporary nature, are not included in the number cited above in the paragraph (a).

(c) In consideration of the necessity in various districts, the Government of the Netherlands Indies will permit, as a whole,

1. The entry of Japanese Nationals.
a certain number of Japanese doctors (including dentists) to enter the

(a) With regard to the entry of Japanese employees, when employers concerned apply for labour permits for their employees, the Government of the Netherlands Indies will give favourable consideration for speedy granting of as many permits as possible, as far as circumstances allow, within the limits of existing regulations, and the permits to be granted will be at least 1600 per annum.

(b) Employees, for whom their employers apply for labour permits in order to replace existing employees, and employees for whom their employers apply for the extension of labour permits, and those whose purpose of entry is of temporary nature, are not included in the number cited above in the paragraph (a).

(c) In consideration of the necessity in various districts, the Government of the Netherlands Indies will permit, as a whole, a certain number of Japanese doctors (including dentists) to enter the Netherlands Indies, if their object is to practise medical treatment solely to Japanese residents.

(a) With regard to the entry of Japanese employees, when employers concerned apply for labour permits for their employees, the Government of the Netherlands Indies will give favourable consideration for speedy granting of as many permits as possible, as far as circumstances allow, within the limits of existing regulations, and the permits to be granted will be at least 1600 per annum.

Def. Doc. #1731-A
Exh. 1309-A

who are permitted to practise medical treatment to Japanese employees working for Japanese enterprises in outer regions, can extend their medical treatment, when necessary, to employees or servants of other nationalities working in the same enterprises.

II. Enterprise and business.

Whenever Japanese nationals concerned submit concrete applications for consent or permission for establishment or extension etc. of various enterprises and businesses, either in own account or in joint account with Netherlands enterprisers, the Government of the Netherlands Indies will give favourable consideration to the said applications and, as far as there are no special obstacles owing to the reasons of national defence or to the necessity of reservation for the subjects of the Netherlands Indies, they will allow previous investigations, which are deemed necessary for the execution of their plans, and will give consent or permission for the said establishment or extension etc.

When the said consent or permission has once been given, the Government of the Netherlands Indies will give favourable treatment and necessary facilities as much as possible for the engagement of employees the building up of transportation equipments and other needed establishments etc.

(a) With regard to the mining, when Japanese enterprisers apply for the permission for exploration and exploitation of mineral resources, the Government of the Netherlands Indies will give favourable consideration thereto and will grant required permission, as far as there are no

Def. Doc. #1731-A
Exh. 1309-4

special obstacles.

The same will be the case when Japanese enterprisers apply for the permission for exploration or exploitation according to article 5A of the Mining Law in order to participate in the mining within the area reserved for the Government.

(b) With regard to the fishery, when concrete applications for permission are submitted by Japanese nationals concerned, the Government of the Netherlands Indies will grant permission, provided that there are no special obstacles owing to the reasons of national defence or to the necessity of reservation for the subjects of the Netherlands Indies, especially for the natives, and they will give favourable treatment and necessary facilities for the engagement of employees working for Japanese fisheries as well as for the establishment of accessory installations necessary for the operation of the said fisheries etc.

special obstacles.

With regard to commercial and other businesses, when applications are submitted by Japanese nationals, the Government of the Netherlands Indies will grant permission, provided that there are no special obstacles, the Mining Law in order to participate in the mining within the area and also concerning warehouse business and others, which are already reserved for the Government, subjected to the Business Regulation Ordinance, they will give favourable

(b) With regard to the fishery, when concrete applications for permission are submitted by Japanese nationals concerned, the Government of the Netherlands Indies will grant permission, provided that there are no special obstacles.

are no special obstacles owing to the reasons of national defence or to III. Traffic and communication.

the necessity of reservation for the subjects of the Netherlands Indies.

(a) From the viewpoint that the development of air services between especially for the natives, and they will give favourable treatment and Japan and the Netherlands Indies will greatly contribute to the strengthening necessary facilities for the engagement of employees working for Japanese

- 3 -

fisheries as well as for the establishment of accessory installations necessary for the operation of the said fisheries etc.

special obstacles.

With regard to commercial and other businesses, when applications

The same will be the case when Japanese enterprisers apply for the permission for exploration or exploitation according to article 5A of the Mining Law in order to participate in the mining within the area reserved for the Government, subjected to the Business Regulation Ordinance, they will give favourable

Indies will grant permission, provided that there are no special obstacles,

the Mining Law in order to participate in the mining within the area and also concerning warehouse business and others, which are already

reserved for the Government, subjected to the Business Regulation Ordinance, they will give favourable

(b) With regard to the fishery, when concrete applications for consideration to each case, when concrete applications are submitted

Def. Doc. #1731-A
Exh. 1309-A

of economic relations between both countries, the Government of the Netherlands Indies will, at a suitable opportunity in the future, cooperate with the Japanese Government for the opening of direct air service between Japan and the Netherlands Indies, but, for the time being, will cooperate with the Japanese Government for the improvement of connection between Japanese and Netherlands aeroplanes at Bangkok, Saigon and other places.

(b) With regard to the telegraphic communication between Japan and the Netherlands Indies, the Government of the Netherlands Indies will cooperate with the Japanese Government for laying of technically most up-to-date submarine cables under Japanese management, in order to establish a safe and efficient means of communication, at suitable opportunity in the future, but, for the time being, they will cooperate with the Japanese Government for the improvement of the radiotelegraphic connection between Malabar and Japan as well as for the utilization of the submarine cable between Yap and Menado.

(c) With regard to the coastal navigation, when applications are submitted timely by existing Japanese enterprisers, who feel the necessity of their own coastal navigation owing to the growth of their enterprises, and also when applications are submitted at the beginning as a part of their whole plans by new Japanese enterprisers, who foresee the necessity of their own coastal navigation, the Government of the Netherlands Indies will grant permission, provided that there are no special obstacles owing to the reasons of national defence.

Def. Doc. #1731-A
Exh. 1309-A

The Government of the Netherlands Indies state that, with regard to the coastal navigation already permitted to Japanese nationals, when Japanese nationals concerned, feeling the necessity of the increase in number of or in tonnage of ships, apply for the permission for the said increase, they will grant permission, provided that there are no special obstacles, and they further state that they have no intention to make difficult the navigation and the coastal trade of the ship, which is already permitted to engage herself in the said businesses.

(b) When Japanese nationals concerned, feeling the necessity to have certain closed ports opened for special products or for general trade, in accordance with the development of Japanese enterprises or the increase of products or the furtherance of trade between Japan and the Netherlands Indies, apply for the permission for opening of those closed ports, the Government of the Netherlands Indies will grant permission provided that there are no special obstacles.

(c) When Japanese nationals concerned, feeling the necessity of Japanese ships to call at closed ports for the shipment of products destined for Japan, apply for permission to that end, the Government of the Netherlands Indies will grant permission, provided that there are no special obstacles, and they will treat the matter as promptly as possible.

IIII. Trade and commerce.

The Government of the Netherlands Indies State that, in view of the circumstances that the demand of Japanese industries on the products of the Netherlands Indies is rapidly increasing and the increasing import

Def. Doc. #1731-A
Exh. 1309-A

of Japanese articles will contribute towards the promotion of the welfare of the people of the Netherlands Indies, they recognize the importance of the position Japan is now-occupying and will occupy in the future in the foreign trade of the Netherlands Indies, and will take the following measures to be effected for one year ending.....1942.

1. (a) the quotas and or the percentages as shown in the attached Tables I and II shall be allotted to articles to be imported from Japan into the Netherlands Indies.

(b) Japanese importers in the Netherlands Indies shall be given import percentages ranging from ten to thirty percents according to the kinds of articles.

2. Unconditional and prompt permission shall be given for the Exportation to Japan of the products of the Netherlands Indies mentioned in the attached list.

3. with regard to the import duties, export taxes, surtaxed and official prices (including the prices in the Price List), not only no discriminatory treatment shall be given to the articles imported from and or exported to Japan, but also favourable treatment shall be accorded to them.

V. In case neither the Government of Japan nor the Government of the Netherlands will give notice to terminate the above-cited measures three months before the expiration of the period of one year as mentioned above, the said measures will continue

Def. Doc. #1731-A
Exh. 1309-A

to be operative for successive years, unless notice will be given three months before the expiration of each year.

14 May 1941.

Def. Doc. #1731-A
Exh. 1309-A

to be operative for successive years, unless notice will be given three months before the expiration of each year.

14 May 1941.

Ref Doc # 1731-A

C E R T I F I C A T E

Statement of Source and Authenticity

I, HAYASHI, Kaoru, Chief of the Archives Section, Japanese Foreign Office, hereby certify that the document hereto attached in English consisting of 7 pages and entitled "Memorandum." is an exact and true copy of an official document of the Japanese Foreign Office.

Certified at Tokyo,

on this 4th day of June, 1947.

/S/ K. Hayashi (seal)

Witness : /S/ K. Urabe